

# PA-20S/PA-65 Information Return

PA S Corporation/Partnership

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PA-20S/PA-65 Information Return (12-09)



## **WHAT'S NEW THIS YEAR**

### **Line Changes**

Page 2, Line 13b - "Out-of-State Credits for Resident Partners and Shareholders" was changed to "Resident Credit."

Page 2, Part VII - Line 12 is a new line - "PA Apportionment as reported on PA-20S/PA-65 Schedule H-Corp \_ \_ \_ \_ \_"

### **Obsolete Forms**

The 2009 PA-20S/PA-65 PA S Corporation/Partnership Information Return Tax Booklet, forms and schedules will not be printed or mailed, and will no longer be available through the department's forms ordering service. The PA-20S/PA-65 including the PA-40 NRC, NRC-I and NRC-O forms and schedules will continue to be available on the department's Web site.

The form PA-V payment voucher will no longer be available because the PA-20S/PA-65 Tax Booklet for tax year 2009 was discontinued. The 2009 Nonresident Withholding Payment substitute voucher will continue to be used by entities using approved software. Otherwise, submit a check or money order. Refer to [Final Payment of Nonresident Withholding Tax](#).

### **Federal / State e-File Option for Estimated Nonresident Individual Quarterly Withholding Payments**

Starting with the 2009 tax year, taxpayers will have the option of electronically submitting four future estimated nonresident individual quarterly withholding tax payments. These four future payments can only be electronically submitted when the current year PA-20S/PA-65 S Corporation/Partnership Information Return is filed through the Federal/State Modernized e-File (MeF) Program and the current year return has a final "catch-up" payment made through the electronic fund withdrawal method. The four future payments will be a separate electronic transaction from the final "catch-up" payment. The department warehouses the four payments until the specified due date.

Visit Revenue's e-Services Center for more information.

## **GENERAL INSTRUCTIONS**

### **Purpose of Form**

Form PA-20S/PA-65 is an information return used to report the income losses, deductions, credits, etc. from the operation of PA S corporations, partnerships or limited liability companies taxed as partnerships. These entities do not pay tax on its income but "passes through" any profits or losses to its owners (shareholders, partners or members). The owners must include the "pass through" items on their PA-40 Individual Income Tax Return.

### **Classifying Income**

For Pennsylvania purposes, read the rules for classifying income found in the general instructions for the PA-20S/PA-65 and the Pennsylvania Personal Income Tax Guide. The entity must maintain sufficient books and records to properly report income (losses), expenses, credits, deductions, and other amounts for Pennsylvanian purposes. A PA S corporation or partnership that only operates a business, profession or farm must include all activities and transactions to determine Part I or Part II of the PA-20S/PA-65 Information Return, whichever is applicable, regardless of the name of the transaction and regardless of how it reports for federal income tax purposes.

NOTE: Pennsylvania personal income tax law taxes resident partners and shareholders (owners) on income from sources within and outside Pennsylvania and taxes nonresident owners on Pennsylvania-source income, only.

### **Who Must File**

A domestic or foreign PA S corporation, partnership or limited liability company filing as a PA S corporation or partnership must file the PA-20S/PA-65 Information Return if any of the following apply:

1. During the taxable year, the PA S corporation or its qualified subchapter S subsidiary earned, received or acquired any gross taxable income (loss) allocable or apportionable to Pennsylvania, regardless of the amount of its income (loss) and/or whether distributed or not; and/or
2. The PA S corporation had at least one shareholder that was a Pennsylvania resident individual, estate, trust or single-member limited liability company; and/or
3. The partnership, at year-end, had at least one partner that was a Pennsylvania resident individual, estate or trust, or other pass through entity such as a partnership, PA S corporation or limited liability company.

All PA S corporations that conduct business in Pennsylvania must also file the RCT-101, PA Corporate Tax Report, for the capital stock/foreign franchise tax.

NOTE: A PA S corporation, incorporated in another state with a Pennsylvania resident shareholder having no Pennsylvania-based income or Pennsylvania activity, is not required to file an RCT-101, PA Corporate Tax Report.

### **Filing Requirements**

In many instances, Pennsylvania personal income tax law and regulations differ from federal tax laws. This is especially true with regard to federal elections concerning the timing of income and expense items. Taxpayers should not use federal elections to determine Pennsylvania personal income tax income (loss).

### **PA S Corporations and Partnerships**

Each PA S corporation, partnership or limited liability company taxed as a partnership must also submit with the PA-20S/PA-65 Information Return a complete copy of its federal income tax return including all schedules, statements, federal Schedules K-1, and PA-20S/PA-65 Schedules RK-1 and NRK-1 received from other pass through entities. With the PA-20S/PA-65 Information Return, the entity must also submit copies of the PA-20S/PA-65 Schedules RK-1 that it provides to resident partners/shareholders (owners) and copies of the PA-20S/PA-65 Schedules NRK-1 that it provides to nonresident owners. If the entity is a PA S corporation or a limited liability company and has already forwarded a complete copy of its federal return to the Bureau of Corporation Taxes with the RCT-101, PA Corporate Tax Report, does not send another copy.

A partnership or limited liability company taxed as a partnership with operations within Pennsylvania, whose partners are all C corporations, must provide the department a complete copy of federal Form 1065. Such a partnership must submit a PA-65 Corp, Directory of Corporate Partners, and does not complete a PA-20S/PA-65 Information Return.

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Refer to the instructions for the PA-65 Corp, Directory of Corporate Partners available on the department's Web site.

### Limited Liability Company

All limited liability companies must report capital stock/foreign franchise tax on the RCT-101, PA Corporate Tax Report, to Revenue's Bureau of Corporation Taxes unless it meets the de minimis standards as outlined in Corporation Tax Bulletin 2004-01. These corporations file the RCT-101D, Declaration of de minimis PA Activity, affirming the Pennsylvania activity during that period is de minimis.

A limited liability company that elects to file as a C corporation with the Internal Revenue Service files as a C corporation for Pennsylvania.

A limited liability company that elects to file as an S corporation with the Internal Revenue Service and has not elected out of PA Subchapter S status for Pennsylvania by filing form REV-976, Election Not To Be Taxed as A Pennsylvania S Corporation must file as an S corporation for Pennsylvania and must file a PA-20S/PA-65 Information Return.

A limited liability company that elects to file as a partnership with the Internal Revenue Service files as a partnership for Pennsylvania using the PA-20S/PA-65 Information Return.

