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Pennsylvania Taxes

Fall 2014 VITA Training

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projection

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Today's Approach

- PA-40, line by line
- Cover essentials faced at VITA site
- Resources for you and taxpayers
- Please ask questions to clarify as we proceed

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PA-40 Pennsylvania Personal Income Tax Return 2011

TAX RATE
The state income tax rate for 2011 is 3.07 percent (0.0307).

ELECTRONIC FILING
The department offers three easy ways to file your tax return electronically: over the telephone with TeleFile; over the Internet with padirectfile; and through tax preparers or computer software with Federal/State e-file. TeleFile and padirectfile are available free of charge. See Page 2 for more information.
Visit the Revenue e-Services Center at www.revenue.state.pa.us to file your tax return, make payments, check the status of your return and refund and update your address.

TAX FORGIVENESS
Depending on your income and family size, you may qualify for a refund or reduction of your Pennsylvania income tax liability with the state's Tax Forgiveness program. Read the instructions beginning on Page 34 to see if you qualify.

2011 STATE TAX CHANGES
What's New for 2011
Use Tax Line
Use tax – the counterpart of the 6 percent state sales tax (plus local tax, in Allegheny County and Philadelphia) that applies to taxable purchases and services where sales tax was not charged and collected by the seller – may now be remitted to the department using Line 25 of the PA-40 Pennsylvania Personal Income Tax return. See Page 21 for additional information.

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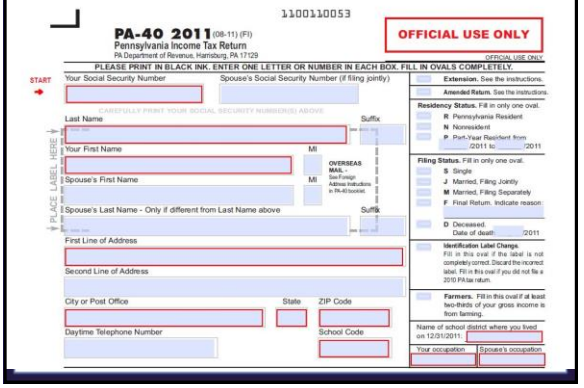
1100110053

PA-40 2011 (08-11) (FI)
Pennsylvania Income Tax Return
PA Department of Revenue, Harrisburg, PA 17129

OFFICIAL USE ONLY

PLEASE PRINT IN BLACK INK. ENTER ONE LETTER OR NUMBER IN EACH BOX. FILL IN OVALS COMPLETELY.

START

Your Social Security Number | Spouse's Social Security Number (if filing jointly)

CAREFULLY PRINT YOUR SOCIAL SECURITY NUMBER(S) ABOVE

Last Name | Suffix
Your First Name | MI
Spouse's First Name | MI
Spouse's Last Name - Only if different from Last Name above | Suffix
First Line of Address
Second Line of Address
City or Post Office | State | ZIP Code
Daytime Telephone Number | School Code

PLACE LABEL HERE

OVERSEAS MAIL – See Foreign Address Instructions in PA-40 booklet.

Extension. See the instructions.
Amended Return. See the instructions.
Residency Status. Fill in only one oval.
R Pennsylvania Resident
N Nonresident
P Part-Year Resident from /2011 to /2011
Filing Status. Fill in only one oval.
S Single
J Married, Filing Jointly
M Married, Filing Separately
F Final Return. Indicate reason
D Deceased. Date of death: /2011
Identification Label Change. Fill in this oval if the label is not completely correct. Discard the incorrect label. Fill in this oval if you did not file a 2010 PA tax return.
Farmers. Fill in this oval if at least two-thirds of your gross income is from farming.
Name of school district where you lived on 12/31/2011
Your occupation | Spouse's occupation

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PA Tax Rate

- Flat—3.07% (.0307) on earned income
  - $25,000 x (.0307)=$767.50
  - $200,000 x (.0307)= $6,140.00

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Who Must File

- Resident, part-year resident with $33 or more of earned income
- Non-resident with $33 or more earned in PA
- Minors with earned income
- Decedents-executor or person responsible for closing decedent's affairs

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Identifying Information

- Will transfer from the federal 1040
- School code—use the 5 digit code as of December 31.
  - PA resident students—use the code for physical residence of parents or their address of domicile
  - Part-year residents—use code for principal residence/domicile.

