



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

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

### SCHEDULE A-2

- 1. Beginning Retained Earnings (Must equal retained earnings from Column B, Line 24 of Schedule L on federal Form 1120S) . . . . . \_\_\_\_\_
- 2. Net Income per Books from Schedule M-1 or Schedule M-3 of federal Form 1120S . . . . . \_\_\_\_\_
- 3. Other Increases (Itemize)
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
- 4. Add Lines 1, 2 and 3 . . . . . \_\_\_\_\_
- 5. Distributions (other than dividends)
  - a. Distributions (other than dividends) reported on Schedule K of federal Form 1120S . . . . . \_\_\_\_\_
  - b. Less Beginning Distributions Payable\* . . . . . \_\_\_\_\_
  - c. Plus Ending Distributions Payable\* . . . . . \_\_\_\_\_
- 6. Dividend distributions reported on Schedule K of federal Form 1120S . . . . . \_\_\_\_\_
- 7. Other Decreases (Itemize)
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
- 8. Total Lines 5, 6 and 7 . . . . . \_\_\_\_\_
- 9. Ending Retained Earnings, Line 4 minus Line 8. (Must equal retained earnings from Column D, Line 24 of Schedule L on federal Form 1120S) . . . . . \_\_\_\_\_

\* To support this adjustment, a schedule of beginning and ending liabilities reporting "Distributions Payable" must be included with federal Form 1120S.

**IMPORTANT:** Corporations must complete federal Schedules L, M-1 and M-2 regardless of federal requirements. Federal Schedule M-3 may be provided in lieu of federal Schedule M-1. Schedule A-2 is required to be filed by taxpayers filing federal Form 1120S and whose net income per books differs from change in retained earnings plus distributions.



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**TAX YEAR ENDING** \_\_\_\_\_

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

**SCHEDULE A-3  
 ADJUSTMENTS TO NET INCOME PER BOOKS**

(See CT-1 booklet at [www.revenue.state.pa.us](http://www.revenue.state.pa.us) for requirements to complete this schedule)

**PART A**

1. Net Income per Books from federal Schedule M-1 or federal Schedule M-3. \_\_\_\_\_

**Additions**

2. Dividends from subsidiary corporations not included in Line 1 \_\_\_\_\_

3. Losses from subsidiary corporations deducted in arriving at Line 1 \_\_\_\_\_

4. Losses from limited liability companies deducted in arriving at Line 1\* \_\_\_\_\_

5. Distributions from limited liability companies not included in Line 1\* \_\_\_\_\_

6. Other (Itemize) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

7. Total Lines 1 to 6 \_\_\_\_\_

**Reductions**

8. Income from subsidiary corporations included in Line 1 \_\_\_\_\_

9. Income from limited liability companies included in Line 1\* \_\_\_\_\_

10. Distributions to materially participating member of limited liability companies\*\* \_\_\_\_\_

11. Other (Itemize) \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

12. Total Lines 8 to 11 \_\_\_\_\_

13. Revised Net Income per Books (Line 7 minus Line 12) \_\_\_\_\_

\* Any taxpayer making these adjustments must provide a copy of federal Schedule K-1, if the investee LLC files federal Form 1065, or a reconciliation of beginning and ending net worth of the investee LLC, if the investee LLC is a disregarded entity.

\*\* This reduction may only be taken by LLCs and business trusts not taxed as corporations for federal income tax purposes. Taxpayers claiming this reduction must complete Part B below.

**PART B**

Name of Member _____	Current-Year Distribution _____
SSN or EIN of Member _____	Less Current-Year Distribution included in Prior-Year Reduction _____
How does member qualify as materially participating under IRC Section 469? _____	Plus Current-Year Reduction distributed in subsequent year _____
_____	Current-Year Reduction _____

Name of Member _____	Current-Year Distribution _____
SSN or EIN of Member _____	Less Current-Year Distribution included in Prior-Year Reduction _____
How does member qualify as materially participating under IRC Section 469? _____	Plus Current-Year Reduction distributed in subsequent year _____
_____	Current-Year Reduction _____

Name of Member _____	Current-Year Distribution _____
SSN or EIN of Member _____	Less Current-Year Distribution included in Prior-Year Reduction _____
How does member qualify as materially participating under IRC Section 469? _____	Plus Current-Year Reduction distributed in subsequent year _____
_____	Current-Year Reduction _____

Total Reduction from Supplemental Schedule (Attach additional schedule(s) if necessary.) . . . . . \_\_\_\_\_

Total Reduction for Distributions to Materially Participating Members (Carry to Part A, Line 10.) . . . . . \_\_\_\_\_