

Annual Report Checklist

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

- RCT-112, Gross Receipts Tax Report – Electric, Hydro-Electric and Water Power Companies
- RCT-112-I, Instructions for RCT-112
- REV-422 or REV-423, Estimated Payment Coupon
- REV-424 or REV-426, Extension to File Coupon

Imposition, Base and Rate

Gross receipts tax is imposed on electric light companies, water power companies and hydro-electric companies – including electric distribution companies and electric generation suppliers – that do business in Pennsylvania establishing or maintaining a market for the sale of electric energy. The tax applies to retail sales of electric generation, transmission and distribution; supply of electric energy; dispatching and customer services; competitive transition charges, intangible transition charges; universal service and energy conservation charges; and any other receipts considered sales of electric energy.

Retail sales of electric generation occur at the retail customers' meters.

The rate is as follows:

| Tax Rate | Revenue Neutral Reconciliation (RNR) | PURTA Surcharge: (see 38 Pa.B. 5401) | Total |
|----------|--------------------------------------|--------------------------------------|---------------------|
| 44 mills | 15 mills | 0 mills | 59.0 mills (0.0590) |

For more information, see Section 1101 of the Tax Reform Code of 1971 (72 P.S. § 8101). For information on the PURTA surcharge, see Pennsylvania Bulletin (38 Pa. B.5401)

Filing Guidelines

Use the Federal Energy Regulatory Commission (FERC) uniform system of accounts to identify sources of receipts.

- On Page 2, enter total gross receipts everywhere in Column A.
- For those receipts included in Column A, enter receipts from business done in other states in Column B.
- Report the difference between Column A and Column B in Column C.
- Report in Column D non-taxable PA receipts and PA sales for resale (Line 15).
- Report in Column E the difference between Column C and Column D.

The source(s) of information on this return must be FERC and Public Utility Commission (PUC) annual reports, or, if not required to file with either regulatory commission, the federal income tax return. Complete box at top of Page 2.

Provide all information requested at bottom of Page 2 and indicate what method of accounting is used to report gross receipts.

Supplemental Schedules

Schedule A - Taxpayers claiming exemption from gross receipts tax on the sale of electricity for resale must provide the name and federal EIN of the reseller. Record in the appropriate column – A, B, C or D – the total sales made to each reseller.

The PA Sales for Resale Exemption Schedule has been expanded to include the reseller's PA sales tax number. Note, however, the existence of a Sales for Resale Exemption Certificate for PA sales tax purposes does not mean the reseller is subject to PA gross receipts tax. This information helps determine if the reseller is subject to PA gross receipts tax.

Schedule B – Distributors of electricity must complete this schedule, providing the name, federal EIN, DUNS number and PA PUC A number of each electric supplier for which the taxpayer distributes electricity. The amount billed and kilowatt hours delivered for each supplier must also be provided. Check the "Distributor" box in the upper-left corner of Page 2.

Schedule C - Suppliers of electricity must complete this schedule, providing the name, federal EIN, DUNS number and PA PUC A number of each of the taxpayer's electric distributors. The amount billed and kilowatt hours delivered for the taxpayer by each distributor must also be provided. Check the "Supplier" box in the upper-left corner of Page 2.

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.

Last Report

Include a copy of your FERC and/or PUC cancellation notice if checking this box.

Reports and Due Dates

This report is due on or before March 15 for the immediately preceding year ended Dec. 31. 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.

The estimated tax payment for 2010 is due in total by March 15, 2010. All late payments and untimely transfers will be subject to interest charges. 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-112 – 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

When filing, taxpayers are required to include with RCT-112 copies of annual reports as filed with the FERC and/or PUC. If such reports are not complete by the RCT-112 due date, please submit them separately to the following address, accompanied by a cover letter referencing the appropriate PA Account ID.

PA DEPARTMENT OF REVENUE
PO BOX 280703
HARRISBURG, PA 17128-0703

Due Date Extension Request

To request a due date extension of up to 60 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

If the remittance column is less than zero on Page 1 of your completed RCT-112, an overpayment exists, and you should instruct the department how to transfer and/or refund the overpayment. Select only one option in the "Overpayment Instructions" area of Page 1. If no option is selected, any overpayment will automatically be credited to the next tax period.

- 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.

Estimated Payment Instructions

All accounts are expected to remit estimated prepayments toward the final liability a corporation estimates due for the taxable year. Prepayment for gross receipts tax is due March 15 of the reported year. Tax remaining due at the close of the taxable year must be paid on March 15th of the following year.

Should a corporation realize estimated tax is underpaid, additional payments should be submitted to minimize underpayment penalty. Underpayment is measured against 90 percent of the tax reported due for the taxable year. However, if the final total tax increases the self-reported tax by 10 percent or more, the underpayment will be measured against 90 percent of the final total tax. The period of underpayment is measured from the due date of the installment to the date the underpayment is paid or the date the safe harbor is satisfied.

A corporation may avoid interest charges by timely paying estimated tax equal to the liability in the second-prior taxable year (safe harbor). This amount must be adjusted to reflect the tax rate and law for the estimated tax year and must reflect the total liability if it exceeds the self-reported liability by 10 percent or more. Where the second-prior year is a short period, the safe harbor is annualized. Second year corporations may use the immediate prior year (annualized if necessary) as the base year for the safe harbor.

Mail the estimated payment coupon separately from all other forms, using the enclosed return envelope (E-203).

Refund/Transfer Request

Use Page 1 of RCT-112 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-112 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-112 CAN
NOW BE FILED ONLINE AT WWW.ETIDES.STATE.PA.US**