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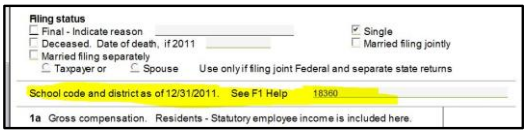
PA School Code on PA-40 TaxWise



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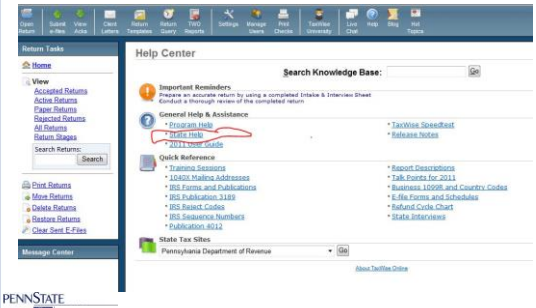

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PA School Code--Tip Sheet

School District Codes

CENTRE
Bald Eagle Area 14100
Bellefonte Area 14110
Keystone Central 18360
Penns Valley Area 14700
Philipsburg-Osceola Area 17700
State College Area 14800

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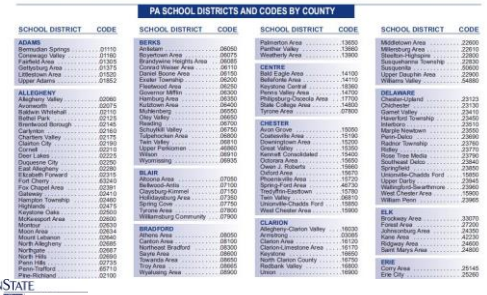
PA School Code—Back of PA 40 Instruction Booklet



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Top Right of PA-40

- PA Resident
- Nonresident
- Part-Year Resident

PA residents and nonresidents can be subject to PA income taxes.

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Resident for Tax Purposes

- Have a permanent residence in PA.
- All personal income is subject to the PA tax.
- May qualify for credits against taxes paid to other states or countries on income earned outside of PA.

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PA Residency for Taxes Established by…

- Domiciled in PA
- Day Test
  - Maintains a permanent abode for 183 days or more in PA

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Non-resident

- Person with no domicile or statutory residence in PA are taxed only on income earned from sources within PA.
  - They cannot qualify for credits against taxes paid to other states or countries.
  - Their PA tax may qualify for a credit on their resident state return.
  - Generally, income is taxed in state earned.

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What is a Domicile?

- Refers to place maintained as the permanent abode. *Where you intend to return whenever absent.*
- Only one domicile at a time
- PIT Guide, chapter 4, www.revenue.state.pa.us
- To change domicile, show….
  - Physical presence at a residence
  - Intent to make new residence principal living area
  - Provides own support and is independent of parents.

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What is a Permanent Abode?

- A house, apartment or other residence maintained as a household for an indefinite period. May be owned or rented.
- A dorm, fraternity and sorority houses, off campus rentals used for a fixed period while earning a degree or certificate is not a permanent abode.

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Non-resident

- **Domicile**—location of permanent abode or residence. (Place of greatest connection, where you intend to return when absent. Where does an individual intend to be domiciled.)
- **Statutory Resident**—Where most time is spent during tax year
- Not a statutory resident if you ….
  - Spent more than 183 days (e.g. 6 months) OUTSIDE PA during tax year.
  - No permanent abode in PA during tax year.

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College Students & Taxes

- Earned income of $33 or more in PA
- Undergraduates
  - Generally dependent on parents. Parents claim a dependent exemption or list students on their federal tax returns
  - Money earned in PA is subject to PA income tax
- Graduate students
  - Generally independent of parents.
  - Money earned in PA is subject to PA tax unless there is an exception (some stipends)

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Download and read….

Publication 758

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Part-Year Resident

- Moved into PA during the tax year
- Moved from PA during the tax year
- Taxed on income earned in PA while a resident and a nonresident.

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Quiz 1

- John lives in Delaware and drives to Philadelphia each day to work. John makes the drive from DE to PA from January to April. John moves to PA in May to decrease his transportation expenses. He continues working in PA for the remainder of the tax year.
- **Which state(s) will tax John's income? Why?**

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Quiz 1

- John lives in Delaware and drives to Philadelphia each day to work. John makes the drive from DE to PA from January to April. John moves to PA in May to decrease his transportation expenses. He continues working in PA for the remainder of the tax year.
- **Which state(s) will tax John's income? Why?**

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Quiz 2

Betty is age 20. She has an apartment in PA while attending PSU. Her parents, residents of CA, cover the cost of her apartment and utilities and they claim her on their income tax return. During the school year, Betty is a hostess at a local State College restaurant. She returns to CA during the summer months and works as a camp director.

a. In which state(s) must Betty file income tax returns?

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Quiz 2a

Betty is age 20. She lives in an apartment in PA while attending PSU. Her parents, residents of CA, cover the cost of her apartment and utilities and they claim her on their income tax return. Betty is a hostess at a local State College restaurant during the school year. She returns to CA during the summer months and works as a camp director.

b. How should Betty identify her residency status on the tax return(s)?

