



1020015105

RCT-102 (07-15)(FI)  
File with RCT-101

### CAPITAL STOCK TAX MANUFACTURING EXEMPTION SCHEDULE

TAX YEAR  
BEGINNING \_\_\_\_\_  
TAX YEAR  
ENDING \_\_\_\_\_

CORPORATION NAME \_\_\_\_\_ REVENUE ID \_\_\_\_\_

#### PREPARATION INSTRUCTIONS FOR EXEMPTION SCHEDULE

This schedule is to be completed by electing corporations actually engaged in producing a manufactured article; any processing operation enumerated in Section 601(a) of the Tax Reform Code of 1971; or research and development as defined in Section 601(a) of the Tax Reform Code of 1971. Foreign corporations engaged in producing manufactured articles or foreign companies organized for and engaged in certain processing operations or research and development should use this form if all business activities are conducted in Pennsylvania. If the activities of a foreign corporation are multi-state, Schedule RCT-105 or RCT-102 may be used.

Compliance with these instructions and submission of all required data by the person responsible for the preparation of this schedule will facilitate processing. See Page 4 regarding a description of the corporation's activities. This description must be completed each year.

Whenever the term "manufacturing" is used in this schedule, it will include processing and research and development. The manufacturing exemption is limited to assets actually employed in manufacturing and does not apply to corporate net income tax. An explanation should be submitted of the basis employed if actual values are ascribed to assets.

Cash, securities, accounts receivable, etc., not required for conducting manufacturing activities are not exempt.

Any asset, tangible or intangible, used in producing a manufactured article and in a nonmanufacturing activity must be reported on Page 3, Column E.

Attach additional schedule(s) reflecting the details if any assets and liabilities were combined in a net figure on the balance sheet.

- COLUMN A-1** — Net book value of company assets at the beginning of the period.
- COLUMN A-2** — Net book value of company assets at the end of the period.
- COLUMN A-3** — Average net book value of company assets.
- COLUMN B** — This column represents the average value of the exemption claimed for tangible and intangible assets as reflected on Insert Sheet, RCT-106. Assets listed in Column B must not be listed in Columns C, D, E or H on Page 3.
- COLUMN C** — This column must include the average value of all tangible assets located in Pennsylvania, which are not used in manufacturing activities. It must also include the average value of all intangible assets except those necessary as working capital for a manufacturing activity and intangible assets claimed as an exemption in Column B.
- COLUMN D** — This column must include the average value of tangible assets actually and exclusively employed in manufacturing. It must also include the average value of intangible assets actually and exclusively held as working capital for a manufacturing activity, unless already claimed in Column B.
- COLUMN E** — This column must include the average value of all assets, tangible or intangible, which are used in a manufacturing activity and in a nonmanufacturing activity not listed in Columns B, C or D.
- COLUMNS F and G** — In order for an exemption to be allowable in Column G for that portion of Column E used in a manufacturing activity, the taxpayer must submit a detailed schedule showing the method and calculation employed and an explanation substantiating the method used. The balance of Column E used in nonmanufacturing activities must appear in Column F.
- COLUMN H** — This column should reflect the total average taxable assets of Columns C and F.

**THIS SCHEDULE MUST BE COMPLETED IN DETAIL AND ATTACHED TO THE LAST PAGE OF THE RCT-101.**

		COLUMN A			COLUMN B	
ASSETS		(1) NET BOOK VALUE BEGINNING	(2) NET BOOK VALUE ENDING	(3) AVERAGE NET BOOK VALUE	EXEMPT TANGIBLE AND INTANGIBLE ASSETS. (From Insert Sheet, RCT-106)	
FIXED ASSETS	1. Buildings, Net of Depreciation . . . . .	\$	\$	\$	\$	
	2. Equip. and Fixt., Net of Depreciation . . . . .					
	3. Other Fixed Assets, Net of Depreciation . . . . .					
	4. Land . . . . .					
	5. Leasehold Improvements, Net of Depreciation . . . . .					
	6. Vehicles and Other Rolling Equipment, Net of Depreciation . . . . .					
	7. Other Tangible Property . . . . .					
INVENTORIES	8. Raw Materials . . . . .					
	9. Work in Progress . . . . .					
	10. Finished Goods . . . . .					
	11. Supplies . . . . .					
	12. <b>TOTAL TANGIBLE ASSETS</b> . . . . .	\$	\$	\$	\$	
INVESTMENTS (Detail Required*)	13. Stocks of PA Corporations* . . . . .					
	14. Stocks of Foreign Corporations (More than 50 percent Owned)* . . . . .					
	15. Stocks of Other Foreign Corporations* . . . . .					
	16. U.S. Securities . . . . .					
	17. Other Government Securities* . . . . .					
	18. National Bank Shares . . . . .					
	19. Bonds, Mortgages or Notes* . . . . .					
	20. Miscellaneous* . . . . .					
	CURRENT ASSETS	21. Cash: In Drawer . . . . .				
		22. Time Deposits** . . . . .				
23. Demand Deposits** . . . . .						
24. Notes Receivable, Net of Reserves . . . . .						
25. Accounts Receivable from Customers, Net of Reserves . . . . .						
26. Advances to Other Companies*** . . . . .						
27. Advances to Individuals*** . . . . .						
28. Cash Surrender Value of Officers' Life Insurance . . . . .						
29. Prepayments and Accruals*** . . . . .						
	30. <b>OTHER ASSETS***</b> . . . . .					
	31. <b>TOTAL ASSETS</b> . . . . .	\$	\$	\$	\$	
	32. <b>TOTAL</b> . . . . .	\$	\$	\$	\$	