A single-member limited liability company owned by an individual or limited liability company jointly owned by husband and wife that elects to file as a disregarded entity with the Internal Revenue Service is an entity separate from its owner for capital stock/foreign franchise tax purposes, but not for Pennsylvania personal income purposes. A single-member limited liability company owned by an individual or limited liability company jointly owned by husband and wife and filing as a disregarded entity for federal income tax files PA-40 Schedule C, E, or F with the PA-40 Individual Income Tax return and RCT-101, PA Corporate Tax Report. A single-member limited liability company that is owned by an entity reports income (loss) on the parent return.

### When To File

A PA S corporation, partnership or limited liability company filing as a partnership that files on a calendar year, reports all taxable income recognized between Jan. 1 and Dec. 31. For calendar year 2009, the PA S corporation or partnership must file its PA-20S/PA-65 Information Return on or before April 15, 2010, unless an extension of time to file has been granted.

A fiscal year entity reports all taxable income recognized during the fiscal year, and files PA-20S/PA-65 Information Return on or before the 15th day of the fourth month following the close of the fiscal year. A partnership may use a 52/53 week-year if it keeps its books on that basis. If the due date falls on a Saturday, Sunday, or business holiday, the entity must file its PA-20S/PA-65 Information Return no later than midnight on the first business day following the Saturday, Sunday, or business holiday. The U.S. Postal Service postmark date on the envelope is proof of timely filing. Pennsylvania follows same tax year as federal.

### Where to File

#### Partnerships

Partnerships, including limited liability companies filing as partnerships, must submit the PA-20S/PA-65 Information Return, the PA-20S/PA-65 supporting schedules and the PA-20S/PA-65 Schedules RK-1 and/or

NRK-1. If a limited liability company did not forward a complete copy of its federal return to the Bureau of Corporation Taxes with the RCT-101, PA Corporate Tax Report it must submit a complete copy of federal Form 1065, including federal Form 1065 Schedule(s) K-1 to:

#### Without Payment:

PA DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
PO BOX 280509  
HARRISBURG PA 17128-0509

#### With Payment:

PA DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
PO BOX 280502  
HARRISBURG PA 17128-0502

### S Corporations

PA S corporations, including limited liability companies filing as PA S corporations, must submit the PA-20S/PA-65 Information Return, the PA-20S/PA-65 supporting schedules and the PA-20S/PA-65 Schedules RK-1 and/or NRK-1. If the entity did not forward a complete copy of its federal return to the Bureau of Corporation Taxes with the RCT-101, PA Corporate Tax Report, it must submit a complete copy of federal Form 1120S, including federal Form 1120S Schedule(s) K-1 to:

#### Without Payment:

PA DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
PO BOX 280509  
HARRISBURG PA 17128-0509

#### With Payment:

PA DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
PO BOX 280502  
HARRISBURG PA 17128-0502

See [Final Payment of Nonresident Withholding Tax](#) for how and where to send the final nonresident withholding tax payment. Be sure to review the new electronic option.

### Assembling the PA-20S/PA-65 Information Return

Assemble the PA-20S/PA-65 Information Return in the following order:

- Signed original PA-20S/PA-65 Information Return (Pages 1 through 3). Do not mail a photocopy
- PA Schedule P-S KOZ – attach behind the Information Return
- PA-20S/PA-65 Partner/Member/Shareholder Directory
- PA-20S/PA-65 Schedules D-I, D-II, D-III, and D-IV
- PA-20S/PA-65 Schedule E
- PA-20S/PA-65 Schedules RK-1 that the entity provides to resident owners
- PA-20S/PA-65 Schedules NRK-1 that the entity provides to nonresident owners

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- PA-20S/PA-65 Schedule M
- PA-20S/PA-65 Schedule OC and the required supporting documents for claiming any of the business credits allowed by Pennsylvania law
- PA-20S/PA-65 Schedules A & B
- PA-20S/PA-65 Schedule H
- PA-20S/PA-65 Schedule H-Corp
- PA-20S/PA-65 Schedule NW
- PA-20S/PA-65 Schedule J
- PA-20S/PA-65 Schedule T
- All other required supporting and supplemental documentation, including a copy of the federal extension
- A complete copy of the corresponding federal tax return, including all schedules, statements, and federal Schedules K-1. If the entity is a PA S corporation or limited liability company and has already forwarded a complete copy of its federal tax return to the Bureau of Corporation Taxes with the RCT-101, PA Corporate Tax Report, do not send another copy.

**IMPORTANT:** Do not mail the PA-20S/PA-65 Information Return with the RCT-101, PA Corporate Tax Report.

### Tax Rates for PA S Corporations and Partnerships

All corporations and limited liability companies doing business in Pennsylvania are required to pay capital stock/foreign franchise tax. Businesses that elect federal subchapter S status are considered Pennsylvania S corporations and are subject to the 9.99 percent corporate net income tax only to the extent of built-in-gains.

Shareholders in S corporations are taxed at the personal income tax rate, 3.07 percent. Shareholders of an S corporation include their share of income, loss and credit on their personal income tax returns.

Partners in a partnership and members of a limited liability company taxed as a partnership or S corporation are taxed at the personal income tax rate, 3.07 percent.

## **SPECIFIC INSTRUCTIONS**

PAGE 1

### Filing Status

Fill in the oval for a PA S corporation (PA-20S) or partnership (PA-65).

### PA-KOZ PS

Fill in the oval if approved for the Keystone Opportunity Zone and include a PA Schedule P-S KOZ – Keystone Opportunity Zone.

### Tax Identification Numbers

If filing as a:

- **PA S Corporation or Limited Liability Company:**  
Enter the federal employer identification number (FEIN) and the PA Account #. The PA Account #, formally known as Box #, is assigned by the Bureau of Corporation Taxes.
- **Partnership:**  
Enter the FEIN.

### North American Industry Classification System (NAICS) Code

Provide your federal NAICS code identified on Page 1 of your federal Form 1120S or 1065. If this number changed from the previous year, fill in the oval.

## DEMOGRAPHICS

### Business Name

Enter the complete name of the entity or business

### First Line of Address

Enter the street address. If the address has an apartment number, suite, or RR number, enter after the street address.

**NOTE:** If the street address along with the apartment number, suite, or RR number does not fit on the first line of address, then enter the street address on the second line of address and the apartment number, suite, or RR number on the first line of address.