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Filing Status

- Single (includes divorced or widowed)
- Married, filing jointly
- Married, filing separately
- Final return (moved out of PA)
- Deceased

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Line 1a-Gross Compensation

- Salaries
- Wages
- Tips & Gratuities
- Jury Fees
- Honoraria
- Interest
- Dividends
- Capital Gains Distributions
- Gambling/Lottery Winnings
- Profit from small business

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NOT Taxable in PA

- Alimony
- Child Support
- Social Security/Rail Rd
- Public Assistance
- Unemployment Comp.
- Gifts
- Scholarships/Stipends
- Fellowships based on NEED or Academic Achievement
- IRA distributions after 59 1/2
- Insurance Proceeds
- Retirement benefits after retiring

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Reciprocal States

- Ohio, West Virginia, New Jersey, Virginia, Indiana, Maryland (OWN, VIM)
- Reciprocal states will not tax a resident of the other state on compensation subject to employer withholding (W-2) income.
  Does not apply to non-employee compensation. If taxed at the other state's rate, you must file that states return also.
- Form REV-420 Authorization to Withhold Other States Income Tax.

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REV-420 AS (10-99)(I)

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE
BUREAU OF BUSINESS TRUST FUND TAXES
DEPT. 280904
HARRISBURG, PA 17128-0904

EMPLOYEE'S STATEMENT OF NONRESIDENCE IN PENNSYLVANIA AND AUTHORIZATION TO WITHHOLD OTHER STATE'S INCOME TAX

PLEASE PRINT OR TYPE

Employer Instructions: You must keep a copy of this form on file for each employee who claims exemption from withholding of Pennsylvania Personal Income Tax on compensation received in Pennsylvania and who authorizes withholding of income tax for another state for remittance to that state. Send the bottom portion of this form to the PA Department of Revenue, Bureau of Business Trust Fund Taxes, Dept. 280904, Harrisburg, PA 17128-0904. Photocopies of this form are acceptable. Unless the state of residence changes, it is not necessary to refile this statement each year.

Employee Instructions: You must complete both portions of this form to claim an exemption from withholding of Pennsylvania Personal Income Tax and to authorize withholding of your state's income tax. Only residents of the states listed on this form are eligible for exemption of withholding from Pennsylvania since they are the only states with which there is a reciprocal agreement. If you change your residence from the state specified on this form, you must notify your employer and complete a new form within 10 days of that change of residence.

CUT HERE

EMPLOYER COPY (EMPLOYEE COMPLETES INFORMATION BELOW AND SIGNS)

Employee name: First, Middle Initial, Last | Social Security Number

Home Address

City | State | Zip Code

I hereby declare that, under penalties of perjury, I am a resident of the state checked below:

☐ INDIANA ☐ MARYLAND ☐ OHIO ☐ NEW JERSEY ☐ VIRGINIA ☐ WEST VIRGINIA

and that pursuant to the reciprocal agreement between those states, I claim an exemption from withholding of Pennsylvania Personal Income Tax

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Retirement Income

- PA does not impose income tax on payments taxpayers receive from eligible employer-sponsored retirement plans.
- Contributions to employer-sponsored retirement plans are PA taxable compensation

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Copy B To Be Filed With Employee's FEDERAL Tax Return This information is being furnished to the Internal Revenue Service.

EMPLOYER'S NAME, ADDRESS & ZIP CODE		OMB No. 1545-008 Form W-2 Wage and Tax Statement	2011
THE PENNSYLVANIA STATE UNIVERSITY 101 JAMES M. ELLIOTT BUILDING UNIVERSITY PARK, PA 16802		12	20 Locality name: TWP; 19 Loc. inc tax: 695.7 TOTAL: 695.7
Employer's social security no.	15 State: PA; Empl. state ID No.: 69-0233856; b Employer's identification no.: 24-6000376		
Wages,tips,meals,oth compens.: 42,002.16	2 Federal income tax withheld: 5,175.78	3 Social security wages: 44,889.60	
Social security tax withheld: 1,885.38	4 Medicare wages and tips: 44,889.60	6 Medicare tax withheld: 650.94	e Employee's name (e) and Employee's address and ZIP code (f)
Social security tips	8 Allocated tips	9 Advance EIC payment	
l Dependent care benefits		13 Retirement plan: YES	
i Gross wages for state: 44,889.60	17 State income tax withheld: 1,378.14	18 Gross wages for local: 44,889.60	Retirement contributions: 16823 2,887.44
nemployment compensation tax: 36.96	Healthcare reimbursement	LST Tax: 52.00	Travel meals; Gifts-PSU,charities; Union dues

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IRA Withdrawals

- After 59 ½ --no worries.
- Unlike the federal, PA has almost no exceptions for withdrawals before 59 ½----you will be taxed.
  - Exception---Paid to the estate or designated beneficiary.

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Line 1b-Unreimbursed Employee Expenses

- Few of these at the site—use schedule UE
- PA does not follow federal law for employee business expenses
- Look for union dues, work clothes and uniforms not wearable on the street, small tools and supplies, professional license fees

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1101710059

PA SCHEDULE UE (FI)
Allowable Employee Business Expenses
PA Schedule UE (08-11)
PA DEPARTMENT OF REVENUE **2011**

OFFICIAL USE ONLY

START →

Name of taxpayer claiming expenses | Social Security Number (shown first)

Employer's Name | Employer's address | Employer Identification Number

Describe the duties of the job in which you incurred these expenses | Employer's Telephone Number

CAUTION: You **must** complete a separate schedule for **each** job or position. Spouses **may not** file joint **PA Schedule(s) UE.**

Part A. Direct Employee Business Expenses.

