



Pennsylvania law requires the Department of Revenue to review the accounts of all applicants of the Research and Development Tax Credit. Prior to the tax credits being awarded, the department makes an effort to determine whether applicants have filed all required state tax reports and returns. The department also determines whether there is any balance due that is not currently under appeal.

As part of this review process, the department is currently contacting all applicants by mail to inform them of the status of their credits. Some applicants are being notified they are "Non-Compliant" due to unpaid Pennsylvania taxes, non-filed or incomplete tax reports or other issues. Those applicants who are "Non-Compliant" must contact the department's Business License Clearance Division at (717)787-3911 (Select Option 5) to resolve any issues. **Failure to obtain a tax clearance from the department by Jan. 15, 2019 will result in the revocation of the credit.**

Entities that receive a "Compliant" notification may utilize the credit immediately.

What will applicants receive from the department?

Each applicant of the Research and Development Tax Credit will receive a letter that states the status of their credit. The letter will look like this:

Envelope ID: 946327097385	Revenue Id: Not Applicable	Page 2 of 4						
REV-545A (10-17) DOCEXEC								
								
<p>BUREAU OF CORPORATION TAXES PO BOX 280701 HARRISBURG PA 17128-0701</p>								
								
<p>Research and Development Tax Credit Award Notification</p>								
<p>REVENUE ID:..... Not Applicable FEIN:..... CONFIRMATION NUMBER:..... APPLICATION YEAR:..... NOTICE NUMBER:.....946327097385 MAIL DATE:..... CLEARANCE STATUS:.....Non-Compliant</p>								
<p>CREDIT MUST FIRST BE APPLIED TO TAX YEARS THAT INCLUDE THE DAY:.....</p>								
<table border="1" style="width: 100%;"> <tr> <td>Entity's Requested Credit</td> <td style="text-align: right;">\$ 0.00</td> </tr> <tr> <td>Revenue Calculated Credit</td> <td style="text-align: right;">\$ 0.00</td> </tr> <tr> <td>Prorated Tentative Credit</td> <td style="text-align: right;">\$ 0.00</td> </tr> </table>			Entity's Requested Credit	\$ 0.00	Revenue Calculated Credit	\$ 0.00	Prorated Tentative Credit	\$ 0.00
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Revenue Calculated Credit	\$ 0.00							
Prorated Tentative Credit	\$ 0.00							
<p>Dear Taxpayer:</p>								

Entities that have unpaid PA state taxes, non-filed or incomplete state tax reports or other issues will also receive a separate cover letter as part of their mailing that will state they are in "NON-COMPLIANT" status. These entities will be asked to contact the department by calling the phone number listed on the notice.

As a reminder, under state law \$55 million is the total amount available for this tax credit program for the current fiscal year. When the total requested credits exceed the amount available, the calculated credits are prorated accordingly.