Discussion:

- **Changes and Administrative Updates**
  - **Telephone Response Time**
    - This has been the biggest change
    - Used to answer only 34%, people spent a lot of time on hold, but not close to a 100% answer rate
    - They receive approximately 1000-1100 calls/week
      - 50-60% are from attorneys
  - **Work Groups within the Division**
    - Telephone workgroup (responsible for phone technology, schedules, training staff)
    - Website workgroup (responsible for the information provided on the website). They envision the website will have a major overhaul within the next year
    - Training workgroup (responsible for more formalized training and desk reference) – Laurel is chairing this group
  - **Staffing**
    - In 2005, they had 52 employees, now, in 2012, they have 30 employees
      - “Do more with less”
    - They are working on automating functions that used to be done by employees. There are currently approx 12 projects underway (however there are only 2 IT people, so it’s a slow process)

- **Processing Time**
  - There is an average 3 ½ month turnaround time (remember- this is average!)
  - Currently there are no known issues in the Philadelphia surrounding counties
    - DE County previously had an issue was with a vendor, which has been fixed
If you have a problem, send a receipt in to the division via fax
There used to be 2 separate forms – one that the taxpayer/practitioner filled out and one that the employee filled out- this was a duplicative process, therefore there is now only one form, which is why it’s a more robust/comprehensive form

- **15 month Real Estate Valuation Policy**
  - As of October 2011, there is a policy where 15 months is the cut-off for real estate valuation
  - If you initially valued the property at one price and sold it at a second price, then, if it’s within 15 months, do a supplemental return, but if it’s after 15 months, there is nothing to do except potentially go to the Board of Appeals

- **Office of Chief Counsel**
  - Attorneys employed by the office of General Counsel, 4 of whom are designated to the Inheritance Tax Division and divided up based on regional basis
    - David Manni is responsible for the Southeast Region, direct line: 717-787-2747
  - This office handles appeals, citations, PLR’s, helps draft regulations and compromises
    - Example of a compromise: release of liens on parcels owned by estates that have never been filed or finalized
      - Release of liens is handled by Sandra Kirk, skirk@pa.gov, 717-346-4653
        - Please provide her with deed disposition, decedent’s name, date of death and a brief history and she will come up with a # which will be either date of death FMV with applicable penalty and interest or current FMV

- **Termination of Sole Use Trust**
  - See Statement of Policy 61 PA Code 94.3 (handout at the meeting)
    - Ability to terminate trust without notice to department or court
  - **New Form on Website, Rev- 1649, Schedule O**
    - (none have been filed yet)
  - Person filing the return claims liability of paying future tax
  - This isn’t in the statute, but rather is a regulation, being used a stop-gap measure, so there is no legislative authority (making this a unique situation)
  - This form was created by the Executive Policy Committee (which is the same group that created the 15 month real estate rule)
  - A discussion between the members of the committee and the members of the panel ensued

- **Oil & Gas Policy**
  - Policy now provided on website to address issues - Inheritance Tax Bulletin 2012-01
    - This policy clarifies the Department of Revenue’s policy concerning the taxation of mineral rights and natural gas interests for Pennsylvania inheritance tax purposes, in order to achieve a consistent valuation method for mineral and natural gas rights without excessive cost or burden for a decedent’s estate.
    - *Used to have a PLR up but it was misinterpreted*

*No tax update was made at this meeting, but a handout was provided*