

16,000 take advantage of CapTax's new online filing service

Other improvements speed customer service and reduce costs

CapTax's many new customer service improvements were well received during this past spring's EIT and NP filing periods, with over 16,000 midstate taxpayers taking advantage of our new online filing service, said Executive Director Joshua Vecchio. The new online filing system allowed taxpayers to fill out their 2008 tax form online and pay any outstanding taxes due via credit card or payment voucher.

Vecchio said that in addition to online filing, other recent bureau improvements that have sped customer service and reduced operational costs include:

- A completely redesigned website that provides greater customer ease-of-use and allows information to be

retrieved more quickly. The online filing system is easily accessed through the bureau's new website at www.captax.com.

- New high-speed laser printers have been installed to print tax forms in-house, rather than purchasing bulk forms. The new printers enable the bureau to provide faster and more personalized tax forms on standardized paper, thus saving thousands annually on both paper and mailing costs.
- A new high-speed sorter/mailer that takes forms from the printer and processes them for mailing in one operation, speeding distribution and determining the cheapest postage cost.

Online filing continued on page 2

IN THIS ISSUE

page 1

16,000 take advantage of CapTax's new online filing service

CapTax discovers overpayment error to Central Dauphin School District and member municipalities

page 2

Our member representatives

page 3

2009 officers and committees

CapTax discovers overpayment error to Central Dauphin School District and member municipalities

Reimbursement made from 2009 payments to affect ex-members

Earlier this year new CapTax Executive Director Joshua Vecchio discovered an accounting discrepancy in CapTax's books that was later confirmed by independent auditors. Further investigation revealed that in 2002 CTCB overpaid the Central Dauphin School District and its member municipalities over \$1.3 million in Earned Income Tax receipts. Vecchio believes that the reason for the overpayment was the merger of CapTax and the former Central Dauphin Area Income Tax Office (CDAITO) in 2002.

"There were two separate computer systems that were never fully integrated during the merger," said Vecchio. "Simply stated, advances were given to CDAITO before the merger that were to be taken back post-merger and never were."

Subsequent discussion among senior officers led to the decision to withhold the overpaid amounts from the current and former bureau members' July payments from CapTax. The monies rightfully belong to the remaining 66 members of CapTax and are now restored in their entirety.

Overpayment continued on page 3

OUR MEMBER REPRESENTATIVES

Big Spring School District, *Wilbur E. Wolfe, Jr.*

Blain Borough, *Terry L. Zellers*

Bloomfield Borough, *Karl L. Cless*

Buffalo Township, *Jason Vasil*

Carlisle Area School District, *Gerald E. Eby*

Carlisle Borough, *Owen A. Snyder*

Carroll Township, *M. Bruce Bowser*

Centre Township, *James E. Swenson*

Cooke Township, *Sam Sangialosi*

Duncannon Township, *Daniel L. Rapp*

Greenwood School District, *Douglas Sarver*

Greenwood Township-Perry County, *Beverly Rotzinger*

Greenwood Township-Juniata County, *Elaine Cramer*

Harrisburg City, *Robert F. Kroboth*

Harrisburg School District, *Jeffrey S. Bader*

Highspire Borough, *John McHale*

Hopewell Township, *Eugene F. Mellinger*

Howe Township, *Wendy M. Brunner*

Jackson Township

Juniata Township, *Brett Beaver*

Landisburg Borough

Liverpool Borough, *Pat Codman*

Liverpool Township, *Donna J. Wood*

Lower Frankford Township, *Morton Fegley*

Lower Mifflin Township, *Mathew A. Meals*

Marysville Borough, *Marcus Hite*

Miller Township, *Eric Berger*

Millerstown Borough, *Thomas V. Reilly*

New Buffalo Borough

Newburg Borough

Newport Borough, *Donald Hetrick*

Newport School District, *Kermit Harry*

Newville Borough, *Fred A. Potzer*

North Newton Township, *Bonnie L. Myers*

Northeast Madison Township, *J. Clyde McMillen*

Oliver Township, *Lee Morrison*

Orrstown Borough, *Glenn Smith*

Paxtang Borough, *E. Denny Beaver*

Penbrook Borough, *Kenneth J. Cramer*

Penn Township-Perry County, *Susan E. Long*

Penn Township-Cumberland County, *Gary Martin*

Reed Township, *Keith H. Rainey*

Rye Township, *Nancy Sunday*

Saville Township

Shippensburg Area School District, *Nicole Weber*

Shippensburg Borough, *William W. Wolf*

Shippensburg Township, *Stephen Oldt*

South Middleton School District, *Richard Vensel*

South Newton Township, *Thomas L. Bixler, Jr.*

Southampton Township-Cumberland County, *Thomas Ginnick*

Southampton Township-Franklin County, *Paul Witter*

Southwest Madison Township, *Debra M. Smith*

Spring Township, *Douglas A. Wentzel*

Steelton Borough, *Jeffery L. Wright*

Steelton-Highspire School District, *Samuel Petrovich*

Susquenita School District, *Timothy A. Eller*

Toboyne Township, *Dawn M. Krone*

Tuscarora Township, *Les Weibley*

Tyrone Township, *Michael C. Shaffer*

Upper Frankford Township, *Richard Roush*

Upper Mifflin Township, *Robert E. Starr*

Watts Township, *Karl Raudensky*

West Hanover Township, *Larry Hartman*

West Pennsboro Township, *John M. Epley*

West Perry School District

Wheatfield Township

Online filing *continued from page 1*

- New mailing software that utilizes the use of e-signature for certified mailing. This will save the bureau more than \$1.00 per piece of certified mail it sends. In 2008, the bureau issued over 35,000 pieces of certified mail.
- An expedited check-clearing process has improved depositing practices and account transfers, ensuring member municipalities get their funds faster.

