

## CENTRE TAX AGENCY

### Local Taxpayers Bill of Rights Act Disclosure Statement

**Background.** Pursuant to Act 32 of 2008, the Centre Tax Agency, aka State College Borough, (the "**Agency**") collects all local earned income tax ("**EIT**") levied under the Local Tax Enabling Act, ("**LTEA**"), 53 P.S. § 6901 *et seq.*, by the school districts and municipalities that are part of the Centre Tax Collection District (the "**TCD**"). The Agency's collection of EIT is overseen by the Centre County Tax Collection Committee or the "**TCC**." In addition, the Agency also collects local service tax ("**LST**") for certain school districts and municipalities. The EIT and LST collected by the Agency is referred to in this Statement collectively as "**Tax**." In fulfilling its obligations, the Agency is authorized to request additional information from taxpayers and to review taxpayer books and records. Given those powers, the Agency must adopt a disclosure statement under the Local Taxpayers Bill of Rights Act ("**LTBR**"), 53 Pa.C.S.A. § 8423, explaining: (1) the obligations of the Agency and the rights of the taxpayer during an audit or administrative review of the taxpayer's books and records; (2) the procedure for filing refund claims; (3) the procedure by which a taxpayer may appeal an adverse decision from the Agency; and (4) the Agency's enforcement procedures. This Statement lists a number of obligations imposed on the Agency. However, unless expressly provided in the LTBR, the failure of any Agency representative to comply with any provision of this Disclosure Statement, the LTEA, the LTBR, or other applicable law will not excuse any taxpayer from paying Tax owed.

#### **A. General Agency Obligations and Taxpayer Rights During Review and Audit.**

1. **Confidentiality.** In discharging its duties, the Agency shall keep confidential all information gained as a result of any return, report, audit, investigation, hearing, or verification, except as required for official purposes or by law.

2. **Courtesy and Professionalism.** The Agency will treat taxpayers courteously and professionally at all times.

3. **Taxpayer Correspondence.** In all correspondence requesting information from taxpayers, the Agency will include a **Notice of Procedure to Request Extension of Time** in the form set forth in the attached **Exhibit A**. In all correspondence to a taxpayer regarding assessment, audit, determination, review, or collection of Tax, the Agency will include a **Taxpayer Bill of Rights Notice** in the form set forth in the attached **Exhibit B**.

#### **B. Agency Obligations and Taxpayer Rights Re: Information Requests/Review.**

1. **Response Time and Extensions.** If the Agency requests information from a taxpayer, the taxpayer will have 30 days from the date of the Agency request to either respond or request an extension of time. Upon receipt of a written request, the Agency will grant an extension if there is "good cause." The Agency will take no legal action against a taxpayer until the expiration of the response period and any Agency-approved extension.

2. **Request for Prior Year Returns.** Any initial request for information from the Agency may cover only Tax to be filed or paid no more than 3 years prior to the mailing date of the Agency request. Subsequent requests for additional tax returns or supporting information may be made after the initial request if the Agency determines that the taxpayer failed to file a Tax return,

underreported income, or failed to pay a Tax for one or more of the Tax periods covered by the initial request.

3. ***Request for Federal Tax Information.*** The Agency may require a taxpayer to provide copies of the taxpayer's federal individual income tax returns if the Agency can show that the information is reasonably necessary for enforcement or collection of Tax and if the information is not readily available from other sources or the Pennsylvania Department of Revenue.

4. ***Personal Interviews.*** A taxpayer may request or the Agency may provide for a personal interview.

5. ***Representation.*** Taxpayers may represent themselves or authorize someone else in writing to represent them throughout the Agency review process. Someone may accompany the taxpayer at a meeting or hearing conducted by the Agency. A notice or other written communication from the Agency to the taxpayer may be given to the taxpayer's authorized representative, and any such notice or other communication shall have the same effect as if given to the taxpayer directly. Action taken by a taxpayer's authorized representative shall have the same force and effect as if taken by the taxpayer.

6. ***Timely Determination.*** The Agency will process a review in a timely manner. A detailed written statement of any Tax liability determined as a result of a review will also be issued. This notice will include the amount of underpayment detailed by Tax period, a detailed listing of adjustments made to the Tax return(s), and the legal basis for the revisions.