\* Attach schedule showing nature of investments, number of shares or face value of bonds, book values and actual or market values.  
 \*\* Attach schedule showing all interest-bearing account balances at the end of each month.  
 \*\*\* Explain in detail. Attach additional schedule(s) if necessary.

Gross Receipts (sales only - not to include other income). If additional space is needed, attach schedule(s).  
 a. List each article or product manufactured by this company and the gross receipts derived from each.

Articles	Gross Receipts	Total Gross Receipts
(1) _____	\$ _____	
(2) _____	_____	
(3) _____	_____	
(4) _____	_____	
(5) _____	_____	

**Total Gross Receipts - a**

a = \$ \_\_\_\_\_

b. Gross Receipts derived by this company from the production of nonmanufactured articles:

b = \_\_\_\_\_

c. Gross Receipts derived by this company from goods, wares and merchandise purchased for resale:

(1) From inventories in PA \$ \_\_\_\_\_

(2) From inventories outside PA \_\_\_\_\_

**Total Gross Receipts - c**

c = \_\_\_\_\_

**Total Gross Receipts (a, b, c)**

If this figure does not match gross receipts reflected on Line 1(a), Page 1, of attached copy of federal Form 1120, attach additional schedule(s) reconciling the difference. \$ \_\_\_\_\_

	<b>COLUMN C</b>	<b>COLUMN D</b>	<b>COLUMN E</b>	<b>COLUMN F</b>	<b>COLUMN G</b>	<b>COLUMN H</b>
	<b>AVG. NET BOOK VALUE OF ASSETS LOCATED IN PA AND NOT USED IN MFG.</b>	<b>AVG. NET BOOK VALUE OF ASSETS ACTUALLY AND EXCLUSIVELY EMPLOYED IN MFG. (unless listed in Column B)</b>	<b>AVG. NET BOOK VALUE OF ASSETS USED IN MFG. AND NON MFG.</b>	<b>AVG. NET BOOK VALUE OF AMT. OF COLUMN E USED IN NON MFG. ACTIVITIES</b>	<b>AVG. NET BOOK VALUE OF AMT. OF COLUMN E USED IN MFG. ACTIVITIES</b>	<b>TOTAL AVERAGE TAXABLE ASSETS (Column C plus Column F)</b>
1.	\$	\$	\$	\$	\$	\$
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.	\$	\$	\$	\$	\$	\$
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						
25.						
26.						
27.						
28.						
29.						
30.						
31.						
32.	\$	\$	\$	\$	\$	\$

**PROPORTION OF TAXABLE ASSETS**

**TOTAL AVERAGE TAXABLE ASSETS – Line 32, Column H-Carry to RCT-101, Schedule A-1, Line (4a) . . . \$** \_\_\_\_\_

**AVERAGE TOTAL ASSETS – Line 31, Column A3-Carry to RCT-101, Schedule A-1, Line (4b) . . . . . \$** \_\_\_\_\_

If a more exact method of averaging assets other than beginning and end of year average is used, submit schedule with data supporting method used. This proportion is to be used in the calculation on Page 2 of the PA Corporate Tax Report, RCT-101.

1. If an exemption is claimed in Column D or E, Lines 15, 17, 19 or 20 for stocks, bonds and other securities, submit a separate schedule listing the date(s) of acquisition(s) and sale of each investment.
2. If any exemption is claimed on Line 26, 27 or 28, indicate reason(s).

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MANUFACTURING, PROCESSING OR RESEARCH AND DEVELOPMENT ACTIVITY INFORMATION**

**1. During this reporting period, did any of the following changes occur?**

- a. Change from nonmanufacturing activities to manufacturing activities?.....
- b. Change from manufacturing activities to nonmanufacturing activities?.....
- c. Change during this reporting period due to plant(s) beginning or terminating a manufacturing operation? .....

If yes to a, b or c above, give date(s) change(s) occurred and submit details explaining such change(s).

**2. Did manufacturing activities cease anytime during the year (other than normal shutdowns, e.g., vacation time, retooling time, etc.)? .....**

If yes, indicate reason for inactivity and period(s) of inactivity, and submit time(s) company became inactive and resumed operation(s).



The PA Department of Revenue requires a description of the corporation's activities be furnished in sufficient detail to enable the taxing officials to make a determination of the validity of the claim for the manufacturing exemption. **Must be completed in full each year. Attach additional schedule(s) if necessary.**