The U.S. Postal Service preference is to put the actual delivery address on the line immediately above the city, state and zip code.

### Second Line of Address

Enter the post office box, if appropriate. If there is no post office box, leave the second line of address blank.

**IMPORTANT:** If the address has only a post office box, enter on the first line of address.

### City, State, and ZIP Code

Enter the appropriate information in each box.

## FILL IN THE APPLICABLE OVALS

### Method of Accounting

Indicate whether the entity uses the accrual, cash, or other method of accounting. If other, please identify your method of accounting on a supplemental statement. Income is calculated under the method of accounting on which the entity regularly calculates income in keeping its books. If the department determines that no method has been regularly used or the method used does not clearly reflect income, the calculation of income shall be made under a method that clearly reflects income in the opinion of the department.

**NOTE:** The entity must submit a copy of its federal Form 3115, Application for Change in Accounting Method with its PA-20S/PA-65 Information Return.

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## Extension Requested

Fill in the oval if the entity requested an extension of time to file the PA-20S/PA-65 Information Return. If the entity did not file Pennsylvania form REV-276, Application for Extension of Time to File, submit a copy of federal Form 7004, Application for Automatic Extension of Time to File Certain Business Income Tax, Information, and Other Returns with the PA-20S/PA-65 Information Return.

## Initial Year

If the PA S corporation or partnership is in the first year of operations, fill in the oval.

## Fiscal Year

The PA S corporation and partnership must use its federal taxable year for Pennsylvania purposes. If the PA S corporation or partnership does not file on a calendar year basis, fill in the oval. Enter the month, day and year when the fiscal year begins and ends.

## Final Return

Fill in the oval if the PA S corporation or partnership goes out of business during its taxable year.

## FEIN / Name/Address Change

Fill in the oval if any of the information on the PA-20S/PA-65 Information Return differs from the last filed return.

## Amended Information Return

Fill in the oval if amending the 2009 PA-20S/PA-65 Information Return. The entity must also provide amended PA-20S/PA-65 Schedules RK-1 and NRK-1 to its owners.

## Date Activity Began In Pennsylvania

The entity must include the date activity began in Pennsylvania as a PA S corporation or partnership.

## PART I

### Total Taxable Business Income (Loss) from Operations Everywhere

In Part I report the entity's income (loss) from all business operations from all sources within and from outside Pennsylvania, if any.

### Line 1a. Taxable Business Income (Loss) from Operations Everywhere

Enter the total amount of taxable income (loss) from its own separate operation of a business, profession or farm from the books and records of the PA S corporation or partnership. This is the entity's total business income (loss) from all of its operations everywhere. Follow the instructions for PA-20S/PA-65 Schedule M, Reconciliation of Federal Taxable Income to PA Taxable Income.

### Line 1b. Share of Income (Loss) from All Other Entities

Enter the PA S corporation's or the partnership's share of net profit (loss) that it receives as a partner or shareholder (owner). Be sure to complete the PA-20S/PA-65 Information Return, Part IX on Page 3.

If the PA S corporation or partnership completing the PA-20S/PA-65 Information Return received a PA-20S/PA-65 Schedule RK-1 or NRK-1 from another entity in which it is shareholder or partner (owner), it already has the classified income (loss) amount for completing PA-20S/PA-65 Information Return.

### Line 1c. Total Income (Loss)

Add Line 1a and Line 1b.

**IMPORTANT:** Fill in the ovals next to the appropriate lines for losses. To determine Line 1c, include losses.

### Line 1d. Previously Disallowed Corporate Net Income (CNI) Deductions (PA S Corporations Only)

Enter the total amount of previously disallowed corporate net income deductions on this line. The department allows any deduction that the department disallowed when the corporation was subject to Pennsylvania corporate net income tax as an additional deduction while the corporation is in a PA S corporation status, except a net loss deduction. Pennsylvania limits the additional deduction to the same extent and in the same manner that the additional deduction would have been allowed had the corporation remained subject to Pennsylvania corporate net income tax.

### Disallowed Accelerated Depreciation on Tax Preference Items

Pennsylvania allows accelerated depreciation of tax preference items that were disallowed when the corporation was subject to Pennsylvania corporate net income tax as an additional deduction, to the extent and amount allowed had the corporation remained subject to Pennsylvania corporate net income tax. For further information, refer to the department's regulations in Title 61 PA Code § 153.14.

Any previously disallowed Pennsylvania corporate net income deduction shall be separately determined and must be taken against net profits from a business, profession or farm. Resident shareholders are allowed the full amount of any previously disallowed Pennsylvania corporate net income deduction. Nonresident shareholders are allowed only a previously disallowed Pennsylvania corporate net income deduction to the extent that the deduction would have been considered a deduction against income from sources within Pennsylvania in the year disallowed.

Submit a separate statement for each deduction indicating the basis for each claimed deduction and the year in which the deduction was disallowed. Use the earliest previously disallowed Pennsylvania corporate net income deduction first.

### Line 1e. Total Adjusted Business Income (Loss)

Subtract Line 1d from Line 1c.

**IMPORTANT:** Fill in the ovals next to the appropriate lines for losses. To determine Line 1e, include losses.

## PART II

### Apportioned / Allocated Pennsylvania Taxable Business Income (Loss)

In Part II, a PA S corporation or partnership that has business operations within and outside Pennsylvania must allocate or apportion its income (loss), costs, expenses, and liabilities if it has a owner that is:

- A nonresident individual;
- A resident or nonresident estate or trust;
- A PA S corporation - partnerships only; or
- Another partnership - partnerships only.

**NOTE:** If the entity's operations are entirely within Pennsylvania, the amounts in Part I will be the same as the amounts in Part II, Pennsylvania-source Column. The Part II, Outside Pennsylvania Column will have all zero amounts.

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When an entity operates a business that is neither wholly within nor wholly outside Pennsylvania under the above definitions, it allocates by separate accounting if both of the following conditions are met:

- The business operations within Pennsylvania and the business operations outside Pennsylvania constitute independent profit centers. This means there are no transfers of finished or partly finished goods, raw materials, supplies, services, or operational assets interspersed; each center is free to buy outside; and because of geographical location, no center is in direct competition with another.
- The entity retains its books so that the amounts of revenues, costs, and expenses attributable to Pennsylvania operations can be properly disclosed.

For more information on the apportionment and allocation of income from a business carried on partly within and partly outside this Commonwealth, refer to Title 61 PA Code, § 109.5.