“All of these improvements have helped reduce our costs

of operations, with the savings passed on to our member municipalities,” said Vecchio. He also added that the bureau is further looking to reduce its costs through new software that would allow the bureau to send out mailings to our taxpayers and businesses electronically.

“While providing greater and more convenient service for our taxpayers is our primary intent,” said Vecchio, “we are always looking for ways to reduce our costs, thereby increasing revenue for our members.” ♦

Overpayment *continued from page 1*

“The decision was easy,” Vecchio explained. “If I had not taken back the overpayment, our other members would have been underpaid and I was not going to allow that to happen. The whole purpose of a tax bureau is to protect our members because at the end of the day, we are our members.”

CapTax’s investigation of the matter revealed that the error was first made in 2002. A subsequent independent audit by a professional accounting firm of the Bureau’s finances in 2004 failed to discover the overpayment or determine that monies were even overpaid. The auditing firm had been recommended by a then member of the Bureau’s Finance Committee, who also served as a board representative from one of the affected municipalities.

The accounting and overpayment error went unaddressed for several more years before new Bureau Executive Director Joshua Vecchio learned of the matter in March of this year. A subsequent independent audit of the bureau’s finances by another professional firm confirmed the overpayment in May of this year.

Bureau members will recall a similar circumstance involving South Middleton Township several years ago, when the bureau had to undertake significant legal expense to recover funds that the township had been overpaid. The subsequent legal battle lasted for several years before CapTax was finally vindicated and South Middleton was ordered by the courts to return the money.

CapTax considers its fiduciary responsibilities to its members to be its highest priority, and securing the return of the monies became the

focus of an intense series of Executive Committee meetings as well as further interviews with some of the parties involved. Rather than wait several years for the return of the monies, as occurred in the South Middletown case, your senior board members opted to withhold the missing amounts from the final payments made to the affected municipalities and the Central Dauphin School District. This assured the return of the funds to the members of CapTax.

Over the past several weeks, CapTax has received information that leads us to believe that the Central Dauphin School District and its affected municipalities now plan on filing suit against the Bureau to recover the withheld monies. CapTax believes the precedent set in the South Middleton case will prevail in this matter as well, and chose to take possession of the funds now, rather than wait years for their return.

No suit has been filed against the Bureau as of this publication’s printing date, and we hope that those affected will consider the matter carefully before proceeding with any legal actions. CapTax is in a very strong legal position in this case and the affected municipalities are likely to face large and unbudgeted legal expenses in any quixotic collection attempt. Should the courts affirm the bureau’s position, those legal expenses will be additionally borne by the taxpayers of the overpaid municipalities, constituting additional

Overpayments Include:	
Central Dauphin School District	\$990,070.46
Lower Paxton Township	\$198,962.76
Swatara Township	\$67,483.95
W. Hanover Township	\$26,508.66
Middle Paxton Township	\$21,288.32
Penbrook	\$7,694.87
Paxtang	\$5,532.83
Dauphin	\$2,552.05
TOTAL	\$1,320,093.90

unnecessary expense to them. “If they decide to sue the bureau, they know they will be suing for money that is not rightfully theirs,” Vecchio added.

CapTax has acted quickly and decisively to rectify the problem on behalf of our members, who are the rightful owners of the overpaid funds. We recognize the tight fiscal constraints our members are facing in today’s economic climate, and are fully committed to ensuring that they receive every penny due them. While those from who the funds have been withheld may cry foul, ultimately they know those monies were never theirs in the first place. To attempt to recover them now through pending legal action just adds insult to injury.

“If the shoe was on the other foot and Central Dauphin and its municipalities were underpaid, I am sure they would want me to do everything in my power to correct the situation,” Vecchio concluded. “I did not want to withhold the money in one lump sum due to today’s economic conditions and the financial strain that it would place on Central Dauphin School District and its municipalities, but what’s right is right and taking back an overpayment is the right thing to do.” ♦

2009 OFFICERS

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James E. Swenson
First Vice-President

Larry Hartman
Second Vice-President

E. Denny Beaver
Third Vice-President

Owen A. Snyder
Fourth Vice-President

Robert F. Kroboth
Immediate Past-President

Joshua J. Vecchio
Secretary
Judy S. Line
Treasurer

EXECUTIVE COMMITTEE

Robert F. Kroboth, *Harrisburg City*
Denny Beaver, *Paxtang Borough*

Kenneth J. Cramer, *Penbrook Borough*

Kermit Harry, *Newport School District*

Larry Hartman, *West Hanover Township*

Owen Snyder, *Carlisle Borough*

James Swenson, *Centre Township*

Gerald E. Eby, *Carlisle Area School District*

Richard R. Vensel, *South Middletown School District*

PERSONNEL COMMITTEE

James Swenson, *Centre Township (chairman)*

Timothy A. Eller, *Susquenita School District*

E. Denny Beaver, *Paxtang Borough*

Wilbur E. Wolf, Jr., *Big Spring School District*

Kermit Harry, *Newport School District*

AUDIT COMMITTEE

Robert F. Kroboth, *Harrisburg City*

Owen Snyder, *Carlisle Borough*

Kenneth J. Cramer, *Penbrook Borough*

FINANCE COMMITTEE

Denny Beaver, *Paxtang Borough*

Gerald E. Eby, *Carlisle Area School District*

Kermit Harry, *Newport School District*

Larry Hartman, *West Hanover Township*

Jeffery L. Wright, *Steelton Borough*

GOVERNANCE COMMITTEE

Bruce Bowser, *Carroll Township*

Fred Potzer, *Newville Borough*

Larry Hartman, *West Hanover Township*

Karl Raudensky, *Watts Township*

Lester Weibley, *Tuscarora Township*

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Third Quarter 2009
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