



June 17, 2024

Via electronic mail: [mariamil@pa.gov](mailto:mariamil@pa.gov)

Maria L. Miller  
Office of Chief Counsel  
Department of Revenue  
Dept. 281061  
Harrisburg, PA 17128-1061

Re: Regulation #15-463, Payment Methods for Obligations Due the Commonwealth

Dear Ms. Miller,

On behalf of the Pennsylvania Institute of Certified Public Accountants (PICPA) and our nearly 20,000 members, I am writing with comments regarding the Pennsylvania Department of Revenue's proposed regulation #15-463, *Payment Methods for Obligations Due the Commonwealth*. The PICPA is a professional CPA association working to improve the profession and serve the public interest in Pennsylvania. Founded in 1897, the PICPA is the second-oldest CPA organization in the United States, as well as one of the largest. Membership includes practitioners in public accounting, education, government, and industry.

The proposed update is nominally being made to extend the electronic payment mandate to all tax types for obligations of \$1,000 or more, with exceptions for certain personal income tax payments and inheritance tax payments, as well as other obligations paid through the Department of Revenue. However, a regulatory analysis indicates that the proposed rulemaking is essentially rewriting and reorganizing the current regulation. As such, we have identified a problematic situation.

We are concerned that there is a lack of criteria for the abatement of penalties, which is specified in the existing regulations. It is noteworthy that "abatement" is only mentioned in Section 5.15(b), which states, "Errors committed by the person, the payor, or third parties ... are not justification for the abatement of interest or penalty."

We propose that the regulation be amended to include a "reasonable basis" clause for the abatement of penalties under specific circumstances, such as:

- Taxpayers acting in good faith who make unintentional errors or face exceptional circumstances.
- First-time payment of a new type of tax.
- Payments made while the taxpayer is making reasonable efforts to register and set up accounts.
- Voluntary disclosure agreements.
- Foreign (non-U.S.) taxpayers whose banking systems do not readily conform to traditional U.S. processes.
- Taxpayers who are out of the country without access to the internet.
- Circumstances where the taxpayer reasonably relies on an authorized third party to process payments and initiates such transactions in a timely manner prior to the payment due date, notwithstanding the language in Section 5.15(b).

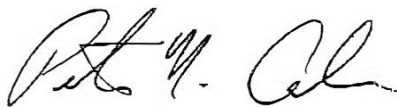
The above grounds for abatement would offer a fair and equitable solution to taxpayers who encounter unavoidable or unforeseen difficulties. Additionally, it is crucial that there be grounds for abatement without the need to file a petition with the Board of Appeals, which adds unnecessary cost and complexity.

IRS Form 8948 is designed to specify why a taxpayer cannot file electronically or needs to submit a federal tax return on paper. Perhaps the Department could introduce a similar method for taxpayers who face specific obstacles or an inability to comply with EFT or ACH options, allowing them to make required tax payments in a non-electronic manner. Implementing such a provision would offer a proactive solution to prevent the issuance of penalties, benefiting taxpayers and streamlining the process for the Department.

The PICPA strongly urges the inclusion of these criteria to ensure that the tax system remains fair and reasonable for all taxpayers.

Thank you for the opportunity to provide comments. We welcome the chance to discuss these concerns in more detail.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter N. Calcara". The signature is fluid and cursive, with a large initial "P" and "C".

Peter N. Calcara, CAE  
Vice President, Government Relations

cc: Independent Regulatory Review Commission