

PA SCHEDULE SP (FI)

Special Tax Forgiveness

PA-40 Schedule SP (08-11)

2011

OFFICIAL USE ONLY

Name of taxpayer claiming Tax Forgiveness (if filing a PA-40 jointly, enter the name shown first)	Social Security Number (shown first)
Spouse's Name (even if filing separately)	Spouse's Social Security Number

Eligibility Questions

1. Are you a dependent on another taxpayer's (parent, guardian, step-parent, etc.) 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 ☐

IMPORTANT: If you answered "No" to Question 1, please proceed with completing Schedule SP. If you answered "Yes" to Question 1, you must also have answered "Yes" to Question 2 to be eligible for tax forgiveness and complete Line 1b. or Line 3c. from Part A below.

Part A. Filing Status for Tax Forgiveness.

1. ☐ Unmarried - use **Column A** to calculate your **Eligibility Income**. Fill in the Unmarried oval on Line 19a of your PA-40. Fill in the oval that describes your situation:
- a. ☐ Single. Unmarried/divorced on Dec. 31, 2011
- b. ☐ Single and claimed as a dependent on another person's PA Schedule SP. Enter the other person's:
- SSN: _____ Name: _____
2. ☐ Separated - use **Column A** to calculate your **Eligibility Income**.
Fill in this oval only if (a) you are separated pursuant to a written agreement or (b) you were married, but separated and lived apart for the last six months of the year. Fill in the Unmarried oval on Line 19a of your PA-40.
3. ☐ Married - Fill in the Married oval on Line 19a of your PA-40. Enter your spouse's name and SSN above. Fill in the oval that describes your situation:
- a. ☐ Married and claiming Tax Forgiveness together with my spouse. Use **Column A** to calculate **Eligibility Income**.
- b. ☐ Married and filing separate PA tax returns. ☐ **Certification**. Fill in this oval certifying that you and your spouse are submitting the same information on each PA Schedule SP. Use **Columns B and C** to calculate your **Eligibility Income**.
- c. ☐ Married with a spouse who is a dependent on another person's PA Schedule SP or federal income tax return. Use **Columns B and C** to calculate **Eligibility Income**. Enter the other person's:
- SSN: _____ Name: _____
- d. ☐ Separated and lived apart from my spouse but for less than the last six months of the year. Use **Columns B and C** to calculate **Eligibility Income**. Enter your spouse's name and SSN above.
4. ☐ Deceased - use **Column A** to calculate your **Eligibility Income**.
Fill in the Deceased oval on Line 19a of the PA-40. You must annualize the decedent's income (see the instructions) and briefly describe your method:

Part B. Dependent Children. Provide all the information for each dependent child. If more than four dependent children, submit additional sheets in this format.

1.	Dependent's Name	Age	Relationship	Social Security No.

IMPORTANT: Only claim the child or children that you claimed as your dependent(s) on your 2011 Federal Income Tax return.

2. Number of dependent children.

Enter on Line 19b of your PA-40. 2.

Part C. Eligibility Income

Married taxpayers filing jointly use **Column A** and **Eligibility Income Table 2**. Single filers, qualifying separated filers, and if filing for a decedent use **Column A** and **Eligibility Income Table 1**.

Married taxpayers filing separately, and taxpayers separated but not for the last six months of the year use **Columns B and C**, and **Eligibility Income Table 2**.

Column A Unmarried or Married Filing Jointly		The Eligibility Income Tables are on page 36 of the PA-40 booklet.	Married Filing Separately	
			Column B Taxpayer	Column C Spouse
1.		PA taxable income from Line 9 of your PA-40	1.	
2.		Nontaxable interest, dividends and gains and/or annualized income	2.	
3.		Alimony	3.	
4.		Insurance proceeds and inheritances	4.	
5.		Gifts, awards and prizes	5.	
6.		Nonresident income – part-year residents and nonresidents	6.	
7.		Nontaxable military income – Do not include combat pay	7.	
8.		Gain excluded from the sale of a residence	8.	
9.		Nontaxable educational assistance	9.	
10.		Cash received for personal purposes from outside your home	10.	
11.		←Total Eligibility Income for Column A		
Total Eligibility Income for Columns B and C– add Lines 1 through 10 for each spouse and enter the total →			11.	

Part D. Calculating your Tax Forgiveness Credit

12.	PA Tax Liability from your PA-40, Line 12 (if amended return, see instructions)	12.
13.	Less Resident Credit from your PA-40, Line 22	13.
14.	Net PA Tax Liability. Subtract Line 13 from Line 12	14.
15.	Percentage of Tax Forgiveness from the Eligibility Income Table using your dependents from Part B and your Total Eligibility Income from Line 11	15.
16.	Tax Forgiveness Credit. Multiply Line 14 by the decimal on Line 15. Enter on your PA-40, Line 21.	16.