1. **Union dues.** List union name(s) and amount(s) paid. Enter the total. Submit additional sheets, if needed.
   Name of union(s) and amount(s) ..... 1.
2. **Work clothes and uniforms.** Needed for your employment and not suitable for everyday use.
   Description: ..... 2.
3. **Small tools and supplies.** Needed for your employment and not provided by your employer.
   Description: ..... 3.
4. **Professional license fees, malpractice insurance and fidelity bond premiums.** Required as a condition of your employment.
   Description: ..... 4.
5. **Total Direct Employee Business Expenses.** Add Lines 1 through 4. ..... 5.

Part B. Business Travel Expenses. You may use appropriate amounts from Lines 1, 2, 3 and 5 of your Federal Form 2106 or Federal Form 2106-EZ. **CAUTION:** You **may not** use Line 4 of Form 2106. You must itemize these expenses in Part C of this schedule.

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w-2—Union Dues

Copy B To Be Filed With Employee's FEDERAL Tax Return This information is being furnished to the Internal Revenue Service.

EMPLOYER'S NAME, ADDRESS & ZIP CODE		OMB No. 1545-008 Form W-2 Wage and Tax Statement	2011
THE PENNSYLVANIA STATE UNIVERSITY 101 JAMES M. ELLIOTT BUILDING UNIVERSITY PARK, PA 16802		12	20 Locality name: TWP; 19 Loc. inc tax: 695.7 TOTAL: 695.7
Employer's social security no.	15 State: PA; Empl. state ID No.: 69-0233856; b Employer's identification no.: 24-6000376		
Wages,tips,meals,oth compens.: 42,002.16	2 Federal income tax withheld: 5,175.78	3 Social security wages: 44,889.60	
Social security tax withheld: 1,885.38	4 Medicare wages and tips: 44,889.60	6 Medicare tax withheld: 650.94	e Employee's name (e) and Employee's address and ZIP code (f)
Social security tips	8 Allocated tips	9 Advance EIC payment	
l Dependent care benefits		13 Retirement plan: YES	
i Gross wages for state: 44,889.60	17 State income tax withheld: 1,378.14	18 Gross wages for local: 44,889.60	Retirement contributions: 16823 2,887.44
nemployment compensation tax: 36.96	Healthcare reimbursement	LST Tax: 52.00	Travel meals; Gifts-PSU,charities; Union dues

Local Services Tax

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Line 2. Interest Income

- Savings, checking accounts
- Money market mutual funds
- Use PA Schedule A if more than $2,500
- Excludes interest on U.S. government obligations (bonds), Commonwealth of PA bonds.

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Line 3-Dividends, Capital Gain Distributions from Mutual Funds

- Will be listed on Form 1099-DIV
- If more than $2,500 use PA Schedule B

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Lines 4, 5, 6 Net Income Gains and Losses Line 7—Estate or Trust Income

- Lines 4, 5, 6—not likely
- Line 7---not applicable

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Line 8—Gambling & Lottery Winnings

- PA Residents & Non PA Residents
  - Taxed—all gambling/lottery winnings from any source EXCEPT those from PA Lottery
- You cannot deduct the cost of PA Lottery tickets from other PA taxable gambling & lottery winnings.

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Form W-2G

3232 ☐ VOID ☐ CORRECTED

PAYER'S name	1 Gross winnings	2 Federal income tax withheld
Street address	3 Type of wager	4 Date won
City, state, and ZIP code	5 Transaction	6 Race
Federal identification number Telephone number	7 Winnings from identical wagers	8 Cashier
WINNER'S name	9 Winner's taxpayer identification no.	10 Window
Street address (including apt. no.)	11 First I.D.	12 Second I.D.
City, state, and ZIP code	13 State/Payer's state identification no.	14 State income tax withheld

Under penalties of perjury, I declare that, to the best of my knowledge and belief, the name, address, and taxpayer identification number that I have furnished correctly identify me as the recipient of this payment and any payments from identical wagers, and that no other person is entitled to any part of these payments.

Signature ► Date ►

Form W-2G Cat. No. 10138V Department of the Treasury - Internal Revenue Service

OMB No. 1545-0238

2012

Form W-2G

Certain Gambling Winnings

For Privacy Act and Paperwork Reduction Act Notice, see the 2012 General Instructions for Certain Information Returns.

File with Form 1096.

Copy A

For Internal Revenue Service Center

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Line 10-Other Deductions

- May have to list income in line 1a that transferred from Federal Form 1040 that IS NOT taxable in PA.
  - Scholarship/fellowship that is taxed at the federal level but not taxed in PA.