If the entity must apportion, submit a completed PA-20S/PA-65 Schedule H, Apportioning Income from a Business, Profession or Farm derived from sources both within and outside Pennsylvania. Follow the PA-20S/PA-65 Schedule H instructions on the department's Web site.

**NOTE:** For reporting income (loss) from another entity on Lines 1b, 2b and 2f, the Pennsylvania entity needs both a PA-20S/PA-65 Schedule RK-1 and NRK-1 so it can pass through Pennsylvania-source amounts and amounts from sources outside Pennsylvania to its Pennsylvania resident and nonresident owners. If the other entity is not a PA S corporation or partnership, a supplemental statement must be provided from the other entity that shows Pennsylvania-source amounts in the same class in which the other entity received the income.

## OUTSIDE PENNSYLVANIA COLUMN

### Line 2a. Net Business Income (Loss)

Subtract Line 2e in Part II from Line 1a in Part I. Enter the difference.

### Line 2b. Share of Business Income (Loss) from Other Entities

Subtract Line 2f in Part II from Line 1b in Part I. Enter the difference.

If the PA S corporation or partnership completing the PA-20S/PA-65 Information Return received a PA-20S/PA-65 Schedule RK-1 or NRK-1 from another entity in which it is an owner, it already has the classified income (loss) amount for completing PA-20S/PA-65 Information Return. If the PA S corporation or partnership completing this PA-20S/PA-65 Information Return received a federal Schedule K-1 from another entity, in which it is an owner, it should request a PA-20S/PA-65 Schedule RK-1 and/or NRK-1 from the entity.

### Line 2c. Previously Disallowed Pennsylvania-Source Corporate Net Income Deductions - PA S Corporations only

Subtract Line 2g in Part II from Line 1d in Part I. Enter the difference.

### Line 2d. Calculate Adjusted/Appportioned Net Business Income (Loss)

Add Line 2a and Line 2b and then subtract Line 2c. Enter the difference.

**IMPORTANT:** Fill in the ovals next to the appropriate lines for losses. Include losses when determining Line 2d.

## PENNSYLVANIA SOURCES COLUMN

### Line 2e. Net Business Income (Loss)

Enter the apportioned amount from PA-20S/PA-65 Schedule H, Line 7 or enter the allocated amount of net operating income (loss) from its PA-allocated business income, from PA-20S/PA-65 Schedule M, Part B, Section G, Line 1.

### Line 2f. Share of Business Income (Loss) from Other Entities

Enter the sum of Line 1 of all the PA-20S/PA-65 Schedules NRK-1 received.

If the PA S corporation or partnership completing the PA-20S/PA-65 Information Return received a PA-20S/PA-65 Schedule RK-1 or NRK-1 from another entity in which it is a member, it already has the classified income (loss) amount for completing PA-20S/PA-65 Information Return.

If the PA S corporation or partnership completing the PA-20S/PA-65 Information Return received a federal Schedule K-1 from another entity in which it is an owner, it should request a PA-20S/PA-65 Schedule RK-1 and/or NRK-1 from the entity.

### Line 2g. Previously Disallowed Pennsylvania-Source Corporate Net Income Deductions - PA S Corporations only

Multiply Line 1d by the applicable apportionment decimal(s) for the year(s) in which the deduction was disallowed. The corporation's corporate net income three-factor apportionment decimal for the year in which the deduction was disallowed may be used. Enter the result.

### Line 2h. Calculate Adjusted/Appportioned Net Business Income (Loss)

Add Line 2e and Line 2f and then subtract Line 2g.

**IMPORTANT:** Fill in the ovals next to the appropriate lines for losses. Include losses when determining Line 2h.

## PART III

### Allocated Other Pennsylvania Personal Income (Loss)

In Part III, the PA S corporation or partnership must allocate all other income (loss) to Pennsylvania-source and outside Pennsylvania. If all owners are full-year nonresident individuals, Part III, Lines 3, 4, 5a, 6a, 7a and 8a must all show zero amounts.

### Line 3. Interest Income from PA-20S/PA-65 Schedule A – Interest Income

Enter amount from PA-20S/PA-65 Schedule A, Line 8.

The PA S corporation or partnership must report on Line 3 any amount it received for the use of its money that it does not include in another income class. Do not report on Line 3 interest from obligations that are statutorily free from Pennsylvania tax.

**IMPORTANT:** Include in Line 1a, not Line 3, interest from assets to generate working capital and interest used in operating commercial activities (generally from current assets) when determining net profit (loss).

### Line 4. Dividend Income from PA-20S/PA-65 Schedule B – Dividend and Capital Gains Distributions Income

Enter amount from PA-20S/PA-65 Schedule B, Line 9.

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Dividend income is any distribution to the PA S corporation or partnership of cash or property from the accumulated earnings and profits or current earnings and profits of a corporation, association, or business trust. Do not include stock originally issued by a corporation to its own shareholders if such distribution is not taxable for federal purposes.

**IMPORTANT:** Include in Line 1a, not Line 4, dividend income from assets to generate working capital and dividend income that the entity used in operating its commercial activities (generally current assets) when determining its net profit (loss).

### Line 5. Net Gain (Loss) from PA-20S/PA-65 Schedule D - Sale, Exchange or Disposition of Property

A PA-20S/PA-65 Schedule D must be completed for any net gain (loss) income. These figures represent net gains or net income, less net losses, derived from the sale, exchange or disposition of property including real or personal, whether tangible or intangible, as determined in accepted accounting principles and practices per 72 P.S. Sec 7303(a)(3).

### Line 5a. Net Gain (Loss) from PA-20S/PA-65 Schedule D - Outside Pennsylvania

If the entity disposed of property located outside Pennsylvania, complete PA-20S/PA-65 Schedule D, Parts III & IV. Enter the amount from PA-20S/PA-65 Schedule D, Part III, Line 16.

### Line 5b. Net Gain (Loss) from PA-20S/PA-65 Schedule D - Pennsylvania-Source

If the entity disposed of property located inside Pennsylvania from information on its books and records complete PA-20S/PA-65 Schedule D, Parts I and II. Enter the amount from PA-20S/PA-65 Schedule D, Part I, Line 16.

**IMPORTANT:** Include the sales, exchanges or dispositions of inventories and/or stock-in-trade in determining net business income (loss).

