

Annual Report Checklist

Check to make sure you received each of the following, to file your annual report properly and completely:

- RCT-132, Shares Tax and Loans Tax Report
- RCT-132-I, Instructions for RCT-132
- REV-425, Extension to File Coupon

Imposition, Base and Rate

Shares tax is imposed at the rate of 1.25 percent on taxable shares of domestic title insurance companies and banks and trust companies located in Pennsylvania and having capital stock.

Taxable shares equal the total shares for the current year plus each of the preceding five years, divided by 6. An entity in existence fewer than six years must total the shares for each of the years in existence and divide by that number of years. A partial year of existence is considered a full year. The value of shares for a partial year is determined by adding the book values for each report of condition filed or calendar quarter in existence and dividing the sum by the number of reports or quarters.

For more information on shares tax, please see Sections 1701 and 1801 of the Tax Reform Code of 1971 (72 P.S. §7701 and §7801).

Loans tax is imposed at the rate of 4 mills on the nominal value of taxable indebtedness. For more information on loans tax, please see Section 1721, Act of June 22, 1935, P.L. 414 (Act of June 22, 1935, P.L. 414, 72 P.S. § 3250-10 to § 3250-15).

Filing Guidelines

A deduction for goodwill recorded as a result of the use of purchase accounting for an acquisition or combination occurring after June 30, 2001, may first be taken on the Jan. 1, 2008, bank shares tax return and subsequent returns. Taxpayers taking a deduction for goodwill must provide a schedule detailing the goodwill listed on the balance sheet of the applicable call report. Include the name of the entity, date of combination and amount of goodwill.

- On Schedule A, Part I, goodwill is deducted from total equity (capital) to arrive at current year net equity.
- In Part II, goodwill is deducted from total assets to arrive at current year net assets.
- In Part III, the average values for four quarters of net equity (from Part I), U.S. obligations and net assets (from Part II) are calculated.
- Part IV calculates the deduction for U.S. obligations.
- Part V calculates current year value.

All book values used for this schedule are average book values reflected on quarterly reports of condition filed with the appropriate regulatory authorities. For title insurance and trust companies that do not file reports of condition, book values are based on average book values as of the end of each calendar quarter, under generally accepted accounting principles.

Refer to Corporation Tax Bulletin 94 (REV-816-I CT) for a list of obligations considered by the Department of Revenue to be U.S. Obligations.

Amended Report

Check this box if you are filing an amended report to add, delete or adjust information. Provide documentation to support all changes being made. An amended report should only be filed if an original report was filed previously for the same period.

The department may adjust the tax originally reported based on information from the amended report. The department will not make a tax adjustment three years beyond the receipt date of the original report unless the taxpayer consents to extending the assessment period.

When filing an amended report, record the amended tax liability on Page 1, Column A.

KOZ/KOEZ/EIP Credit

Check this box if the corporate taxpayer is claiming the Keystone Opportunity Zone Credit or the Keystone Opportunity Expansion Zone Credit or the Employer Incentive Payment Credit.

Last Report

If checking this box, submit the following:

- Account number of the surviving entity, if applicable
- Account number of the merging entity, if applicable
- Effective date of the event
- A copy of the regulatory authority's approval of the merger, dissolution, plan of reorganization and/or articles of merger

Report Due Date, Payments and Mailing Addresses

This report is due on or before March 15 following the Jan. 1 shares reported. If March 15 falls on a Saturday, Sunday or holiday, the report is due the next business day. A penalty for late filing will be imposed as follows and assessed at the time of filing: 10 percent of the first \$1,000 of tax liability, 5 percent of the next \$4,000 of tax liability and 1 percent on any tax liability in excess of \$5,000.

Payments of \$20,000 or more must be remitted by electronic funds transfer (EFT). For more information and to register for EFT, visit www.etides.state.pa.us. Payments under \$20,000 may be remitted by mail, made payable to the PA Department of Revenue.

Mail RCT-132 – with remittance, if applicable – to the following address, using the envelope provided (E-140):

PA DEPARTMENT OF REVENUE
PO BOX 280407
HARRISBURG, PA 17128-0407

Due Date Extension Request

To request a due date extension of up to 180 days to file the annual report, you must file an extension request coupon by the original report due date. However, an extension of time to file does not extend the deadline for payment of tax, and an extension request must be accompanied by payment of taxes owed for the taxable year for which the extension is requested. Mail the extension coupon separately from all other forms, using the enclosed return envelope (E-203).

Taxpayers using electronic funds transfer (EFT) to make payment with an extension request are not required to submit the extension coupon.

Overpayment Instructions

- A. Overpayment is transferred automatically to offset other underpaid taxes in the current tax period, and any remaining credit is then applied to the next tax period for estimated tax purposes.
- B. Prior to issuing a refund, the department will apply overpayment to unpaid tax in the current tax period. The department may also offset other unpaid liabilities or commonwealth obligations for the account.

Refund/Transfer Request

Use Page 1 of RCT-132 to request refunds or transfers for the current tax period.

