

# MATTERS OF APPEAL

## A McCord Treasury Update on the Board of Finance and Revenue

July 9, 2012

Pennsylvania Treasury | [www.patreasury.gov/bfr.html](http://www.patreasury.gov/bfr.html)



### Message from Treasurer Rob McCord

Welcome to the first edition of *Matters of Appeal*, a McCord Treasury update on the Board of Finance and Revenue (BF&R). As State Treasurer, I serve as the board's chair, and I am committed to efficient, productive, and transparent operations in all areas, including BF&R. This board, for which Treasury has administrative and budgetary responsibility, receives appeals about state taxes.

When I came on board at BF&R, I quickly realized there was room for improvement when it came to openness and efficiency. The changes we have already implemented are just the start of our ongoing effort to modernize BF&R and make it more accessible and transparent to people and businesses. One change of which I am particularly proud is the creation of the taxpayer advocate position (see page 3).

In *Matters of Appeal*, we will update the public on our work to improve BF&R at minimal cost to the Commonwealth. Your feedback is valuable — so please do contact us at [bfr@patreasury.gov](mailto:bfr@patreasury.gov).

Yours in service,

Rob McCord, State Treasurer  
Chair of the Board of Finance and Revenue

### HOW PA'S TAX APPEAL PROCESS WORKS

**STEP 1:** Taxpayer files an appeal with the Department of Revenue's Board of Appeals.

**STEP 2:** If dissatisfied with the ruling, the taxpayer appeals to the Board of Finance & Revenue, whose six members hear the appeal and render an opinion.

**STEP 3:** The taxpayer can appeal a BF&R opinion to Commonwealth Court.

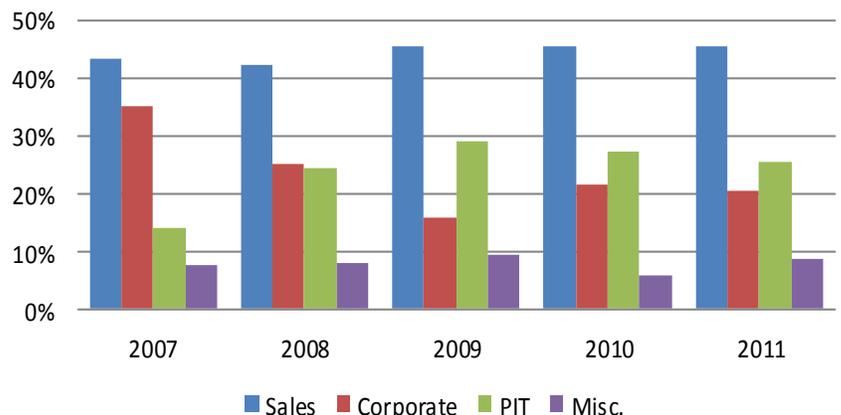
**STEP 4:** An appeal can reach the Pennsylvania Supreme Court.

### How BF&R Works for You

Since January 2009, BF&R has handled:

- **13,070 appeals**
  - 6,062 sales tax appeals
  - 2,531 corporate tax appeals
  - 3,011 personal income tax appeals
  - 1,468 misc. tax appeals
- **1,680 cases** argued before BF&R
- BF&R granted relief in **59% of appeals** decided on the merits

### Appeals Filed with BF&R by Year



## Tax Appeals Filing Deadlines

If your tax liability is unpaid, you are generally required to appeal:

- To the Department of Revenue's Board of Appeals (BOA) within 90 days of assessment mailing date.
- If dissatisfied, to BF&R within 90 days of mailing date of BOA Decision and Order.
- If dissatisfied, to Commonwealth Court within 30 days of mailing date of BF&R Order.

or

If your tax liability is paid, you are generally required to appeal:

- To BOA within three years of a tax payment.
- If dissatisfied, to BF&R within 90 days of mailing date of BOA Decision and Order.
- If dissatisfied, to Commonwealth Court within 30 days of mailing date of BF&R Order.

