

PA SCHEDULE H
Apportioned Business Income
(Loss)/Calculation of PA Net
Business Income (Loss)
PA-20S/PA-65 H (05-13) (FI) 2013

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OFFICIAL USE ONLY

| | |
|--|------|
| Name as shown on PA-20S/PA-65 Information Return | FEIN |
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APPORTIONED INCOME (LOSS) FROM A BUSINESS, PROFESSION, OR FARM DERIVED FROM SOURCES BOTH WITHIN AND OUTSIDE PENNSYLVANIA.

Complete this schedule and submit it with the PA-20S/PA-65 Information Return if a PA S corporation, partnership or limited liability company filing as a partnership or PA S corporation for federal income tax purposes derives business income from sources within and outside Pennsylvania or is located in a KOZ. If one or more of the partners is a C corporation, the partnership must also complete PA-20S/PA-65 Schedule H-Corp and submit a copy to each corporate partner. DO NOT USE THIS SCHEDULE TO APPORTION PA-SOURCE INCOME FROM OTHER ENTITIES.

The entity must calculate a figure as required in 1C, 2C and 3C to apply to net business income (loss) to determine the amount from within Pennsylvania. Line 5 is an average of the sum of three fractions shown below.

NET BUSINESS INCOME (LOSS) APPORTIONMENT FORMULA

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

| TABLE 1 - PROPERTY FACTOR | Description | Total Everywhere | Within Pennsylvania |
|---------------------------|--|------------------|---------------------|
| | Real and Tangible Property Owned (original cost value) | | |
| | Land and Buildings, including property rented * | | |
| | Machinery and Equipment, including property rented * | | |
| | Furniture and Fixtures, including property rented * | | |
| | Automobiles and Trucks, including property rented * | | |
| | Inventories | | |
| | Other Tangible Property, including property rented * | | |
| | Total Property | 1 (A) | 1 (B) |

* Eight times net annual rental rate (Attach Schedule)

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

| TABLE 2 - PAYROLL FACTOR | Description | Total Everywhere | Within Pennsylvania |
|--------------------------|--|------------------|---------------------|
| | Wages, salaries, commissions and other compensation to employees in: | | |
| | Cost of goods sold | | |
| | Compensation of officers | | |
| | Salesmen's salaries and commissions | | |
| | Other | | |
| | Total Payroll | 2 (A) | 2 (B) |

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

| TABLE 3 - SALES FACTOR | Description | Total Everywhere | Within Pennsylvania |
|------------------------|---|------------------|---------------------|
| | Sales (Net of Returns and Allowances) | | |
| | Interest, Dividends, Rents, Royalties | | |
| | Other Income (receipts only) | | |
| | Gross Sales Price of Assets (except securities**) | | |
| | Totals | 3 (A) | 3 (B) |

** Unless you are a securities dealer

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

| | | |
|--|---|--------------|
| 1 Real and Tangible Property. Enter the amount from Line 1C. | 1 | <u> • </u> |
| 2 Wages, Salaries, Commissions, and Other Compensation. Enter the amount from Line 2C. | 2 | <u> • </u> |
| 3 Sales. Enter the amount from Line 3C. | 3 | <u> • </u> |
| 4 Total Lines 1 through 3. | 4 | <u> • </u> |
| 5 Apportionment - Divide Line 4 by 3, if all three factors apply; by 2, if only two factors apply; or by 1, if only one factor applies. Calculate to six decimal places. | 5 | <u> • </u> |
| 6 Total Net Income (Loss) from business. From Schedule M, Part B, Section G, Line 2 | 6 | |
| 7 Net Income (Loss) for Pennsylvania. Multiply Line 6 by Line 5. Enter on the PA-20S/PA-65 Information Return, Part II, Line 2e. | 7 | |

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