Requests for refunds of overpayments from prior periods or refunds of estimated tax payments in advance of filing the annual tax report must be submitted in writing to the following address:

PA DEPARTMENT OF REVENUE
PO BOX 280701
HARRISBURG, PA 17128-0701

Requests to transfer overpayments to or from tax periods prior to that covered by the current annual report should be made in writing to the same address (immediately above).

Please do not duplicate requests for refund and/or transfer by submitting both RCT-132 and written correspondence.

CONTACT INFORMATION

- Visit the e-Services center at www.revenue.state.pa.us to learn about electronic filing options and for the current list of software vendors approved to file federal and state corporate reports simultaneously and electronically.
- To make EFT payments and file extensions electronically and free of charge, visit e-TIDES at www.etides.state.pa.us.
- With general business tax questions, call 717-787-1064.
- To confirm account payments, call 1-888-PATAXES.
- With questions regarding payments or refunds, call the Accounting Division at 717-705-6225.
- For information and assistance with electronic payment and filing options, call 717-783-6277.
- Requests for transfer of credit may be faxed to the Accounting Division at 717-705-6227.
- With questions regarding tax settlements, assessments or filing requirements, call the Specialty Tax Unit at 717-783-6031



**ESTIMATED PAYMENTS AND EXTENSIONS TO FILE THE RCT-132 CAN
NOW BE FILED ONLINE AT WWW.ETIDES.STATE.PA.US**

FINANCIAL INSTITUTION SHARES TAX INSTRUCTIONS FOR APPORTIONMENT

Who may apportion?

A financial institution or mutual thrift institution may apportion its taxable shares or net income if the institution is or could be subject to tax in another state based on or measured by net worth, gross receipts, net income or another similar base of taxation.

How is the apportionment fraction computed?

The apportionment percentage is an average of payroll, receipts and deposits.

PAYROLL FACTOR — The numerator is the total wages paid in Pennsylvania, and the denominator is the total wages paid in all states. Wages are paid in a state if paid to an employee having regular presence therein.

RECEIPTS FACTOR — The numerator is total receipts in Pennsylvania, and the denominator is the total receipts in all states. Receipts do not include principal repayments on loans or credit or travel or entertainment cards. Receipts from the sale or disposition of property include only the net gain from the sale.

Determine the location of receipts as follows:

- Receipts from loans are located at the place of origin. Receipts from loans primarily secured by real property are assigned to the state in which the predominant portion of such property is located, if the institution has an office in that state at which application, negotiation, approval or administrative responsibility occurs. Receipts from all other loans are assigned to the state of residency or commercial domicile of the borrower, if the institution has an office in that state at which application, negotiation, approval or administrative responsibility occurs. Otherwise, receipts from loans are assigned to the state where the office is located that treats the loan as an asset on its books or records.
- A receipt from performance of services is located in the state where the services are performed. If services are performed in more than one state, the receipts located in each state must be measured by the ratio of time spent performing such services in one state to the total time spent performing services in all states. Time spent performing services in a state is the time spent by employees having a regular presence in the state performing such services.
- Receipts from lease transactions are located in the state where the leased property is located.
- Interest or service charges – excluding merchant discounts from credit, travel and entertainment card receivables and credit card holders' fees – are located in the state where the credit card holder resides. If the taxpayer is a corporation maintaining a commercial domicile, such charges are in the state of the card holder's commercial domicile. Otherwise, receipts are located in the state where the institution maintains an office that treats such receivables as assets on its books of record.
- Interest, dividends and net gains from the sale or disposition of intangibles, excluding receipts described elsewhere in this section, are located in the state where the institution maintains an office that treats such intangibles as assets on its books of record.
- Traveler's checks and money order fees or charges are located in the state where the traveler's checks or money orders are issued.
- Receipts from sales of tangible property are located in the state where the property is delivered or shipped, regardless of the free on board (FOB) point or other condition of sale.
- Receipts from the issuance of title insurance are located in the state where the insured property is located.
- All receipts not specifically addressed above are located in the state where the greatest portion of income-producing activities is performed, based on costs of performance

DEPOSITS FACTOR — The numerator is the average value of deposits in Pennsylvania during the taxable year, and the denominator is the average value of total deposits during the taxable year. The average value of deposits is to be calculated on a quarterly basis. Deposits are located in the state where the institution maintains an office that treats the deposits as a liability on its books of record. A deposit is considered properly treated as a liability on the books or records of the office with which it has a greater portion of contact. In determining whether a deposit has a greater portion of contact with a particular office, consideration is given to the following:

- Whether the deposit account was opened at or transferred to that office by or at the direction of the depositor, regardless of where subsequent deposits or withdrawals are made.
- Whether employees regularly connected with that office are primarily responsible for servicing the depositor's general banking and other financial needs.
- Whether the deposit was solicited by an employee regularly connected with that office, regardless of where such deposit was actually solicited.
- Whether the terms governing the deposit were negotiated by employees regularly connected with that office, regardless of where the negotiations were actually conducted.
- Whether essential records relating to the deposit are kept at that office and whether the deposit is serviced at that office.