

PA-40IN

PA-40 IN 04-25

Pennsylvania Personal Income Tax Return

2025

INSTRUCTIONS BOOKLET NO FORMS INCLUDED

TAX RATE

The state income tax rate for 2025 is 3.07 percent (0.0307).

2025 TAX RETURN FILING DUE DATE

To remain consistent with the federal tax due date, the due date for filing 2025 Pennsylvania tax returns will be on or before midnight, Wednesday, April 15, 2026.

SOCIAL SECURITY NUMBERS

When completing the PA-40 (Pennsylvania Personal Income Tax Return), please provide the ENTIRE Social Security number for you and your spouse (if applicable). If part of the Social Security numbers are not provided, it can cause delays in processing your return.

2025 STATE TAX CHANGE

The Schedule D has been updated to include a digital asset question and to accommodate for like kind exchanges. See the Schedule D instructions for more information and detailed instructions.

Student Loan Interest, up to \$2,500, may be deducted from PA taxable income. The deduction is reported on the Schedule O. Please refer to the Schedule O for more information.

The Schedule OC has been significantly redesigned for tax year 2025. The form's layout and structure have changed to enhance usability and processing efficiency. Please refer to the Schedule OC and instructions for more information.

The rules regarding grantor trusts have changed. Refer to Page 19 and the PA-41 instructions for more information.

A new mailing address for farmers has been established. Refer to Page 26 for details.

The department has clarified instructions on when to file an amended return to request a refund. Please see Page 41 for more information.

The income threshold for when estimated payments are required to be made continue to increase as follows.

TAXABLE YEAR	INCOME THRESHOLD
2025	\$11,000
2026	\$14,000
2027	\$17,000
2028	\$20,000

WHERE'S MY REFUND?

Taxpayers can check the status of their refunds 24/7 online or by phone. Visit the department's website at revenue.pa.gov and select the **Where's My Income Tax Refund?** link on the department's homepage. Or call 1-888-PATAKES to find out the status of your refund. Taxpayers will be prompted to provide their Social Security number and Requested Refund Amount to obtain the current status.

FILE YOUR PA PERSONAL INCOME TAX RETURN ONLINE FOR FREE

Taxpayers can utilize an online filing system to file their 2025 Pennsylvania personal income tax returns for free. Visit mypath.pa.gov to access the system, which also allows taxpayers to make payments, view notices, update account information, and find the answers to frequently asked questions. You can also visit the department's website, revenue.pa.gov to find other information on filing your personal income tax return.

E-filing offers advantages not available to taxpayers filing by paper, including error-reducing automatic calculators; prompt confirmation of a successful filing; faster refund processing and direct deposit options.

Fed-State E-File: Taxpayers also have the option to electronically file state and federal tax returns for a fee using software available from reputable vendors.

Direct File: Using the Direct File online filing tool, qualifying taxpayers will first be able to complete their 2025 federal tax returns (Form 1040). Following that step, Direct File will direct qualifying taxpayers to Pennsylvania's state income tax filing system, myPATH, where they will be able to file and complete their 2025 Pennsylvania state returns (PA-40). For further information on this filing option, please visit revenue.pa.gov.

BENEFITS OF ELECTRONICALLY FILING YOUR RETURN

SAFE: Regardless of the option you choose, the department protects your information with the latest security safeguards.

EASY: The systems perform math calculations for you.

FAST: The department processes refunds in half of the time compared to a paper return.

DIRECT DEPOSIT: You can have your refund deposited directly into your checking or savings account. Direct deposit is not available with a paper PA tax return.

CONFIRMATION: Upon filing electronically the department sends an acknowledgement directly to you, your tax professional, or Electronic Return Originator (ERO).

REMEMBER: When you use one of the electronic filing options, do not mail a paper copy of your tax return; instead, keep it for your records along with your confirmation number.

You may need to submit other information such as copies of military orders (if on active duty outside Pennsylvania), Form(s) W-2 (if your employer withheld additional PA income tax), and tax returns you filed in other states (when requesting a PA Resident Credit). Read and follow the instructions. The department reserves the right to request an explanation or supporting information for any amount that a taxpayer reports on a Pennsylvania tax return.

TAXPAYER SERVICES AND ASSISTANCE

ONLINE SERVICES

myPATH

- Request an extension of time to file; make payments, including estimated payments; check the status of your return and refund; update your address; calculate penalty and interest; pay tax due by electronic funds withdrawal for PA personal income taxes; and pay by credit/debit card.

Online Customer Service Center

- Find answers to commonly asked questions by using the department's Online Customer Service Center. Use the *Frequently Asked Questions* feature to search the database of commonly asked questions. If you do not find your answer in this area, you can submit your question to a customer service representative.

PA Personal Income Tax Guide

- The recently updated PA Personal Income Tax Guide has information that explains Pennsylvania's income tax and many of its differences from federal tax rules. You can only access the PA Personal Income Tax Guide via the department's website at revenue.pa.gov. The PA Personal Income Tax Guide is divided into various sections with topics related to many issues regarding filing personal, fiduciary and S corporation/partnership tax returns. The PA Personal Income Tax Guide is now internet searchable in addition to searchable within each topic heading.

Customer Experience Center

- Call 717-787-8201 for PA Personal Income Tax help during normal business hours: 8:00 AM - 5:00 PM.

1-888-PATAxes

Touch-tone service is required for this automated 24-hour toll-free line. Call to order forms or check the status of a personal income tax account, corporation tax account or property tax/rent rebate.

FORMS ORDERING SERVICES

To obtain forms, visit a Revenue district office or use one of the following services:

Online: revenue.pa.gov

Pennsylvania income tax forms, schedules, brochures, electronic filing options, and other information are available on the department's website. If you do not have Internet access, visit your local public library to obtain copies of forms from the department's website.

Email Requests for Forms: ra-forms@pa.gov

Automated 24-hour Forms Ordering Message Service:

1-800-362-2050.

- This line serves taxpayers without touch-tone telephone service.

Written Requests: PA DEPARTMENT OF REVENUE
TAX FORMS SERVICE UNIT
1854 BROOKWOOD ST
HARRISBURG PA 17104-2244

OTHER SERVICES

Free Income Tax Preparation Assistance

- You can receive free assistance in preparing uncomplicated, non-business federal, state, and local income tax returns through the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. Visit the department's website, contact the department's nearest district office, or call the Internal Revenue Service's toll-free number (1-800-829-1040) for the location of assistance sites. Taxpayers with modest incomes and older residents are urged to take advantage of these services.

Language Services

- Non-English-speaking taxpayers can receive assistance from the department through an interpretation service. The service covers more than 70 languages.

Services for Taxpayers with Special Hearing and/or Speaking Needs

- Dial 711 to use the Telecommunications Relay Service (TRS), a text-based telephone option.

Español

- El Departamento de Impuestos puede ayudar los contribuyentes que no hablan inglés por medio de un servicio de traducción durante el periodo de pago de impuestos.

Federal Tax Assistance

- Federal tax account or technical information and problem solving are available by calling: 1-800-829-1040
- Recorded Tele-Tax Service on federal tax topics or tax refund information is available by calling: 1-800-829-4477
- Federal tax forms and publications are available by calling: 1-800-829-FORM (3676)

TAXPAYERS' RIGHTS ADVOCATE

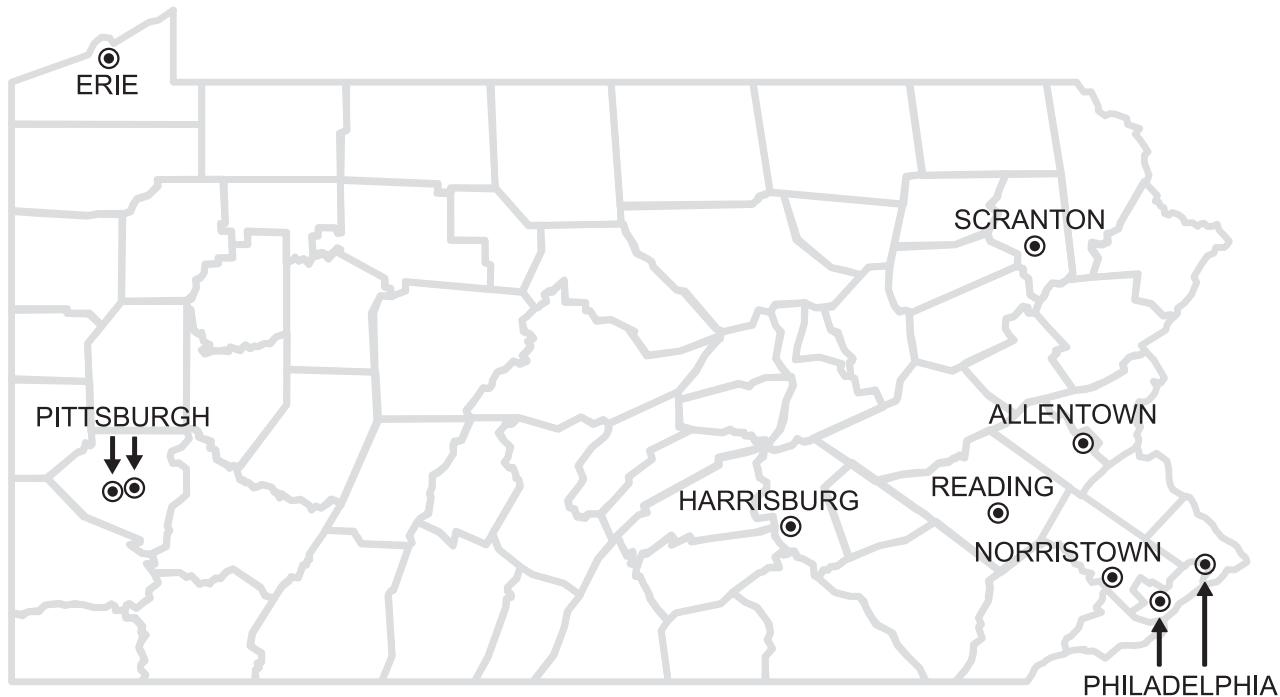
The Pennsylvania Department of Revenue has a Taxpayers' Rights Advocate who assists taxpayers with PA personal income tax and PA inheritance tax problems and concerns that have not been resolved through normal administrative procedures. It is the Advocate's responsibility to ensure that the department provides equitable treatment with dignity and respect. For more information concerning taxpayers' rights, visit the department's website at revenue.pa.gov.

To contact the Taxpayers' Rights Advocate:

- Email: pataxadvocate@pa.gov
- Call: 717-772-9347
- Write: PA DEPARTMENT OF REVENUE
TAXPAYERS RIGHTS ADVOCATE
LOBBY STRAWBERRY SQUARE
PO BOX 280101
HARRISBURG PA 17128-0101

PA DEPARTMENT OF REVENUE DISTRICT OFFICES

NOTE: Please call ahead to verify a district office's address and its services. Visit the department's website at revenue.pa.gov for more information. Taxpayer assistance hours are from 8:30 AM to 5:00 PM.



ALLEGHENY
STE 6
555 UNION BLVD
ALLEGHENY PA 18109-3389
610-861-2000

ERIE
448 W 11TH ST
ERIE PA 16501-1501
814-871-4491

HARRISBURG
LOBBY, FIRST FL
1131 STRAWBERRY SQ
HARRISBURG PA 17128-0101
717-783-1405

NORRISTOWN
1939 NEW HOPE ST
NORRISTOWN PA 19401-3114
610-270-1780

PHILADELPHIA - CENTER CITY
STE 204A
110 N 8TH ST
PHILADELPHIA PA 19107-2412
215-560-2056

PHILADELPHIA - NORTHEAST
ACDMY PLZ SHPG CTR
3240 RED LION RD
PHILADELPHIA PA 19114-1109
215-821-1860

PITTSBURGH - DOWNTOWN
411 7TH AVE - ROOM 420
PITTSBURGH PA 15219-1905
412-565-7540

PITTSBURGH - GREENTREE
11 PARKWAY CTR STE 175
875 GREENTREE RD
PITTSBURGH PA 15220-3623
412-929-0614

READING
STE 239
625 CHERRY ST
READING PA 19602-1186
610-378-4401

SCRANTON
RM 365
100 LACKAWANNA AVE
SCRANTON PA 18503-1986
570-963-4585

BEFORE YOU BEGIN

Filing Due Date

You must file before midnight, Wednesday, April 15, 2026. The U.S. Postal Service postmark date on your envelope is proof of timely filing. You must report all taxable income received or accrued from Jan. 1, 2025, through Dec. 31, 2025.

If you cannot file by the due date, request an extension of time to file. Read the instructions on Page 40. If you do not file your return by the due date, the department imposes late filing penalties and interest charges.

Who Must File a PA Tax Return?

If you are a PA resident, nonresident or a part-year PA resident, you must file a 2025 PA tax return if:

- You received total PA gross taxable income in excess of \$33 during 2025, even if no tax is due with your PA return; and/or
- You incurred a loss from any transaction as an individual, sole proprietor, partner in a partnership or PA S corporation shareholder.

Minors

PA law does not exempt a minor from the previously described requirements to file a PA tax return even if claimed as a dependent on a federal return. A parent/guardian must file a return on behalf of the minor child in such circumstances.

Decedents

The executor, administrator, or other person responsible for the affairs of a decedent must file a PA tax return if the decedent met the previously described requirements.

Persons Not Required to File Federal Income Tax Returns

If you are not required to file a federal income tax return, you may still be required to file a PA personal income tax return because the requirements for filing a return in Pennsylvania are different than federal requirements. You must file a return in Pennsylvania if any of the situations previously described apply. See the PA Personal Income Tax Guide – Brief Overview and Filing Requirements for Pennsylvania Personal Income Tax Returns section found on the department's website, for more information.

REMINDERS FOR FILING YOUR 2025 PA-40

Supporting Schedules

An acceptable return has not been filed until all schedules required by the department have been filed. Failing to provide required schedules may not only delay the processing of your return, but also subject you to late-filing penalties.

Assembling Your PA-40

Arrange your documents in the following order when submitting your 2025 PA tax return:

- **Original PA-40.** Do not mail a photocopy of your PA-40 or a copy of your electronic PA tax return.
- **Federal Forms, W-2, 1099-R, 1099-MISC, 1099-NEC.** Photocopies of your Form(s) W-2 (be sure the information is legible), or your actual Form(s) W-2. Include a statement to list and total your other taxable compensation. You must submit photocopies of your Form(s) 1099-R, 1099-MISC, 1099-NEC, and other statements that show other compensation and any PA tax withheld.

 **NOTE:** Do not include copies of Form(s) 1099-DIV and 1099-INT, unless the forms show PA income tax withheld.

- **PA Schedule OC** and the required supporting documents when claiming any of the restricted tax credits that PA law allows.
- **PA Schedule(s) RK-1, PA Schedule(s) NRK-1.** If you did not receive PA schedules, then submit federal Schedule(s) K-1. See Partnership, Limited Liability Company and PA S Corporation Partners, Members and Shareholders beginning on Page 16.
- **PA Schedule(s) G-L.** If you are claiming a resident credit for taxes paid to other states, include each schedule followed by any required supporting documents for the schedule.
- **All other required PA schedules and forms,** including any additional sheets you prepared.

 **IMPORTANT:** Please include your name(s), Social Security number(s), tax year, and a brief line reference to the PA-40 or PA-40 schedule for any additional sheets you include with your return.

- **All other required documents,** including federal schedules (where the instructions allow the use of federal schedules), that explain the information you entered.

- **Using PA Payment Voucher (Form PA-40 V) and payment.** See the instructions on Page 25.

 **IMPORTANT:** Do not staple your check or money order to your Form PA-40 V or your PA-40 form. If you do not use a Form PA-40 V, see the instructions on Page 25.

Entering Information

- **Social Security Number(s)**

Carefully write your SSN, and your spouse's SSN if married, in the boxes provided on your PA-40 form. You must enter your entire SSN. Please double-check your SSN.

- **Rounding Numbers**

On the PA-40 form and schedules, show money amounts in whole-dollars. Eliminate any amount less than \$0.50 and increase any amount that is \$0.50 or more to the next highest dollar.

- **Your Address**

Print your name and address on the form.

 **NOTE:** If you are using a military address, please use your APO or FPO address.

EXAMPLES:

KEVIN TAXPAYER
UNIT 2050 BOX 4190
APO AP 96278-2050

JOSEPH TAXPAYER
USCGC HAMILTON
FPO AP 96667-3931

Foreign Address Instructions

If you live outside of the U.S., it is important that you write your foreign address on your PA-40 using the department's guidelines. Failure to use these guidelines may delay any refunds you request or correspondence necessary to complete the processing of your return. To comply with the foreign address guidelines, use the following rules when completing the address portion of your PA-40 form: write your name(s) in the spaces provided; write the first and second line of your address in the First Line of Address spaces; write the state/province, if one exists, and then the foreign postal number (ZIP code equivalent), separated by a comma (do not abbreviate on this line), in the Second Line of Address spaces; leave

the State and ZIP code spaces blank; write the two-character code for the country in the Country Code spaces. Codes can be found at <https://www.irs.gov/e-file-providers/country-codes>.

Other important rules to follow include: using all capital letters to write all lines of the address; initials, simple given names, fictitious names or figures are not permitted; and addresses should not have more than five lines.

Below are two examples of properly completed foreign addresses using the department's guidelines. Providing your address in this format will better ensure that the department is able to contact you in the event we need additional information, or to send you your refund on a timely basis.

Name: THOMAS CLARK
First Line of Address: 117 RUSSELL DRIVE
Second Line of Address: ENGLAND, W1P 6HQ
City or Post Office: LONDON
State:
ZIP Code:
Country Code: GB

Name: HELEN SAUNDERS
First Line of Address: 1010 CLEAR ST
Second Line of Address: ONTARIO, K1A 0B1
City or Post Office: OTTAWA
State:
ZIP Code:
Country Code: CA

Privacy Notification

By law (42 U.S.C. § 405(c)(2)(C)(i); 61 Pa. Code § 117.16), the Pennsylvania Department of Revenue has the authority to use the SSN to administer the Pennsylvania personal income tax and other Commonwealth of Pennsylvania tax laws. The department uses the SSN to identify individual taxpayers and verify their incomes. The department also uses the SSN to administer tax-offset and child-support programs required by federal and Pennsylvania laws. The commonwealth may also use the SSN in exchange-of-tax-information agreements with governmental authorities. Pennsylvania law prohibits the commonwealth from disclosing information that individuals provide on income tax returns, including the SSNs, except for official purposes.

WHEN ENTERING INFORMATION

DO:

- Print in black ink
- Use UPPER CASE (CAPITAL) letters
- Print one number or letter in each box
- Leave a blank box between whole words
- Print your name – last, first, middle initial, and suffix on the correct lines
- Print your correct street address
- Print your apartment number, suite number, room number, rural route, floor, etc. on the first line
- Print your PO Box on the second line
- Fill in all appropriate ovals completely
- Prepare a copy before submitting your return

DO NOT:

- Use red pen or pencil
- Use lower case letters or script
- Leave a blank box or use a punctuation mark if your name, address, or city has Mc, Van, O, etc.
- Use dashes or other punctuation in boxes
- Print a PO Box number if the post office delivers to your home
- Use a PO Box on any line of your address except the line directly above your city and state
- Use an X or check mark (✓) in an oval
- Erase or use correction fluid/tape

GENERAL INSTRUCTIONS

PA-40 Tax Form

If you do not electronically file your tax return, use the PA-40 form. Please read the instructions.

Keep Your Records

The department has the statutory authority to verify and audit all of the amounts you report on your return and accompanying schedules. Maintain your books and records for at least four years after filing, as evidence of the information you reported on your PA return. Basis documentation for any item reported or potentially reportable on current or future tax returns must be kept indefinitely or at least four years after the asset is sold, exchanged, or disposed of by a taxpayer. For example, books and records used to calculate basis for retirement plans, stocks, bonds, mutual funds, business assets, business interests, tuition account programs, principal residence, etc. must be kept indefinitely.

