

REV-802

**SCHEDULE C-6
ADD-BACK FOR INTANGIBLE EXPENSES OR COST AND RELATED INTEREST**

Corporation Name

Revenue ID	FEIN	Tax Year Beginning	Tax Year Ending
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SECTION I PAYMENTS MADE DIRECTLY OR INDIRECTLY TO AN AFFILIATED ENTITY

Affiliated Entity Name	FEIN	Where Organized	Where Managed and Directed (Corporate HQ)	Intangible Expenses	Related Interest Expense
1.				1a.	1b.
2.				2a.	2b.
3.				3a.	3b.
4.				4a.	4b.
5. TOTAL PAYMENTS				5a.	5b.

Exclusion of payments:

6. Tax avoidance was not principal purpose and was done at arm's length rates and terms.	6a.	6b.
7. Affiliated entity domiciled in a foreign nation that has in force a comprehensive income tax treaty with the U.S. Government. (Complete Part II.)	7a.	7b.
8. Affiliated entity was a conduit for the intangible expenses or cost/related interest paid directly or indirectly by the taxpayer to an unaffiliated entity. (Complete Part III.)	8a.	8b.
9. Total Amount Excluded from Total Intangible Expenses or Cost/Related Interest Payments	9a.	9b.
10. Add-back of Intangible Expenses or Cost/Related Interest Payments	10a.	10b.
11. TOTAL INTANGIBLE EXPENSES AND RELATED INTEREST EXPENSE		11.

SECTION II TRANSACTIONS WITH FOREIGN ENTITIES

Foreign Affiliated Entity Name	Domestic Country of Foreign Affiliate	Domestic Affiliate FEIN	Intangible Expenses	Related Interest Expense
1.			1a.	1b.
2.			2a.	2b.
3.			3a.	3b.
4.			4a.	4b.
5. TOTAL EXCLUDED			5a.	5b.



SECTION III TRANSACTIONS WITH UNAFFILIATED ENTITIES

1. Unaffiliated Entity Name	Affiliated Entity FEIN	Intangible Expenses or Cost	Related Interest Expense or Cost
a. Intangible Expenses Paid to Unaffiliated Entity		1a.	
b. Related Interest Expense Paid to Unaffiliated Entity			1b.
c/d. Total Payment Portion Allocation Percentage		1c.	1d.
e/f. Exclusion Amount		1e.	1f.
2. Unaffiliated Entity Name	Affiliated Entity FEIN	Intangible Expenses or Cost	Related Interest Expense or Cost
a. Intangible Expenses Paid to Unaffiliated Entity		2a.	
b. Related Interest Expense Paid to Unaffiliated Entity			2b.
c/d. Total Payment Portion Allocation Percentage		2c.	2d.
e/f. Exclusion Amount		2e.	2f.
3. Unaffiliated Entity Name	Affiliated Entity FEIN	Intangible Expenses or Cost	Related Interest Expense or Cost
a. Intangible Expenses Paid to Unaffiliated Entity		3a.	
b. Related Interest Expense Paid to Unaffiliated Entity			3b.
c/d. Total Payment Portion Allocation Percentage		3c.	3d.
e/f. Exclusion Amount		3e.	3f.
4. Unaffiliated Entity Name	Affiliated Entity FEIN	Intangible Expenses or Cost	Related Interest Expense or Cost
a. Intangible Expenses Paid to Unaffiliated Entity		4a.	
b. Related Interest Expense Paid to Unaffiliated Entity			4b.
c/d. Total Payment Portion Allocation Percentage		4c.	4d.
e/f. Exclusion Amount		4e.	4f.
5. Unaffiliated Entity Name	Affiliated Entity FEIN	Intangible Expenses or Cost	Related Interest Expense or Cost
a. Intangible Expenses Paid to Unaffiliated Entity		5a.	
b. Related Interest Expense Paid to Unaffiliated Entity			5b.
c/d. Total Payment Portion Allocation Percentage		5c.	5d.
e/f. Exclusion Amount		5e.	5f.
6. TOTAL EXCLUDED		6a.	6b.



Instructions for REV-802

Add-Back For Intangible Expenses Or Costs & Related Interest Expense

REV-802 IN (SU) 09-22

GENERAL INFORMATION

PURPOSE OF SCHEDULE

For taxable years beginning after December 31, 2014, corporations are required to add back certain deductions taken on the federal return for interest, royalties and other expenses (referred to as intangible expenses) related to intangible property such as trademarks and patents that were paid, accrued or incurred directly or indirectly with one or more affiliated entities. This schedule is used to calculate the required add-back to federal taxable income for intangible or related interest expenses.