### Line 6. Rent/Royalty Net Income (Loss) from PA-20S/PA-65 Schedule M, Part B

#### Net Rent

Net rents and royalties from real and tangible personal property located in Pennsylvania are allocable to Pennsylvania.

#### Net Royalties

Patent and copyright royalties are allocable to Pennsylvania to the extent that the payer of such income uses the patent or copyright in Pennsylvania. A business uses a patent in Pennsylvania to the extent that it employs the patent in the production, fabrication, manufacturing, or other processing in Pennsylvania, or to the extent that it produces a patented product in Pennsylvania. A business uses a copyright in Pennsylvania to the extent that it prints or otherwise publishes in Pennsylvania.

### Line 6a. Outside Pennsylvania

Complete and submit a PA-20S/PA-65 Schedule E. The PA-20S/PA-65 Schedule E should reflect what is reported on federal Form 8825 (Rental Real Estate Income and Expenses of a Partnership or S Corporation). Complete PA-20S/PA-65 Schedule M, Part B to reflect your

Pennsylvania adjustments. From PA-20S/PA-65 Schedule M, Part B, Section G, enter the difference of Line 2 minus Line 1.

### Line 6b. Pennsylvania-Source

Complete and submit a PA-20S/PA-65 Schedule E. PA-20S/PA-65 Schedule E should reflect what is reported on federal Form 8825 (Rental Real Estate Income and Expenses of a Partnership or S Corporation).

Complete PA-20S/PA-65 Schedule M, Part B to reflect your Pennsylvania adjustments. Enter the amount from PA-20S/PA-65 Schedule M, Part B, Section G, Line 1.

### Line 7. Estates or Trusts from PA-20S/PA-65 Schedule J - Line 7a Outside Pennsylvania

Complete and submit the PA-20S/PA-65 Schedule J. If the PA S corporation or partnership is a beneficiary of an estate or trust, enter the amount reported as nonresident taxable income from the PA-41 NRK-1, from the estate or trust. Enter the total figure from the PA-20S/PA-65 Schedule J, Column (d) minus the total figure from PA-20S/PA-65 Schedule J, Column (c).

### Line 7b. Pennsylvania-Source

Complete and submit PA-20S/PA-65 Schedule J. If the entity is a beneficiary of an estate or trust, enter the amount it received as resident taxable income from the PA-41 RK-1, from the estate or trust. Enter the total figure from the PA-20S/PA-65 Schedule J, Column (c).

### Line 8. Gambling and Lottery Winnings (Loss) from PA-20S/PA-65 Schedule T

Complete and submit PA-20S/PA-65 Schedule T. The PA S corporation or partnership must enter any winnings it realizes from gambling or lotteries other than the Pennsylvania Lottery. It may not deduct any expenses related to realizing such income. However, it can offset winnings and losses within this income class. Submit a detailed statement/explanation of any amount reported, including information such as the source of winnings, specific amounts, etc.

### Line 8a. Outside Pennsylvania

Enter the total figure from the PA-20S/PA-65 Schedule T, Column (b) minus the total figure from PA-20S/PA-65 Schedule T, Column (a).

### Line 8b. Pennsylvania-Source

Enter the total figure from the PA-20S/PA-65 Schedule T, Column (a).

### Line 9. Total Other Pennsylvania Personal Income (Loss)

If the owners include all Pennsylvania residents, a combination of Pennsylvania residents and nonresidents; or a part-year resident, then Line 9 equals the sum of Lines 3, 4, 5a, 5b, 6a, 6b, 7a, 7b, 8a, 8b (include losses).

If all owners are full-year nonresident individuals, then Line 9 equals the sum of Lines 5b, 6b, 7b, 8b (include losses).

**IMPORTANT:** When determining income (loss) distributable to their owners for each class of income, the PA S corporation or partnership does not use Line 9 because the income (loss) is reflected above Line 9. The figure on Line 9 is a sum of total other income used in calculating accumulated adjustments account and the total in Part IV.

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**Summary** - Cross reference of Parts I, II, III from the PA-20S/PA-65 Information Return and the line entries on the PA-20S/PA-65 Schedule(s) RK-1 or NRK-1.

### Resident Partners and Shareholders (Owners)

	<u>Schedule RK-1</u>	<u>PA-20S/PA-65</u>
Business Income	Part I, Line 1e	RK-1, Line 1
Interest Income	Part III, Line 3	RK-1, Line 2
Dividend Income	Part III, Line 4	RK-1, Line 3
Net Gain (Loss) - Schedule D	Part III, Line 5a + 5b	RK-1, Line 4
Rent, Royalty, Net Income (Loss)	Part III, Line 6a + 6b	RK-1, Line 5
Estates or Trust Income	Part III, Line 7a + 7b	RK-1, Line 6
Gambling and Lottery Winnings (Loss)	Part III, Line 8a + 8b	RK-1, Line 7

### Nonresident Partners and Shareholders (Owners)

	<u>Schedule NRK-1</u>	<u>PA-20S/PA-65</u>
Business Income	Part II, Line 2h	NRK-1, Line 1
Net Gain (Loss) - Schedule D	PA Sch. D, Part I, Line 18	NRK-1, Line 2
Rent, Royalty, Net Income (Loss)	Part III, Line 6b	NRK-1, Line 3
Estates or Trust Income	Part III, Line 7b	NRK-1, Line 4
Gambling and Lottery Winnings (Loss)	Part III, Line 8b	NRK-1, Line 5

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PART IV

### **Total PA S Corporation or Partnership Income (Loss)**

In Part IV, the entity calculates the difference between its book income (loss) and the income (loss) it reports on the PA-20S/PA-65 Information Return. The amounts reported to Pennsylvania differ from the federal reportable income (loss).

### **Line 10. Total Income (Loss) per Books and Records**

Use book income to arrive at this figure. This figure (book income) would not take into account any federal or Pennsylvania tax adjustments. This figure is not Pennsylvania income after adjustments.

Enter the total PA S corporation or partnership income (loss) from its underlying Pennsylvania books and records for the taxable year. If negative, fill in the loss oval. Interest and gains that a PA S corporation or partnership derives from government obligations, exempt from Pennsylvania personal income tax, do not pass through to its owners as taxable. Conversely, the entity cannot use losses on Pennsylvania personal income tax exempt obligations to offset taxable income. In addition, the PA S corporation or partnership must include such income (loss) on Line 10 as the Pennsylvania-exempt income (loss) affect each owner's basis. Accordingly, the entity passes through to each owner its pro rata share of the Pennsylvania-exempt income (loss).