C. **Location of Interviews and Examinations.** If the Agency schedules an interview or a review of records, the taxpayer or employer for which the interview or review is scheduled shall provide the Agency's agents with a reasonably-accessible location within the TCD at which the Agency's agents shall be given a reasonable opportunity to conduct the interview or, as the case may be, the review.

D. **Procedures for Refund of Overpaid Tax.** If a taxpayer has overpaid a Tax, the taxpayer may request a refund by doing any of the following: (1) filing a return with the Agency showing a refund is due; (2) submitting an informal written request to the Agency; or (3) **in the case of EIT only**, filing an appeal with the TCC Tax Appeal Board in accordance with the **Centre County Tax Collection Committee Tax Appeal Board Regulations**. In all cases, sufficient information must be provided to substantiate any refund request. Refund requests for EIT must be filed within 3 years after the due date for filing the return, as extended, or one year after actual payment of the EIT, whichever is later. Refund requests for LST must be filed within 3 years after the due date for payment of the LST, or one year after actual payment of the LST, whichever is later.

E. **Procedures for Appealing Agency Determinations.** If a taxpayer would like to seek review of an adverse determination by the Agency relating to EIT, the taxpayer must file an appeal with the TCC Tax Appeal Board in accordance with the **Centre County Tax Collection Committee Tax Appeal Board Regulations**. If a taxpayer would like to seek review of an adverse determination by the Agency relating to LST, the taxpayer must file an appeal with the Centre County Court of Common Pleas.

F. **Enforcement Procedures and Methods.** If the Agency determines that a required return has not been filed or a liability has not been paid, it is authorized by law to take various actions including, but not necessarily limited to, the following:

1. Assessing interest, penalties, and costs of collection against a delinquent taxpayer or employer.
2. Requesting taxpayer interviews and audits.
3. Contacting a delinquent taxpayer and attempting to resolve the liability through payment in full, installment payment plan, or wage attachment.
4. Employing collection agencies or legal counsel to assist in the collection of delinquent Tax.
5. Garnishing the wages of a delinquent taxpayer.
6. Filing a civil suit against a delinquent taxpayer, employer, and/or the responsible party.
7. Filing a lien against a delinquent taxpayer or employer.
8. Filing a criminal complaint against a delinquent taxpayer, employer, and/or the responsible party.
9. Holding employers and officers liable for failure to make or remit deductions from employee compensation. An employer who willfully or negligently fails or omits to make the required deductions shall be liable for payment of Tax which the employer was required to withhold to the extent the Tax is not recovered from the employee. If the employer is a partnership, the partners thereof, and if the employer is a corporation, limited liability company, or other organization or entity, all officers thereof, and any other person responsible for Tax matters, shall have the same liability as the employer. The failure or omission of any employer to make the required deductions shall not relieve any employee from payment of Tax or from complying with the requirements for filing of returns.

**Exhibit A: Notice of Procedure to Request Extension of Time**

You have the right to request an extension of time within which to respond to the Agency's request for information. The Agency will grant you an extension of time if there is "good cause" to do so. If the Agency grants an extension of time, it will take no legal action against you until the expiration of the original 30 day response period and any Agency-approved extensions. To request an extension of time, please submit a written request explaining the reasons why you are asking for the extension to: Manager of Tax Services, Centre Tax Agency, Finance Department, State College Borough Municipal Building, 243 South Allen Street, State College, PA 16801.

## **Exhibit B: Taxpayer Bill of Rights Notice**

As set forth in the Centre Tax Agency Local Taxpayers Bill of Rights Act Disclosure Statement, you are entitled to receive a written explanation of your rights with regard to the audit, appeal, enforcement, refund, and collection of taxes collected by the Agency. To obtain a copy, access the Agency website at <http://pa-statecollege3.civicplus.com/DocumentCenter/View/15806> call the Agency at (814) 234-7120; or send a written request to Centre Tax Agency, Finance Department, State College Borough Municipal Building, 243 South Allen Street, State College, PA 16801.