WHO MUST FILE

Corporations that entered into transactions with an affiliated entity for the payment of intangible expenses as defined in 72 P.S. § 7401(8) or interest expense as defined in 72 P.S. 7401(9) must file this schedule to report those expenses.

WHEN TO FILE

This schedule must be filed at the same time the corporation files its RCT-101, PA Corporate Net Income Tax Report.

WHERE TO FILE

This schedule must be submitted with RCT-101 and with REV-803, Schedule C-7, Credit for Tax Paid by Affiliated Entities, if applicable.

Corporations must report all payments for intangible or related interest expenses in Part I of Schedule C-6, even if an exception is claimed with respect to such amount. Allowable exceptions should be reported on Part I, Lines 6, 7 and 8. Failure to properly complete Schedule C-6 may result in disallowance of claimed exceptions.

COMPLETING PA SCHEDULE C-6

CORPORATION NAME

Enter the complete name of the corporation as shown on the RCT-101, PA Corporate Net Income Tax Report.

REVENUE ID

Enter the 10-digit Revenue ID number of the corporation as shown on RCT-101. The Revenue ID is a unique 10-digit number assigned by the Department of Revenue.

FEIN

Enter the 9-digit FEIN number of the corporation as shown on RCT-101.

TAX YEAR BEGINNING AND TAX YEAR ENDING

Enter the tax year beginning and tax year ending as shown on RCT-101.

LINE INSTRUCTIONS

SECTION I

PAYMENTS MADE DIRECTLY OR INDIRECTLY TO AN AFFILIATED ENTITY

This form allows for the listing of up to four transactions with four affiliated entities. In the event that the corporation has more than four transactions with four affiliated entities, in any combination, a photocopy of this schedule should be used.

LINE 1 - 4

List the name of each affiliated entity and Federal Employer Identification Number (FEIN) for which the corporation accrued or incurred intangible or related interest expenses. This information must be provided even if the corporation believes it is subject to a statutory exception. The statutory exceptions must be claimed on Parts II and III and summarized on Lines 6 – 8 of Part I.

List by state(s) where the affiliated entities were incorporated or organized as legal entities and where the affiliated entities maintain their commercial domicile. Commercial domicile is the location where a corporation is managed or directed, the operational headquarters for the entity.

LINE 5A

Enter the total payments for intangible expenses with affiliated entities by adding Lines 1a - 4a.

LINE 5B

Enter the total payments for related interest expenses with affiliated entities by adding Lines 1b - 4b.

LINE 6A

Enter the amount of intangible expenses or costs paid or incurred to affiliated entities in which tax avoidance was not a principal purpose and was done at arm's length rates and terms.

LINE 6B

Enter the amount of related interest expense or cost paid to affiliates in which tax avoidance was not a principal purpose and was done at arm's length rates and terms.

LINE 7A

Enter the related intangible expenses paid to an affiliated entity domiciled in a foreign nation that has in force a comprehensive income tax treaty with the U.S. Government from Part II, Line 5a.

LINE 7B

Enter the related interest expense paid to an affiliated entity domiciled in a foreign nation that has in force a comprehensive income tax treaty with the U.S. Government from Part II, Line 5b.

LINE 8A

Enter the related intangible expenses paid to an affiliated entity who acted as a conduit of the expense paid to an unaffiliated entity from Part III, Line 6a.

LINE 8B

Enter the related interest expense paid to an affiliated entity who acted as a conduit of the expense paid to an unaffiliated entity from Part III, Line 6b.

LINE 9A

Enter the total amount of excluded intangible expenses by adding Lines 6a - 8a.

LINE 9B

Enter the total amount of excluded related interest expense by adding Lines 6b - 8b.

LINE 10A

Enter the intangible expenses required to be added back to federal taxable income by subtracting Line 9a from Part I, Line 5a.

LINE 10B

Enter the related interest expense required to be added back to federal taxable income by subtracting Line 9b from Part I, Line 5b.

LINE 11

Enter the total intangible expenses and related interest expense by adding Lines 10a and 10b. Carry the total to RCT-101, Section C, Line 3C.