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Line 10 on PA-40

8	Gambling and lottery winnings. See Schedule T Form 1040, line 21: 0 add to line 1 ☐ or go to Schedule T ☐ Taxable amounts from HSAs, MSAs, and educational savings accounts are reported on PA Schedule A	0
9	**Total PA taxable income.** Do not add any losses on lines 4, 5, or 6	4778
10	Other deductions Code N	0
11	**Adjusted PA taxable income**	4778

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Lines 11,12, 13, 14

- Auto calculated or not applicable to most VITA taxpayers.

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Line 15-Estimated Taxes Paid

- Independent contractors or others who prepay tax bill from income.

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Line 16- 2011 Payment Extension

- Taxes paid when filing an extension to file your return.
- Not applicable to most VITA taxpayers

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Line 17-Nonresident Tax Held S Corporations

- Not applicable to most VITA taxpayers

Line 18-Estimated Payments & Credits

- Auto calculated

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Lines 19 to 21-Tax Forgiveness

- Tax Forgiveness is a credit that allows some taxpayers to reduce their PA tax bill completely or partially.
- Eligible--Taxpayers and their working children who are full-time students and not independent.
- The credit is based on income and number of folks supported by the income.

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PA-Tax Forgiveness Sliding Scale

ELIGIBILITY INCOME TABLE 1. Unmarried, Separated and Deceased Claimants

If your Eligibility Income from PA Schedule SP, Line 11, does not exceed:

YOU ➡	$6,500	$6,750	$7,000	$7,250	$7,500	$7,750	$8,000	$8,250	$8,500	$8,750
▼ DEPENDENT CHILDREN										
1	$16,000	$16,250	$16,500	$16,750	$17,000	$17,250	$17,500	$17,750	$18,000	$18,250
2	$25,500	$25,750	$26,000	$26,250	$26,500	$26,750	$27,000	$27,250	$27,500	$27,750
3	$35,000	$35,250	$35,500	$35,750	$36,000	$36,250	$36,500	$36,750	$37,000	$37,250
4	$44,500	$44,750	$45,000	$45,250	$45,500	$45,750	$46,000	$46,250	$46,500	$46,750
5	$54,000	$54,250	$54,500	$54,750	$55,000	$55,250	$55,500	$55,750	$56,000	$56,250
6	$63,500	$63,750	$64,000	$64,250	$64,500	$64,750	$65,000	$65,250	$65,500	$65,750
7	$73,000	$73,250	$73,500	$73,750	$74,000	$74,250	$74,500	$74,750	$75,000	$75,250
8	$82,500	$82,750	$83,000	$83,250	$83,500	$83,750	$84,000	$84,250	$84,500	$84,750
9	$92,000	$92,250	$92,500	$92,750	$93,000	$93,250	$93,500	$93,750	$94,000	$94,250

Then your Percentage of Tax Forgiveness and the Decimal Equivalent is:

100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
1.0	.90	.80	.70	.60	.50	.40	.30	.20	.10

NOTE: If claiming more than nine (9) dependent children, go to the **PA PIT Guide** on the department's website.

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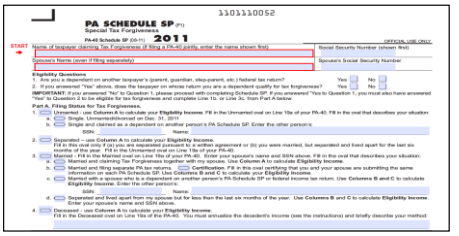
Lines 19 to 21-Tax Forgiveness

- Use Form PA Schedule SE


PA SCHEDULE SP (F)
Special Tax Forgiveness
PA-40 Schedule SP (00-11) 2011

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Tax Forgiveness-Eligibility

Eligibility Questions

1 Are you a dependent on another taxpayer's Federal tax return? ☐ Yes ☑ No

2 If you answered "Yes" above, does the taxpayer on whose return you are a dependent qualify for tax forgiveness? ○ Yes ○ No

Tip: If students don't know if parents qualify for Tax Forgiveness, show them the sliding scale and ask them to ask a parent. Parents will have a Schedule SP attached to previous or current tax return.

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Tax Forgiveness-Filing Status

Part A: Filing Status for Tax Forgiveness

- ◉ **Unmarried.**
  - ◉ Single, unmarried on December 31, 2013
  - ○ Single and claimed as a dependent on another person's PA Schedule SP
    Enter the other person's SSN and name.
    SSN Name
- ○ **Separated.** Pursuant to a written agreement or married, but separated, and lived apart for the last 6 months of the year.
- ○ **Married,**
  - ○ Married and claiming Tax Forgiveness together with spouse.
    This includes a surviving spouse who elected to file a joint return with a deceased taxpayer and / or spouse. Income for the decedent must be annualized below. See check box below for easy entry
  - ○ Married and filing separate PA returns. Enter spouse's name and SSN above.
    ☐ **Certification.** If married, and filing separately, check here certifying that you and your spouse are submitting the same information on each PA Schedule SP.
    If you filed a joint Federal return, and this is a married filing separate PA return, or one spouse is deceased, this Schedule SP is for the ☐ Taxpayer or ☐ Spouse
    Use columns B and C to calculate eligibility
  - ○ Married with a spouse who is dependent on another person's PA Schedule SP or Federal income tax return. Enter the SSN and name of the other person claiming the spouse.