Daytime Telephone Number

Enter the area code and telephone number where the department can call you during business hours.

School Code and School District Name

You must enter the five-digit code and name of the school district where you lived on Dec. 31, 2025, even if you moved after Dec. 31, 2025.

Do not enter the school district where you work. Using an incorrect code may affect your school district's funding. The lists of school district names and codes are on Pages 46 and 47.

 **NOTE:** If you do not know the name of the school district where you resided on Dec. 31, 2025, you can obtain this information at revenue.pa.gov using the school district address search tool on our website. School district names and codes are on Pages 46 and 47.

Some examples of what to consider when entering the school district code on a return are as follows:

- Military personnel should use the school district code for the domicile of their spouse (if the spouse lives in Pennsylvania), their parents (if entering the military while they are domiciled in Pennsylvania), or the code for the school district in which they live while on federal active military duty while stationed in Pennsylvania (if a PA resident).
- Persons residing in a nursing home or other care facility who are planning to return to their principal residence after a temporary stay in such facilities should enter the school district code for the physical address of their principal residence and not the nursing home or care facility.

- Persons who reside in a nursing home or care facility on a permanent basis and have made the decision to do so (who are or were mentally capable of making this decision) should use the school district code for the physical address of the nursing home or care facility.
- The residence of a person in a nursing home, long-term care facility or similar facility is presumed to be the person's residence prior to becoming a patient in the home or facility, unless there is substantial evidence that the person is legally competent and does not intend to return to their previous home.
- PA residents who are students attending college inside or outside of Pennsylvania should use the school district code for the physical address of the domicile or principal residence of their parents.
- Nonresidents or part-year residents who did not reside in the state as of Dec. 31, 2025, should enter 99999 in the school district code field.
- Part-year residents who resided in Pennsylvania as of Dec. 31, 2025, should enter the school district code of the physical address of their domicile or principal residence.
- Persons who use a mailing address other than the physical address of the domicile or principal residence should enter the school district code for the physical address of their domicile or principal residence.
- Persons who work outside of Pennsylvania, but maintain a permanent place of abode inside Pennsylvania during their absence from Pennsylvania or persons who plan to return to Pennsylvania after a temporary relocation to another state or country who are still considered PA residents should use the school district code for the physical address of their permanent place of abode or the school district code of their physical address prior to moving out of Pennsylvania.

Extension of Time to File Your 2025 Tax Return

Fill in this oval if you have an extension to file your 2025 PA income tax return. Read the instructions on Page 40.

Amended Return

Fill in this oval only when you are amending your 2025 PA tax return. Please read the instructions beginning on Page 41.

Residency Status

- **(R) Resident**

If you were a resident of Pennsylvania for all of 2025, fill in this oval. You must report all income (losses) regardless of the source from which you earned, received, or realized the income (loss).

Nonresidents and Part-Year Residents

Please read the instructions on Page 42. Nonresidents and part-year residents use the same PA-40 form as PA residents.

- **(N) Nonresident**

If you were a nonresident of Pennsylvania for all of 2025, fill in this oval. PA law taxes nonresidents on the income earned, received, or realized from Pennsylvania sources during 2025. See the instructions on Page 42 for more information.

- **(P) Part-Year Resident**

If you moved into Pennsylvania during 2025, fill in this oval even though you were a PA resident at the end of 2025. If you moved from Pennsylvania during 2025, fill in this oval even though you were not a PA resident at the end of 2025.

PA law taxes part-year residents on all income from all sources while a PA resident, and all income (loss) earned, received, and realized from PA sources when not a resident of Pennsylvania. See the instructions on Page 42 for more information.

See the PA Personal Income Tax Guide – Brief Overview and Filing Requirements for Pennsylvania Personal Income Tax Returns section found on the department's website for more information. For additional information please visit the department's website at revenue.pa.gov.

Students

If you are a PA resident college student attending school outside Pennsylvania or a nonresident college student attending school within Pennsylvania, see the PA Personal Income Tax Guide – Brief Overview and Filing Requirements for Pennsylvania Personal Income Tax Returns section found on the department's website for more information.

Filing Status

Fill in the oval that describes your status on Dec. 31, 2025. You do not have to file a PA tax return if you do not individually meet the requirements described under *Who Must File a PA Tax Return?* on Page 4. If you do not live in Pennsylvania and do not have any income (loss) from PA sources, you do not have to file a PA tax return, even if married to someone who must file a PA tax return. If you are a PA resident who does not have any PA income (loss) to report, you do not have to file a PA tax return, even if married to a person who must file a PA tax return.

(S) Single

You must file as single if on Dec. 31, 2025:

1. You were not married; or
2. During 2025, you divorced or became a widow or widower, did not remarry and/or could not or did not elect to file a joint return with a deceased spouse.

(J) Married, Filing Jointly

You and your spouse, even if living apart or one of you is deceased, can file a joint return for convenience. The executor(s) of the estate(s) of the taxpayer and spouse may also elect to file jointly. To file jointly, you must meet ALL of the following conditions:

1. Your taxable years end on the same date (not including returns with a deceased taxpayer and/or spouse); and
2. You and your spouse elect to have the same residency period (earliest starting date if you moved into Pennsylvania and latest ending date if you moved out of Pennsylvania) if you are part-year residents; and
3. Your deceased spouse's estate has not elected to file a separate return on their behalf; and
4. Neither of you is individually liable for the payment of child or spousal support, or another liability to the PA Department of Human Services; and
5. Neither of you is individually liable for the payment of a court-ordered obligation arising from a criminal prosecution or proceeding.

TIP If you and your spouse made separate estimated payments, you should file separate tax returns, each claiming only your own payments. If you and your spouse made your estimated payments jointly, you should file a joint tax return. However, if you and your spouse made estimated payments jointly and because of PA guidelines you must file separate tax returns, you must allocate the payments by completing Form REV-459B, Consent to Transfer, Adjust or Correct PA Estimated Personal Income Tax Account. The form must be completed in its entirety, showing the total number of payments made for the year and the amount of the payments to be transferred to the spouse. Both individuals must sign the form. This form can be sent to the address shown on the form prior to filing the return or a copy of the form can be submitted with both returns when filing. This avoids processing delays and correspondence from the department.

Joint Income - Joint Returns

Married taxpayers can file a joint tax return for convenience only. If you and your spouse jointly own income-producing property, you must each report your share of the income (loss). Income-producing property includes savings accounts, businesses, securities, and real estate. Spouses usually equally divide income from jointly owned property.

CAUTION: On a joint return, you and your spouse are each separately liable for the entire amount of PA tax due, even if only one of you had taxable income, and even if one of you paid your own PA tax through withholding or estimated payments. The income and losses of a taxpayer and spouse must be determined separately. You may not offset the income of the taxpayer with a loss from the spouse and vice versa. See REPORTING NET INCOME, GAINS, AND LOSSES ON LINES 4, 5, AND 6 on Page 15 and the requirements for the schedules reporting the income and losses for each class of income for additional information and reporting requirements.

(M) Married, Filing Separately

You and your spouse have the option to file separate returns. However, you and your spouse must file separate returns if:

1. Your taxable years end on different dates; or
2. Your taxable years begin on different dates for part-year residents; or
3. Either of you is individually liable for the payment of spousal/child support, or another liability to the PA Department of Human Services; or
4. Either of you is individually liable for a court-ordered obligation to the Administrative Office of Pennsylvania Courts; or
5. One of you is a PA resident and the other is not. However, you can file jointly if you both elect to file as PA residents and meet all other requirements for filing jointly. See Married, Filing Jointly beginning on the previous page.

 **CAUTION:** You must include your spouse's SSN even if filing Married, Filing Separately.

(F) Final Return

Use this filing status if you lived in Pennsylvania during 2025, but permanently moved away or if for any other reason, you will not have any PA-taxable income (or loss) in 2026. Provide the reason, such as you moved to another state.

REMEMBER: Even after you move from Pennsylvania, you must report any PA-taxable income you earned, received, or realized from PA sources.

(D) Deceased

Use this status if the taxpayer, spouse or both died in 2025. Enter the date(s) of death.

A joint return can be filed by the surviving spouse and decedent when a spouse or taxpayer dies during the tax year if:

1. The decedent did not previously file a return for the tax year; and
2. The personal representative, executor, or administrator has not been appointed by the time the return is made, signed, and filed; or
3. The fiduciary of the decedent consents to the filing of and signs the joint return.

Also the executor(s) of the estate(s) of the taxpayer and spouse (if both die during the same tax year) may elect to file a joint return on behalf of the taxpayer and spouse if:

1. The personal representatives, executors, or administrators consent to filing a joint return; and
2. The joint return is signed by both fiduciaries.

A surviving spouse must file a separate return if the fiduciary of the estate does not agree to a joint return or if a fiduciary of the decedent is appointed after the filing of the joint return and the fiduciary supersedes the joint return filing by filing a separate return on behalf of the decedent. In cases where a joint return has already been filed by the spouse and a fiduciary has been appointed who wants to file a separate return on behalf of the decedent, a separate return for the surviving spouse must be filed within 90 days of the filing of the decedent's separate return by the fiduciary. If the surviving spouse's separate return is filed within 90 days, the separate return shall be considered to be filed on the date the original joint return was filed. Otherwise, the surviving spouse's return shall be considered to be filed on the date the department receives it.

TIP FILING TIPS:

- If a joint return is filed and the taxpayer, spouse, or both are deceased, complete the married filing joint oval, the deceased oval and the spouse and/or taxpayer ovals as well as the date(s) of death. The surviving spouse should complete the name and Social Security number section of the return as the primary taxpayer on the return.
- If a separate return must be filed by the surviving spouse and a joint return was not previously filed, the surviving spouse's filing status should be single and no information should be included in the deceased filing status area.
- If a separate return must be filed by the surviving spouse after having filed a joint return, the surviving spouse should also complete the amended return oval and include Schedule PA-40 X.
- If a separate return is filed by the decedent's fiduciary, the fiduciary should complete the deceased and taxpayer ovals and include the date of death.
- If both taxpayers die during the tax year and the fiduciaries do not elect to file a joint return, complete the taxpayer deceased oval and include the date of death on the separate returns for each.
- If a decedent was not married when they died, the fiduciary should complete the deceased taxpayer oval and include the date of death.

 **CAUTION:** Do not list the deceased taxpayer's name and Social Security number as the primary taxpayer unless both the taxpayer and spouse die during the tax year and a joint return is filed on their behalf.

The executor, or other person responsible for the affairs of the decedent, should also use this filing status to complete, sign, and file a separate return for the decedent. The return must report all the decedent's 2025 income, payments, and credits. The person signing the decedent's return must indicate their relationship to the decedent (executor or person responsible for the affairs of the decedent).

Surviving Spouse

If the decedent was married, the surviving spouse may be required to file a separate return, and use the Single (S) filing status. If the decedent made PA estimated payments, the surviving spouse may request Form REV-459B to reconcile the estimated payments to the separate PA tax returns. Request this form from the department's website, or one of the Forms Ordering Services on Page 2.

Farmers

Fill in this oval if you derived at least two-thirds of your 2025 gross income from farming.

Pro-Forma Returns for Taxable Bankruptcy Estates

Please see the instructions for the PA-41 Fiduciary Income Tax Return for additional information regarding the preparation of a pro-forma PA-40 Personal Income Tax Return for a taxable bankruptcy estate.

PA INCOME CLASSES

You must report your income (loss) by applicable class, whether it is received directly, as estate or trust income or as a distributive share of the income of a partnership or PA S corporation. Read the instructions for each income class.

Line 1. Compensation – Page 10

Line 2. Interest – Page 14

Line 3. Dividends and Capital Gains Distributions – Page 15

Line 4. Net Income or Loss from the Operation of a Business, Profession, or Farm – Page 17

Line 5. Net Gain or Loss from the Sale, Exchange, or Disposition of Property – Page 17

Line 6. Net Income or Loss from Rents, Royalties, Patents, or Copyrights – Page 18

Line 7. Estate or Trust Income – Page 19

Line 8. Gambling and Lottery Winnings – Page 19

Federal income classifications are disregarded to the extent they are inconsistent with PA classifications.

TIP Generally, other or miscellaneous income is either compensation on Line 1a, (see Page 10), or business income on Line 4, (see Page 17). If you cannot determine the income class, contact the department for assistance.

TAXABLE INCOME FOR PA PIT PURPOSES:

The PA-40 line number on which to report the income follows each item. Classify means report the income in the appropriate PA income class based on all facts and circumstances. See the PA Personal Income Tax Guide for more information.

- Employer provided fringe benefits, unless excludable (Line 1a)
- Sick pay and disability benefits that represent regular wages, such as sick leave pay (Line 1a)
- Allowances and reimbursements in excess of allowable employee business expenses (Line 1a)
- The value of property received as payment for services (Line 1a)
- Delay damages received in connection with a court judgment or settlement to the extent that the payments represent back wages (Line 1a)
- Honoraria (Line 1a)
- Compensation as fees for performing services as an executor or an administrator of an estate or a director of a corporation (Line 1a)

- Severance pay (Line 1a)
- Incentive payments received for terminating employment before reaching normal retirement age (Line 1a)
- Awards and gifts given in recognition for, or given as a transfer of cash or property, in payment for past, present, or future service as an inducement to perform future services (Line 1a)
- Jury fees (Line 1a)
- Expert witness fees (Line 1a)
- Cash reimbursements for personal expenses, such as commuting and day care (Line 1a)
- A discharge of indebtedness, unless specifically excludable from taxable income (Classify)
- Damage awards and settlements to the extent that the payments represent back wages or another uncollected entitlement to PA-taxable income (Classify)
- Covenants not to compete, or for refraining from the performance of services (Classify)
- Other income described in the PA income classes (Classify)
- Income for performing services as an executor or director when such services are undertaken as part of your business or profession (Line 4)

INCOME NOT TAXABLE FOR PA PIT PURPOSES:

- Social Security benefits and/or Railroad Retirement benefits
- Commonly recognized pension, old age, or retirement benefits paid after becoming eligible to retire, and retiring
- United Mine Workers Pension
- Military pension benefits
- Civil Service Annuity
- Unemployment compensation and public assistance
- Payments received under federal trade assistance, trade adjustment allowances and alternative adjustment assistance.
- Payments received under workers' compensation acts, occupational disease acts, or similar legislation; including Heart and Lung Pension
- Payments for injuries received while working, and damages received, whether by suit or otherwise, for personal injuries
- Sick pay and disability benefits, including payments by third party insurers for sickness or disability (does not include amounts paid as sick leave)



NOTE: If your employer includes your payments for sickness, disability, and/or on-the-job injuries in Box 16 of your Form W-2, provide a statement from your employer verifying the amount of these payments.

- Employer-paid group term life insurance premiums
- Damage awards and settlements from physical injury or sickness such as pain and suffering or emotional distress
- Child support
- Alimony
- Inheritances, death benefits, and income in respect of a decedent (IRD) as defined for federal income tax purpose for purposes of compensation (NOTE: IRD may be subject to the PA PIT in a class of income other than compensation)
- Active-duty pay received as a member of the U.S. Armed Forces from the U.S. government for service outside Pennsylvania (see Page 40)
- Awards and gifts made from detached or disinterested generosity
- Personal use of an employer's owned or leased property and/or services, at no cost or at a reduced cost

- Federally taxable punitive damages received for personal physical injury or physical sickness, whether received by suit or by settlement
- Income from contracts of insurance for long-term care that do not have accumulated refundable reserves payable upon lapse or surrender
- Interest earned from an IRC Section 529 plan like the Pennsylvania 529 College and Career Savings Program when earned or used for Qualified Higher Education Expenses as defined by IRC Section 529 (e)(3)(A)
- Federal economic impact or stimulus payments.
- Employer matched contributions to IRC Section 529 plan.
- Federally exempt IRC Section 529 plan distribution rollovers.
- Amounts paid or incurred by an employer of an employee for dependent care assistance provided to the employee that is excludable under 26 U.S.C. § 129.
- Amounts received from the federal or state government or Norfolk Southern Railway, or an agent thereof, because of the train derailment that occurred in East Palestine, OH on February 3, 2023.
- Payments received from the remaining value of a Tuition Account Program (TAP) termination due to an account beneficiary's disability or death.
- Dependent and Child Care benefits from box 10 of the W-2. (Up to \$5,000)

DIFFERENCES BETWEEN PA PIT AND IRS

The following differences are the result of recent Pennsylvania and federal legislation:

Depreciation - PA Limitations

• Bonus Depreciation

PA PIT law does not follow the federal allowances for additional depreciation expenses. You may not use any of the bonus depreciation elections enacted for federal purposes.

• ACRS and MACRS and IRC Section 179

Pennsylvania allows ACRS and MACRS and IRC Section 179 to the extent allowable under the version of the Internal Revenue Code in effect at the time the property was placed in service, or under Section 179 of the IRC of 1986, as amended to Jan. 1, 1997, whichever is earlier, but not any other accelerated method. 72 PS § 7303(a.3)(Act 89 of 2002.)

• IRC Section 179

Please see Bulletin 2023-02 available on the department's website at revenue.pa.gov.

• Intangible Drilling Costs

Per Act 52 of 2013, taxpayers that directly incur intangible drilling and development costs (IDCs) may elect to currently expense up to one-third of the IDCs in tax years beginning after Dec. 31, 2013. The remainder of the IDCs may be amortized over 10 years. If a taxpayer does not elect to currently expense their IDCs, they may amortize the IDCs over 10 years. For tax years beginning prior to Jan. 1, 2014, IDCs must be amortized over the life of the well.

 **CAUTION:** Any election to expense up to one-third of the IDCs must be made by the taxpayer incurring the IDCs. A partner or shareholder may not make an election to expense IDCs passed through from a partnership or S corporation.

• Other Differences

You must adjust your federal expense for the difference between your federal depreciation and your depreciation for PA PIT purposes, when you elect a different generally accepted method that you consistently use.

 **IMPORTANT:** The basis for property (where bonus depreciation has been taken for federal income tax purposes) will be different for federal and state tax purposes. As a result, PA law requires straight-line depreciation to be taken on these assets.

PA-40 LINE INSTRUCTIONS

Deductions

PA law does not allow standard deductions, deductions for personal exemptions, itemized deductions, or deductions for personal expenses.

 **CAUTION:** PA-taxable interest income (Line 2), dividend income (Line 3), and gambling and lottery winnings (Line 8) are gross taxable income classes. You may not deduct any expenses in computing these classes of income. In computing compensation, only certain expenses are deductible; see the PA Schedule UE instructions beginning on Page 27. The remaining classes of income are net taxable - you may deduct ordinary and necessary expenses paid or accrued during the taxable year in their production. See the line instructions for each class of income.

Cost Recovery

PA law does not permit deductions or exemptions for contributions to retirement plans, investments in annuities, mutual funds, money market funds, and other personal contributions, even when deducted or exempt for federal purposes. Therefore, Pennsylvania will not tax your distributions or the payments you receive until you have recovered an amount equal to your contributions. Maintain your records of your contributions. If you receive an early taxable distribution from a retirement plan, and you do not have records of your contributions, consult your plan administrator.

Education Savings Accounts - Qualified Tuition Programs under IRC Section 529, like Pennsylvania 529 College and Career Savings Program

Contributions to a Pennsylvania 529 College and Career Savings Program account and other IRC Section 529-qualified tuition program accounts are deductible. For additional information, see the instructions for Line 10, Other Deductions, on Page 20 and the instructions on the Schedule O.

 **NOTE:** Certain withdrawals and distributions not used for educational purposes are taxable. See the instructions for PA Schedule A beginning on Page 31 for additional information.

Pennsylvania ABLE Savings Program Fund Accounts - Qualified IRC Section 529A Accounts

Contributions to an account established under the Pennsylvania ABLE (Achieving a Better Life Experience) Savings Program are deductible. Earnings on a Pennsylvania ABLE account are also exempt from taxation when used for qualified disability expenses of eligible individuals. Withdrawals for other than qualifying purposes are subject to tax as interest income on Line 3 of PA Schedule A. Use the cost recovery method to determine the amount of any non-qualifying withdrawals subject to tax for any contributions made prior to Jan. 1, 2017. For contributions made after Dec. 31, 2016, the entire amount of any non-qualifying withdrawal is taxable. The department uses the FIFO method for determining when

contributions are withdrawn. For additional information regarding the deduction, see the instructions for Line 10, Other Deductions, on Page 20 and the instructions on the Schedule O.

