

This Week in State Tax (TWIST)

November 4, 2024



Pennsylvania: Governor Signs Measure to Revamp Tax Appeals Process

Governor Josh Shapiro recently signed a revision of the state tax appeals process (Senate Bill 1051) into law. Most notably, the new law authorizes the Board of Finance and Revenue (Board) to engage in a settlement conference process with a taxpayer appealing an adverse decision made by the Department of Revenue. A settlement conference may be requested in writing by the taxpayer or by the Department of Revenue, or initiated at the direction of the Board, within 30 days of the petition for review being filed. Note that a petition for review by the Board must be filed within 60 days after the Department's Notice of Decision and Order on a Petition. If a settlement conference is requested by a party, the Board has five business days to decide whether to initiate a conference.

Once initiated, an opening settlement conference must be held within 60 days. The Board may defer consideration of the petition for review until the conference is concluded; if the parties fail to settle the matter, the Board will be required to issue a decision within 60 days of termination of the process (including by refusal of a party to participate). A conference will terminate without an agreement when the settlement officer declares that further efforts would not contribute to a resolution of the dispute, the parties agree to terminate the conference, or one or both parties fail to communicate with the settlement officer for 21 days following the conclusion of the conference.

The conference will be managed by an impartial settlement officer appointed by the Board. A party may attend the conference through a representative of its choosing. The settlement officer is not authorized to impose a settlement on the parties but may recommend a potential settlement. An agreement reached through the conference will be approved by the Board unless contrary to law. An approved settlement is final and binding without a showing of fraud, malfeasance, or misrepresentation or material fact; however, settlement agreements are not precedential on separate matters.

The bill also extends the due date for the filing of a petition for review with the Board on a personal income tax matter from 60 days to 90 days after mailing of the notice (with the possibility of an additional 30 days for cause.) Please contact [Mark Achord](#) with questions about [S.B. 1051](#).

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