SECTION II**TRANSACTIONS WITH FOREIGN ENTITIES**

Part II is for providing intangible or related interest expenses or costs paid or accrued to an affiliated entity that is excluded by reason that the transaction was directly or indirectly between the taxpayer and an affiliated entity domiciled in a foreign nation which has in force a comprehensive income tax treaty with the United States. These treaties provide for the allocation of all categories of income subject to taxation, or the withholding of tax, on royalties, licenses, fees and interest for the prevention of double taxation of the respective nations' residents and the sharing of information.

This form allows for the listing of up to four transactions with four affiliated entities. In the event that the taxpayer has more than four transactions with four affiliated entities, in any combination, a photocopy of this schedule should be used.

LINES 1-4

Enter the name of each foreign affiliated entity for which this exception applies. Enter the country of domicile of the foreign affiliated entity. If the expenses were paid through a domestic affiliate, enter the FEIN of the domestic affiliated entity. Enter the total intangible expenses or cost or related interest expense to each foreign affiliated entity.

LINE 5A

Enter the total intangible expenses or cost paid to each foreign affiliated entity covered by tax treaty by adding Part II, Lines 1a - 4a. Carry total to Part I, Line 7a.

LINE 5B

Enter the total related interest expense or cost paid to each foreign affiliated entity covered by tax treaty by adding Part II, Lines 1b - 4b. Carry total to Part I, Line 7b.

SECTION III**TRANSACTIONS WITH UNAFFILIATED ENTITIES**

Part III is for providing intangible expenses or cost or related interest excluded by reason that the affiliated entity that received the payment had directly or indirectly paid, accrued or incurred payment to an unaffiliated entity. The payment to the unaffiliated entity is paid, accrued or incurred on the intangible expense or cost or related interest, and is equal to or less than the taxpayer's proportional share of the transaction. The taxpayer's

proportional share shall be based on relative sales, assets, liabilities or another reasonable method.

This form allows for the listing of up to five transactions with five affiliated entities. In the event that the taxpayer has more than five transactions with five affiliated entities, in any combination, a photocopy of this schedule should be used.

UNAFFILIATED ENTITY NAME AND AFFILIATED ENTITY FEIN

Enter the name of the unaffiliated entity or outside party that received the related interest or intangible expenses or cost from the affiliated entity (conduit). Enter the FEIN of the affiliated entity, from Part I, that was the conduit.

LINE A

Enter the amount of intangible expenses or cost paid to the unaffiliated entity. The amount paid should be equal to or less than the taxpayer's proportional share of the transaction.

LINE B

Enter the amount of related interest expense or cost paid to the unaffiliated entity. The amount paid should be equal to or less than the taxpayer's proportional share of the transaction.

LINE C/D

It is possible that the conduit or affiliated entity charged the taxpayer a mark-up for the transaction, and that the conduit/affiliated entity may have been a conduit for other transactions between other entities affiliated with the taxpayer and the outside party. The amount of intangible expenses or cost or related interest that went from the affiliated entity to the outside party may be greater than the actual amount of intangible expenses or cost or related interest transacted by the taxpayer for the outside party.

The amount of exception cannot exceed the actual amount paid to the outside party for the taxpayer's use of the

intangible property. All mark-ups to the conduit/affiliated entity must be excluded, and all amounts for transactions from other affiliated entities must be excluded. In the event that the amount(s) between the taxpayer and outside party were not segregated from the mark-ups and other transactions, the exception shall be computed using a ratio or percentage based on the relative sales/receipts for the intangible expenses or cost or related interest, or assets, or liabilities or another reasonable method. The taxpayer should indicate on this form if the actual segregated amount(s) were used, or pro-rations using receipts, assets, liabilities or another reasonable method were used, and attach a schedule showing the computations.

Enter the percentage used to allocate the portion of the total payments that are related specifically to the use of the intangible property by the taxpayer, exclusive of any markups by the conduit/affiliated entity. Attach a statement describing the computation used to calculate the exclusion percentage.

LINE E

Enter the exclusion amount for intangible expenses or cost by multiplying Line a by Line c.

LINE F

Enter the exclusion amount for related interest expense or cost by multiplying Line b by Line d.

LINE 6A

Enter the total intangible expenses or cost excluded by adding Part III, Lines 1e - 5e. Carry total to Part I, Line 8a.

LINE 6B

Enter the total related interest expense or cost excluded by adding Part III, Lines 1f - 5f. Carry total to Part I, Line 8b.