### **Line 11. Total Reportable Income (Loss)**

Add Line 1e and Line 9. If a loss, fill in the oval; or add Line 2h and Line 9 only when the PA S corporation or partnership has only full-year nonresident individual owners. If a loss, fill in the oval.

### **Line 12. Total Non-Taxable/Non-Reportable Income (Loss)**

This amount represents the difference between book income and Pennsylvania-reportable income (loss). Subtract Line 11 from Line 10 (include losses).

## PART V

### **Pass Through Credits**

In Part V, the entity is required to identify pass through credits that it reports on the PA-20S/PA-65 Information Return.

### **Line 13a. Total Other Credits. Submit PA-20S/PA-65 Schedule OC**

The entity is required to submit the PA-20S/PA-65 Schedule OC detailing all credits.

### **Line 13b. Resident Credit**

This figure is based on composite returns filed in other states on behalf of the individual owners. This is an individual tax credit, not an entity-level tax credit and is calculated according to the PA-40 Schedule G-L instructions. Submit a copy of the out-of-state composite returns.

Certain PA S corporations are not taxed as S corporations in other states or countries. Report taxes paid in those other states or countries on PA-20S/PA-65 Schedule OC, Line 5.

### **Line 14a. Pennsylvania 2009 Quarterly Tax Withholding Payments for Nonresident Owners**

Enter the amount from PA-20S/PA-65 Schedule NW, Line B.

### **Line 14b. Final Payment of Nonresident Withholding Tax**

Enter the amount from PA-20S/PA-65 Schedule NW, Line C.

There are three ways to make a final withholding payment or final catch up payment for nonresident owners that are individuals, estates, or trusts. Follow these instructions:

#### **With Approved Software Form**

- If using approved software, submit payment along with the 2009 Nonresident Withholding Payment substitute voucher in the same envelope with the PA-20S/PA-65 Information Return or extension request. Do not staple payment to your return or the substitute voucher.

#### **Without Approved Software Form**

- Submit payment with the PA-20S/PA-65 Information Return or extension request. Print the last four digits of the entity's federal employer identification number (FEIN) and 2009 Final Nonresident Withholding on the check or money order made payable to the PA Dept. of Revenue.
- Submit payment in the same envelope with the PA-20S/PA-65 Information Return or extension request. Do not staple payment to your return.

#### **Federal/State e-File**

- The final nonresident withholding tax payment or final catch up payment can only be filed electronically when submitted with the Federal/State e-File S corporation and partnership returns. Visit Revenue's e-Services Center for more information.

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- Starting with the 2009 tax year, taxpayers will have the option of electronically submitting four future estimated nonresident individual quarterly withholding tax payments. These four future payments only can be submitted when the current year PA-20S/PA-65 S Corporation/Partnership Information return is filed through the Federal/State Modernized e-File (MeF). The four future payments must be a separate electronic transaction from the final/catch-up payment. The department will warehouse the four payments until the specified due date.

### Mailing Address for Final Withholding Payment

Submitting the final withholding payment or final catch-up payment with the PA-20S/PA-65 Information Return, with or without the 2009 Nonresident Withholding Payment substitute voucher, send to:

PA DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
PO BOX 280502  
HARRISBURG PA 17128-0502

### Line 14c. Total Pennsylvania Income Tax Withheld

Add Line 14a and Line 14b. Enter the total here.

## PART VI

### Distributions

#### Partnerships Only – Distributions

On Lines 15 through 18, list all distributions and guaranteed payments made to partners during the taxable year.

#### Line 15. Distributions of Cash, Marketable Securities, and Property (Do not include guaranteed payments)

Distributions that the partnership makes that represent cash, marketable securities, and other property that are not guaranteed payments may represent Pennsylvania-taxable income to the extent the distributions exceed the resident partner's outside basis.

#### Non-liquidating Distributions from Partnership to Partner

With respect to non-liquidating distributions from a partnership to a resident partner, the partner's adjusted basis in its partnership interest is decreased to the extent of the partnership's Pennsylvania personal income tax adjusted basis in the property distributed to the partner. In non-liquidating distributions, a resident partner will recognize taxable income to the extent that the partnership's adjusted basis in the property distributed exceeds the resident partner's adjusted basis in its partnership interest. Although not taxable to a nonresident partner, the nonresident partner reduces his or her economic investment by the partnership's adjusted basis in the property distributed.

#### Liquidating Distributions from Partnership to Partner

With respect to liquidating distributions from a partnership to a resident partner, the partner's adjusted basis in its partnership interest is decreased to the extent of the fair market value of the property distributed to the partner. In liquidating distributions, a resident partner will recognize taxable gain on PA-20S/PA-65 Schedule D to the extent that the fair market value of the property distributed exceeds the resident partner's adjusted basis in its partnership interest.

#### Line 16. Guaranteed Payments for Capital or Other Services

Enter the total guaranteed payments for capital or other services made to the partners.

Pennsylvania personal income tax law characterizes such distributions as:

- A withdrawal proportionately from the capital of all partners;
- A gain from the disposition of the recipient's partnership interest and a loss from the disposition of the other partners' partnership interests, to the extent derived from the capital of the other partners; and
- A return of capital by the resident recipients to the extent derived from their own capital. The distributions that the partnership makes that represent repayments of the partner's own capital are not income for Pennsylvania personal income tax purposes.

**IMPORTANT:** Pennsylvania personal income tax law does not allow a deduction for guaranteed payments for capital or if services have not been rendered.

#### Line 17. All Other Guaranteed Payments for Services Rendered

Enter the total guaranteed payments to partners to the extent that the partnership makes guaranteed payments for services rendered directly in the production of income for a Pennsylvania income class.

The partnership characterizes guaranteed payments to partners in the following manner:

- To the extent paid for services rendered directly in the production of income from a business, profession, or farm, the guaranteed payments are gross income from that income class.
- To the extent paid for services rendered directly in the production of rental or royalty income, the guaranteed payments are gross income from that income class.

**IMPORTANT:** If guaranteed payments have been deducted in calculating business income, include these payments on Line 17.

#### Line 18. Guaranteed Payments to Retired Partners

Guaranteed payments to retired partners are not taxable if the exception as stated in IRC § 1402(a)(10) is met. Only non-taxable amounts should be reported on Line 18. For further detail, refer to the Pennsylvania Personal Income Tax Guide, Chapter 16.