LINE 1a. GROSS COMPENSATION

Overview: PA-taxable compensation includes, but is not limited to: salaries; wages; tips; gratuities; commissions; bonuses; incentive payments; vacation and holiday pay; employer student loan payments; student loan debt forgiveness for entering certain fields or professions; distributions from nonqualified deferred compensation plans; certain early distributions from retirement plans; and termination pay. The amount your employer reports in Box 16 of your Form W-2 usually shows your PA-taxable compensation if the W-2 includes PA withholding in Box 17. If you are a PA resident and your W-2 does not include withholding from PA but includes withholding from another state, you should also complete and include the W-2 RW, Reconciliation Worksheet, with your return to reconcile the compensation to PA-taxable compensation. If you receive Forms 1099 or other statements, your PA-taxable compensation is the gross amount that you received for performing services.

The amount in Box 16 of your Form W-2 may be different from the amount in Box 1. PA law requires a PA employer to follow PA income tax rules to determine Box 16. If you have any questions, contact your employer.

Taxable compensation for PA personal income tax purposes also includes amounts received as:

- Executor or executrix fees from an estate;
- Fiduciary fees from a trust;
- Honorariums;
- Jury duty pay;
- Director's fees;
- Covenant not to compete payments;
- Damages or settlements for lost wages;
- Early distributions from retirement plans or IRAs (traditional or Roth);
- Distributions from employee stock ownership plans (if not a PA eligible plan); and
- Other non-employee compensation for services rendered.

If you have one or more of the above, you must include the amount in your gross compensation amount reported on Line 1a and include a statement that provides a description of the amount.

 **NOTE:** See the W-2 Filing Tips beginning on this page and or the 1099-R Filing Tips beginning on Page 13 for additional information.

The method used to file a return will determine if copies of W-2s, 1099-MISCs, 1099-NECs, and 1099-Rs will need to be included with the filing of the return in order for the department to verify the amount of taxable compensation and/or to verify an amount received is not taxable for PA personal income tax purposes. Taxpayers that file by submitting a copy of a paper return will be required to submit additional documents not often required by those who submit their return electronically. See the instructions for When to Submit Forms W-2, 1099-MISC, 1099-NEC, and 1099-R below.

 **IMPORTANT:** Taxpayers with multiple W-2s and multiple types of compensation should submit a statement that lists the amounts and payors of the compensation along with the total amount reported on Line 1a.

 **NOTE:** If you do not have a Form W-2 or a federal substitute W-2, Form 4852, you must submit evidence of your PA compensation and tax withheld by providing pay stubs and a statement

identifying your employer and the reason you do not have a Form W-2. Please submit legible photocopies. Keep your original documents.

When to Submit Forms W-2, 1099-MISC, 1099-NEC, and 1099-R For Paper Filed Returns:

If you file your PA-40 return in paper format, you must include actual copies or photocopies of all Forms W-2. You must submit actual copies or photocopies of all Forms 1099-R for all types of distributions regardless of whether the distribution is taxable and/or non-taxable for PA personal income tax purposes. If the amounts on Forms 1099-MISC and/or 1099-NEC are reported as compensation or include PA-tax withheld, you are required to submit actual copies or photocopies of the forms.

For E-Filed Returns:

If you file your PA-40 electronically, you are not required to submit an actual copy of your W-2, 1099-R, 1099-MISC, or 1099-NEC forms unless certain conditions exist with respect to those forms. For Forms 1099-MISC, 1099-NEC, and 1099-R, you are only required to submit actual copies of these forms if there is PA tax withholding reported on the forms. For Forms W-2, you must submit an actual state copy or a legible photocopy of each state copy of Form W-2 and a written explanation only if:

1. The PA compensation you enter on Line 1a of your PA-40 is not the same as Box 16 on your Form W-2 (you believe that the PA compensation or withholding is incorrect).
2. Your employer gave you a handwritten Form W-2.
3. Your employer reported an incorrect amount on your Form W-2. Decrease your Box 16 wages and enter the amount on Line 1 of the PA-40. Attach the W-2 form along with a written explanation from your employer on company letter explaining the change when filing your PA-40 return.
4. Your employer withheld PA income tax from your wages at a rate that is more than the 2025 tax rate of 3.07 percent.
5. You are a resident of a reciprocal compensation agreement state and your employer withheld PA income tax.
6. The Medicare wages in Box 5 on your Form W-2 are greater than your PA wages in Box 16. In this case, complete and include with your return the PA-40 W-2 Reconciliation Worksheet. To obtain the worksheet, use one of the Forms Ordering Services on Page 2.
7. You are a PA resident working in another state or country and did not have PA income tax withheld by your employer.
8. You have a distribution from a nonqualified deferred compensation plan included in Box 1 of your Form W-2.
9. You are a PA resident and your Form W-2 shows income earned or tax withheld for another state.
10. Your Form W-2 or W-2P includes no PA compensation amount and is or is not taxable for PA personal income tax purposes. If the amount is not taxable for PA personal income tax purposes, include an explanation of why the amount is not taxable.

W-2 FILING TIPS:

1. Submit photocopies of all original Forms W-2 with your return. Some original Form W-2 documents cannot be processed by the department's imaging equipment (onion skin paper printed in blue ink, for example) and could delay the processing of a return. If possible, submit a photocopy of the Form W-2 on standard size paper instead of the actual Form W-2.
2. If the PA-taxable wages you are reporting are less than the amount reported on your Form W-2, please include a brief explanation of the

difference with your return and/or a letter from your employer documenting the difference in taxable amounts.

3. If your employer withholds excess PA personal income tax at your request, include with your return a statement from your employer verifying the rate and amount of tax withheld for the tax year.
4. If you worked outside of Pennsylvania and your employer did not withhold PA personal income tax, your taxable PA wages may be higher or lower than the state wages reported on your Form W-2 in Box 16. Amounts paid to you as retirement plan contributions, personal use of company automobile, and/or group term life insurance may require additional adjustments to the amount reported to the other state or country. See the PA Personal Income Tax Guide – Gross Compensation section for additional information. You should also complete the PA-40 W-2 RW, Reconciliation Worksheet.
5. If you are a PA resident and your W-2 includes military pay for active duty outside PA, the amount for active duty pay outside PA is not taxable compensation for PA personal income tax purposes. In addition, any military pay earned as a nonresident while on active duty within in PA is not taxable for PA personal income tax purposes. Do not include the amounts included in Box 16 of your W-2 for active duty military pay earned outside PA or for nonresident military pay earned in PA in Line 1a of the PA-40. If any PA income tax is withheld from the military pay, include the amount of tax withheld on Line 13 of the PA-40. Copies of military orders are required to be included with returns as proof of active duty status outside PA. See the Military Pay – Members of the Armed Forces instructions on Page 40 for more information.
6. If any military pay is earned by a PA resident while on active duty status within PA, the amount is taxable for PA personal income tax purposes. Include the amount from Box 16 of your W-2 on Line 1a of the PA-40.
7. If your W-2 includes taxable and nontaxable military pay, include a statement with your return that provides the amounts of taxable and nontaxable military pay and how they were determined, along with copies of military orders as proof of active duty status outside of PA.

PA-40 W-2 RW, Reconciliation Worksheet

If your W-2 does not contain sufficient information in Boxes 12 and 14 to reconcile the federal and Medicare wages on your W-2 to the amount reported as PA wages, complete and include the PA-40 W-2 RW, Reconciliation Worksheet, with your return. The PA-40 W-2 RW, should also be included if you received distributions of previously taxed contributions from a nonqualified deferred compensation plan. To obtain the worksheet, use one of the Forms Ordering Services on Page 2.

Reciprocal Compensation Agreement States

Pennsylvania has agreements with Indiana, Maryland, New Jersey, Ohio, Virginia, and West Virginia. Generally, under these agreements, one state will not tax a resident of the other state on compensation that is subject to employer withholding. These agreements apply to most types of W-2 compensation earned while a resident of the reciprocal compensation agreement state. It does not apply to miscellaneous and non-employee compensation, compensation earned while a PA resident and received while a resident of the reciprocal compensation agreement state or compensation paid to Ohio resident shareholder-employees with a 20 percent or greater interest in a PA S corporation who worked or performed services in Pennsylvania in 2025.

If you are a PA resident working in one of these states, and your employer withheld the other state's income tax, you must file for a refund from that state.



File early so you will have your refund before the due date for paying your PA tax liability.



IMPORTANT: If you earned at least \$11,000 in the other state, and your employer didn't withhold PA income tax, under PA law you may have been required to make estimated payments if you didn't qualify for a deduction on Line 10 of the PA-40, nor qualified for a credit on Lines 21 or 23 of the PA-40. If this is your situation, you are liable for Estimated Underpayment Penalty. See the Line 27 instructions on Page 23. Please read the information on Page 40 for the income threshold for making estimated payments for tax year 2026.

Resident of a Reciprocal State Filing for a Refund

If you are a resident of a reciprocal state working in Pennsylvania and your employer withheld PA income tax, you may request a refund of the PA tax. You report zero taxable compensation on Line 1a, and the PA tax withheld on Line 13. You must submit a legible photocopy of your Form W-2, a copy of the resident income tax return that you filed with your resident state (without the supporting forms and schedules), and a statement explaining that you are a resident of a reciprocal state.

Reimbursable Expenses/Cash Reimbursements for Personal Employee Expenses

PA-allowable employee expenses are not always the same as allowable federal business expenses. Read the instructions beginning on Page 27. You must be able to substantiate travel expenses as to time, place and business purpose.

Report all reimbursements and allowances paid by your employer as compensation unless you meet all three of the following requirements:

1. The expenses are PA-allowable employee business expenses; and
2. You must, and do, account for these expenses to your employer; and
3. Your employer reimburses you in the exact amount of the allowable business expenses.

If you receive a fixed-mileage allowance; a fixed expense reimbursement amount; a daily, weekly, monthly, or yearly expense allowance reimbursement; or a per-diem living expense allowance that does not exceed applicable federal limits, you meet these requirements. Do not report these expenses on PA Schedule UE.

REV-1896, 1099 Income Worksheet

The department has created a 1099 Income Worksheet to include with a return when you have income received from 1099 forms, such as 1099-R, 1099-MISC, 1099-NEC, etc. While the REV-1896 is not required to be submitted, the department encourages taxpayers to complete and remit the worksheet to list out all income received from sources other than a form W-2. The REV-1896 is available to download from the department's website.

Retirement, Pensions, and Deferred Compensation

• Eligible Employer-Sponsored Retirement Plans

Pennsylvania does not impose income tax on payments you receive that are commonly recognized retirement benefits distributed from eligible employer-sponsored retirement plans. Eligible employer-sponsored retirement plans can, but do not necessarily, include employer-sponsored deferred compensation plans; pension or profit sharing plans; 401(k) plans; thrift plans; thrift savings plans; and employee welfare plans. Ask your employer or plan administrator if your employer's retirement plan is an eligible plan for PA income tax purposes. Eligible non-employer-sponsored retirement plans can, but do not necessarily, include Individual Retirement Accounts (IRAs) and Roth IRAs.

- **Contributions**

The contributions you make to your employer's sponsored retirement plan are PA-taxable compensation, even if your contributions are not taxable for federal purposes or included in the state wages shown on your W-2.

- **Distributions from Eligible Employer-Sponsored Retirement or Deferred Compensation Programs**

All amounts you receive from your eligible employer-sponsored retirement or old age benefit plan are taxable in the year you receive the payments, except:

1. Payments you receive after you qualify for retirement and retire.
2. Payments you receive that you rollover into another deferred payment program or retirement IRA, but only when the transferred amounts are not taxable income for federal purposes.
3. Distributions from an employer-sponsored deferred compensation plan that represent your previous contributions.
4. Payments paid to the estate or designated beneficiary upon an employee's death are not PA-taxable income on the employee's final PA-40 or on the decedent's estate or trust PA-41, PA Fiduciary Income Tax Return or on the beneficiary's PA-40.
5. All distributions (regardless of the distribution code reported in Box 7 of the 1099-R) from the State Employees' Retirement System, the Pennsylvania School Employees' Retirement System, the Pennsylvania Municipal Employees' Retirement System, and the U.S. Civil Service Commission Retirement Disability Plan.
6. Retired or retainer pay of a member or former member of a uniform service computed under Chapter 71 of Title 10, U.S. Code as amended.

Individual Retirement Accounts

- **Contributions**

PA law does not allow you to deduct your contributions to any IRA.

- **Undistributed Income**

You do not report the undistributed interest and other earnings on the assets held in your IRA.

- **Withdrawals**

Distributions from an IRA, including a federal Roth IRA, are taxable to the extent the distribution exceeds your previous contributions. Distributions you receive after retiring but before age 59½ are taxable even if you receive substantially equal payments, and you do not pay the federal penalty for an early withdrawal. PA law does not have any exceptions similar to the federal exceptions for withdrawal before age 59½. However, distributions from an IRA are not taxable if the payments are:

1. Received, including lump sum distributions, on or after reaching the age of 59½; or
2. Paid to the estate, or designated beneficiary, of the participant because of the participant's death.

- **Traditional IRA Rollover**

You do not have to pay PA tax on the difference between the amount distributed from your traditional IRA and your previous contributions:

1. If you rolled over the entire withdrawal directly (trustee to trustee) from one traditional IRA to another traditional IRA; or
2. If you withdrew from the traditional IRA and within 60 days invested the entire (100 percent) amount you received into another traditional IRA.

- **Roth IRA Rollover**

You do not have to pay PA tax on the difference between the amount distributed from your traditional IRA and your previous contributions:

1. If you rolled over the entire withdrawal directly (trustee to trustee) from the traditional IRA to the Roth IRA; or
2. If you withdrew from the traditional IRA and within 60 days invested the entire (100 percent) amount you received into a Roth IRA.



CAUTION: If federal tax is withheld from a rollover distribution, the amount of federal tax withheld must also be reimbursed into the new IRA account in order for the rollover to be considered nontaxable for PA PIT purposes. See 1099-R Filing Tips beginning on Page 13 for additional information.



IMPORTANT: For detailed information on Pennsylvania taxation of distributions from IRAs, please review Tax Bulletin 2008-01 on the department's website, revenue.pa.gov.

Early Retirement Incentive Plans

Payments you receive as an inducement to retire early are taxable compensation. Such payments are not part of a PA-qualifying retirement program. Your employer includes these incentive payments on your Form W-2 and withholds PA tax. Even when you move out of Pennsylvania, these incentive payments remain taxable to Pennsylvania.

- **Distributions**

If you withdrew from your retirement or pension plan, and received a Form 1099-R, you may have PA-taxable compensation if:

1. Your retirement plan is not an eligible employer-sponsored retirement plan; or
2. You have not reached the retirement age or years of service requirements under such eligible, employer-sponsored retirement plan.

Non-Qualified Deferred Compensation Programs

With certain exceptions, Pennsylvania's constructive receipt rules are the same as the federal constructive receipt rules to determine when compensation is received by a cash basis taxpayer. Following the federal constructive receipt rule, deferrals to nonqualified deferred compensation plans are not included in compensation. However, compensation includes distributions from nonqualified deferred compensation plans attributable to an elective deferral of income, regardless of whether the distributions are paid during employment or retirement. Also, distributions of previously taxed contributions are not taxable. If you receive distributions of previously taxed contributions, complete and include with your return the PA-40 W-2 Reconciliation Worksheet. To obtain the worksheet, use one of the Forms Ordering Services on Page 2.

Federal Form 1099-R (Qualified Plans and IRAs)

The PA Personal Income Tax Guide – Gross Compensation section contains a table which cross-references the information on the Form 1099-R with its corresponding PA income tax treatment. PA law does not follow federal law concerning early retirement options for Individual Retirement Accounts, IRC Section 401 plans, 403 plans, and other federally qualified plans. To determine if the amount you received is taxable in Pennsylvania, review Boxes 1 through 3 (the amount you received or your distributions) and the PA tax treatment of Box 7 (the codes that will help determine the taxability of your distribution). The federal codes contained in Box 7 of Form 1099-R include:

- **Code 1 & 2 Early Distribution**

This distribution is taxable for PA purposes, unless: (1) your pension or retirement plan was an eligible employer-sponsored retirement plan for PA tax purposes; and (2) you retired after meeting the age

conditions of the plan or years of service conditions of the plan. If your plan was not an eligible employer-sponsored retirement plan, or if you have not attained the age or years of service required under the plan to retire, you must determine the PA-taxable amount of your distribution. You must use the cost recovery method to determine this amount. See Page 9 for additional information.

IMPORTANT: If you are not sure whether your plan was an eligible employer-sponsored retirement plan under PA tax law, ask your plan administrator.

- **Code 3 or 4 Death/Disability Distribution**

This is a distribution due to death and/or disability. Distributions due to death or disability are generally not taxable for PA purposes. However, if the distribution codes are Code 3D or Code 4D, these distributions are taxable to the extent they are taxable for federal income tax purposes as interest income on Line 11 of PA Schedule A.

- **Code 7 Normal Distribution**

This distribution from an eligible employer-sponsored retirement plan is not taxable if you met the plan requirements (the age and/or years of service required by the plan) for retirement, and retired after meeting those requirements.

CAUTION: Distributions from a commercial insurance or mutual company annuity (Code D also included with Code 7) purchased as a retirement annuity are not distributions from an eligible employer-sponsored retirement plan and are taxable as interest income to the extent they are included in federal gross taxable income. 1099-R Code 7D distributions are taxable to the extent they are taxable for federal income tax purposes as interest income on Line 11 of PA Schedule A. See Annuities, Life Insurance or Endowment Contracts beginning on Page 15 and the 1099-R Filing Tips beginning below for additional information.

- **Code G or H Rollover**

This is a rollover from one qualified fund to another and is not taxable for PA purposes. See IRA Distributions on Page 14.

- **Box 8**

Distributions listed in this box are distributions from an insurance policy or annuity purchased for your retirement. Such distributions are not taxable if: (1) your insurance policy or annuity was from an eligible employer-sponsored retirement plan for PA tax purposes; and (2) you retired after meeting the age or years of service conditions of such eligible plan. If you do not meet these requirements, the taxation of your distributions is based upon what is taxable for federal income tax purposes. See Page 14 for additional information. This distribution is taxable as interest on PA Schedule A, not as compensation on Line 1a.

- **Box 9b**

If an amount is entered in the total employee contributions box, it may be used to determine the taxable amount of any distributions when using the cost recovery method for PA personal income tax purposes.

- **Boxes 14 and 15**

If there is state withholding noted in Box 14 of the 1099-R and the state indicated in Box 15 is PA, report the amount of PA tax withheld on Line 13 of the PA-40. A copy of the 1099-R reporting the withholding must be included with the return.

IMPORTANT: All copies of Form 1099-R must be included with your return regardless of the amount of the distributions, the distribution code or if any PA tax was withheld or reported in Box 14.

