

# CREDIT FOR INCOME TAX PAID BY PA RESIDENT TO OTHER STATE

SCHEDULE G  
1995

PA-40G (09-95)  
PA DEPARTMENT OF REVENUE

COMPLETE SEPARATE SCHEDULE FOR EACH STATE AND ATTACH A COPY OF OTHER STATE'S TAX RETURN.  
SEE INSTRUCTIONS FOR EXCEPTIONS DUE TO RECIPROCAL AGREEMENTS.

Name (s) as shown on form PA-40R or PA-41

Social Security Number:

## PART I GENERAL INFORMATION

1. Name of other state or country	1.	
2. Income subject to both state's tax	2.	00
3. Tax paid to other state	3.	00

## PART II COMPUTATION OF CREDIT (RESIDENT INDIVIDUALS ONLY)

4. Line 2 X tax rate	4.	00
5. Tax Credit (Enter smaller of Line 3 and 4 here and on PA-40R return)	5.	00

## PART III COMPUTATION OF CREDIT (RESIDENT TRUSTS/ESTATES ONLY)

6. Line 2 ÷ "Taxable Income" (line 9, PA-41)	6.	
7. Line 6 X "Tax" (line 10, PA-41)	7.	00
8. Tax Credit (enter smaller of line 3 and line 7 here and on PA-41)	8.	00

✂ -----  
Cut along dotted line

# CREDIT FOR INCOME TAX PAID BY PA RESIDENT TO OTHER STATE

SCHEDULE G  
1995

PA-40G (09-95)  
PA DEPARTMENT OF REVENUE

COMPLETE SEPARATE SCHEDULE FOR EACH STATE AND ATTACH A COPY OF OTHER STATE'S TAX RETURN.  
SEE INSTRUCTIONS FOR EXCEPTIONS DUE TO RECIPROCAL AGREEMENTS.

Name (s) as shown on form PA-40R or PA-41

Social Security Number:

## PART I GENERAL INFORMATION

1. Name of other state or country	1.	
2. Income subject to both state's tax	2.	00
3. Tax paid to other state	3.	00

## PART II COMPUTATION OF CREDIT (RESIDENT INDIVIDUALS ONLY)

4. Line 2 X tax rate	4.	00
5. Tax Credit (Enter smaller of Line 3 and 4 here and on PA-40R return)	5.	00

## PART III COMPUTATION OF CREDIT (RESIDENT TRUSTS/ESTATES ONLY)

6. Line 2 ÷ "Taxable Income" (line 9, PA-41)	6.	
7. Line 6 X "Tax" (line 10, PA-41)	7.	00
8. Tax Credit (enter smaller of line 3 and line 7 here and on PA-41)	8.	00

---

## GENERAL INSTRUCTIONS

---

### Resident Credit for Tax Paid to Another State or Country.

If you are a Pennsylvania resident and have income which is subject to both Pennsylvania Personal Income Tax and the income or wage tax of another state or country, you can claim all or a portion of the tax paid to the other state or country as a credit against your Pennsylvania tax. The amount of the allowable credit cannot exceed the lesser of the actual amount of tax paid to the other state or country for the same taxable year or the product using the current Pennsylvania Personal Income Tax rate (2.1% for tax years 1988, 89 and 90, 2.6% for tax year 1991, 2.8% for tax year 1993, 94, 95) multiplied by the amount of Pennsylvania taxable income earned in the other state or foreign country. A resident credit also is allowed Pennsylvania resident trusts or estates.

If you claim a credit for taxes paid to other states or countries, complete Schedule G and attach a signed copy of the income tax return and W-2(s) filed with the other state or country to form PA-40R or PA-41. Your credit will be disallowed if you do not provide the tax return from the state listed on line 1 of the Schedule.

If you are claiming a credit for taxes paid in more than one state or country, (not including Pennsylvania), complete a separate Schedule G for each state or country. Add the credits from each Schedule, and enter the total on your PA-40R or your PA-41.

### Compensation Earned in Indiana, Maryland, New Jersey, Ohio, Virginia or West Virginia by Residents.

No resident credit will be granted for taxes paid to Indiana, Maryland, New Jersey, Ohio, Virginia or West Virginia on compensation earned in those states. These states do not impose tax on compensation of Pennsylvania residents.

### Tax Paid to Political Subdivisions of Other States.

No resident credit will be granted for taxes paid to political subdivisions of other states. You may, however, be allowed to claim a credit against your local income tax for taxes paid on earned income to political subdivisions outside Pennsylvania. Check with your local taxing authority to determine if you may claim such a credit.

---

## LINE INSTRUCTIONS

---

**Line 1.** Enter the name of the state or country to which an income tax was paid. Do not include Pennsylvania.

**Line 2.** Determine the amount of income subject to both the tax of Pennsylvania and the tax of the state or country listed on 1.

**Step 1.** Separately determine for each of the eight classes of Pennsylvania taxable income or gain, the total amount of gross receipts or proceeds, or other items of gross income, includable in that class for Pennsylvania tax purposes and also subject to the tax of the other state for the same tax period. In making this determination, disregard:

1. All costs, expenses and other deductions allowed by Pennsylvania or the other state or country, and
2. How the receipt, proceeds or other item of income is classified by the other state for income tax purposes.

**Step 2.** Separately determine for each class of Pennsylvania taxable income or gain from step 1, the amount of costs and expenses allocable to that class for which a deduction is allowed under Pennsylvania rules and regulations. Compute the amount of taxable income within each class. In making this computation, disregard:

1. The tax laws of the other state, and
2. (Losses) where costs and expenses exceed the total amount of receipts, proceeds or items of gross income within the class.

**Important.** Downward adjustments may be necessary if you have net income or gain in the other state and a net (loss) in the same class in another state or country (including Pennsylvania). For example: A taxpayer has a net profit from commercial activity within New York and a net (loss) therefrom in another state or country (including Pennsylvania). The taxpayer's taxable income from New York would be the excess of New York net profit over net (losses) from both within and without New York determined under Pennsylvania rules and regulations.

**Step 3.** Add together the amount for each class of Pennsylvania taxable income computed in step 2 to determine your income subject to both states' tax.

**Line 3.** A tax credit is based on the final amount of tax due and paid, as determined on your out-of-state return, and not on the amount withheld as listed on the W-2 or the amount of estimated tax paid. Enter only the amount of tax due and paid to the other state.

**Lines 4-8.** Self-explanatory.