**IMPORTANT:** Pennsylvania does not allow a deduction for guaranteed payments for the use of capital, or if services have not been rendered. Each recipient partner reports its classified income (loss) in each class by adding its guaranteed payments to the amounts in their PA-20S/PA-65 Schedule(s) RK-1 and/or NRK-1, Part IV.

#### PA S Corporations Only - Distributions

On Lines 19 and 20, list all distributions made to shareholders during the taxable year.

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A distribution that a PA S corporation makes from its Pennsylvania accumulated earnings and profits before becoming a PA S corporation is dividend income to its resident shareholders. Other distributions can represent a non-taxable return of the resident shareholders' stock basis.

Non-taxable return of basis distribution will reduce each resident shareholder's basis in the stock first. If the non-taxable return of distribution exceeds the shareholder's basis in its stock holdings, the shareholder can apply the excess against the basis of any indebtedness of the PA S corporation to that shareholder. If the distribution exceeds the shareholder's basis in the stock and the PA S corporation's indebtedness, the resident shareholder must report a gain from the disposition of property.

If the PA S corporation distributes appreciated property, it must treat the distribution as if it sold the property to the shareholders at fair market value. Such a distribution will produce a gain from the sale of property that the PA S corporation will have to report as net gain (loss) from the sale, exchange or disposition of property.

### Line 19. Distributions from Pennsylvania Accumulated Adjustments Account (AAA)

Generally, distributions from the Pennsylvania accumulated adjustments account are not taxable to the extent of the resident shareholder's basis. The resident shareholder will recognize taxable income to the extent that the Pennsylvania accumulated adjustments account distribution exceeds the shareholder's basis in its stock.

**NOTE:** Report distributions out of accumulated earnings and profits as dividends on PA-20S/PA-65 Schedule B, Line 5.

Although not taxable to a nonresident shareholder, the nonresident shareholder reduces its economic investment by the fair market value of the property distributed. A nonresident cannot deduct losses in excess of its economic investment in the PA S corporation.

**IMPORTANT:** When distributions are determined from all income sources, the Pennsylvania accumulated adjustments account distribution should be factored by the PA-20S/PA-65 Schedule H percentage to prevent premature depletion of the Pennsylvania accumulated adjustments account balance, which may trigger a possible tax event.

### Line 20. Distributions of Cash, Marketable Securities, and Property

Distributions by the PA S corporation from its C corporation earnings and profits are Pennsylvania-taxable dividends. Include such Pennsylvania-taxable dividends on each shareholder's PA-20S/PA-65 Schedule RK-1, Line 3.

Distributions of cash, marketable securities, and property (other than dividends) in excess of the shareholder's Pennsylvania accumulated adjustments account are considered a tax-free return of investment to the extent of the resident shareholder's basis in its stock. The resident shareholder will recognize taxable income to the extent that the fair market value of such distribution exceeds the resident shareholder's basis in its stock.

Although not taxable to a nonresident shareholder, the nonresident shareholder reduces its economic investment by the fair market value of the property distributed.

## PART VII

### Other Information

This section asks a series of questions similar to federal Schedule B. The questions should be answered with a "Yes" or "No." For "Yes" responses, supplemental statements must be submitted.

**Question 1.** The entity must answer "Yes" to question 1, if during the tax year:

- It owned an interest in another partnership (foreign or domestic); or
- It was the tax owner of a foreign entity that was disregarded as an entity separate from its owner under federal Treasury Regulations Sections 301.7701-2 and 301.7701-3. The tax owner of a foreign entity that was disregarded as an entity is treated as owning the assets and liabilities of the foreign disregarded entity for purposes of U.S. income tax law.

The statement must show each entity's name, federal employer identification number (if any), and the country under whose laws the entity was organized if the entity directly or indirectly owned at least a 10 percent interest in any other foreign or domestic partnership.

**Question 2.** The entity must answer "Yes" and submit a statement if there are any tax-exempt partners/members/shareholders (owners).

**Question 3.** The entity must answer "Yes" and submit a statement if the partnership had any partners located outside the U.S. at any time during the tax year.

**Question 4.** The entity must answer "Yes" if there was a distribution of property or a transfer (e.g., by sale or death) of a partner/member interest during the tax year (partnership only). If "yes", submit a statement indicating the disposing partner, the acquiring partner and the amount paid for the interest.

**Question 5.** The entity must answer "Yes" if the federal government changed taxable income as originally reported for any prior tax year for which amended returns have not been filed in Pennsylvania. If yes, submit a statement indicating tax year and include a copy of the Revenue Agent's Report. If required, the entity must file an amended return within 30 days of the adjustment.

**Question 6.** The entity must answer "Yes" if either 1 or 2 below apply to the partnership.

1. At any time during the tax year, the entity had an interest in a signature or other authority over a bank account, securities account, or other financial account in a foreign country; and
  - The combined value of the accounts were more than \$10,000 at any time during the calendar year; and
  - The accounts were not with a U.S. financial institution.
2. The entity owns more than 50 percent of any partnership or 50 percent of the stock in any corporation that would answer the question "Yes" based on item 1 above.

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If the entity answered "Yes":

- Submit a statement with the name of the foreign country(ies).
- Submit a copy of federal Form TF F 90-22.1 that was filed with the Department of the Treasury.

**Question 7.** The entity must answer "Yes" if it is involved in a reportable transaction, listed transaction, or registered tax shelter within this return.

Federal Form 8886, Reportable Transaction Disclosure Statement, must be submitted with any return on which a deduction, loss, credit, or any other tax benefit is claimed or is reported; or any income the partnerships reported from an interest in a registration-required tax shelter. If the partnership is required to file this form with the federal return, submit a copy to the partnership's PA-20S/PA-65 Information Return.

A reportable transaction is any transaction as defined in Treasury Reg.1.6011-4 and includes, but is not limited to:

- A confidential transaction, which is offered to an entity under conditions of confidentiality and for which the entity has paid a minimum fee.
- A transaction with contractual protections, which provides the entity with the right to a full or partial refund of fees if all or part of the intended tax consequences from the transaction are not sustained.
- A loss transaction under IRC § 165, which is at least \$10 million in any one year or \$20 million in any combination of tax years.
- A transaction with a significant book-tax difference.
- A transaction where the entity is claiming a tax credit of greater than \$250,000 and held the asset for less than 45 days.
- A listed transaction is a specific reportable transaction, or one that is substantially similar, which has been identified by the IRS to be a tax avoidance transaction.
- A registered tax shelter is any investment that must be registered with the Internal Revenue Service under IRC § 6111.