TIP 1099-R FILING TIPS:

1. If any forms 1099-R included with the return include distribution Code 1 in Box 7 of the 1099-R, some or all of the distribution may be taxable for PA personal income tax purposes. In order to determine the amount taxable, you must determine the adjusted basis in the plan. Your adjusted basis is the amount of your contributions less all previous distributions and/or loans not repaid to the plan. The total distribution amount in Box 1 of the 1099-R less your adjusted basis is taxable as compensation on Line 1a of the PA-40. Copies of W-2s showing the amounts of your retirement plan contributions or a statement from your plan identifying the amount of your contributions may be required by the department as proof of your adjusted basis.
2. If any Forms 1099-R with distribution Code 2 in Box 7 are included with the return, you must determine if the distribution is from an eligible employer-sponsored retirement or pension plan for PA tax purposes. Eligible plans must: be in writing; include provisions for separation of service, old age or infirmity, and long-continued service; provide for payments at regularly recurring intervals after separation from service until death or an option for a lump sum payment; and does not permit the distribution of program benefits to any employee until termination of employment except for incidental disability benefits or the return of the employee's previously taxed contributions and income or gains if the employee is required to contribute to the pension plan. If these conditions are met, the distribution is not taxable for PA personal income tax purposes. If the plan does not meet these conditions, the distributions are taxable for PA personal income tax purposes to the extent they exceed the contributions to the plan using the cost recovery method. If the plan is not a PA eligible plan, include the taxable amount in Line 1a of the PA-40. A written copy of the plan should be obtained from all employers in the event the department requests verification that the plan is a PA eligible plan.
3. If any Form(s) 1099-R included with the return are from a retirement plan from the - State Employees' Retirement System; Pennsylvania School Employees' Retirement System; Pennsylvania Municipal Employees' Retirement System; or U.S. Civil Service Commission Retirement Disability Plan; the distributions are not taxable for PA personal income tax purposes regardless of the distribution code in Box 7 of the 1099-R.
4. If any Form(s) 1099-R included with the return are reporting a conversion of a traditional IRA to a Roth IRA (or vice versa) with distribution Code 1 in Box 7 of the 1099-R, you may be eligible to report the amount as nontaxable income when a direct transfer from trustee to trustee occurs and/or when the entire distribution from the original IRA account (including taxes withheld) is paid into the new IRA account within 60 days of the date of the distribution. In such cases, the distribution is not taxable for PA personal income tax purposes. If the distribution is not a direct transfer from trustee to trustee, or the entire distribution is not paid into the new IRA account as a result of the conversion of the original IRA account, the distribution is taxable for PA personal income tax purposes to the extent the amount not transferred into the new IRA exceeds the adjusted basis (contributions less any previous distributions) of the original IRA before conversion. Include the taxable amount of any distributions in Line 1a of the PA-40.
5. If any Forms 1099-R included with the return include distributions from an annuity purchased from a commercial insurance or mutual company, an endowment contract or a charitable gift annuity and have a distribution Code 7 or 7D in Box 7 of the 1099-R, the distribution is taxable as interest income for PA personal income tax purposes to the extent the distribution is taxable for federal income

tax purposes. In addition, any Forms 1099-R with Code D included with any other code in Box 7 of the 1099-R, the distributions are taxable as interest income for PA personal income tax purposes to the extent the distribution is taxable for federal income tax purposes. You must include the amount from Box 2 of the 1099-R for any annuities or endowments on Line 11 of PA Schedule A. You must report the amount from Box 2 of the 1099-R for any charitable gift annuities on Line 12 of PA Schedule A.

6. If any Forms 1099-R included with the return are distributions from an employee stock ownership plan (ESOP) that is deemed to be a non-allocated stock dividend, the full amount of the distribution is taxable as compensation. If the distribution is after the stock has been allocated to the participants, the distribution is taxable as dividend income for PA personal income tax purposes. Enter the amount of the distribution on Line 8 of PA Schedule B with "Allocated ESOP Stock Dividend" as the description.
7. If any Forms 1099-R included with the return include distributions of excess contributions and earnings on the excess contributions (distribution Codes 8 and/or P in Box 7 of the 1099-R), the distributions are taxable for PA personal income tax purposes to the extent there are earnings or excess employer contributions included with the distribution. You must include a letter or other documentation from your employer or plan administrator with your return that provides the amount of excess employee contributions only. Include any earnings on the excess contributions or any excess employer contributions as taxable compensation on Line 1a of the PA-40.
8. If any Forms 1099-R included with the return include distribution Code 4 in Box 7 of the 1099-R, the amount in Box 1 of the 1099-R is eligibility income for Schedule SP, Special Tax Forgiveness purposes. The amount should be included in Section III, Eligibility Income, of Schedule SP on Line 4, Insurance proceeds and inheritances.
9. If any Forms 1099-R included with the return are to a beneficiary from a qualified joint survivor annuity reporting the distributions to the taxpayer using Code 7 instead of Code 4 in Box 7 of Form 1099-R, the amount in Box 1 of the 1099-R should also be included as eligibility income for Schedule SP, Special Tax Forgiveness purposes. The amount should be included in Section III, Eligibility Income, of Schedule SP on Line 4, Insurance proceeds and inheritances.
10. If any forms 1099-R included with the return include a distribution from an ESOP within a 401(k) (also known as a KSOP) other than a rollover distribution, you must provide a copy of the plan document with your PA-40 in order for the department to determine if the amount of the distribution is taxable.
11. If any forms 1099-R included with distribution Codes 3, 6 or 7 (exclusive of Code 7 from annuities or endowment contracts purchased by you from insurance companies or charitable gift annuities) are included with the return, the amount of the distribution is not taxable for PA personal income tax purposes and should not be included in Line 1a of the PA-40.

IMPORTANT: If you have any 1099-R distribution amounts reported as compensation on Line 1a of the PA-40, you must include a schedule providing how the taxable amount was determined and/or have the documentation available to support the amount of adjusted basis for distribution Codes 1 or 2.

NOTE: Include any PA withholding reported in Box 14 of the 1099-R in Line 13 of the PA-40.

IRA Distributions (60-day rollover rule)

If you received a distribution from an IRA (before age 59½ and retiring) and rolled the entire distribution (100 percent) into a Roth IRA directly, or

within 60 days, the distribution is not taxable income for PA purposes. If you did not roll the entire distribution into another IRA, you must report PA-taxable income to the extent the distribution exceeds your contributions that is apportionable thereto.

IMPORTANT: If you retired, but did not reach age 59½, you must report your distributions on a cost recovery basis until you reach age 59½.

Annuities

If you received a distribution from an annuity that is not an employer-sponsored retirement plan, see Annuities, Life Insurance, or Endowment Contracts beginning on this page.

LINE 1b. UNREIMBURSED EMPLOYEE BUSINESS EXPENSES

Review the instructions beginning on Page 27 to determine if you can deduct expenses from your PA-taxable compensation. Follow the instructions. PA law does not follow federal law for allowable employee business expenses. **EXAMPLE:** You may deduct 100 percent of your PA-allowable expenses on the PA Schedule UE. If claiming expenses on PA Schedule UE, briefly describe your occupation or job in the space provided. If your spouse also has expenses, describe their occupation or job on a separate PA Schedule UE.

IMPORTANT: The department has the legal authority to request evidence that your expenses are allowable for PA purposes.

LINE 1c. NET COMPENSATION

Subtract Line 1b from Line 1a.

LINE 2. INTEREST INCOME

Report all PA-taxable interest income received or credited during the year. Generally, Forms 1099-INT and similar statements from financial institutions show the interest amount. You do not have to submit these forms and statements. PA taxable interest income includes but is not limited to interest income from personal savings and checking accounts, insurance contracts, obligations of other states (not Pennsylvania), and investments. See the instructions beginning on Page 31 for when to complete and submit PA Schedule A.

Interest income from direct obligations of the U.S. government, the Commonwealth of Pennsylvania, and political subdivisions of Pennsylvania is tax exempt. See the PA Personal Income Tax Guide – Interest section found on the department's website for more information. For additional information please visit the department's website at revenue.pa.gov.

How to Classify Interest Income

You must classify interest, regardless of how you report the income for federal purposes. Report personal interest on Line 2. Otherwise, include interest:

- From business accounts, working capital interest, and accounts receivable in determining profit (loss) on a PA business schedule;
- From installment sales on PA Schedule D-1; and
- From rental security deposits in determining income (loss) on PA Schedule E.

Money Market Funds, Mutual Funds, and Other Investment Companies

Include the earnings distributed to you (other than withdrawals of your previously PA-taxed contributions) as dividend income on Line 3.

Annuities, Life Insurance, or Endowment Contracts

If you invested in an annuity, including a retirement annuity that is not part of an employer-sponsored retirement program, you may have PA-taxable income when you begin receiving annuity payments. If you are required to report an amount from an annuity for federal income tax purposes, you are required to report the amount as interest income for PA PIT purposes. Also, if you are required to report an amount from a life insurance and endowment contract for federal income tax purposes, you are required to report the amount as interest income for PA personal income tax purposes. Report any annuity, life insurance or endowment contract amounts reported for federal income tax purposes as interest income on Line 11 of PA Schedule A.

Charitable Gift Annuities

If you established a gift annuity to a charitable organization from which you are receiving periodic payments, you have PA-taxable income. Charitable gift annuities report their income as interest income on Line 12 of PA Schedule A using the amounts reported or included in gross income for federal income tax purposes (ordinary income and capital gains income) regardless of when they began reporting the income from that charitable gift annuity. In the event that a charitable gift annuity is exchanged or sold in the future, the PA basis in a charitable gift annuity will be different from the federal basis for charitable gift annuities from which payments began prior to Jan. 1, 2005. Income from the sale or exchange of a charitable gift annuity is reported on PA Schedule D.

Forfeited Interest Penalty

You may offset the penalty for premature redemption or withdrawal of a time savings account or certificate of deposit, only against the interest income you received in the same taxable year from that account or certificate. You cannot offset this penalty against other interest income. If your total penalty exceeds the related interest income, you may report the excess as a loss on PA Schedule D.

LINE 3. DIVIDENDS AND CAPITAL GAINS DISTRIBUTIONS FROM MUTUAL FUNDS

Report all dividend income received or credited during 2025. You do not have to submit your Form(s) 1099-DIV and other statements. See instructions for this schedule beginning on Page 32 for when to complete and submit PA schedule B. You cannot substitute a Federal Schedule B for PA Schedule B.

Capital Gains Distributions

Report capital gains distributions from your mutual funds from Box 2a of your 1099-DIV as PA-taxable dividend income, even though you report such distributions as capital gains on federal Schedule D.

How to Classify Dividend Income

You must classify dividend income, regardless of how you report the income for federal purposes. Report personal dividends on Line 3. Otherwise, include dividend income from business accounts and working capital dividend income in determining profit (loss) on your PA business schedule.

PA Resident Shareholders in Another State's S Corporation that is not also a PA S Corporation

If you are a shareholder in another state's Subchapter S corporation, and that corporation elected not to be treated as a PA S corporation, include the cash or property you actually received out of the corporation's earnings and profits as dividend income on Line 3. If you received distributions in excess of the corporation's earnings and profits, report these distributions on PA Schedule D. Do not report the amount of your distributable income, and do not submit the federal Schedule K-1. A

shareholder may not claim a credit for income tax paid to another state by an S corporation that elected not to be treated as a PA S corporation.

TIP You must include nontaxable interest and dividends as Eligibility Income on PA Schedule SP.

REPORTING NET INCOME, GAINS, AND LOSSES ON LINES 4, 5, AND 6 ONLY

Under PA law, losses may only be reported on Lines 4, 5, and 6. If entering a loss, fill in the oval next to the line.

REMEMBER: You may not offset income in one PA income class with a loss in any other PA income class. You cannot carry forward or carry back gains or losses to other tax years.

Spouses, whether filing jointly or separately, may not use each other's expenses to reduce income or offset each other's income and losses.

If you are married, you and your spouse may file a joint tax return for convenience only. PA law does not provide any advantage when filing a joint return. PA law does not allow spouses to offset income and losses with each other, even when both have activity in the same income class. You must follow these rules:

1. If each realizes a net profit, gain, or income, add the net income amounts together and report that total on the appropriate line.
2. If each realizes a net loss, add the net losses and report that total on the appropriate line. Fill in the oval next to that line.
3. If one spouse has a net profit, income or gain and the other spouse has a net loss, report only the net income on the appropriate line. Do not take into account the spouse's loss.

EXAMPLES:

Line 4. Mary and Ben file a joint tax return. Mary owned a flower shop, and realized a net profit of \$5,000. Ben was a shareholder in a PA S corporation, and received a PA Schedule RK-1 reporting \$35,000 of business income. They jointly owned a small retail store and realized a loss of \$8,000. They report \$32,000 on Line 4 from Mary's net income of \$1,000 (\$5,000 less her half of the \$8,000 loss), plus Ben's net income of \$31,000 (\$35,000 less his half of the \$8,000 loss).

Line 5. They sold the retail store for a \$6,000 loss. Mary sold stock that she owned individually for a \$9,000 gain. Ben sold stock that he individually owned for a \$3,000 loss. On Line 5, they report a gain of \$6,000. Mary's net gain is \$6,000 (\$9,000 less her half of the \$6,000 loss). Ben's net loss is \$6,000 (his \$3,000 stock sale loss and his half of the \$6,000 loss on the sale of the store). Since Ben's separate loss may not reduce Mary's gain, they report a gain of \$6,000 on Line 5.

Line 6. They jointly owned a rental property and realized a loss of \$2,000. Mary was a partner in a rental partnership and her share of the partnership's loss was \$1,000. Ben's PA S corporation realized a loss from its rental operations. His share of the loss was \$4,000. Mary's total loss was \$2,000 and Ben's total loss was \$5,000. On Line 6, they report the total loss of \$7,000 (and fill in the oval) since they each individually realized a total net loss.

PA-Taxable Income. On their jointly filed 2025 tax return, they report total taxable income of \$38,000: Line 4 of \$32,000 and Line 5 of \$6,000, not taking into consideration their Line 6 loss of \$7,000.

PA SCHEDULES

Submit the required Pennsylvania schedule for each amount you report on Lines 4 through 8. Read the instructions for each income class

carefully. You can obtain the schedule(s) you need from one of the Forms Ordering Services on Page 2.

CAUTIONS: A taxpayer and spouse may not report the income from joint ownership of a business that is considered a qualified joint venture for federal income tax purposes on a single PA Schedule C. A taxpayer and the taxpayer's spouse must each file a separate Schedule C to report their shares of the income from a qualified joint venture. See the PA Schedule C instructions for additional information.

If you do not provide the required schedules, the department will need to request the missing information. Failing to provide schedules that the department requires will delay the processing of your tax return and therefore delay the initial date your return is considered to be complete.

PARTNERSHIP, LIMITED LIABILITY COMPANY, AND PA S CORPORATION PARTNERS, MEMBERS AND SHAREHOLDERS

PA Schedules RK-1 and NRK-1

These schedules show your share of income (loss) for each PA income class. You report your share of income (loss), whether distributed or not, in the same PA income class in which the entity realized the income (loss). If you received any guaranteed payments, add those payments to your share of income (loss) as shown on your Pennsylvania schedules. The partnership, limited liability company, or PA S corporation deducts all allowable expenses and other allowable adjustments. If your partnership, limited liability company, or PA S corporation requires that you incur direct business expenses, and the expenses are allowable unreimbursed expenses for PA purposes, you must itemize them on a separate statement. The department may require, at a later date, a copy of the partnership or limited liability company agreement or articles of incorporation that require the partner, member, or shareholder to pay expenses out of their personal assets. You cannot deduct any personal expenses or expenses that you incur for your own convenience.

Copies of PA Schedules RK-1 or NRK-1 must be submitted for each S corporation, partnership, or limited liability company in which you are a shareholder, partner, or member. Copies of PA Schedules RK-1 and NRK-1 must be submitted with all paper returns filed. Electronically filed returns do not require the separate submission of these schedules as they are electronically submitted with the electronic return. In cases where a PA Schedule RK-1 or NRK-1 is not made available, federal Schedule

K-1 should be provided. Federal Schedules K-1 cannot be used to prepare electronically filed returns as they cannot be electronically submitted to the department. However, if the software product being used supports the attachment of PDF files and the income reported on the federal Schedule K-1 is converted to and reported by PA classification rules, a federal Schedule K-1 can be used to prepare electronically filed returns if the schedule and supporting statements are included with the PDF attachment feature.

PA Resident Shareholder and/or Partner of an S Corporation or Partnership from Another State

If you are a PA resident shareholder of an S corporation or a PA resident partner in a partnership that does business entirely within another state, the entity is also required to file a PA-20S/PA-65 PA S Corporation/Partnership Information Return as a result of having a PA resident shareholder or partner. You should receive a PA Schedule RK-1 from that entity which you must submit with your PA-40 return to report your share of the income (loss) whether distributed or not, as shown on your PA Schedule(s). All the shareholders may also elect to not be taxed as a PA S corporation by filing Form REV-976, Election Not To Be Taxed As a Pennsylvania S Corporation. You or the S corporation can obtain this form by using one of the Forms Ordering Services on Page 2.

PA Resident Partner and/or Shareholder

If you are a partner in a partnership or a shareholder of a PA S corporation, you should receive a PA Schedule RK-1. You must submit a copy of each PA Schedule RK-1 and report your share of income whether distributed or not as shown on your PA Schedule(s). If the partnership does not provide a PA Schedule RK-1, you still must report and classify the income (loss) from the federal Schedule K-1 according to the instructions for each PA income class. You must also submit a copy of your federal Schedule K-1 and related supporting schedules where applicable that provide information as to the classification of the income from the federal Schedule K-1.

Nonresident Partner and/or Shareholder

If you are not a resident of Pennsylvania, but are a partner in a PA partnership or a shareholder of a PA S corporation, you should receive a PA Schedule NRK-1. You must submit a copy of each PA Schedule NRK-1 and report your share of PA-taxable income (loss) whether distributed or not as shown on your PA schedule(s). If the partnership does not provide a PA Schedule NRK-1, and the partnership has income (loss)

REPORTING INCOME FROM PA SCHEDULES RK-1 OR NRK-1			
PA Schedule RK-1 Line #	PA Schedule NRK-1 Line #	PA-40 Reporting Line #	PA-40 Reporting Schedule and Line # (where applicable)
1.	1.	4.	-
2.	-	2.	Schedule A, Line 15
3.	-	3.	Schedule B, Line 10
4.	2.	5.	Schedule D, Line 6
5.	3.	6.	Schedule E, Line 22
6.	4.	7.	Schedule J
7.	5.	8.	-
8.	-	22.	Schedule G-L
9.	7.	23.	Schedules OC or G-L
12.	10.	4. or 6.	-
17.	15.	See (1) below	n/a
-	6.	17.	-
All other lines	All other lines	See (2) below	-

- (1) See Bulletin 2023-02, IRC Section 179 Expense Deduction, on the department's website at revenue.pa.gov for more information. Amount reported is not an additional deduction.
- (2) See the PA Personal Income Tax Guide – Pass Through Entities section for additional information regarding the reporting of the information for all other lines on the PA Schedules RK-1 and NRK-1.

from PA sources, you still must report and classify the income (loss) from your federal Schedule K-1 according to the instructions for each PA income class. You must also submit a copy of your federal Schedule K-1 and related supporting schedules where applicable that provide information as to the classification of the income from the federal Schedule K-1. If the income (loss) is being reported to PA from a federal Schedule K-1 and the income (loss) is not 100 percent of the amount from the federal Schedule K-1, a schedule or written explanation should be submitted along with the federal Schedule K-1 explaining how the amount reported was determined.

⚠️ IMPORTANT: If the partnership only provides a federal Schedule K-1, you must classify the income or loss according to the instructions for each PA income class.

⚠️ CAUTION: Resident and nonresident partners and/or shareholders who are not provided PA Schedules RK-1 or NRK-1 and who must use a federal Schedule K-1 to report income and losses may have losses disallowed by the department. In addition, partnerships, limited liability companies, and S corporations that do not file PA-20S/PA-65 PA S Corporation/Partnership Information Return may be subject to penalties for failure to file such returns.

LINE 4. NET INCOME OR LOSS FROM THE OPERATION OF A BUSINESS, PROFESSION, OR FARM

Report all income (loss) from business, farm, short-term rentals of less than 30 days, and business activity from partnership and PA S corporation schedules. You may offset your own income in this class against your own loss or losses from other business activities. If reporting a total net loss, fill in the oval next to Line 4 on your PA-40.

For PA purposes, determine net income (loss) under accepted principles and practices of the accounting profession. Report your net income (loss) from an unincorporated business or profession on PA Schedule C. File a PA Schedule C or a PA Schedule F using your separate books and records for PA purposes.

