

**CHAPTER 3. REVENUE INFORMATION SYSTEM**

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**Authority**

The provisions of this Chapter 3 issued under section 6 of The Fiscal Code (72 P. S. § 6), unless otherwise noted.

**Source**

The provisions of this Chapter 3 adopted May 6, 1988, effective May 7, 1988, 18 Pa.B. 2110; corrected May 20, 1988, effective May 7, 1988, 18 Pa.B. 2300, unless otherwise noted.

**§ 3.1. Regulations.**

(a) *Purpose.* The Department issues regulations which are published in Title 61 of the *Pennsylvania Code*. The purpose of a regulation is to provide taxpayers with rules of general application so that they might clearly understand their rights and duties under the law.

(b) *Scope.* Regulations comprise activities of the Department in which the legislative element predominates. They are designed to implement, interpret law or prescribe policy, or to govern the procedure or practice requirements of the Department.

**§ 3.2. Statements of policy.**

(a) *Format.* For the purposes of providing guidelines to the general public and interpreting law or regulations, the Department issues statements of policy in two forms:

(1) *Revenue pronouncements.* A Revenue pronouncement will be used to do any of the following:

- (i) Interpret law or regulations.
- (ii) Announce formally the guidelines or policies that the Department expects to implement in a future regulation or to follow in a future adjudication.
- (iii) Explain an administrative procedure within the discretion of the Department.

(iv) Implement an act of Assembly if the Department finds it is unnecessary to use regulatory powers to perform its duties and responsibilities provided by law.

(2) *Revenue rulings.* The purpose of a Revenue ruling is to provide guidelines and interpretations by advising the public of the Department's application of the tax laws to a general factual situation. A Revenue ruling is issued when

the Department believes that broad public dissemination is appropriate to ensure uniformity in the application of the law to a common factual situation. With respect to taxes where the Auditor General has the power and duty to approve settlements, a Revenue ruling will not be issued without the review and approval of the Auditor General.

(b) *Authority.* Statements of policy are published as a separate part of Title 61 of the *Pennsylvania Code* and are issued under the authority of the Secretary, a Deputy Secretary or the Chief Counsel. The taxpayer may rely on a statement of policy only insofar as it binds the Department to follow the stated course of action. Periodically the Department may revise prospectively a statement of policy and taxpayers are cautioned to determine whether a statement of policy relied upon is current.

### § 3.3. Letter rulings.

(a) *Purpose.* Upon written request, the Department issues private letter rulings to taxpayers based upon specific factual information provided in writing by a taxpayer. They are not formally published, but copies with confidential material deleted may be obtained upon request from the Department of Revenue, Office of Chief Counsel. The purpose of a private letter ruling is to advise a taxpayer of the Department's application of the tax laws to a specific factual situation unique to the taxpayer.

(b) *Applicability.* Private letter rulings are issued by the Office of Chief Counsel and may be relied upon only by the particular taxpayer concerned, based upon the facts supplied. When necessary and appropriate, the Department may indicate that sufficient facts have not been furnished and detail certain assumptions. With respect to taxes where the Auditor General has the power and duty to approve settlements, a letter ruling will not be issued without the review and approval of the Auditor General. Absent statutory or regulatory change or rescission by the Department, a taxpayer may rely on a private letter ruling for 5 years from date of issue at which time the taxpayer shall renew the ruling by resubmitting it to the Office of Chief Counsel for review.

(c) *Issued at discretion of Department.* The Department has discretionary authority to issue private letter rulings. This discretion is exercised in the light of relevant circumstances. Examples of areas where private letter rulings normally will not be issued include, but are not limited to:

- (1) Issues under extensive study or review.
- (2) Alternative plans of proposed transactions or hypothetical situations.
- (3) Matters upon which a lower court decision adverse to the Department has been handed down and the appeal period thereon is still open and the question of following the decision or litigating the matter further has not been resolved.
- (4) Transactions, the purpose of which is to avoid taxes.

**§ 3.4. Revenue information.**

The Department also issues written informational materials in the form of press releases, unpublished notices, instruction forms, pamphlets and the like. Their purpose is to call attention to Department procedures or to well established interpretations or principles of tax law without applying them to a specific set of facts. They are issued by various divisions within the Department when it is believed that general information will assist individuals or organizations. Revenue information material is issued for informational purposes only and should not be relied upon or used in tax appeals. Examples of Revenue information are the Pennsylvania Tax Update, forms, pamphlets, tax bulletins or informational notices provided to taxpayers. Instructions on tax forms and instructional booklets accompanying forms also fall within this category.

**§ 3.5. Order of importance.**

If there appears to be a conflict between documents within the Revenue Information System, the order of precedence shall be as follows:

- (1) Regulations.
- (2) Statements of policy.
- (3) Letter rulings.
- (4) Revenue information.

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