DAUPHIN COUNTY TAX COLLECTION COMMITTEE

SUMMARY MINUTES

June 21, 2017

• Roll Call – A quorum was established.


Solicitor: G. Beneventano

Keystone Collections: Joe Lazzaro, Esq.

• The Chairman, A. Memmi, called the meeting to order.

• Summary Minutes from January – The summary minutes were then accepted and APPROVED.

• Financial report as of May 31, 2017 – accepted and APPROVED.

• Mr. Lazzaro from Keystone Collections reported that at this point in the tax year, 49 million has been collected in earned income tax. This is approximately 3.55% ahead of where Keystone was last year. Delinquent earned income tax collections are significantly higher. Approximately 1.8 million dollars in delinquent taxes, year-to-date, has been collected. Keystone has had its best year in regards to processing and getting refunds out. If a tax return is filed via e-file and a bank has been designated, a return is instantaneous. Keystone fielded approximately 4,200 calls on April 17 and April 18 (tax day) this year. Average wait time was three minutes and four seconds.

Keystone will be undergoing a controls audit (technology audit/cyber security audit) by Boyer & Ritter. This will occur in July or August. Over the years, the IT department has seen patterns of what people are asking for. Reports have been developed from these patterns and these reports are available on the Keystone Reporting Services of the
individual portal. Every school district/municipality has their own portal access. In there is a description of the available reports.

Keystone has been getting questions through their client services regarding Act 172. This act encourages volunteers to serve the local firehouse. The number of volunteer firemen across the state has been decreasing. The state has developed a system to allow municipalities to adopt an ordinance and make a change to their tax code whereby they can give credit to the volunteers based on their own standards. This would be a tax credit on the return. Keystone is involved in this as they are part of the task force with DCED, Boroughs’ Association, PSATS and the League of Municipalities. A system was designed to handle firehouse volunteer returns without a lot of additional forms. To be eligible for the credit, the volunteer may not receive pay from a nonprofit agency. This tax credit only applies to earned income tax and has nothing to do with school taxes. Mr. Lazzaro also discussed how the credit was going to work. [For details, see transcript of June 21st meeting or contact Keystone.] Keystone, however, will need the ordinance from the municipality so they can put that information into their system. By December 31st, Keystone needs to know who you have certified locally to provide the accuracy of the information. To obtain a credit, the volunteer fireman’s name will have to match the information provided to Keystone by the municipality’s certified individual. A paid fire company is not eligible for this credit. The credit can be a flat dollar amount ($100, $200, etc.) or a percentage. Municipalities will also have to decide if it will also apply to nonresident volunteers. The state fire commissioner would like to see a flat dollar credit. There would also have to be a local appeals process if someone feels they have been denied the credit. The Boroughs’ Association, PSATS and League of Municipalities have decided to send all requestors to Keystone’s Client Services department for information when they get questions or requests for model ordinances or policy and procedures.

Mr. Lazzaro reported to the group that final returns come in anytime from January to mid-April. With extensions, those funds arrive in October. Collections are increasing and have been consistently increasing. How long another collector holds money in a bordering county is the biggest factor in revenue fluctuation. He recommended looking at Keystone’s reports by tax year applicability when doing budgeting. By using KeyTRAC, it is easy to get a tax year broken down by a quarterly report of money received.

A question was raised concerning the Defense Fund and Accounting Service (DFAS). DFAS operates the payroll for the Department of Defense (DOD). DFAS was not providing enough detail regarding the withholding and releasing of funds – no individual names, no social security numbers. They were holding back from supplying this information to tax collectors until they received verification that Keystone was in fact authorized to process those funds on your behalf. A letter was prepared for the TCC’s solicitor’s review. After gathering letters from Keystone’s 16 counties, they were turned over to DFAS so they can provide data to Keystone.

The Chairman asked Mr. Lazzaro to discuss the right-to-know request that Keystone made to Dauphin County for property information. Mr. Lazzaro responded by stating
that Keystone pinpoints every property in their system, every address, residential address and business address. Keystone updates this information year from the county real estate office. The solicitor related the specific requests from Keystone: 1) The exact street address for each parcel, including city and postal zip code; 2) The municipality in which the parcel was located based on county assessment records; and 3) The parcel code and any associated code definitions.

- New Business: Ratification of contracts with Boyer & Ritter for the audits of Keystone Collections and the Dauphin County TCC. The Audit Sub-Committee Chairperson made a motion to ratify the contracts with Boyer & Ritter. MOTION APPROVED.

The solicitor asked if the Audit Subcommittee Chairperson wished to continue with Boyer & Ritter for 2017. The Chairperson stated that he would prefer to see Boyer & Ritter continue for a while.

The Audit Subcommittee Chairperson reported that the TCC cash audit is very straightforward. There were no issues with the audit. A motion was made to accept the TCC cash audit. MOTION APPROVED.

- The solicitor stated that as a follow-up to the 2015 Act 32 seminar, the Committee produced its own analysis of Act 32. This was discussed by the Committee at its November 2016 meeting and then fully reviewed by the Committee at the January organizational meeting. Following the January meeting, per the Committee’s direction, the report was released. A few hundred hard copies were mailed. Electronic copies were also sent to our entire email database that was developed following the Act 32 seminar. A few comments regarding the report were received. The report is being revised to include ten best practices with the thinking that these could be proposed to DCED. (See attachment.) The Chairman stated that there has been a lot of work by this Committee to try to put together a more uniform way of understanding Act 32. This Committee is very fortunate to be utilizing Keystone Collections as our collector. Dauphin County has been leading the charge across the Commonwealth of Pennsylvania on how a committee should conduct business over the course of a calendar year. The solicitor has made sure that we are following Sarbanes-Oxley and the standard way of conducting business. We are also fortunate that a SOC audit is performed on our tax collector and that Keystone pays for it. The ten best practices were distributed to the members prior to the meeting. A motion was made to accept the ten best practices. MOTION APPROVED.

- A motion was made to cancel the July meeting. MOTION APPROVED.

- The Chairman thanked the delegates for attending the meeting. The next meeting will be held on Wednesday, September 20, 2017 at the Middle Paxton Township building.

- Meeting adjourned at 7:51 p.m.