

PA SCHEDULE H
Apportioned Business Income (Loss)/
Calculation of PA Net Business
Income (Loss)
(Form PA-20S/PA-65)
PA-20S/PA-65 H (08-09) (FI) 2009

OFFICIAL USE ONLY

You may make photocopies of this schedule.

Name as shown on PA-20S/PA-65 Information Return FEIN

APPORTIONED INCOME (LOSS) FROM A BUSINESS, PROFESSION, OR FARM DERIVED FROM SOURCES BOTH WITHIN AND OUTSIDE PENNSYLVANIA.

Complete this schedule and submit it with the PA-20S/PA-65 Information Return if a PA S corporation or partnership has nonresident members or is located in a KOZ and derives business income from sources within and outside Pennsylvania, and/or if the entity's accounts and records do not clearly reflect its activity from within Pennsylvania.

The entity must calculate a figure as required in 1C, 2C, and 3C to apply to net business income (loss) to determine the amount from within Pennsylvania. The figure is an average of the sum of three fractions shown below

NET BUSINESS INCOME (LOSS) APPORTIONMENT FORMULA

Submit a statement listing all places BOTH WITHIN AND OUTSIDE PENNSYLVANIA where the entity operates its business.

TABLE 1 - PROPERTY FACTOR. Table with columns: Description, Total Everywhere, Within Pennsylvania. Rows include Real and Tangible Property Owned (original cost value), Land and Buildings, Machinery and Equipment, Furniture and Fixtures, Automobiles and Trucks, Inventories, Other Tangible Property, Total Property.

\* Eight times net annual rental rate (Attach Schedule)

1C. Property factor (divide 1(B) by 1(A) - calculate to six decimal places)

TABLE 2 - PAYROLL FACTOR. Table with columns: Description, Total Everywhere, Within Pennsylvania. Rows include Wages, salaries, commissions and other compensation to employees in: Cost of goods sold, Compensation of officers, Salesmen's salaries and commissions, Other, Total Payroll.

2C. Payroll factor (divide 2(B) by 2(A) - calculate to six decimal places)

TABLE 3 - SALES FACTOR. Table with columns: Description, Total Everywhere, Within Pennsylvania. Rows include Sales (Net of Returns and Allowances), Interest, Dividends, Rents, Royalties, Other Income (receipts only), Gross Sales Price of Assets (except securities\*\*), Totals.

\*\* Unless you are a securities dealer

3C. Sales factor (divide 3(B) by 3(A) - calculate to six decimal places)

Summary table with 7 rows for calculations: 1. Real and Tangible Property, 2. Wages, Salaries, Commissions, and Other Compensation, 3. Sales, 4. Total Lines 1 through 3, 5. Apportionment (express in a decimal), 6. Total Net Income (Loss) from business, 7. Net Income (Loss) for Pennsylvania.

Special Apportionment to be completed only by railroad, truck, bus, and airline entities, pipeline or natural gas entities and water transportation entities. (Refer to PA-20S/PA-65 Schedule H instructions)

(A) Numerator (A)
(B) Denominator (B) =