⚠️ CAUTION: You must use PA Schedule C to report income and expenses from a business or profession or PA Schedule F to report income expenses for a farm. Do not use federal Schedules C or F.

Generally, you must adjust your federal amounts for PA tax purposes. These adjustments can increase or decrease your PA-taxable income (loss). You must maintain appropriate records of such adjustments.

Additional information regarding income and expenses required to be adjusted is available within the instructions for PA Schedules C and F and in the PA Personal Income Tax Guide. You may also visit the department's website at revenue.pa.gov to obtain detailed information about federal and Pennsylvania differences and adjustments.

Reporting Rental Income (Loss) as Business Activity on Line 4 or as Rents on Line 6

Rental activity may be a business activity if meeting the conditions described below. If in business, report your net profit (loss) on a PA Schedule C. If not in the business of rents, report your rental activity on a PA Schedule E on Line 6. Report rental business when:

1. You offer the use of your property with the intention of realizing a profit; and
2. The leasing of your property is characterized by regularity and continuity of activities; and

3. You offer the use of your property on a commercial basis to others in a marketplace and at least one of the following applies:

- The average period of customer use is less than 30 days; or
- The property is customarily made available for use only during defined business hours; or
- In addition to the property, the taxpayer also provides significant services (see explanation below) to the lessee; or
- The taxpayer incurs significant operating expenses in making the property available for lease; or
- The leasing activity is incidental to a real estate sales business.

Significant Services

Providing housekeeping service, room service, valet parking, decorating assistance, delivery services, transportation services, and concierge services are significant services.

However, providing heat, lighting, electric service, elevators, cleaning public access and exit areas, collecting trash, and maintaining the property in a usable rental condition are not usually significant services.

TIP Include the net profit (loss) from short-term rentals recorded on PA Schedule E, Line 22, with the net profits (losses) from all other PA Schedules C and/or F and all business income amounts from partnerships, PA S corporations or limited liability companies reporting on PA-20S/PA-65 Schedules RK-1 or NRK-1 or federal Schedules K-1 on Line 4 of your PA-40 return.

LINE 5. NET GAIN OR LOSS FROM THE SALE, EXCHANGE, OR DISPOSITION OF PROPERTY

Report your gain (loss) from the sale, exchange, or disposition of any kind of intangible property and any real or tangible property. Report your share of the gains (losses) from a partnership or PA S corporation in which you are a member. Report your total net gains (losses) on PA Schedule D.

⚠️ IMPORTANT: PA law does not distinguish between long-term and short term gains (losses) or have provisions relating to casualty losses, or sales to related parties. PA law does not allow the installment sale method of reporting for the sale of intangible property, such as stock or goodwill.

Like Kind Exchanges: The deferral of tax due on gains from like kind exchanges of property are allowed.

You may offset your own net gains against your own losses in determining this line. If married and you both have income (losses) in this class, see REPORTING INCOME, GAINS, AND LOSSES ON LINES 4, 5, AND 6 on Page 15. If you realize an overall net loss, fill in the oval next to Line 5 on your PA-40.

On PA Schedule D, report gains (losses) from selling:

- Land and buildings;
- Properties held for investment, including rental properties;
- Stocks and bonds;
- Ownership interests in partnerships and business enterprises;
- A business asset in a transaction that is not an ordinary or recurring business transaction; and/or
- Obligations of other states and countries.

Also, include the following on PA Schedule D:

- Amounts from PA Schedules D-1, D-71, RK-1, and NRK-1.
- Amounts from PA Worksheets REV-998 and REV-999.

- Proceeds from an insurance company demutualization.
- Sales of inherited property. The basis of inherited property is its fair market value at the date of death.
- A distribution from a C corporation (other than a dividend) that exceeds your adjusted basis in that corporation. Please see the instructions for Line 5 on the PA Schedule D.
- A nonqualifying sale of your principal residence - obtain PA Schedule 19, Sale of a Principal Residence.
- A distribution from a partnership or PA S corporation (other than dividends) that represents a return of your investment in that entity. You must determine if such a distribution results in a taxable gain by completing worksheets REV-998 or REV-999. These worksheets are available on the department's website.
- Gains or losses from the IRC Sections 988, 1256, and 475 or from straddles, hedges, options, or other derivatives.

Loss on the Disposition of Property

PA law recognizes a loss only on a transaction entered into for profit, and only in the year in which an identifiable event closed and completed the transaction and fixed the amount of the loss so there is no possibility of any eventual recovery. Do not report a loss on the sale of property that you did not acquire for profit, such as a personal car, furniture, or a qualifying sale of your principal residence.

Capital Gains Distributions

Report capital gains distributions received from mutual funds as PA-taxable dividend income, even though you report such distributions as capital gains on federal Schedule D. See Page 15 for more information.

Involuntary Conversions

Sales, exchanges, or dispositions of property resulting from an involuntary conversion (destruction in whole or in part, theft, seizure, or requisition or condemnation or threat or imminence thereof) that are not required to be reported for federal income tax purposes under IRC Section 1033 are not required to be reported for PA personal income tax purposes on transactions occurring after Sept. 11, 2016.

Exchange of Insurance Contracts

Do not report the gain (loss) on the sale, exchange, or disposition of any insurance contracts that are tax-exempt for federal income tax purposes under IRC Section 1035. Tax-exempt exchanges of insurance contracts include:

- An exchange of a life insurance contract for another life insurance contract, an endowment contract or an annuity contract;
- An exchange of an annuity contract for another annuity contract;
- An exchange of an endowment contract for an annuity contract; and
- An exchange of one endowment contract for another endowment contract if the dates for payments begin on or before the original contract's payment dates.

If the exchange of contracts has the effect of transferring property to a non-U.S. citizen, the gain or loss is not tax-exempt. If you receive cash or other boot in an exchange of contracts, see the PA Personal Income Tax Guide – Net Gains or Losses from the Sale, Exchange or Disposition of Property section for additional information.

Charitable Gift Annuities

See Page 15 for additional information on where to report income from charitable gift annuities.

Exempt Obligations Originally Issued before Feb. 1, 1994

Do not report the gain (loss) realized on the sale, exchange, or disposition of the following obligations, if the original issue date was before Feb. 1, 1994, regardless of the date you acquired the obligation:

- Direct obligations of the U.S. government, such as federal treasury bills and treasury notes;
- Obligations of certain agencies, instrumentalities, and territories of the U.S. government; and
- Direct obligations of the Commonwealth of Pennsylvania and its political subdivisions.

 **IMPORTANT:** You may not use any loss realized on the disposition of the above obligations to offset other gains.

Exempt Obligations Originally Issued on or after Feb. 1, 1994

Report the gain (loss) realized on the sale, exchange, or disposition of the above PA tax-exempt obligations, if the original issue date was on or after Feb. 1, 1994.

 **IMPORTANT:** You must report all such gains and can use any losses to offset other gains.

Sale of Your Principal Residence

If you sold your principal residence in 2025 and meet the requirements for the 100 percent gain exclusion, do not report the sale on your tax return. This exclusion is not identical to the federal exclusion. Generally, if during the five years preceding the sale of your home, you owned it for at least two years, and used it as your principal residence for at least two years, you are eligible for this exclusion.

If you used a portion of your principal residence for business purposes during your ownership, you may have gain or loss to report on the sale. For more information, see the instructions on the PA Schedule D.

 **CAUTION:** If you sold your principal residence, but you do not qualify for the exclusion, report your gain or enter zero if you realized a loss on PA Schedule D.

LINE 6. NET INCOME OR LOSS FROM RENTS, ROYALTIES, PATENTS, OR COPYRIGHTS

Rental income includes the amounts you receive for the use of, or the right to use, your real or personal property.

Royalty income includes the amounts you receive for the extraction of coal, oil, gas, or other minerals in place, and the amounts that you receive for the use of your patents, copyrights, secret processes, formulas, goodwill, trademarks, trade brands, franchises, and similar property.

If in the business of renting your property, you report your net profit (loss) on a PA Schedule C. Please see Page 17, Reporting Rental Income (Loss) as Business Activity on Line 4 or as Rents on Line 6.

Gross rents and royalties include all items of gross receipts as described above except:

1. Receipts from the sale, exchange, or other disposition of rental, royalty, and similar property; and
2. Receipts from operating an oil, gas, or mineral interest as a business, profession, or farm, or otherwise derived in the ordinary course of, and from the operation of, a business.

Report the total income (loss) from all PA Schedules E and all PA Schedules RK-1 or NRK-1. Generally, you must use PA Schedule E. You may use federal Schedule E, if using only Part I, and with the following adjustments:

- Report passive rental/royalty loss in full, rather than carry it over to future years.
- Add any capital gains and distributions that you report on other federal schedules.
- Do not take any depreciation expense on sales tax that you elected to currently expense for PA personal income tax purposes.
- Optional: Deduct sales tax on acquired property as an expense currently rather than add it to the basis of the property as required for federal purposes.

⚠️ IMPORTANT: If you currently expense such sales tax, the basis of that property will differ from the federal basis, and you must adjust your depreciation expense accordingly. You cannot expense sales tax and still take depreciation on the sales tax. If you do not expense sales tax, you may add such sales tax to the cost basis of the property and depreciate the aggregate cost plus sales tax.

- You must separately show your share of any rental or royalty gain (loss) that you realize as a partner, a shareholder of a PA S corporation, or other entity.

You may only offset your own net income and losses in determining the amount to report on this line. If married and you both have income (losses) in this class, see REPORTING NET INCOME, GAINS AND LOSSES ON LINES 4, 5, AND 6 ONLY on Page 15. If you realize a total net loss, fill in the oval next to Line 6 on your PA-40.

⚠️ CAUTION: Generally, PA law follows IRC Section 280A if you rent or lease your property, but do not intend to realize a profit. Therefore, your rental expenses are limited to your rental income, and you may not use a loss. If you rent or lease your property to realize a profit, read the description of Reporting Rental Income (Loss) as Business Activity on Line 4 or as Rents on Line 6 on Page 17 to determine if you have a business activity that you should report on PA Schedule C.

Rental and Royalty Allowable Expenses

You deduct those expenses that you paid or incurred during the taxable year that are ordinary and necessary for:

1. The production of, or collection of, rents and royalties; or
2. The management, conservation, or maintenance of rents, royalties, patents, copyrights, and similar property.

See the PA Schedule E instructions beginning on Page 33 for the allowable expenses. You may not deduct expenses for your own labor, capital investment, or capital improvements.

You recover costs associated with capital improvements through depreciation deductions. You may not deduct personal expenses or that part of any expense that is personal.

Rental Income (Loss) on Line 6 or Net Gain (Loss) on Line 5

• Lease with an Option to Buy

A lease with an option to buy may be a purchase contract under accepted accounting principles and practices. If it is, the payments you received under the contract are payments of the purchase price and are not includable as rental income. Report such income on PA Schedule D.

• Selling Mineral Interests, Patents, or Copyrights

If you gave up all rights to mineral interests, patents, or copyrights, the amounts you received are considered payments for the sale or exchange of property. Report such income on PA Schedule D.

LINE 7. ESTATE OR TRUST INCOME

As a beneficiary of an estate or trust, you report the total PA-taxable income that the estate or trust must distribute, pay, or credit to you on PA Schedule J. You cannot report a loss as a beneficiary for PA purposes.

⚠️ CAUTION: You should receive a PA Schedule RK-1 and/or NRK-1 from the estate or trust. If you received a federal Schedule K-1, you must report only the total income, not taking into account any losses, shown on the federal Schedule K-1. Add the total of income reported on federal Schedule K-1 as interest, dividends, long-term and short-term gains, annuities, royalties, trade or business income, rental income, etc. If you included any of these amounts on a PA schedule, other than PA Schedule J, adjust your PA schedule(s) accordingly. Include a photocopy of the federal Schedule K-1 with your return for each nonresident estate or trust and/or each estate or trust for which you fail to receive a PA Schedule RK-1 and/or NRK-1.

TIP Cash and property you acquire from an estate or trust by gift, bequest, devise, or inheritance is not taxable. You must report any PA-taxable income that you subsequently earn or receive from that cash or property.

Revocable Trusts

The person (settlor) who establishes a revocable trust (including grantor trusts that are revocable) does not file a PA-41 if, under the governing instrument, they retain the authority to:

1. Completely revoke the trust without the declaration of new uses or the consent of any other party; and
2. Revest in themselves the legal title to the corpus of the trust, without the consent of any other party.

If you establish a revocable trust, report the income (loss) that the trust earns, receives, and realizes in the appropriate PA income class on your PA-40 personal income tax return. Do not report the amounts on PA Schedule J.

When submitting supporting schedules and statements showing the name of the trust, write REVOCABLE clearly on the schedule.

Grantor Trust

Act 64 of 2023 (SB 815) provides that personal income received by a resident trust, and the classes of income received by a nonresident trust from sources within this Commonwealth, shall be taxable to the grantor of the trust or another person to the extent the grantor or other person is treated as the owner of the trust under specified sections of the Internal Revenue Code of 1986, as amended, whether or not such income is distributed or distributable to the beneficiaries of the trust or accumulated. Grantor trusts should file using the same method they do for federal purposes (the Default Method, Optional Method 1, or Optional Method 2). Please refer to the PA-41 and the department's website for more information on how to file.

If the grantor trust made estimated payments on its PA-41 account, or had an overpayment from their 2024 return carried forward to 2025, the REV-459B should be completed and submitted with the PA-40 return to request the payments/credits be transferred to the individual's account.

LINE 8. GAMBLING AND LOTTERY Winnings

PA law imposes its income tax on PA residents on all gambling and lottery winnings from any source, including cash prizes from playing the Pennsylvania Lottery paid on or after Jan. 1, 2016. As a PA resident, you must also include gambling and lottery winnings from other states and countries. See the department's website for additional information.

Nonresidents

PA law imposes its income tax on nonresidents on all gambling and lottery winnings from PA sources, including cash prizes from playing the Pennsylvania Lottery paid on or after Jan. 1, 2016. Nonresidents should report only gambling and lottery activity that occurs in PA. Do not report winnings or losses from wagers placed in any other state or country on PA Schedule T.

Gambling and lottery winnings include cash, the value of property (automobiles, jewelry, electronic devices, appliances, clothes, etc.), the value of the use of property (trips, vacations, airline tickets, cruises, etc.), and other items of value except noncash prizes of the Pennsylvania Lottery. You may only deduct your costs of gambling, wagering, betting, and playing lotteries from your winnings. You may not deduct any expenses (programs, tip sheets, travel, meals, lodging, etc.) that you incurred to take part in gambling, wagering, betting, and lottery activities.

IMPORTANT: You may only deduct the cost of Pennsylvania Lottery tickets from PA-taxable gambling and lottery winnings for tickets purchased on or after Jan. 1, 2016.

Powerball and Mega Millions

If you purchase a Powerball or Mega Millions ticket in Pennsylvania, whether a PA resident or not, any cash prize you win is taxable for PA PIT purposes if the prize payment is made on or after Jan. 1, 2016. If you are a PA resident and purchase a Powerball or Mega Millions ticket in another state, any prize you win is PA-taxable income regardless of the date the prize is paid.

Report your PA-taxable winnings on PA Schedule T. Spouses must report their winnings separately. The payers of prizes provide the department with copies of the federal Form(s) W-2G that they submit to the IRS.

Documenting Gambling and Lottery Winnings and Losses

Taxpayers claiming gambling winnings and losses must be able to document their winnings and losses. This documentation should not be included with your return, but may be requested at a future date by the department. You should keep an accurate diary or similar record of winnings and losses. In addition to a diary, you should have other documentation to support the entries within the diary. Some but not all of the documents that can be used to support gambling winnings and losses include: federal Form W-2G, Certain Gambling Winnings; federal Form 5754, Statement by Person(s) Receiving Gambling Winnings; wagering tickets; canceled checks; substitute checks; credit records; bank withdrawals; and statements of actual winnings or payment slips provided by the gambling establishment.

Some examples of the record keeping for slot or electronic gaming machines may include a record of the machine number and all winnings by date and time the machine was played as well as statements of actual winnings, payment slips, or other documentation provided by the gambling establishment. Record keeping for harness or horse racing includes a record of the races, amounts of wagers, amounts collected on winning tickets, and amounts wagered on losing tickets as well as the tickets themselves. For more information regarding other forms of gambling and the record keeping and documentation to support gambling winnings and losses, please see IRS Publication 529, Miscellaneous Deductions.

PA Withholding on Gambling and Lottery Winnings

PA personal income tax withholding is required for all Pennsylvania Lottery cash prizes greater than \$5,000 paid after July 12, 2016. In addition, many of the casinos in Pennsylvania offer voluntary withholding of PA personal income tax. If you have PA tax withheld included in Box 15 of federal Form(s) W-2G, report the withholding on Line 7 of PA Schedule T. You

must also include a copy of your federal Form(s) W-2G with your return. See the instructions for Line 13 on the next page for additional information.

LINE 9. TOTAL PA TAXABLE INCOME

Add only the positive income amounts from Lines 1c through 8. Do not add, subtract, or take losses into consideration.

IMPORTANT: You cannot use a loss that you report in one income class on your tax return to reduce income in any other class.

LINE 10. OTHER DEDUCTIONS

PA law allows four deductions against income. Deductions are allowed for: Medical Savings Account contributions; Health Savings Account contributions; IRC Section 529 Qualified Tuition Program contributions; and IRC Section 529A Pennsylvania ABLE Savings Account Program contributions. If you are claiming a deduction for any of these contributions you made, you must enter a code for the type of deduction you are claiming in the block provided next to the line description. Descriptions of the five codes that can be entered in that block are as follows:

- M** – Medical Savings Account contribution deduction;
- H** – Health Savings Account contribution deduction;
- S** – Student Loan Interest deduction
- T** – Tuition Account Program contribution deduction;
- A** – Pennsylvania ABLE Savings Account Program contributions; or
- C** – Combined deduction from two or more contribution deductions.

You must also complete PA Schedule O and include the information required for each contribution as discussed in the specific instructions. The total deductions you claim cannot reduce your taxable income below zero.

Medical Savings Account and Health Savings Account Contributions

Pennsylvania follows federal rules for these deductions. If you can take these deductions on your federal return and you wish to claim them for PA purposes, you must complete PA Schedule O and include a copy of federal Form 1040 Schedule 1 and Pages 1 and 2 of your federal Form 1040 with your PA income tax return. You may not claim these deductions if you cannot claim them for federal income tax purposes. The amount you report as deductions cannot exceed the federal limits.

Student Loan Interest

Student Loan Interest, up to \$2,500, may be claimed as a deduction. Student Loan Interest is defined as interest paid during the taxable year on a qualified student loan, including required and voluntary interest payments, to attend a college, university, vocational school, or other postsecondary educational institution that is eligible to participate in a student aid program administered by the United States Department of Education. If claiming this deduction, you may be asked to provide a copy of your Form 1098-E. For additional information, see the instructions on the PA Schedule O.

IRC Section 529 Qualified Tuition Program Contributions

Pennsylvania allows a maximum deduction of \$19,000 per beneficiary, per taxpayer for IRC Section 529 Qualified Tuition Program contributions for 2025. A taxpayer and spouse each may deduct \$19,000 per beneficiary. For additional information on deductions and limitations, see the instructions on the PA Schedule O.

 **NOTE:** You may not claim a deduction for a rollover of an account from one IRC Section 529 plan into another IRC Section 529 plan. You also may not claim a deduction for the changing of beneficiaries within an account for an IRC Section 529 plan.

IRC Section 529A Pennsylvania ABLE Savings Account Program Contributions

The maximum contributions to any one IRC Section 529A Pennsylvania ABLE Savings Program account by one or more contributors cannot exceed the annual federal gift tax exclusion amount. In addition, the maximum contributions by a contributor to one or more accounts cannot exceed the annual federal gift tax exclusion amount. The current annual federal gift tax exclusion amount is \$19,000. For additional information on deductions and limitations, see the instructions on the PA Schedule O.