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Tax Forgiveness-Income

Part C: Eligibility Income

If decedent is checked above, check here for ease of entry for annualized income ☐	A Deceased, single, or married joint	Married filing separately B Taxpayer	C Spouse
1 PA taxable income from PA tax return	5919	0	0
2 Nontaxable interest, dividends, and gains	0	0	0
3 Alimony	0	0	0
4 Insurance proceeds and inheritances	0	0	0
5 Gifts, awards, and prizes	19654	0	0
6 Nonresident income - part-year and nonresidents	0	0	0
7 Nontaxable military pay. Do not include combat pay	0	0	0
8 Gain excluded on the sale of a residence	0	0	0
9 Nontaxable educational assistance	0	0	0
10 Cash received for personal purposes from outside the home	0	0	0
11 **Total eligibility income** **Total eligibility income columns B and C**	25573	0	0

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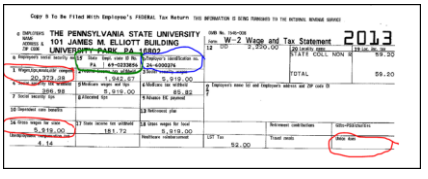
Example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101 JAMES M. ELLIOTT BUILDING
UNIVERSITY PARK, PA 16802
W-2 Wage and Tax Statement 2013

Box 1 $20,373.38
- Box 16 $ 5,919.00
$14,454.38 insert in Part C-Tax Forgiveness

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Tax Forgiveness- Calculation

Part D: Calculating Tax Forgiveness				
12	PA taxable liability	182		0
13	Less credit from PA 40, line 22	0		0
14	Net PA tax liability	182		0
15	Percentage of Tax Forgiveness	0.00 %		0.00 %
16	**Tax Forgiveness credit**	0		0

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Lines 22 and 23-Credits

- Line 22—credit for taxes paid to other states if working in another state and legal residence is still PA.
- Line 23—credits not applicable to VITA taxpayers.
- Line 24—auto calculated

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Line 25—Use Tax

- Self reporting of sales tax (6%) NOT collected on purchases from internet, toll-free numbers, mail order.
- An additional amount for Pittsburgh (1%) and Philadelphia (2%)

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Lines 26-36

- Line 26 PA tax bill or tax liability
- Line 27 Penalties and interest
- Line 28 Payments Due
- Line 29 Overpayment
- Line 30 Refund
- Line 31 Credit you wish to apply to next year's return
- Lines 32-36 Donations to various causes.

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PA Property Tax/Rent Rebate

PA-1000

Pennsylvania Property Tax or Rent Rebate Program

2011

The Property Tax/Rent Rebate program benefits eligible Pennsylvanians age 65 and older; widows and widowers age 50 and older; and people with disabilities age 18 and older.

The deadline to apply for a rebate on property taxes or rent paid in 2011 is June 30, 2012. Revenue will begin mailing and depositing rebates on July 1, 2012, as specified by law. Please see Page 3 for eligibility requirements and Page 10 for a sample form.

Homeowners:	INCOME	MAXIMUM STANDARD REBATE
	$0 to $8,000	$650
	$8,001 to $15,000	$500
	$15,001 to $18,000	$300

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PA w2-Code Retirement Income

Type

Part II: Miscellaneous and Non-employee Compensation from Federal Forms 1099R, 1099MISC, and other statements

Enter the necessary information from your forms below. If the form or statement does not have separately stated amounts, list the same amount in the Federal and PA columns.
Only information from Forms 1099R will be calculated below. If you have any 1099MISCs not included on Schedule C, you must complete the information below. Fill on each entry of a line below for which information is not already provided to enter the 1099MISC information.
A copy of each form or statement listed below must be submitted with a paper return and can be requested if the return is electronically filed. PA receives a copy of Forms 1099R with the electronic return.

Type
A Executor fee
B Jury duty pay
C Director's fee
D Expert witness fee
E Honorarium
F Covenant not to compete
G Damages or settlement for lost wages, other than personal injury
H Other nonemployee compensation. Describe
I Distribution from employer sponsored retirement, pension, or qualified deferred compensation plan
J Distribution from an IRA - traditional or Roth
K Distribution from life insurance, annuity, or endowment contracts
L Distribution from charitable gift annuities

If you have more than 10 1099Rs per tax return, enter 1 here. 0 Shift F10 to duplicate form, enter copy 2 on the next form, and 11 in the first 1099R no. If you have more than 20 1099Rs, enter 2 above and 21 in the first 1099R no. Number of 1099Rs 3
If you are duplicating this form solely for Part A, enter the copy number above and enter the number one greater than the number of 1099Rs included on the previous occurrence of this form.

