



John Kaschak, CPA, CGMA, CISA
Executive Deputy Secretary
PA Department of Revenue
11th Floor Strawberry Square
Harrisburg, PA 17128

June 27, 2023

Dear John:

Once again, thank you for taking the time to listen to the various stakeholder concerns regarding the decommissioning of TeleFile. We understand the challenge that the Department of Revenue has in delivering a cost-effective alternative and appreciate the opportunity to provide input and feedback from the practitioner community.

Many of the small business taxpayers that will be affected by the December 2023 TeleFile decommission, are clients of PSTAP members. In many cases, these business owners remit their own tax payments via TeleFile throughout the year and then utilize a paid practitioner for the filing of the annual tax returns. Transitioning to myPATH is not a viable option for all taxpayers for a variety of reasons.

A strong argument was made at the meeting for the Amish community and other conservative Mennonite religious groups in which the use of technology is prohibited. The purpose of this letter is to (1) convey that there are other taxpayers and various circumstances that also warrant the need for a viable alternative once TeleFile is no longer available; and (2) advocate for a reasonable and attainable solution for remitting the tax.

Small businesses come in all shapes and sizes and are diverse in complexity and structure. Removing a relied upon method for tax remittance (TeleFile) and replacing it with a system (myPATH) that would require additional resources for some, such as the purchase of computer technology or the use of a paid preparer could threaten the very existence of some businesses as well as inhibit voluntary compliance. In addition to the secular groups already mentioned, other vulnerable taxpayers for which transitioning solely to myPATH may not be a viable option include:

- part-time/seasonal businesses;
- elderly business owners and/or business owners with limited experience or knowledge of computer and/or internet technology;
- those living in underserved communities where internet service is unreliable or non-existent.

In addition, we believe TeleFile is currently a **very necessary redundancy to myPATH** in instances where technological issues impair the ability to remit tax. Our practitioners report the occasional use of TeleFile in emergency situations to avoid penalty and interest when a payment was unable to be made otherwise due to technological failure and/or an inability to directly communicate with the Department of Revenue to resolve the issue.

Based on the information provided above, we urge you to consider these taxpayers and circumstances when considering a replacement for TeleFile. The ability for a business to utilize an alternative method of tax remittance (like TeleFile) based on specific criteria, such as a defined threshold number of

employees or annual gross income would reduce the burden for these smallest of businesses. The ability for taxpayers and preparers on their behalf to remit a one-time or emergency payment is a less obvious component of the TeleFile system, but it is one we believe also has merit and deserves consideration.

Finally, it is the position of PSTAP that the current proposal of the Department to divert those taxpayers who cannot utilize myPATH to an in-person method is untenable and insufficient. Even considering the Department's goal to expand coverage beyond its existing District Offices, the proposal assumes these taxpayers have the time and ability to travel to these locations and that adequate staffing is attainable. While we realize the Department is in a tight spot and has a vested interest to avoid service disruptions to taxpayers, PSTAP also must convey the interests of the preparers and taxpayers who will be affected across the state if a viable alternative to TeleFile is not delivered.

The reality is that if a better solution is not implemented, the taxpayers who are unable to use myPATH as an alternative to Telefile, whether as a result of religious conviction or lack of access to technology or internet, will in large part be forced to hire preparers to handle what the taxpayer previously did independently via TeleFile. To that end, PSTAP supports an alternative method for remittance and filing for the affected businesses and individual taxes in a limited subset of instances: (1) taxpayer cannot access myPATH, whether for lack of resources, access to internet or religious obligations (2) taxpayer encounters error or system issue with myPATH.

Please don't hesitate to reach out to discuss further or if we can provide any additional information from the perspective of the tax and accounting practitioner community.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sherry L. DeAgostino', written in a cursive style.

Sherry L. DeAgostino
Executive Director