 **NOTE:** You may not claim a deduction for a rollover of an account from one IRC Section 529A plan into another IRC Section 529A plan. You also may not claim a deduction for the changing of beneficiaries within an account for an IRC Section 529A plan.

 **CAUTION:** The amount you report on Line 10 cannot exceed the Total PA Taxable Income reported on Line 9. The amount reported

on Line 10 on a joint tax return also cannot exceed the Total PA Taxable Income included in Line 9 for a taxpayer or spouse that would be calculated had the taxpayer or spouse filed separately.

 **CAUTION:** Do not report any medical insurance premiums or itemized medical expenses from federal Schedule A on this line.

LINE 11. ADJUSTED PA TAXABLE INCOME

Subtract Line 10 from Line 9.

LINE 12. PA TAX LIABILITY

Multiply Line 11 by 3.07 percent (0.0307).

PAYMENTS AND CREDITS

LINE 13. TOTAL PA TAX WITHHELD

Enter your total PA tax withheld from Box 17 of your federal Form(s) W-2. Include the PA tax withheld from PA Schedule T or from Box 15 of your federal Form(s) W-2G. Also include any PA tax withheld from Box 14 of your federal Form(s) 1099-R, Box 15 of your federal Form(s) 1099-MISC, and/or Box 5 of your federal Form(s) 1099-NEC.

 **IMPORTANT:** If your PA tax withheld is more than 3.07 percent, you must submit your Form W-2, or a legible photocopy, and a written explanation why your employer withheld at a higher rate. If you include PA tax withheld from federal Forms 1099-R, 1099-MISC, 1099-NEC, and/or W-2G, you must submit your Forms 1099-R, 1099-MISC, 1099-NEC and/or W-2G, or legible photocopies of the original forms, with your return.

 **CAUTION:** Do not include nonresident tax withheld from limited liability companies, partnerships, S corporations and/or estates and trusts. Include nonresident withholding from those entities on Line 17 of the PA-40.

Estimated Payments and Credits

 Visit myPATH at mypath.pa.gov or call 1-888-PATAxes (728-2937) and verify your 2025 PA estimated payments and carryover credit before completing Lines 14, 15, and 16.

If filing separately with a joint estimated account, the department may delay one return until the other processes. If your estimated payments are not properly posted to your account, request and file Form REV-459B. Both spouses must sign this form. The department will apply your estimated payments according to your written request.

If you are a grantor of a Grantor Trust and made estimated payments for 2025 under the trust's account, or had an overpayment on the 2024 PA-41 return that was carried forward to 2025, complete and file Form REV-459B to transfer the payment(s) from the trust account to your individual account. Also, complete the oval on Line 15 of the PA-40.

LINE 14. CREDIT FROM YOUR 2024 PA INCOME TAX RETURN

Enter your credit from your 2024 PA tax return.

 **IMPORTANT:** Do not claim the credit if you originally requested the credit be carried over to your 2025 PA estimated account and you subsequently requested a refund, or if you received a refund of your carryover credit from the department. Also, if your account was adjusted by the department or the department assessed you for a previous year's underpayment, do not claim the credit.

LINE 15. 2025 ESTIMATED INSTALLMENT PAYMENTS

Enter your total 2025 estimated payments. Include your spouse's 2025 estimated payments if filing jointly. Do not include any payment of tax due made with a PA tax return.

If you are including Form REV-459B, Consent to Transfer, Adjust or Correct PA Estimated Personal Income Tax Account, fill in the oval on Line 15 of the PA-40.

LINE 16. 2025 EXTENSION PAYMENT

Enter the payment you made with your 2025 extension request.

LINE 17. NONRESIDENT TAX WITHHELD FROM YOUR PA SCHEDULE(S) NRK-1

Enter the PA tax withheld by your partnership, PA S corporation, estate, or trust as reported on Line 6 of your PA Schedule(s) NRK-1 and Line 2 of your PA-41 Schedule(s) NRK-1. You must submit your PA Schedule(s) NRK-1 and Line 2 of your PA-41 Schedule(s) NRK-1.

Also enter the PA tax withheld from a NRK-1 issued to a grantor trust that is not reporting income on a PA-41.

LINE 18. TOTAL ESTIMATED PAYMENTS AND CREDITS

Add only Lines 14, 15, 16, and 17.

Tax Forgiveness Credit

Transfer the amounts for Lines 19, 20, and 21 from the PA Schedule SP that you submit with your PA tax return.

LINE 19a. FILING STATUS

Enter the status from Section I of your PA Schedule SP. To determine if you are eligible to include PA Schedule SP with your return, please refer to the instructions beginning on Page 36.

LINE 19b. DEPENDENT CHILDREN

Enter the number of dependent children you are claiming from Section II, Line 2 of PA Schedule SP.

LINE 20. TOTAL ELIGIBILITY INCOME

Enter your total eligibility income from Section III, Line 11 of your PA Schedule SP.

LINE 21. TAX FORGIVENESS CREDIT

Enter your credit from Section IV, Line 16 of your PA Schedule SP.

TIP If you claim a credit for Tax Forgiveness on Line 21, you must complete and include PA Schedule SP. See the instructions beginning on Page 36 for additional information.

LINE 22. RESIDENT CREDIT

Enter your total allowable PA credit for personal income tax that you paid to another state(s). You must:

Use Tax Worksheet

	Amount
1. Purchases of taxable items subject to Pennsylvania use tax, including shipping & handling	
2. Purchases of taxable services subject to Pennsylvania use tax	
3. Total taxable purchases	
4. Tax rate (0.07 Allegheny County, 0.08 Philadelphia, or 0.06 state)	0.____
5. Use tax: Multiply Line 3 by Line 4	
6. Additional estimated use tax from Table 1	
7. Sales tax previously paid on any amount included on Lines 1 and 2 (up to 0.07 per item for Allegheny County, 0.08 for Philadelphia or 0.06 state)	
8. Total use tax liability. Add Lines 5 and 6, then subtract Line 7 and enter the amount here and on Line 25 of your PA-40, Pennsylvania personal income tax return	

If you have incomplete or inaccurate receipts to calculate use tax on purchases less than \$1,000, you may use Table 1 to estimate your use tax liability based on taxable income. The income calculation method in Table 1 is not a safe harbor method and does not preclude the department from auditing and assessing use tax liability.

Table 1 – Estimated Use Tax Due

PA-40 Line 9, Total PA-Taxable Income	City of Philadelphia	Allegheny County	Remainder of PA
\$15,000 and less	\$8	\$7	\$6
\$15,001 - \$30,000	\$17	\$14	\$12
\$30,001 - \$50,000	\$22	\$19	\$17
\$50,001 - \$75,000	\$30	\$26	\$23
\$75,001 - \$100,000	\$43	\$37	\$32
\$100,001 - \$150,000	\$59	\$52	\$44
\$150,001 - \$200,000	\$76	\$66	\$57
> \$200,000	.03% (0.0003) of PA-40 Line 9, Total PA-Taxable Income, for PA or \$75 whichever amount is smaller, .035% (.00035) for Allegheny County or \$88 whichever amount is smaller .04 % (0.0004) for Philadelphia County or \$100 whichever amount is smaller		

use of the credits. Documents must also be sent to the Bureau of Business Taxpayer Accounting, Account Maintenance Division so the credit can be verified and applied to the taxpayer. Additional information on restricted credits is available in the PA Personal Income Tax Guide – Deductions and Credits section found on the department's website at revenue.pa.gov.

Pennsylvania residents who receive a credit under section 21 of the Internal Revenue Code of 1986 may claim a tax credit against their Pennsylvania tax liability. In order to claim the expenses on the PA Schedule DC, the taxpayer must also have claimed the expenses on their Federal 1040 return.

The purpose of the PA-40 Schedule DC, Pennsylvania Child and Dependent Care Enhancement Tax Credit, is to claim a credit for child and dependent care expenses paid.

⚠️ IMPORTANT: A completed copy of the federal Form 2441 and the 1040 Schedule 3 must be included with the filing of the PA-40 return. Failure to include these forms will result in the credit being removed or deducted from Line 23 of the PA-40.

Please refer to the PA Schedule DC for additional information and instructions.

LINE 24. TOTAL PAYMENTS AND CREDITS

Add Lines 13, 18, 21, 22, and 23.

LINE 25. USE TAX

Certain unpaid use tax liabilities from tax year 2025 may be reported and paid using Line 25 of the PA 40. Only individual consumers should report use tax on Line 25. This method cannot be used for purchases pursuant to a DOR Notice of Potential Use Tax Due such as motor vehicles, watercraft, boats, ATV's, snowmobiles, imports to the United States via US Customs, cigarettes, or business purchases.

Use tax is the counterpart of sales tax and applies to taxable purchases made over the Internet, through toll-free numbers, from mail order catalogs, and from out-of-state locations, or any other occasion where sales tax was not charged and collected by the seller. When you purchase items or services subject to sales tax for which the seller does not charge and collect sales tax on the invoice or receipt, you are personally responsible for remitting the use tax directly to the PA Department of Revenue.

The use tax rate is the same as the sales tax rate: 6 percent state tax, plus an additional 1 percent local tax for items purchased or used in Allegheny County and 2 percent local tax for Philadelphia.

Examples of taxable items include the following: antiques, paintings, appliances, books, digital products, stationery, computers, exercise equipment, sports equipment, formal clothing, furniture, furnishings, jewelry, luggage, handbags, musical instruments, office equipment, souvenirs, televisions, radios, stereo equipment, video equipment, and camera equipment.

Examples of taxable services include lawn care, pest control, self-storage, building cleaning, and maintenance services such as housekeeping services. See the Retailer's Information Guide (REV-717) for an extensive, though not comprehensive, list of taxable items and services.

You may use actual receipts or purchase records to calculate use tax due. Taxpayers are encouraged to review purchase histories made available online by popular Internet sellers and use that information to calculate the tax due.

Receipts and purchase records should also be used for taxable items not purchased online where sales tax was not charged by the seller and use tax is due.

The Use Tax Worksheet on the previous page is included for your convenience to help make your calculations. Note that you must use this worksheet to calculate use tax due on individual purchases of \$1,000 or more.

If you paid some sales tax on items – for example, sales tax at a lower rate paid to another state or sales tax paid to Pennsylvania but not Philadelphia – you may offset your use tax liability by the sales tax already paid using this worksheet.

⚠️ IMPORTANT: If you do not have a use tax liability or used form PA-1 to report and pay use tax, you must enter zero on Line 25.

The department reserves the right to assess additional use tax due if and when it discovers evidence that the use tax liability reported on the PA-40 is less than the actual liability.

Individuals and businesses with Pennsylvania sales tax licenses should report use tax on their sales tax returns.

For detailed information on use tax reporting responsibilities and options, visit revenue.pa.gov/usetax.

LINE 26. TAX DUE

If the total of Line 12 and Line 24 is more than Line 25, enter the tax you owe. You must pay the tax due, in full, on or before April 15, 2026. See the instructions for payment options on Page 25.

LINE 27. PENALTIES AND INTEREST INCLUDING ESTIMATED UNDERPAYMENT PENALTY

Enter on this line all the penalties and interest you owe from filing your return late and/or failing to pay your tax by the due date. If including Form REV-1630, Underpayment of Estimated Tax by Individuals, or Form REV-1630A, Underpayment of Estimated Tax by Individual Farmers, fill in the oval on Line 27 of the PA-40. Enter the appropriate code in the block provided.

Descriptions of the code that can be entered in the block are as follows:

- L If Late Payment Penalty and Interest, Failure to File Penalty and Interest, or Late Filing Penalty and Interest is included in Line 27;
- E If only the Estimated Underpayment Penalty is included in Line 27;
- B If both Late Payment Penalty and Interest and Estimated Underpayment Penalty are included in Line 27;
- X Indicates there is no Estimated Underpayment Penalty due to Exception 2 or the Special Exception rules as indicated on the completed and included REV-1630 or the exception for farmers on the completed and included REV-1630A.

⚠️ IMPORTANT: If you do not owe any penalty or interest, do not complete the amount blocks for Line 27 – leave them blank. If there is no amount included on Line 27 of the return, no code should be entered in the block provided for the code on this line unless an REV-1630 is included with the return that indicates there is no Estimated Underpayment Penalty due to Exception 2 or the Special Exception rules as indicated on the completed and included REV-1630 or REV-1630A is included with the return indicating the individual meets the exceptions for farmers. All returns with amounts listed on Line 27 should have a code listed in the block provided for the code on this line. See the description

of the codes listed above for the proper code to enter when an REV-1630 or REV-1630A is included.

You can determine your penalty and interest by visiting myPATH at mypath.pa.gov. Forms REV-1630 and REV-1630A are also available on the department's website or by utilizing one of the Forms Ordering Services on Page 2 of the instructions.

Include on Line 27 any penalty for failing to make estimated PA income tax payments, or making your payments late, or underpaying your estimated taxes.

The department will send you a notice if you do not include an amount on Line 27, and we determine you owe late filing and/or underpayment penalty and interest.

Estimated Underpayment Penalty

You are subject to this penalty if:

1. You received more than \$11,000 of taxable income that was not subject to PA withholding;
2. Your credits from Lines 17, 21, 22, and 23 do not offset the tax due on the income from item 1; and
3. You failed to make timely estimated tax installment payments to cover the difference between items 1 and 2, if any.

If you are subject to the penalty, the penalty will not be imposed if:

1. Each estimated tax installment payment due and paid is equal to the installment payment you should have paid based upon the income from last year's full year return, or based upon the income as if you filed a full year return, based upon this year's tax rate; or
2. Each estimated tax installment due and paid is equal to 90 percent of the installment payment due for each quarter based upon the income you received during the months in each installment period.

You can calculate this penalty on Form REV-1630 or Form REV-1630A that you submit with your return. Submit the appropriate form with your return if you owe the penalty.

The department will send you a notice if we determine you owe this penalty. If you disagree with the department's notice, you must submit Form REV-1630 or REV-1630A to support your own calculation or claim for an exception.

LINE 28. TOTAL PAYMENT DUE

Add Lines 26 and 27. Or, if the total of Line 12 plus Lines 25 and 27 is more than Line 24, add Lines 12, 25, and 27 and subtract Line 24. You must pay the total due, in full, on or before April 15, 2026. See the instructions for payment options on Page 25.

REMINDER: If you owe \$1.00 or less, you do not have to submit a payment with your return.

TIP If you overpaid your 2025 PA income tax, but owe estimated underpayment penalty, you must subtract your estimated underpayment penalty from your overpayment.

If you file your return by April 15, 2026 and are unable to make full payment of the taxes due, the department will bill you for the remainder of any tax, penalties and interest due. It is better to file your return when it is due and have a 5 percent penalty plus interest added to the amount you owe than to not file and not pay and have up to a 25 percent penalty plus interest added to the amount you owe.

LINE 29. OVERPAYMENT

Subtract Line 12 (and subtract Lines 25 and 27, if you entered amounts on these lines) from Line 24, and enter the difference here.

REMINDER: The department will not issue a refund for \$1.00 or less. However, a \$1.00 overpayment may be donated to one of the donation organizations listed on Pages 44 & 45.

Refund Offsets

- **PA PIT Liability.** The department will apply your overpayment to any outstanding PA personal income tax liability from a previous tax year.
- **Delinquent Spousal/Child Support.** Federal law requires Pennsylvania to establish a child-support offset program. The Department of Revenue, in cooperation with the Department of Human Services (DHS), intercepts PA income tax refunds of taxpayers that are delinquent in spousal/child support, and provides the offsets to the PA Child Support Enforcement System.



IMPORTANT: A married person who is liable for spousal/ child support must file a separate PA tax return (Married, Filing Separately). If a married person who is liable for support files jointly with their spouse, the department will delay the refund until the taxpayers authorize the department to offset the refund to DHS, or the spouses file separate returns. If the taxpayers do not reply to the department's notice, the department will process the return as Married, Filing Jointly.

- **Court-Ordered Obligations.** The Department of Revenue, in conjunction with the Administrative Office of Pennsylvania Courts (AOPC), will intercept overpayments and apply them to any court-ordered obligation arising from a criminal prosecution or proceeding and pay the amount to the clerk of courts for the county in which the order was entered. All correspondence and inquiries regarding such offsets must be with the county clerk of courts.
- **Treasury Offset Program for Delinquent PA Income Taxes.** The Internal Revenue Service (IRS) will intercept federal income tax refunds for delinquent PA income tax liabilities. The Department of Revenue will notify delinquent taxpayers about its intention to intercept their federal refund and allow them 60 days to pay their liabilities.
- **State Income Tax Levy Program for Delinquent Federal Income Taxes.** The PA Department of Revenue will intercept PA income tax refunds for delinquent federal income tax liabilities. The Department of Revenue will provide a notice of the refund offset. The department's only responsibility in this levy process is sending your refund to the IRS. Therefore, all correspondence and inquiries regarding such offsets must be with the IRS.

LINES 30 THROUGH 36. APPLICATION OF OVERPAYMENT

If you do not enter amounts on Lines 30 through 36, or the total of these lines does not equal Line 29, you will receive a refund check. If you overpaid, you may apply all or part of your overpayment as follows:

LINE 30. Enter the amount of Line 29 that you want as a refund check.

LINE 31. Enter the amount of Line 29 that you want as a credit to your 2026 PA Estimated Tax account.

DONATIONS

There are ten ways you can choose from to donate all or a portion of your tax refund. However, you can only choose up to five ways in one tax year due to space limitations on the PA-40. A code box has been included on each of the Lines 32 through 36. You can select how you wish to donate your refund using the following list of codes:

- A - PA Breast Cancer Coalition's Refunds for Breast and Cervical Cancer Research Fund
- B - Wild Resource Conservation Fund
- C - Military Family Relief Assistance Program
- D - Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund
- E - Juvenile (Type 1) Diabetes Cure Research Fund
- F - PA Children's Trust Fund
- G - American Red Cross
- H - Pennsylvania 529 College and Career Savings Program Account
- I - Pediatric Cancer Research Fund
- J - Veterans' Trust Fund

! IMPORTANT: You must complete PA Schedule P if you use Code H for a Pennsylvania 529 College and Career Savings Program Account donation. PA Schedule P is not included with this booklet and may be obtained by using one of the Forms Ordering Services on Page 2.

For more information about each donation organization, see Pages 44 & 45.

- LINE 32.** Enter the code for the organization you want to donate to and the amount of Line 29 that you want to donate.
- LINE 33.** Enter the code for the organization you want to donate to and the amount of Line 29 that you want to donate.
- LINE 34.** Enter the code for the organization you want to donate to and the amount of Line 29 that you want to donate.
- LINE 35.** Enter the code for the organization you want to donate to and the amount of Line 29 that you want to donate.
- LINE 36.** Enter the code for the organization you want to donate to and the amount of Line 29 that you want to donate.

The total of Lines 30 through 36 must equal Line 29.

Review Your Return

Before you sign your return, did you:

- Enter your Social Security number(s)?
- Verify that your name(s) and address are correct?
- Report all your PA-taxable income and claim all your allowable PA credits?
- Check all the entries from Form(s) W-2 and schedules?
- Round income, loss, deductions, and credit amounts to the nearest dollar?
- Check your math?
- Enclose all required supporting forms and schedules and assemble the return according to Page 4?
- Make a copy of your PA tax return for your records?

Your Signature(s) and Date

Read the oath before you sign and date your return. If Married, Filing Jointly, a spouse must also sign and date the return. If you are responsible for the

affairs of a minor, disabled person, or a decedent who could not prepare their own PA tax return, you must sign to file a valid tax return.

E-File Opt Out

A paid preparer must fill in this oval if the taxpayer requested to file a paper copy of the return instead of electronically transmitting the return. If you are preparing your return yourself, do not fill in this oval.

Preparer/Company Name, Telephone Number, PTIN, and Firm FEIN

If you paid someone to prepare your tax return, the preparer should enter their name or business name, telephone number, PTIN, and the company's EIN in the spaces provided on the return.

