

Larry,

Patti has asked me to respond to your inquiry on the notices recently sent out to taxpayers with the Schuylkill County Tax Collection District from whom we did not receive the required final return filing. The notices were sent to all taxpayers who appear on your tax rolls with an active status and to whom we sent a final return and they failed to return it to us by July of this year.

As you are aware the tax rolls used to establish the tax rolls were provided to us by the prior collector and in many cases did not contain the taxpayers filing status, so everyone who was added was assumed to be an active taxpayer and added to the tax rolls. They were then sent a questionnaire by us asking that they verify that the information for them was correct, including their filing status. If the taxpayer notified us at that time that they were retired, student, disabled or deceased, their account was updated to reflect that fact and no final return generated. If they failed to respond, then we had to assume the rolls were correct and at the close of 2012 a final return was generated and sent to them. ACT 32 requires that all taxpayers who have been requested to file a final return, whether they had taxable income or not, do so. If they failed to do so they received the failure to file notice containing the \$25.00 fee.

We understand that the requirement to file a final return is new to many of your taxpayers under ACT 32 and we are working with those that do not have taxable income to get their accounts properly updated, so that they will not receive future mailings from us. In cases such as these we are removing the costs from the form and simply asking them to file it so we can update their accounts accordingly.

Here is a synopsis of how each is being handled. -

1. Taxpayers who are **Retired, Students, Disabled, Unemployed or Deceased** simply need to check the appropriate box on the form, sign it and return it to us. Once we receive the form, we will update their account and they should not receive a final return from us again, unless we find that their status has changed.

2. Taxpayers who are on **extension** – The ACT itself does not allow for extensions for local taxes, but we do honor them if we are notified of them. Taxpayers who are on extension are required to provide us with a copy of the Federal Extension form on or before **April 15th** and if any taxes are estimated to be due, when the return is filed with us, they are required (just as they are for the state and federal government) to make a good faith payment (estimate of what may be due) at that time as well. If the taxpayer is on extension and failed to file a copy of it with us and there are no taxes estimated to be due, they can simply attach a copy of the extension to the form and return it to us. We are removing the \$25.00 late filing fee from their forms as well. If the taxpayer does owe tax with their final filing they will be assessed penalties and interest at that time.

3. Taxpayers who simply failed to file and have a liability due, will be expected to pay the \$25.00 fee, as well as any taxes, penalties and interest due, at the time of the filing.

Although this process is cumbersome, it is a necessary part of the ACT 32 transition process, and will allow us to make the TCD's tax rolls as accurate as possible and we expect that as we move forward through this initial **Final Return** process, that the number of taxpayers who receive notices when they do not have taxable income, will diminish greatly in years to come.

I hope that you find this information useful. If you have any questions on this or any other ACT 32 tax matter, please feel free to contact me.

Jim Hunt

Director of Sales and Client Services

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