**Question 8.** The entity must answer "Yes" if it has corporate partners. If "yes", submit the Partners/Members/Shareholder Directory and provide the PA Account # for each corporate partner. The PA Account #, formally known as Box #, is assigned by the Bureau of Corporation Taxes.

**Question 9.** The entity must answer "Yes" if tax credits were sold. If yes, submit a statement identifying the buyer, the Social Security number or federal employer identification number, the type and amount of credit sold and the sales price.

**Question 10.** The entity must answer "Yes" if it changed its method of accounting for federal income tax purposes during this tax year.

Pennsylvania does not allow the four-year spread of the effect in accounting method change under IRC § 481. The effect of the change must be recognized entirely in the year of the change.

**Question 11.** Has the entity entered into any like-kind exchanges under IRC § 1031? If yes, submit federal Form 8824.

**Question 12.** Enter the Pennsylvania-apportionment decimal from PA-20S/PA-65 Schedule H-Corp. If using special apportionment, enter that decimal here.

### PAGE 3 PART VIII

#### PA S Corporations Only - Accumulated Adjustments Account (AAA)

The Pennsylvania accumulated adjustments account should not equal the federal accumulated adjustments account, because Pennsylvania accumulated adjustments account is based on Pennsylvania tax principles; however, Pennsylvania parallels certain federal calculation rules in arriving at Pennsylvania accumulated adjustments account, such as the following:

- The Pennsylvania accumulated adjustments account is based upon the Pennsylvania personal income tax income (loss) and distributions.
- The PA S corporation's accumulated adjustments account reflects only the income (loss) and distribution from the inception of the election of PA S corporation status.
- The PA S corporation does not make an adjustment for any income (loss) that is not enumerated in Pennsylvania personal income tax law or any non-deductible Pennsylvania personal income tax expense.

**EXAMPLE:** For Pennsylvania personal income tax purposes, tax-exempt income is not added to the Pennsylvania personal income tax.

#### Line 1. Balance at the beginning of the taxable year

For the corporation's first tax year as a PA S corporation, enter zero. In subsequent years, enter the ending balance from the prior year's account. If a negative amount, fill in the "loss" oval.

#### Line 2. Total reportable income from Part IV, Line 11

Enter the total Pennsylvania-reportable income from the PA-20S/PA-65 Information Return, Part IV, Line 11. DO NOT enter a loss from Part IV, Line 11 on this line.

#### Line 3. Other additions. Submit an itemized statement

Enter other additions to the Pennsylvania accumulated adjustments account. DO NOT enter non-taxable income. Submit an itemized statement of the additions reported on this line.

#### Line 4. Loss from Part IV, Line 11

Enter the loss from Part IV, Line 11 of the PA-20S/PA-65 Information Return.

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### Line 5. Other reductions. Submit an itemized statement

Enter other reductions to the Pennsylvania accumulated adjustments account. DO NOT enter Pennsylvania non-deductible expenses associated with non-taxable income. Submit an itemized statement of the reductions reported on this line.

### Line 6. Add Lines 1 through 5

Add Line 1 through Line 5. If a negative amount fill in the "loss" oval.

### Line 7. Distributions other than dividend distributions

Enter all Pennsylvania-apportioned distributions other than dividend distributions. Dividend distributions are not part of the Pennsylvania accumulated adjustments account.

**IMPORTANT:** When distributions are determined from all income sources, the Pennsylvania accumulated adjustments account distribution should be factored by the PA-20S/PA-65 Schedule H percentage to prevent premature depletion of the Pennsylvania accumulated adjustments account balance, which may trigger a possible tax event.

### Line 8. Balance at taxable year-end. Subtract Line 7 from Line 6

Subtract Line 7 from Line 6. Enter the total. If a negative amount, fill in the loss oval.

If a PA S corporation reverts to being a corporation subject to corporate net income tax, it may distribute the balance of its Pennsylvania accumulated adjustments account to shareholders as a non-taxable return of capital to the extent of basis. Such distributions, however, will reduce the shareholder's basis in the C corporation. If the distributions exceed the shareholder's basis in the stock of the former PA S corporation, the shareholders must report the distributions as taxable gains on the sale, exchange or disposition of property to the extent of Pennsylvania accumulated adjustments account.

## PART IX

### Ownership in Pass Through Entities

If the entity received income (loss) from an S corporation, partnership, estate or trust, limited liability company or any other pass through entity including a qualified subchapter S subsidiary (QSSS), list the federal employer identification number, name and address of each entity. If the income (loss) is from a qualified subchapter S subsidiary, enter "yes" in the qualified subchapter S subsidiary box.

The entity filing the PA-20S/PA-65 Information Return would list in Part IX all entities in which it is a shareholder, member, partner or beneficiary.

An S corporation can be a member, partner or beneficiary in a limited liability company, partnership, estate or trust, respectively. An S corporation cannot own another S corporation unless the other corporation is a qualified subchapter S subsidiary.

A partnership can be a member, partner or beneficiary in a limited liability company, partnership, estate or trust, respectively. A partnership cannot be a shareholder in an S corporation.

The entities listed in Part IX provide a Schedule RK-1 and NRK-1 to the entity filing the PA-20S/PA-65 Information Return. However, a qualified subchapter S subsidiary does not issue a Schedule K-1.

**NOTE:** If additional space is needed, submit on a separate statement. Do not submit additional copies of Page 3 from the PA-PA-20S/PA-65 Information Return.

## PART X

### Signature and Verification

The entity has not filed a valid PA-20S/PA-65 Information Return unless it is properly signed. The individual signing the return must be a general partner, principal officer or individual expressly authorized to sign.

The PA S corporation or partnership official that is responsible for signing the PA-20S/PA-65 Information Return must manually sign and include his or her title, date, and telephone number. The responsible official must submit all required schedules with the PA-20S/PA-65 Information Return, including the PA-20S/PA-65 Schedules RK-1 and NRK-1 for each owner.

If a preparer completed the return, the preparer should sign his/her name in the appropriate section. Enter the firm's name, address, and telephone number in the space provided, as well as the firm's federal employer identification number and the preparer's Social Security number or Preparer's Tax Identification Number.