*NOTE: For payments made as a result of an audit, assessment, determination, settlement, or appraisal, taxpayers only have six months from the date of the associated notice to file with BOA. Please contact BF&R with specific questions.*

## How to File an Appeal with BF&R

BF&R prefers (but does not require) the use of its [standard petition form](#) (available in hard copy from BF&R). A separate petition must be filed with BF&R for each tax type for which a request for relief is made. Specific instructions on how to complete the [standard petition form](#) are included in the document.

Each petition must include an affidavit signed by the Petitioner (not the representative, even if they have a Power of Attorney), in which the Petitioner affirms that the petition is not made for the purpose of delay and that the facts therein set forth are true. If the Petitioner is a corporation or other similar entity, the affidavit must be signed by one of the principal officers, an authorized employee, or a member of the corporation or entity. The affidavit must be notarized by a Notary Public. Please note that notarization of the affidavit is not required for appeals under \$100 or for appeals of property tax/rent rebates.

A petition may be filed by mail or hand-delivery to:

The Board of Finance and Revenue  
Riverfront Office Center  
1101 South Front Street, Suite 400  
Harrisburg, PA 17104-2539

A petition may also be filed by fax (717-783-4499), provided the original notarized petition form is mailed to BF&R within 10 business days.



After a petition is filed with BF&R, the docketing section sends a confirmation letter (and an affidavit, if not notarized as requested) to the Petitioner or his representative. The petition is then processed and sent for review to a BF&R staff member. After discussions with the Petitioner, the staff member drafts a brief summarizing the case, which is then provided to each BF&R designee prior to the hearing.

Each Petitioner has an opportunity for oral argument before BF&R, or instead may choose to have the Board base its decision on submitted evidence. After careful consideration of the facts and submitted evidence, the Board votes on the matter and drafts a decision explaining its legal conclusion. The decision will be sent to the Petitioner or his representative via Certified Mail no later than six months after the petition filing date.

## BF&R Taxpayer Advocate — Working for You

The staff at BF&R provides support and assistance to taxpayers who file appeals, but Treasurer McCord recognized the need for a designated staff member to provide a deeper level of customer service. To that end, he named BF&R administrative officer Rachael Bell as the Board's first Taxpayer Advocate.

In this new role, Rachael will help resolve confusion, track down lost documents, and help as needed throughout the appeals process.

Taxpayers filing an appeal with BF&R can contact Rachael at **(717) 787-2974**.



## 2012 Upcoming Hearing Dates

- July 31 and August 1
- August 28 and 29
- September: No meeting
- October 2 and 3
- November 6 and 7
- December 11 and 12

Videoconferencing is available each month on the second day of hearings. Contact BF&R at (717) 787-2974 for more information.

## Board of Finance & Revenue: What We Do

The Board of Finance and Revenue is an administrative tax appeal board that hears and decides appeals involving tax matters, including sales and use tax, corporate tax, personal income tax, and other miscellaneous taxes. The Board is comprised of the State Treasurer (chair of the board), Auditor General, Attorney General, Secretary of Revenue, Secretary of the Commonwealth, and the Governor's General Counsel. BF&R is generally the second level of appeal for Pennsylvania tax decisions, reviewing decisions of the Department of Revenue's Board of Appeals (BOA). BF&R, unlike BOA, is granted by statute equitable power to achieve the "right result."

BF&R selects financial institutions to hold Commonwealth money and it sets the interest rate those institutions must pay the state for those deposits. It also processes liquid fuels tax refunds for various entities permitted by law such as farmers, volunteer fire and ambulance service companies, municipalities, and nonprofit schools. BF&R is committed to providing all "customers" with attentive and thorough service, including taxpayers, businesses, agricultural producers, school districts, political subdivisions, nonprofits, state government agencies, and the Commonwealth Court system.

## Upcoming Improvements to BF&R

In coming months, Treasurer McCord and his staff will continue to roll out ways to make BF&R a more efficient and customer-friendly agency. Most notably, new regulations are in development to more clearly define appeal procedures and modernize the appeal process.

Efforts are also underway to streamline appeal review procedures and reduce appeal processing time. BF&R is developing a system to "fast-track" property tax/rent rebate claims so that citizens with disabilities, older Pennsylvanians, and other vulnerable taxpayers receive their funds sooner.

