

PA SCHEDULE G CREDIT FOR TAXES PAID BY PA RESIDENTS TO OTHER STATES OR COUNTRIES

1996

PA-G (09-96)
PA DEPARTMENT OF REVENUE

Name as shown on PA tax return:	Social Security Number
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You may make as many copies of this schedule as you need.

DO NOT USE CENTS. PLEASE ROUND ALL AMOUNTS.

1. Name of other state or country _____		
2. Income subject to tax in Pennsylvania and the other state or country	2.	
3. Tax due and paid to the other state or country	3.	
4. Multiply line 2 by 2.8% (0.028)	4.	
5. Resident Credit. Enter the smaller of line 3 or 4 here and on line 14 of your PA-40	5.	

GENERAL INSTRUCTIONS

If you are a PA resident and have income which is subject to both PA income tax and the income or wage tax of another state or country, you can claim a credit on your PA tax return. 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 PA tax rate (2.8 percent) multiplied by the amount of PA taxable income earned in the other state or foreign country.

To claim your Resident Credit, you must complete a PA Schedule G and attach a signed copy of the income tax return and W-2 form(s) filed with the other state or country to your PA tax return. If the other country's return is in a foreign language, you must also attach a translation and convert the amounts to U. S. dollars. If the other jurisdiction does not have a tax return system, you must attach the same forms and evidence you submitted with your federal tax return.

Your credit will be disallowed if you do not provide a signed copy of the other tax return (or other evidence).

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

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

No resident credit will be allowed for taxes paid to these states on compensation earned in these states. Pennsylvania has reciprocal agreements with these states. See the instructions for further information. These states do not impose tax on compensation earned by PA residents.

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 you paid income tax. Do not include Pennsylvania.

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

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

- a) All costs, expenses and other deductions allowed by Pennsylvania or the other state or country, and
- b) How the receipt, proceeds or other item of income is classified by the other state or country for its tax purposes.

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

- a) The tax laws of the other state, and
- b) [Losses] where costs and expenses exceed the total amount of gains and 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 PA income class in another state or country (including Pennsylvania). For example: A taxpayer has a net profit from a business in New York and a net [loss] from business 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 PA rules.

Step 3. Add the amounts for each class of PA taxable income computed in Step 2 to determine your income subject to tax in both Pennsylvania and the other state or country.

Line 3. The Resident Credit is based on the final amount of tax due and paid, as determined on your non-PA return, and not on the amount withheld as listed on your W-2 form(s) or the amount of estimated tax paid to the other state or country. Enter only the amount of tax actually due and paid to the other state or country.

Lines 4 and 5. Self-explanatory.