DOR Leaders Testify During House Finance Committee Hearing

Department of Revenue leaders recently testified at a House Finance Committee hearing to provide input on two legislative proposals that touch the agency's operations.

Executive Deputy Secretary Allison Morgan and **Mark Morabito, Special Advisor for Compliance and Collections,** testified on **House Bill 2300**, which establishes a program for **Real-Time Sales Tax Remittance**. This would allow Revenue to require certain delinquent taxpayers to use a sales tax service provider to file and remit sales tax returns and payments.

The hearing provided an opportunity to highlight a Revenue pilot program spearheaded between October 2023 and April 2025, in which the department worked with a small group of taxpayers who used software from a vendor, Avalara, to report and remit their sales tax in real time as transactions occurred. Mark and Allison emphasized that this approach mirrors how some taxes are already administered in parts of Europe and shows where the tax administration system in Pennsylvania might be headed in the future.

In addition, the approach would serve as a valuable tool for many taxpayers and simplify the sales tax reporting and remittance process for Pennsylvania businesses. The reality is that many small- and medium-sized business owners are focused on running their businesses — for example, a chef or mechanic may not have experience managing tax obligations. This can make it easy for them to fall behind on their tax obligations, even when they intend to comply with the law.

Meanwhile, **Ryan Froman, Chair** of the **Board of Appeals,** testified during the hearing on House Bill 2305. This legislation establishes a **Conditional Sales and Use Tax Exemption** for newly formed charities. This legislation aims to make Pennsylvania a more welcoming place for these organizations as they begin to pursue their important missions. The bill would provide an option for new charities to obtain a conditional exemption for the first two years of operations.