

**Annual Report Checklist**

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

- RCT-143, Mutual Thrift Institutions Net Income Tax Report
- RCT-143-I, Instructions for RCT-143
- REV-235, Estimated Payment Coupon
- REV-424, Extension to File Coupon

**Imposition, Base and Rate**

Mutual thrift institutions tax is imposed at the rate of 11.5 percent on net taxable income of mutual thrift institutions in Pennsylvania, including savings banks without capital stock, building and loan associations, savings and loan associations and savings institutions having capital stock.

Mutual thrift institutions are exempt from all other Pennsylvania corporate taxes and local taxes except taxes on real estate and real estate transfers.

For more information, see Section 1502 of the Tax Reform Code of 1971 (72 P.S. § 8502).

**New for 2009**

- The schedule of other assets and other liabilities was removed.
- A new schedule to report net loss carry-forwards has been added to Page 3.
- If the balance sheets on Page 3 report other assets or other liabilities, you must provide a separate schedule including the items and the book value of each asset or liability.
- Use Schedule C to report net losses available for the current year, the net loss used in the current year and the loss available to be used in subsequent years. Remember the net loss carry-forward provision for mutual thrift institutions net income tax is three years, and there are no carry-back provisions.

**Filing Guidelines – Attachments to be Included with Report**

- The federal tax return or a copy of the Report of Condition or financial statement must accompany the report.
- A schedule identifying names and interest amounts from U.S. and Pennsylvania obligations must accompany the report.

**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, the Keystone Opportunity Expansion Zone or the Employer Incentive Payment Credit.

**Last Report**

If this box is checked, the taxpayer should submit the following information:

- 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**

The annual report for calendar year institutions must be filed on or before April 15 following the end of the tax year. An institution operating on a fiscal year must file the report within 105 days of the close of the fiscal year. If April 15 or the 105th day following the close of the fiscal year 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](http://www.etides.state.pa.us). Payments under \$20,000 may be remitted by mail, made payable to the PA Department of Revenue.

Mail RCT-143 – 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**

If the remittance column is less than zero on Page 1 of your completed RCT-143, 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. Estimated payments for mutual thrift institutions tax are due on the 15th day of the third, sixth, ninth and 12th month following the close of the prior tax year. Tax remaining due at the close of the taxable year must be paid by the 15th day of the fourth month following the close of the tax 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-143 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-143 and written correspondence.

**CONTACT INFORMATION**

- Visit the e-Services center at [www.revenue.state.pa.us](http://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](http://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-143  
CAN BE FILED ONLINE AT [WWW.ETIDES.STATE.PA.US](http://WWW.ETIDES.STATE.PA.US)**

## MUTUAL THRIFT INSTITUTION 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.