For tax years beginning on or after Jan. 1, 2020, Act 13 of 2019 requires tax return preparers to provide their PTIN on all returns they prepare. Under the law, a tax return preparer is a person who is paid to prepare a personal income tax return or who employs one or more persons who prepare returns for compensation. Preparation of a "substantial portion" of a personal income tax return shall be treated as if it were the preparation of the return. If a tax return preparer fails to provide their PTIN, the department may impose an administrative penalty of \$50 for each occurrence up to an annual maximum of \$25,000 per year.

To obtain a PTIN, preparers should consult the PTIN Requirements for Tax Return Preparers on the IRS website.

How to Pay

You must submit your payment on or before midnight, Wednesday, April 15, 2026. Select your payment option.

PAYMENT OPTIONS

You may make your payment of taxes due with your return via check or money order with or without PA Form PA-40 V, using a credit/debit card or through electronic funds transfer. In order for the department to more accurately process payments, the department recommends you use the fill-in form version of the 2025 PA-40 V found on the department's website at revenue.pa.gov.

Paying With Fill-In Form PA-40 V

Complete the fill-in version of Form PA-40 V as follows:

- Social Security number(s) - type your SSN and your spouse's SSN on your Form PA-40 V in the same order as they appear on your tax return.
- Name(s) - type in your name(s) on the Form PA-40 V in the same order as they appear on your tax return.
- Address - type in your address as it appears on your tax return.
- Payment - type in the amount of your payment and print the Form PA-40 V. Make the check or money order payable to: PA DEPT OF REVENUE. Do not send cash.
- Mailing your payment - Please write (1) the last four digits of your SSN, (2) "2025 PA-40 V", and (3) daytime telephone number on your check or money order. The department will need the last four digits of your SSN if your check becomes separated from your Form PA-40 V. Do not staple your check or money order to the Form PA-40 V. Please place your Form PA-40 V and payment in an envelope with your PA-40 tax return using the "Payment Enclosed" address provided in the mailing instructions in the next column.

If you filed electronically, mail only your Form PA-40 V and payment to the "Payment Enclosed" address provided in the mailing instructions below.

Paying Without a Form PA-40 V

If you do not use the fill-in version of Form PA-40 V:

- Make your check or money order payable to:
PA DEPT OF REVENUE
- Write (1) your complete SSN, (2) "2025 PA-40 V", and (3) daytime telephone number on your check or money order. If you are filing a joint return, enter the complete SSN of the taxpayer shown first on your return. The department will need your complete SSN to more quickly and accurately apply your payment.

Do not staple your check or money order to your return. Please place your payment in an envelope with your PA-40 tax return using the "Payment Enclosed" address provided in the mailing instructions in the next column.

Credit/Debit Card

You can pay your PA taxes with a major credit card or a debit card. Credit card transactions are handled by ACI Payments, Inc. and do include a convenience/transaction fee. Please refer to their website at acipayonline.com for convenience/transaction fee rates. You can use your American Express, Discover, MasterCard, or Visa credit card to pay your taxes online or by phone. You may also use a MasterCard or Visa debit card to make payments online. Select one of these options to pay using your credit/debit card:

1. **Online.** Visit myPATH at mypath.pa.gov
2. **Telephone.** Call 1-800-2PAYTAX (1-800-272-9829)

Electronic Funds Transfer

You may also pay your 2025 PA tax due using electronic funds transfer by accessing myPATH at mypath.pa.gov. You will be prompted for your bank account information and the payment will be deducted from your account on the date you specify. There is no charge for using this option.

ORIGINAL AND AMENDED RETURN MAILING INSTRUCTIONS

The U.S. Postal Service returns envelopes without sufficient postage. If your tax return is more than five pages or in an oversized envelope, you may need additional postage. Check with your local Post Office. Please write your complete return address in the upper left corner of the envelope.

Follow these instructions for mailing your PA tax return:

If you owe tax—You have an amount on Line 28, mail your return to:

**PA DEPT OF REVENUE
PAYMENT ENCLOSED
1 REVENUE PLACE
HARRISBURG PA 17129-0001**

If you overpaid—You have an amount on Line 29, mail your return to:

**PA DEPT OF REVENUE
REFUND OR CREDIT REQUESTED
3 REVENUE PLACE
HARRISBURG PA 17129-0003**

If you neither owe nor overpaid—You have zeros on Lines 28 and 29, mail your return to:

**PA DEPT OF REVENUE
NO PAYMENT OR NO REFUND
2 REVENUE PLACE
HARRISBURG PA 17129-0002**

 **IMPORTANT:** Do not use these addresses to send other correspondence to the department.

If you are a farmer, 2/3 of your gross income comes from farming, and you owe tax, mail your return to:

**PA DEPT OF REVENUE
PAYMENT ENCLOSED
PO BOX 280604
HARRISBURG PA 17128-0604**

SCHEDULE INSTRUCTIONS

For all schedules, enter the complete name and SSN of the taxpayer reporting the income or claiming the expenses. If filing a schedule jointly, enter the complete name and SSN of the taxpayer listed first. Each taxpayer must submit a separate schedule for each separately owned business, profession or farm. You and your spouse may file these schedules jointly:

PA Schedules A, B, and J - these schedules do not show any losses or expenses.

- You may no longer submit federal Schedule B even if you do not have any Capital Gains Distributions and your amounts are exactly the same for Pennsylvania.

You must use PA Schedules A and B. Spouses must submit separate PA Schedules A and B unless all the income is joint income.

- You cannot submit a federal Schedule K-1 in lieu of PA Schedule J.

PA Schedule SP – see the instructions beginning on Page 36 for when to include this schedule.

PA Schedule O – see the instructions on the Schedule O for when to include this schedule.

TIP If a joint return including IRC Section 529 Qualified Tuition Program deductions for both taxpayers is filed, schedules reporting the income on a separate basis for each taxpayer should be included, so that the department may calculate the income limitations.

You and your spouse must file these schedules separately, each reporting only your own income, expenses and net income (losses):

PA Schedule UE – separate schedule for each employer or job.

PA Schedules C and F – separate schedules for each commercial activity and each taxpayer.

PA Schedules D – separate PA Schedule D for you and your spouse reporting income unless all the gains and losses are joint.

PA Schedules D-1 and D-71 – separate schedules for each taxpayer and each installment sale.

PA Schedule E – follow the instructions on the schedule.

PA Schedules G-L and T – separate schedules for each taxpayer.

PA Schedule OC – separate schedules for each taxpayer.

Reproducing PA Returns and Schedules

You may not prepare your own facsimile schedules as replacements for PA schedules.

Multiple Schedules

If you have multiple Schedules A, B, D, E, or J due to entries beyond the capacity of the forms, include the total income for that form on one form only.

PA SCHEDULE UE (LINE 1b)

Allowable employee business expenses for PA purposes are similar to, but not the same as, expenses for federal purposes. PA law only permits expenses required to perform the duties of a job or profession.

Allowable Pennsylvania Employee Business Expenses

Must Be:

1. Ordinary, customary, and accepted in the industry or occupation in which you work;

2. Actually paid while performing the duties of your employment;
3. Reasonable in amount and not excessive;
4. Necessary to enable you to properly perform the duties of your employment; and
5. Directly related to performing the duties of your occupation or employment.

! IMPORTANT: You may deduct 100 percent of your PA-allowable unreimbursed employee business expenses. PA law does not have federal expense and percentage accounting limitations and thresholds.

! CAUTION: You may not deduct expenses based upon federal per diem allowances. You may only deduct those expenses actually paid while performing the duties of your employment.

You did not incur an allowable business expense during the year if you:

- Received a fixed-mileage allowance; a fixed expense reimbursement amount; a daily, weekly, monthly, or yearly expense allowance reimbursement; or a per-diem allowance for the allowable business expense and your employer did not include the allowance in your compensation; or
- Accounted for your allowable expenses to your employer and your employer reimbursed you in the exact amount of your expenses.

Do not include such reimbursements in gross compensation. Do not claim such expenses on a PA Schedule UE.

EXAMPLE: James is regional manager for a chain of retail stores and is required by his employer to drive his personal vehicle and visit each retail location within his region at least one time per month. James' employer reimburses him at a rate of \$0.40 per mile and provides a lunch per diem of \$8.00 per travel day. James is not permitted to deduct a mileage expense on his PA Schedule UE for the difference between the federal allowance and his employer's reimbursement or an expense for meals while traveling to visit the retail locations within his region unless his employer includes the reimbursements in his PA compensation.

If your employer does not reimburse you, you may reduce your compensation by your allowable expenses. If your reimbursement is more than your allowable expenses, you must report the excess as taxable compensation on Line 1a.

EXAMPLE: Dave earned compensation of \$30,000. He incurred allowable vehicle and travel employee business expenses of \$3,000, and was reimbursed \$3,500. He must complete a PA Schedule UE. He includes the excess \$500 as compensation. His total net taxable compensation is \$30,500.

Sole proprietors, partners, shareholders, or other self-employed individuals should not use PA Schedule UE to claim expenses.

! CAUTION: Nonresidents must use PA Schedule NRH to apportion expenses for PA personal income tax purposes. A copy of PA Schedule NRH may be obtained by using one of the Forms Ordering Services listed on Page 2. Part-year residents may only claim 100 percent of unreimbursed business expenses if the expenses were incurred only while providing services in Pennsylvania or while a PA resident. Include a statement indicating the method used to determine the expenses for the period of residency (PA Schedule NRH may also be used for this purpose).

Pennsylvania Does Not Allow The Following Business Expenses, Even If Allowed for Federal Purposes:

- Personal, living, or family expenses
- Dues to fraternal organizations, professional societies, Chambers of Commerce, or recreational club memberships
- Dues and subscriptions to publications, including trade and professional publications
- Political candidate or campaign contributions
- Charitable contributions
- Commuting expenses – driving to and from work
- Cost of meals while working late, unless while traveling away from home overnight on business
- Childcare or elderly care expenses
- Life, disability income, and health insurance premiums
- Contributions to deferred compensation plans or other pension plans
- Legal fees (except to recover back wages), fines, penalties, and bad debts
- Bribes, kickbacks, or other illegal payments
- Job hunting or other pursuit of employment expenses
- Malpractice insurance premiums, except when allowed in Section I
- Moving expenses, except when allowed in Section V
- Educational expenses, except as allowed in Section VI
- Capital expenditures
- Expenses calculated at federal per-diem rates.

TIP You must file a separate PA Schedule UE for each employer and each taxpayer. Spouses may not report joint expenses on a PA Schedule UE, even if filing jointly. An incomplete schedule may result in delays in the processing of your return and/or denial of the expenses. You may wish to provide a copy of a letter from your employer verifying that your expenses are required to be incurred to perform the duties of your position and the method of any reimbursement by your employer for those expenses. Form REV-757, Employer Letter Template, may be completed by the employer for such purposes. In lieu of an employer letter, you may also provide a copy of your employer's employee expense reimbursement policy. In addition, Form REV-775, Personal Income Tax Employee Business Expense Affidavit, may be submitted if an employer will not provide you a letter and the expense policy is not available. You should also review the department's Tips For Successfully Filing PA Schedule UE (REV-489) and Unreimbursed Allowable Employee Business Expenses For PA Personal Income Tax Purposes found on the department's website at revenue.pa.gov prior to completing your Schedule UE.

General Instructions

Enter the name of the taxpayer claiming the expenses and the SSN shown first on the return. Enter all the employer information, and briefly describe the job or position for which you incurred the expenses you are claiming. Enter only the expenses incurred for the employer listed on this schedule.

Keep Your Records

The department has the legal authority to require evidence that the expenses you claim on a PA Schedule UE are allowable for PA purposes. Keep your necessary documents, receipts, vouchers and other records for at least four years.

PA Schedule UE - Side 1

Side 1 of this schedule is for the most common expenses claimed on PA income tax returns.

Section I. Direct Employee Business Expenses

You pay these expenses directly or through a withholding arrangement with your employer. These expenses are necessary to perform or maintain your job. Itemize the nature and amount of the expenses you are claiming in Section I.

1. **Union Dues.** Union dues, assessments, and initiation fees are allowable business expenses if:
 - Such payments are a condition of continued membership in the union, and membership is related directly to your present job; or
 - Such payments are a required wage deduction under an agency shop agreement.
2. **Work Clothes and Uniforms.** The costs of purchasing and maintaining uniforms and work clothing to protect you from bodily injury are allowable business expenses if the uniforms and clothing are both:
 - Of a type specifically required by the employer to be purchased as a condition of continued employment; and
 - Not adaptable to general usage.
3. **Small Tools and Supplies.** Expenditures for small tools and supplies that your employer does not provide, but you must have to perform the duties of your job, are allowable business expenses. Depreciation is the annual deduction you must take to recover the cost of business property having a useful life beyond the taxable year. If any of these tools or supplies has a useful life of more than one year, you depreciate the cost in Section VII. See the Depreciation – PA Limitations instructions on Page 9 for more information.
4. **Professional License Fees, Malpractice Insurance, and Fidelity Bond Premiums.** Trade, professional, or occupational licenses or fees required as a condition of employment are allowable business expenses. Include malpractice insurance and fidelity bond premiums where required by law or by your employer.
5. **Total Direct Employee Business Expenses.** Add Lines 1 through 4.

Section II. Business Travel Expenses

6. **Vehicle Expenses: Standard Mileage Rate.** Enter your total business miles and multiply by the federal mileage allowance to calculate your allowable business mileage expense.

CAUTION: You may not claim depreciation on any vehicle on which you are using the standard mileage rate method.

NOTE: If the IRS has changed the federal mileage allowance during the tax year, use the higher allowance. Do not use both when calculating the allowable business mileage expense.

Commuting Expenses. You cannot deduct the costs of public transportation or driving a car between your home and your main place of work. These are personal commuting expenses. You cannot deduct commuting expenses no matter how far your home is from your regular place of work. Commuting costs between different jobs for different employers are also not allowable. For tradesmen, commuting costs also include mileage for any job 35 miles or fewer from the closer of the union hall or personal residence to the jobsite.

Vehicle Expenses - Actual. If you are using the actual vehicle expense method to calculate business travel expenses, complete Lines 7a through 10.

⚠️ IMPORTANT: If more than one vehicle was used for business purposes, you must include a separate Schedule UE with Lines 7a thru 10 completed for each vehicle driven. In place of separate Schedules UE, a statement may be included that shows your amounts for each vehicle for Lines 7a through 10. Add the Line 10 total expense amount from each vehicle and include the result in the amount for Line 15.

- 7a. Enter your total vehicle miles driven in 2025 including any miles driven for a vehicle that was rented during the time your regular vehicle was being repaired.
- 7b. Enter your total business miles driven in 2025 including any business miles driven for a vehicle that was rented during the time your regular vehicle was being repaired.
- 7c. Divide Line 7b by Line 7a and enter the result rounded to six decimal places.
- 8a. Enter the amount of your total expenses for gasoline, oil, repairs, insurance, tires, license plates, vehicle registration, car washes, and other similar items. If the vehicle driven for business purposes was rented or leased, enter the cost of renting. Also enter the cost of temporary rentals for vehicles you rented during the time your regular vehicle was being repaired. Do not enter temporary vehicle rentals included in Line 11.
- 8b. **Depreciation.** You may use any generally accepted depreciation method except any of the bonus depreciation elections enacted for federal purposes. See DIFFERENCES BETWEEN PA PIT AND IRS on Page 9. If using a different method for PA purposes, enter the method you used and the adjusted expense here.
9. Add the amounts on Lines 8a and 8b.
10. Allowable Actual Vehicle Expenses. Multiply Line 9 by the ratio on Line 7c.

Other Business Travel Expenses

Enter the actual amount of these expenses that you incurred.

11. **Parking fees, tolls, and transportation.** Enter the amount of parking fees, tolls and transportation expenses incurred while in an overnight or business travel status.
12. **Travel expenses while away from home overnight.** Enter the amount of hotel or motel accommodation expenses incurred while in an overnight travel status.
13. **Meals.** Enter only the actual expenses incurred for meals.
14. **Entertainment expenses.** Enter only the actual expenses incurred for entertainment expenses.

⚠️ IMPORTANT: Meals and entertainment expenses are 100 percent allowable. However, meals while not in overnight traveling status (e.g. meals while working late) and federal per-diem rates for meals and incidental expenses are not allowable. See the PA Personal Income Tax Guide – Gross Compensation section for additional information.

15. **Total Business Travel Expenses.** Add Lines 6 or 10, and Lines 11, 12, 13, and 14.

Section III. Miscellaneous Expenses

Include the PA-allowable expenses that you incurred in the space provided. If you have more than two miscellaneous expenses, you must include a separate statement that itemizes and describes in detail these expenses. Additional examples of expenses that you may claim include:

- Breakage fees or cash shortages you must pay to your employer;

- Fees or income included in your PA-taxable compensation on your Form W-2 that you are required to pay to your employer as a condition of employment;
- Costs incurred by blind employees to pay readers who assist them in performing their job duties;
- Business gifts must be ordinary, necessary, reasonable, and actually incurred for business purposes. Pennsylvania does not follow federal percentage limits on such expenses.

⚠️ CAUTION: You may be a statutory employee for federal purposes. However, PA law does not have a similar provision. As a statutory employee, you may have to claim your income as compensation and your expenses on PA Schedule UE. For more information on statutory employees see the PA Personal Income Tax Guide – Gross Compensation section found on the department's website. As an employee, you must claim your expenses on PA Schedule UE. If you are self-employed, you must report your business activity on Line 4 of your PA-40 and enclose the necessary PA Schedule C.

16. **Total Miscellaneous Expenses.** Enter the total of the miscellaneous expenses you listed.

TIP If you do not have expenses for your office or work area (Section IV), moving (Section V), education (Section VI), or depreciation (Section VII), complete Side 1 and include your allowable unreimbursed employee business expenses on Line 1b of your PA-40.

Total Allowable PA Employee Business Expenses

Lines A through G. Enter the amounts of your allowable expenses from each section of PA Schedule UE that you completed.

Line H. Total Expenses. Add the expenses you are claiming from each section of PA Schedule UE.

⚠️ CAUTION: If you are a nonresident or part-year resident who earned income and incurred expenses within and outside Pennsylvania, you must complete PA Schedule NRH.

Line I. Reimbursements. If your employer included your reimbursement in PA-taxable compensation on your Form W-2, do not enter that reimbursement here. If the reimbursements from your employer were in excess of federal mileage or per-diem limits and not included in compensation or were in excess of your actual expenses and not included in compensation, enter the total amount of reimbursements here. Otherwise, if you received a reimbursement from your employer for any type of expense included on PA Schedule UE, even though the amount was less than the total amount of the expense you incurred, do not include the reimbursements for those expenses and do not include the expense on your PA Schedule UE. You do not have an unreimbursed expense.

Line J. Net Expense or Reimbursement.

- If Line H is more than Line I, include your unreimbursed expenses on Line 1b of your PA-40.
- If Line I is more than Line H, include your excess reimbursements on Line 1a of your PA-40.

PA Schedule UE - Side 2

⚠️ CAUTION: Certain utilities, which are not subject to sales and use tax when purchased exclusively for residential use, become subject to sales and use tax when used for commercial purposes. If you are including electricity, natural gas, fuel oil, or kerosene in your calculation of home office expense, you should report use tax due on the

prorated expense amount. The use tax on these utilities should be paid via the online Use Tax Return, or if you are required to file a sales tax return, as part of that return. Please visit myPATH at mypath.pa.gov to file the Use Tax Return or to register for a use tax account if you have regular recurring use tax liability on utilities.

Section IV. Office or Work Area Expenses

You may claim these expenses when your employer does not provide you with a suitable work area and you can answer YES to each of these questions:

- D1. Does your employer require you, as a condition of employment, to maintain a suitable work area away from the employer's premises?
- D2. Is this work area the principal place where you perform the duties of your employment?
- D3. Do you use this work area regularly to perform the duties of your employment?

If your employer provides a suitable work area, or you answer one or more of the above questions NO, you cannot claim any office or work area expenses.

 **CAUTION:** The department does not permit the use of the federal safe harbor deduction for a home office or work area. Actual expenses must be used to determine the amount of the deduction.

Actual Office or Work Area Expenses.

