

Administrative:

Pennsylvania DOR Addresses New Law Adding Layer of Potential Compromise in BFR Tax Appeals Process

Tax Update No. 234, Penn. Dept. of Rev. (Oct/Nov 2024); *State Tax Legislative Summary – December 2024*, Penn. Dept. of Rev. (12/24). A Pennsylvania Department of Revenue (Department) newsletter and legislative summary address legislation enacted in 2024 [see S.B. 1051, signed by gov. 10/29/24, and *State Tax Matters*, Issue 2024-44, for details on this 2024 legislation] that revises aspects of the tax appeals process at the Pennsylvania Board of Finance and Revenue (BFR) by providing for a formal settlement conference process that includes the appointment of a settlement officer to preside over the settlement conference and facilitate a settlement between the taxpayer and the Department. According to the Department, this new process does not replace the older compromise process at the BFR “but will be in addition” to it. The Department also explains that the 2024 legislation provides it “with an additional tool to resolve tax controversies” by authorizing it to enter into closing agreements with a taxpayer related to the liability of a party in a tax dispute, where such an agreement is deemed “final and conclusive, unless there is proof of fraud, malfeasance, or misrepresentation.” Please contact us with any questions.

URL: https://www.pa.gov/content/dam/copapwp-pagov/en/revenue/documents/news-and-statistics/taxupdate/documents/taxupdate_234.pdf

URL: https://www.pa.gov/content/dam/copapwp-pagov/en/revenue/documents/taxlawpoliciesbulletinsnotices/taxsummaries/documents/2024_tax_summary_dec.pdf

URL: https://www.legis.state.pa.us/cfdocs/billinfo/bill_history.cfm?year=2023&sind=0&body=S&type=B&bn=1051

URL: https://dhub.deloitte.com/Newsletters/Tax/2024/STM/241101_1.html

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