Copy no	a T /	b Type	c Payer name	d 1099R Code	e Federal amount	f Adjusted plan basis	g PA compensation	h PA tax withheld
0	T	L	FIDELITY INVE	7	2808	0	2808	0
0	T	K	LIFE INSURANC	7	300	0	300	0
0	T	K	CM LIFE INSUR	70	596	502	94	0
0					0	0	0	0
0					0	0	0	0
0					0	0	0	0
0					0	0	0	0
0					0	0	0	0

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TaxWise Forms Tree

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PA 40-TaxWise Forms Tree

- PA Interview
  - PA 40 page 1
  - PA 40 page 2
- PA W2S
- PA 8453
- PA Sch SP

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PA Interview

Pennsylvania State Information 2013

Miscellaneous Information

School code and district as of 12/31/2013.
See help file for list of valid entries 14800 STATE COLLEGE AREA

Special Tax Forgiveness
YOU SEEM TO QUALIFY FOR TAX FORGIVENESS. PLEASE SEE REQUIRED ENTRIES BELOW.

Unmarried
◉ Single, unmarried on December 31, 2013
○ Separated. Pursuant to a written agreement or married, but separated, and lived apart for the last 6 months of 2013.

Married filing separately
☐ Married filing separate PA returns.
☐ Certification. Check here certifying that you and your spouse are submitting the same information on each PA Schedule SP.
☐ Separated and living apart from spouse, but for less than the last 6 months in 2013. Enter the spouse's income 0

Dependent of another
Does the taxpayer on whose return you are a dependent qualify for tax forgiveness? ○ Yes ○ No
If "Yes", enter the other person's Name SSN

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PA Interview-2

Balance Due or Refund

Balance due	0
Refund	0

Do you want to electronically file this return? ◉ Yes ○ No

Direct Deposit of Your Refund or Direct Debit of Your Balance Due - Electronic Filing Only

☐ Check this box if you want the state refund deposited to the same bank account as listed for your Federal refund, including Money Clip. This information will not appear below, but will be transmitted to PA and will appear on the printed PA 8453.
☐ Check here if you want the refund deposited into a different account.
☐ Check to have a refund check mailed to you.

☐ Check here if you want your balance due withdrawn from your bank account and enter your account information and the date of the withdrawal.
Amount you want debited 0
Requested payment date
If the return is transmitted on or before April 15, the requested payment date cannot be later than April 15. If the return is efiled after April 15, the requested payment date should be today. This is today's date 10/14/2014
☐ Check here if you will mail your balance due to Pennsylvania.

Routing number _____ Account type: ☐ Checking ☐ Savings
Account number _____

For direct deposit or direct debit, is the account located outside the U.S.? ○ Yes ◉ No

Date at least 2 weeks out

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PA Interview-3

Part II: Direct Deposit of Refund or Electronic Funds Withdrawal or Tax Due

○ Check this box if you want the state refund deposited to the same bank account as listed for your Federal refund, including Money Clip. This information will not appear below, but will be transmitted to PA and will appear on the printed PA 8453.
○ Check here if you want the refund deposited into a different account.
○ Check to have a refund check mailed to you.

○ Check to have an ACH debit of PA state balance due. Your account information must be entered below.
Amount you want debited 0
Requested payment date
If the return is transmitted on or before April 15, the requested payment date cannot be later than April 15. If the return is efiled after April 15, the requested payment date should be today. This is today's date 10/14/2014
○ Check to state that you will mail your check to PA for the balance due.

6 Routing number
7 Account number
8 Type of account ○ Checking ○ Savings

For direct deposit or direct debit, is the account located outside the U.S.? ○ Yes ◉ No

If you used a different account for direct deposit of your state tax refund, or you selected ACH debit, rekey the account information below from the check or other document for verification.

RTN: Account:

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Miscellaneous

- Pennsylvania Dept. of Revenue Support Home
- https://revenue-pa.custhelp.com/
- PA 40 PIT Guide
  - Personal Income Tax

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1099-Gs Refund of State Taxes

- Most VITA taxpayers DO NOT itemize deductions.
- PA indicated starting in 2013 DoR would not send 1099Gs by mail unless requested. 1099G information will be available on DoR website.
- Refund only important if taxpayer ITEMIZED deductions.

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Tax Forms

- Look in corner for form name

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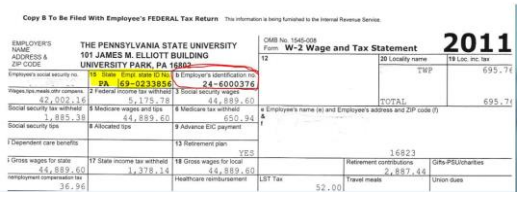
EIN-Employer ID Number



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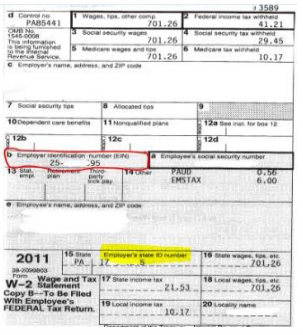
EIN Example #2