To expand access to hearings, BF&R plans to update its teleconferencing capabilities. Work is underway to expand the [BF&R web site](#), including the posting of board-approved timely opinions (with confidential taxpayer information redacted). Also in development is a new taxpayer-friendly petition form, which appellants can complete and submit online.

BF&R welcomes suggestions on how to improve or enhance its services. Please share via email – [bfr@patreasury.gov](mailto:bfr@patreasury.gov) – and include "Suggestions" in the subject line.

## How BF&R Hearings Work

Hearings are generally scheduled two days per month, always on a Tuesday and Wednesday at 9 a.m. BF&R offers videoconferencing from Pittsburgh and Erie. Hearings via videoconferencing are only scheduled on the Wednesday of the preset hearing dates. To learn more, contact BF&R at (717) 787-2974.

Hearings include oral arguments by the Petitioner or representative. Oral arguments are limited to five minutes, as the Board already knows the facts and issues of the appeal. A decision will not be issued from the bench. In most instances, a decision is mailed by the following Friday via Certified Mail.

## Board of Finance & Revenue: Who We Are

Rob McCord, State Treasurer (Chair) | Jack Wagner, Auditor General | Linda Kelly, Attorney General  
 Dan Meuser, Secretary of Revenue | Carol Aichele, Secretary of the Commonwealth  
 Stephen Aichele, Governor's General Counsel

### BF&R Staff

*Secretary of the Board*  
 Jacqueline Cook

*Docketing*  
 Joan Karlavage, Supervisor

*Supervising Counsel*  
 Timothy P. Loftus (Corporation Tax)  
 Thomas W. Watson (Sales/Misc. Tax)  
 Robert Kolb (Personal Income Tax)

*Liquid Fuels*  
 Diane Fetters, Supervisor

*Taxpayer Advocate*  
 Rachael Bell

### CONTACT BF&R

**Subscribe to *Matters of Appeal*:**  
[www.patreasury.gov/bfr.html](http://www.patreasury.gov/bfr.html)

#### By mail:

Board of Finance and Revenue  
 Riverfront Office Center  
 1101 South Front Street, Suite 400  
 Harrisburg, PA 17104-2539

#### Hours of operation:

Mon.—Fri., 8:00 a.m. to 4:30 p.m.

#### By phone:

Tax Appeals: (717) 787-2974  
 Liquid Fuels: (717) 787-6534  
 Taxpayer Advocate:  
 (717) 787-2974

#### By fax:

(717) 783-4499

#### By email:

[bfr@patreasury.gov](mailto:bfr@patreasury.gov)

#### Online:

[www.patreasury.gov/bfr.html](http://www.patreasury.gov/bfr.html)

### Directions to BF&R

The Board of Finance and Revenue  
 Riverfront Office Center  
 1101 South Front Street, Suite 400  
 Harrisburg, PA 17104-2539

***Please note that some GPS navigational units lead drivers to 1101 South Front Street in Steelton, PA, and not to 1101 South Front Street in Harrisburg, PA.***



The Riverfront Office Center (ROC), also commonly referred to as the PennDOT building, is located on the east shore of the Susquehanna River just south of the Interstate 83 bridge (South Bridge). From I-83, take the Harrisburg – 13th Street Exit (Exit 44-A) and follow the blue and white signs for the PennDOT customer service center. If coming from the north or east, merge onto 13<sup>th</sup> Street. If coming from the west or south, make a left onto 13<sup>th</sup> Street at the traffic light. From 13th Street, make a right onto Sycamore Street at the second traffic light. Go straight through the next traffic light. This will take you to the ROC/PennDOT building.

Once at the ROC, use the entrance located in the middle of the building. You will need to produce picture identification to register with building security. BF&R is located on the 4th floor.

### ***Do you purchase fuel for your farm or emergency vehicles?***

You may be eligible for a refund – contact **(717) 787-6534** for an application.

- Applications for agricultural producers and volunteer fire, ambulance, and rescue squads are due September 30, 2012.
- Applications for political subdivisions and nonpublic, nonprofit schools are due March 31, 2013.