

9/20/12

# Regulatory Analysis Form

(Completed by Promulgating Agency)

**INDEPENDENT REGULATORY  
REVIEW COMMISSION**

(All Comments submitted on this regulation will appear on IRRC's website)

(1) Agency:  
Revenue

(2) Agency Number:

Identification Number: 15-456

IRRC Number:

(3) PA Code Cite: 61 Pa. Code §§ 117.1, 117.7, 119.13, 119.13a, 119.13b, 119.18 and 121.25

(4) Short Title: Personal Income Tax – Amended Returns

(5) Agency Contacts (List Telephone Number and Email Address):

Primary Contact: Mary Sprunk (717) 783-7524

Secondary Contact: Douglas A. Berguson (717) 346-4633

(6) Type of Rulemaking (check applicable box):

Proposed Regulation

Final Regulation

Final Omitted Regulation

Emergency Certification Regulation;

Certification by the Governor

Certification by the Attorney General

(7) Briefly explain the regulation in clear and nontechnical language. (100 words or less)

The Department is promulgating a regulation change that will codify the Department's policy on Amended Returns for Pennsylvania Personal Income Tax and replace outdated language. In addition, the regulation will provide clear instructions for taxpayers regarding petitions for refunds.

**The final regulation mirrors the proposed regulation published at 42 Pa.B. 2381 (May 5, 2012). Therefore, the new RAF 2012 form is not required.**

(8) State the statutory authority for the regulation. Include specific statutory citation.

Statutory authority for the regulation is set forth in section 354 of the Tax Reform Code of 1971 (TRC) (72 P.S. § 7354).

(9) Is the regulation mandated by any federal or state law or court order, or federal regulation? Are there any relevant state or federal court decisions? If yes, cite the specific law, case or regulation as well as, any deadlines for action.

The regulation is not mandated by federal or state law, court order or federal regulation.

(10) State why the regulation is needed. Explain the compelling public interest that justifies the regulation. Describe who will benefit from the regulation. Quantify the benefits as completely as possible and approximate the number of people who will benefit.

This new regulatory language will provide uniformity and guidance to Pennsylvania taxpayers. Pennsylvania taxpayers and tax practitioners will benefit as a result of the new regulation.

The proposed rulemaking proposes a PIT amended return may be filed within three years from the original or extended due date of the return. This marks a change in current policy and practice. The policy change will benefit taxpayers by giving additional time to file an amended return in cases where a taxpayer has been granted an extension to file the original return.

(11) If data is the basis for this regulation, please provide a description of the data, explain in detail how the data was obtained, and how it meets the acceptability standard for empirical, replicable and testable data that is supported by documentation, statistics, reports, studies or research. Please submit data or supporting materials with the regulatory package. If the material exceeds 50 pages, please provide it in a searchable electronic format or provide a list of citations and internet links that, where possible, can be accessed in a searchable format in lieu of the actual material. If other data was considered but not used, please explain why that data was determined not to be acceptable.

No scientific data, studies or references are used to justify this regulation.

(12) Describe who and how many people will be adversely affected by the regulation. How are they affected?

No parties should be adversely affected by the regulation.

(13) List the persons, groups or entities that will be required to comply with the regulation. Approximate the number of people who will be required to comply.

Pennsylvania taxpayers and tax practitioners will be required to comply with the regulation.

(14) Provide a specific estimate of the costs and/or savings to the **regulated community** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

This regulation does not increase costs or savings to the regulated community. No legal, accounting or consulting procedures are required by this regulation.

(15) Provide a specific estimate of the costs and/or savings to **local governments** associated with compliance, including any legal, accounting or consulting procedures which may be required. Explain how the dollar estimates were derived.

This regulation does not increase costs or savings to local governments. No legal, accounting or consulting procedures are required by this regulation.

(16) Provide a specific estimate of the costs and/or savings to **state government** associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required. Explain how the dollar estimates were derived.

This regulation does not increase costs or savings to state government. No legal, accounting or consulting procedures are required by this regulation.

(17) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years. NA

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
<b>Total Savings</b>						
<b>COSTS:</b>						
Regulated Community						
Local Government						
State Government						
<b>Total Costs</b>						
<b>REVENUE LOSSES:</b>						
Regulated Community						
Local Government						
State Government						
<b>Total Revenue Losses</b>						

(17a) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
NA	NA	NA	NA	NA

(18) Explain how the benefits of the regulation outweigh any cost and adverse effects.

The Department is promulgating a regulation change that will clarify the Department's policy and provide uniformity for taxpayers and tax practitioners regarding amended returns. The proposed regulation change also replaces outdated language and offers clear instructions concerning petitions of refund.

There are no adverse effects from this regulation, and implementation costs are minimal.

(19) Describe the communications with and input from the public and any advisory council/group in the development and drafting of the regulation. List the specific persons and/or groups who were involved.

A copy of the regulation was forwarded to the Pennsylvania Bar Association, the Philadelphia Bar Association, the Pennsylvania Institute of Certified Public Accountants, the Pennsylvania Society of Public Accountants, and the Pennsylvania Chamber of Business and Industry. The regulation is listed on the Department's Quarterly Regulatory Report posted on the Department's website and will be forwarded to interested parties upon request.

(20) Include a description of any alternative regulatory provisions which have been considered and rejected and a statement that the least burdensome acceptable alternative has been selected.

There are no alternative regulatory provisions associated with the regulation.

(21) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulations.

There are no federal standards associated with this regulation.

(22) How does this regulation compare with those of other states? How will this affect Pennsylvania's ability to compete with other states?

The regulation will not put Pennsylvania at a competitive disadvantage with other states.

(23) Will the regulation affect any other regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

This regulation does not affect any other existing or proposed regulations of the Department or any other state agency.

(24) Submit a statement of legal, accounting or consulting procedures and additional reporting, recordkeeping or other paperwork, including copies of forms or reports, which will be required for implementation of the regulation and an explanation of measures which have been taken to minimize these requirements.

This regulation does not change existing reporting, record keeping or other paperwork requirements. The new regulatory language will provide uniformity and guidance to Pennsylvania taxpayers.

(25) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

No special groups are affected by the regulation.

(26) Include a schedule for review of the regulation including:

- |   |                                     |
|---|-------------------------------------|
| A. The date by which the agency must receive public comments:                               | <u>30 days after publication</u>    |
| B. The date or dates on which public meetings or hearings will be held:                     | <u>N/A</u>                          |
| C. The expected date of promulgation of the proposed regulation as a final-form regulation: | <u>4<sup>th</sup> Quarter, 2012</u> |
| D. The expected effective date of the final-form regulation:                                | <u>Upon final publication</u>       |
| E. The date by which compliance with the final-form regulation will be required:            | <u>Upon final publication</u>       |
| F. The date by which required permits, licenses or other approvals must be obtained:        | <u>N/A</u>                          |

(27) Provide the schedule for continual review of the regulation.

This regulation is scheduled for review within five years of final publication. No sunset date has been assigned.