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Cautions-1

- Use the tools at your station to prepare an accurate return.
  - Publication 17
  - PA Income Tax (PIT) Guide
  - PA 40 & Form 1040 Instruction Booklets
  - Frequently used school codes
  - PA and Federal Tax Fact Sheet
  - Publication 4012

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Cautions-2

- Ask taxpayer questions.
- Ask them to verify that information on the printed return is accurate.(name and SS#)
- EXPLAIN the return to them. Ask if they have any questions.
  - Total income, total adjustments, amount of taxable income, tax on their income, total other taxes, Federal tax withheld, point out refundable credits

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Explain the Tax Return- Federal

1. Total income (line 22)
2. Total adjustments (line 36
3. AGI-adjustable gross income (line 37)
4. Amount of taxable income (line 43)
5. Tax on their taxable income (line 44)
6. Total of other taxes (line 61)
7. Federal tax withheld (line 62)
8. Point out refundable credits (lines 64a, 65, 66)
9. Restate refund or amount due.

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Explain the Tax Return-State

- Use the printed PA-8453
- Review each line before asking for signature.
  1. PA adjustable taxable income
  2. PA tax liability (taxes owed)
  3. PA taxes withheld
  4. Refund amount
  5. Amount owed
- PA has the same rate (3.07%) for all taxpayers. Unless a taxpayer has multiple jobs, the correct amount is usually withheld.

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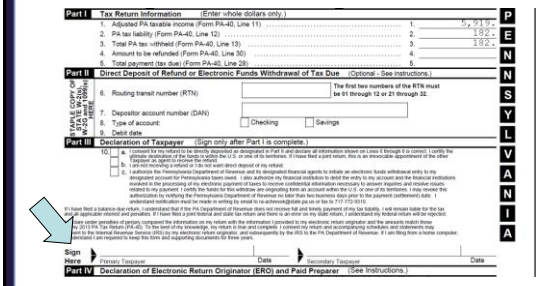
Snapshot-PA 8453



Part I Tax Return Information (Enter whole dollars only.)

1. Adjusted PA taxable income (Form PA-40, Line 11) ..... 1. 5,919.
2. PA tax liability (Form PA-40, Line 12) ..... 2. 182.
3. Total PA tax withheld (Form PA-40, Line 13) ..... 3. 182.
4. Amount to be refunded (Form PA-40, Line 30) ..... 4.
5. Total payment (tax due) (Form PA-40, Line 28) ..... 5.

Part II Direct Deposit of Refund or Electronic Funds Withdrawal of Tax Due (Optional - See instructions.)

6. Routing transit number (RTN) — The first two numbers of the RTN must be 01 through 12 or 21 through 32.
7. Depositor account number (DAN)
8. Type of account: ☐ Checking ☐ Savings
9. Debit date

Part III Declaration of Taxpayer (Sign only after Part I is complete.)

10 ☐ a. I consent for my refund to be directly deposited as designated in Part II and declare all information shown on Lines 6 through 8 is correct. I certify the ultimate destination of the funds is within the U.S. or one of its territories. If I have filed a joint return, this is an irrevocable appointment of the other taxpayer as my agent for this purpose.
☐ b. I am not receiving a refund or I do not want direct deposit of my refund.
☐ c. I authorize the Pennsylvania Department of Revenue and its designated financial agents to initiate an electronic funds withdrawal entry to my designated account for Pennsylvania taxes owed. I also authorize my financial institution to debit the entry to my account and the financial institutions involved in the processing of my electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have the right to revoke payment authorization within the U.S. or one of its territories. I may revoke this authorization by notifying the Pennsylvania Department of Revenue no later than two business days before the payment (settlement) date. I understand notification must be made in writing by email to ra-actrevoke@state.pa.us or fax to 717-772-0131.

If I have filed a balance-due return, I understand that if the PA Department of Revenue does not receive full and timely payment of my tax liability, I will remain liable for the tax, all applicable interest and penalties. If I have filed a joint federal and state tax return and there is an error on my state return, I understand my federal return will be rejected.

Under penalties of perjury, I declare that I have examined the information on my return with the information I provided to my electronic return originator and the amounts match those on my 2013 PA Tax Return (PA-40). To the best of my knowledge, my return is true and complete. I consent my return and accompanying schedules and statements may be sent to the Internal Revenue Service (IRS) by my electronic return originator, and subsequently by the IRS to the PA Department of Revenue. If I am filing from a home computer, I understand I am required to keep this form and supporting documents for three years.

Sign Here — Primary Taxpayer — Date — Secondary Taxpayer — Date

Part IV Declaration of Electronic Return Originator (ERO) and Paid Preparer (See Instructions.)

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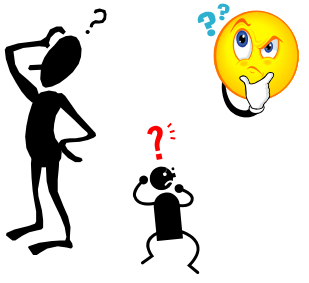
The End

- Questions



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