Lines a to h. Enter the actual expenses you incurred if you are claiming office or work area expenses on this schedule. Include statements detailing property maintenance and other apportionable expenses from Lines f and g.

Line i.	Add Lines a through h.
Line j.	Calculate the percentage of your property that you use for business.
Line k.	Apportioned Expenses. Multiply Line i by Line j.
Line l.	Total Office Supplies. Enter the actual cost of supplies that you use exclusively for business purposes.

17. **Total Office or Work Area Expenses.** Add Lines k and l.

Section V. Moving Expenses

You may deduct moving expenses incurred to retain employment. You may also deduct moving expenses to report to a new location after obtaining employment. However, you must meet the Distance Test described at the top of the next column.

You may deduct allowable expenses you incur in moving yourself, your immediate family, your household goods, and your personal belongings, including the cost of transportation to your new home, using your actual out-of-pocket costs or the federal mileage allowance. You may deduct expenses for storing household goods, for meals and lodging on the way, including such costs on the day you arrive, and parking fees and tolls.

You may not deduct expenses for:

- selling or purchasing a house;
- breaking a lease; house hunting;
- securing lodging prior to moving;
- seeking new employment;
- moving for your own convenience;
- relocating to a new job or workplace less than 35 miles farther than your old commute to work; or
- moving anywhere other than within or into Pennsylvania.

Distance Test. Your new workplace must be at least 35 miles farther from your old residence than your old workplace was. **EXAMPLE:** If your old workplace was three miles from your old residence, your new workplace must be at least 38 miles from your old residence. Measure the distance using the shortest of the most commonly traveled routes. To determine if you meet this test, complete Lines E1, E2, and E3.

 **IMPORTANT:** If you are in the military, you do not have to meet the distance test if your move is a permanent change of duty station. If you, your spouse and dependents are moving to the new duty station from different locations, you may claim all the allowable expenses.

18. Enter your actual allowable transportation expenses as previously described.
19. Enter your actual qualifying expenses for travel, meals, and lodging, as previously described.
20. **Total Moving Expenses.** Add Lines 18 and 19.

Section VI. Education Expenses

The federal and PA rules for educational expenses are similar, but not exactly the same. For PA purposes, costs for education expenses that you pay or incur are allowable only if:

- The education is specifically required by law or by your employer to retain an established employment status or rate of compensation;
- The education is not part of a program that would qualify you for a new occupation, trade, or business, even if you do not intend to enter that new occupation, trade, or business.

Unlike federal rules, you may not deduct education expenses that you incur to maintain or improve your skills.

EXAMPLE: Anthony is a licensed professional in a position that, by law, requires a specific number of continuing education credits every other year. If Anthony fails to obtain these credits, he will lose his license. Anthony also takes courses in using a computer to improve his job performance. Anthony may claim the cost of his continuing education courses. He may not claim the computer courses.

You must answer question F1. If you answer YES, continue. If you answer NO, you may not claim any education expenses. You must answer questions F2 and F3. If you answer NO to both questions, continue. If you answer YES to either question, you may not claim any education expenses.

Enter the name of the college, university, or educational institution you attend, and your specific course of study. Your education must meet the requirements described above.

21. Enter the amount of tuition or fees you actually paid.
22. Enter the costs of your books and other materials required for your courses.
23. Enter the cost of travel. Pennsylvania follows the federal rules for travel expenses for education.

 **CAUTION:** You may not deduct costs of travel as educational expenses by claiming that the travel itself constitutes a form of education.

24. **Total Education Expenses.** Add Lines 21, 22, and 23.

Section VII. Depreciation Expenses

Depreciation is the amount you can claim over the useful life of property you use in performing the duties of your employment. A depreciation expense is allowable if the property:

- Has a useful life exceeding one year; and
- Is required to be regularly and predominantly used to perform the duties of employment; and
- Is required and not provided or supplied by your employer.

PA law allows generally accepted depreciation methods and current expensing. PA law does not allow federal bonus depreciation. See DIFFERENCES BETWEEN PA PIT AND IRS on Page 9. The department accepts most generally accepted methods of calculating depreciation used for federal purposes.

Once you have elected a depreciation method, you must consistently use it and may not change it without permission from the PA Department of Revenue. For each asset, enter the depreciation method elected and the expense.

TIP Do not use Section VII to report all depreciation. Use Section II for vehicles, and Part D for office or work area depreciation. Fair market value of property is not an acceptable other basis.

25. Total Depreciation Expenses. Enter the total of columns E and F.

PA SCHEDULE A (LINE 2)

If your total PA-taxable interest income (taxpayer, spouse, and/or joint) is equal to the amount reported on your federal return and you have no amounts for Lines 2 through 15 (not including subtotal Lines 4 and 10) of PA Schedule A, you must report your income on Line 2 of the PA-40, but you do not have to submit PA Schedule A. If there are any amounts (taxpayer, spouse and/or joint) for any of the Lines 2 through 15 (not including subtotal Lines 4 and 10) of PA Schedule A, you must complete and submit PA Schedule A with your PA-40. A taxpayer and spouse must complete and submit separate schedules to report their income if either have any amounts reported on Lines 2 through 15 (not including subtotal Lines 4 and 10). However, if all the income is earned on a joint basis, one schedule may be completed. Complete the oval to indicate whether the income included on the schedule is from the taxpayer, spouse or joint. When reporting the interest income on a separate PA Schedule A, a taxpayer and spouse must show their separate share of the interest income from jointly owned accounts on each PA Schedule A.

PA-taxable income includes interest from:

- Savings and loan associations;
- Credit unions, even if reported as dividends on your statement;
- Bank deposits;
- Bonds (except as exempted later on this page);
- Certificates of deposit;
- Interest-bearing personal checking accounts;
- State, federal, local, and foreign tax refunds;
- Other deposits, investments, and obligations;
- GNMA and FNMA certificates and other obligations that are guaranteed by the U.S. government, but not direct obligations of the U.S. government;
- Obligations of other states or countries; and
- Mutual savings banks and cooperative banks, even if reported as dividends.

IMPORTANT: Also report on PA Schedule A:

- Income on life insurance contracts, annuities, or endowments if reported for federal income tax purposes;

- Income from charitable gift annuities included in federal gross taxable income as ordinary or capital gain income;
- Any amount paid out of an Archer Medical Savings Account or Health Savings Account that is includable in the gross income of an account beneficiary for federal income tax purposes. Included in this category are distributions used for any purpose other than to pay qualified medical expenses, any amount considered to be excess contribution distributions not previously included in income, or any amount of the account's income attributable to excess contributions; and
- Taxable amounts distributed from IRC Section 529 Qualified Tuition Programs for non-educational purposes. Please check our website at revenue.pa.gov for more information on how to determine the taxable portion of any distributions for non-educational purposes.

PA-taxable income does not include interest from:

- Direct obligations of the U.S. government (U.S. Treasury Bonds, Notes, Bills, Certificates, and Savings Bonds);
- Direct obligations of the Commonwealth of Pennsylvania;
- Direct obligations of political subdivisions of Pennsylvania;
- Pennsylvania 529 College Savings accounts when earned or used to pay for Qualified Higher Education Expenses as defined in IRC Section 529 (e)(3)(A); or
- Pennsylvania ABLE Savings Program accounts when earned or used to pay for qualified disability expenses as defined in IRC Section 529A.

For a list of exempt obligations, request Tax Exempt Obligations for Pennsylvania Personal Income Tax Purposes (Form REV-1643).

NOTE: You must include PA tax-exempt interest in Eligibility Income for Tax Forgiveness purposes.

Form Instructions

Complete each line as necessary:

1. Enter the amount of interest income you reported on Line 2b of your federal Form 1040.
2. Enter the total amount of tax-exempt interest income included in Line 2a of your federal Form 1040, or Form 1040A.

CAUTION: Do not include exempt-interest dividends in this amount.

3. Enter any other adjustments for items that increase PA-taxable interest income and provide a description of the amounts. Examples of additions to or deductions from federal interest income that must be added back include, but are not limited to: taxable distributions from PA ABLE Savings Program Fund accounts; self-charged interest; amortization of bond premium; nominee interest; or expenses incurred to realize interest income.

IMPORTANT: If you are not required to file a federal return, enter on this line the amount of any interest income reported to you in Box 1 of all federal Forms 1099-INT, Interest Income, as well as all other federally taxable interest income received, including, but not limited to, U.S. government interest or interest from federal Schedule K-1s.

5. Enter the total amount of interest income included in the amounts reported in Line 1 of federal Schedule B from federal Schedule(s) K-1.
6. Enter the amount of your tax-exempt interest from direct obligations of the Commonwealth of Pennsylvania and/or direct obligations of political subdivisions of Pennsylvania. Include on this line any interest income from obligations issued by the commonwealth, a

public authority, commission, board or other agency created by the commonwealth or political subdivision of the commonwealth.

7. Enter the amount of any interest income from direct obligations of the U.S. Government (U.S. Treasury Bonds, Notes, Bills, Certificates, and Savings Bonds). Do not include amounts from US obligations reported on federal Schedule K-1(s) or on Line 3 of federal Schedule B in this amount.
8. Enter any other adjustments that decrease PA interest income and provide a description of the amounts. Examples include but are not limited to: interest income earned while a nonresident; interest on installment obligations that are included as gain on the sale of property for PA purposes; forfeited interest penalty; and amortization of bond premium. An example of the description for interest income earned while a nonresident would be "Non-Residency Period Interest". Do not include expenses incurred to realize interest income. Include a statement providing the descriptions and amounts if more than one type of adjustment is included in the amount reported for this line.
11. Enter amounts reported on Form 1099-R with Box 7 Codes 1, 2, 3, 4, or 7 that also include Code D.
12. Enter the amount of charitable gift annuity income taxable for federal income tax purposes.
13. Enter the amount of any distributions from IRC Section 529 plans that are for non-educational purposes. The cost recovery method must be used to determine the taxable amount for contributions made in tax years 2005 and earlier. The total amount of distributions claimed as deductions for tax years 2006 and later is taxable.
14. Enter the amount of any distributions from Health/Medical Savings accounts included as Other income on Line 8 of your federal Form 1040, Schedule 1.
15. Enter the amount of interest income from PA S corporations and partnerships. Include the amounts reported from all PA Schedule(s) RK-1, or federal Schedule(s) K-1 if an RK-1 is not provided. Include any U.S. government interest from federal Schedule(s) K-1, where PA Schedule(s) RK-1 is/are not provided, on Line 8 of PA Schedule A.

 **NOTE:** If a separate PA Schedule A is prepared for a taxpayer and spouse, include only the taxpayer or spouse share of the income for each line.

PA SCHEDULE B (LINE 3)

If your total PA-taxable dividend and capital gains distributions income (taxpayer, spouse and/or joint) does not include any amounts for Lines 2 through 10 (not including subtotal Line 6) of PA Schedule B, you must report your income on Line 3 of the PA-40, but you do not have to submit PA Schedule B. If there are any amounts (taxpayer, spouse, and/or joint) for any of the Lines 2 through 10 (not including subtotal Line 6) of PA Schedule B, you must complete and submit PA Schedule B with your PA-40. A taxpayer and spouse must complete and submit separate schedules to report their income if either have any amounts reported on Lines 2 through 10 (not including subtotal Line 6). However, if all the income is earned on a joint basis, one schedule may be completed. Complete the oval to indicate whether the income included on the schedule is from the taxpayer, spouse or joint. When reporting the dividend income on a separate PA Schedule B, a taxpayer and spouse must show their separate share of dividend income from any jointly owned stock on each PA Schedule B.

Capital Gains Distributions

Capital gains distributions are taxable as dividend income on Line 3. Do not report capital gains distributions on PA Schedule D.

Stock Dividend Reinvestment Plans

Under a stock dividend reinvestment plan, you elect dividends in the form of stock, rather than cash or other property. You must include the stock's fair market value as dividend income as of the date paid.

PA-taxable dividend income does not include:

- Dividends distributed by a corporation to its stockholders as stock, if the distribution is not personal income for federal purposes.
- Distributions designated as return of capital by utility companies and other corporations that reduce the basis of your stock in the corporation.



NOTE: Once such distributions reduce your basis to zero, further distributions are Taxable Distributions from C corporations on PA Schedule D. See the PA Schedule D.

- Dividends from deposits or withdrawals from accounts paid by savings and loan associations, mutual savings banks, cooperative banks, and credit unions. Report these payments as PA-taxable interest income on Line 2 of your PA-40.
- Ordinary dividends paid by a mutual fund or a registered investment company that the fund/company statement designates as being exempt-interest dividends. Use the percentage of the total dividend income that is from exempt PA and exempt federal obligations to determine the tax-exempt portion of the dividend income.
- Dividends from PA tax-exempt obligations. Request Tax Exempt Obligations for Pennsylvania Personal Income Tax Purposes (Form REV-1643) for a list of exempt obligations.
- Dividends distributed under a charitable gift annuity are not taxable dividend income for PA personal income tax purposes. However, distributions are taxable to the extent they are taxable for federal income taxes purposes as interest income on PA Schedule A, Line 4.



NOTE: You must include PA tax-exempt dividend income in Eligibility Income for Tax Forgiveness purposes.

Form Instructions

Complete each line as necessary:

1. Enter the amount of dividend income you reported on Line 3b of your federal Form 1040.
2. Enter the total amount of dividend income included on Line 5 of federal Schedule B from federal Schedule(s) K-1.
3. Enter the total amount of any tax-exempt dividends from direct obligations of the Commonwealth of Pennsylvania, direct obligations of political subdivisions of Pennsylvania and/or direct obligations of the U.S. Government (U.S. Treasury Bonds, Notes, Bills, Certificates, and Savings Bonds) included in any tax-exempt fund or money market fund dividends.
4. Enter any other adjustments that decrease PA dividend income and provide a description of the amounts. Examples include, but are not limited to: dividend income for a part-year resident taxpayer during the period the taxpayer was a nonresident; and nominee capital gains distributions. Do not include expenses incurred to realize dividend income.
7. Enter the total amount of any exempt-interest dividends reported in Box 11 of federal Form 1099-DIV, Dividends and Distributions, or the amount of exempt-interest dividends included in Line 2a of your federal return.

8. Enter any other adjustments that increase PA dividend income and provide a description of the amounts. Examples include, but are not limited to: excessive salary paid to a shareholder; nominee capital gains distributions; distributions from non-PA S corporations; and expenses incurred to realize dividend income.

IMPORTANT: If you are not required to file a federal return, enter on this line the amount of dividend income reported to you in Box 1 of all federal Forms 1099-DIV, Dividends and Distributions, as well as any other federally taxable dividend income received by you from all sources including, but not limited to, dividends from federal Schedule K-1s.

9a. Enter the amount of deemed dividend foreign earnings and profits reported on Line 1 of the IRC Section 965 Transition Tax Statement for calendar or fiscal year tax returns for 2017.

9b. Enter the amount of cash payments of foreign earnings and profits received in prior tax years attributable to the amount reported on Line 9a that were previously reported as dividend income for Pennsylvania personal income tax purposes.

IMPORTANT: If no amount of repatriated foreign earnings were reported on the 2017 through 2024 PA-40 Schedule B as additional dividend income, enter a zero on Line 9b. However, if cash payments were received during 2017 through 2024 attributable to the amount reported on Line 9a and no income was reported for foreign repatriated income, the 2017 through 2024 PA-40, should be amended to include the amount received in 2017 on Line 8 of the 2017 PA-40 Schedule B or the amount received in 2018 through 2024 on Line 9c on the respective 2018 through 2024 PA-40 Schedule(s) B. The total amount included on the amended return(s), should then be included on Line 9b.

9c. Enter the amount of cash received during the current tax year that is attributable to the repatriation of foreign income included on Line 9a.

CAUTION: Federal Form 1099-DIV, Dividend Income, may not be prepared and sent by the payer for these payments. Even if the 1099-DIV is not prepared, the cash payments received must be reported as dividend income for Pennsylvania personal income tax purposes.

10. Enter the amount of capital gains distributions included as capital gains on federal Schedule D. If federal Schedule D is not required, enter the amount of capital gains distributions reported directly on Schedule 1 of the federal return.

11. Enter the amount of dividend income from PA S corporations and partnerships. Include the amounts reported from all PA Schedule(s) RK-1, or federal Schedule(s) K-1 if an RK-1 is not provided.

NOTE: If a separate PA Schedule B is prepared for a taxpayer and spouse, include only the taxpayer or spouse share of the income for each line.

PA SCHEDULE D (LINE 5)

The Schedule D line-by-line instructions are on the schedule. Also, please see below for general information and refer to Page 17 Line 5 NET GAIN OR LOSS FROM THE SALE, EXCHANGE, OR DISPOSITION OF PROPERTY for more information.

Do not submit a federal Schedule D. A taxpayer and spouse must complete separate schedules to report their gains or losses or if any amounts are reported on Lines 3 through 10. However, if all the gains and losses were realized on a joint basis, one schedule may be

completed. Complete the oval to indicate whether the gains and losses included on the schedule are from the taxpayer, spouse or joint.

IMPORTANT: One spouse may not use a loss to reduce the other spouse's gains. In the case where separate Schedule Ds are required and spouses must also report the sale of jointly owned property, each spouse must show their share of the sale on their separate PA Schedule D.

Report all sales, exchanges, and dispositions of property using PA income tax rules, and your PA income tax basis, in the year in which the transaction occurred. If a federal election allows a deferral to a different tax year or a deemed sale, you may not use that election for PA purposes.

Summaries or groups of transactions as reported on brokerage statements or summaries of the sales of stocks, bonds, and other financial instruments sold on the major financial exchanges on separately prepared statements may be used in lieu of entering each sale, exchange, or disposition of property on PA Schedule D. All other transactions must be entered separately on PA Schedule D.

If a brokerage or summary statement is used, a copy of the statement must be provided with the return. Electronically filed returns will no longer permit entry of an unlimited number of transactions. Brokerage or summary statements of transactions will be required to be included as a PDF attachment with the return or faxed to the department unless copies of the brokerage statements are already included with the federal e-filed return.

Unless the specific instructions require a different Pennsylvania schedule or as previously noted, report each sale, exchange, or disposition of property on PA Schedule D.

PA SCHEDULE E (LINE 6)

Unless otherwise noted, PA rules generally do not follow the federal rules for determining the net income (loss) realized from the rental of property.

IMPORTANT: If you were in the real estate sales business, do not use PA Schedule E. You must report net income (loss) from rentals of real estate held for sale to customers in the ordinary course of your real estate sales, and/or from your business of renting other personal property on PA Schedule C. See Reporting Rental Income (Loss) as Business Activity on Line 4 or as Rents on Line 6 on Page 17 for additional information.

Sales Tax License Number

Property owners who rent their property for rental periods of less than 30 days are required to obtain a sales tax license number in order to collect and remit the hotel occupancy tax. If the taxpayer collects and remits hotel occupancy tax on short-term rentals of less than 30 days, enter the Pennsylvania Sales Tax License Number used to collect and remit the tax. If a home-sharing website or third party broker, such as a local real estate management company, collects and remits the hotel occupancy tax, complete the "Yes" oval as the answer to the Third Party Broker question and include the third party broker's sales tax license number.

Third Party Brokers

If payment of the rent or lease payment is not made directly to the owner of a property but is made by the lessee to a home sharing website or third party broker, such as a local real estate management company, complete the "Yes" oval.

Section I. Property Description.

Type. Enter the property type code from the list of codes provided on Schedule E. Enter one code only. Additional information regarding the codes for each type of property is as follows:

- Code 1, single-family residence. Enter when the rental period on a single-family residence is 30 days or more.
- Code 2, multi-family residence. Enter when the rental period on a property containing multiple living units is 30 days or more.
- Code 3, vacation/short-term rental. Enter when the rental period on a single or multi-family residence or commercial property is less than 30 days. If the property is located in Pennsylvania, you must also collect and remit hotel occupancy tax on the fair market value of the rental. See Line c instructions for additional information.
- Code 4, commercial. Enter when the rental period on real estate rented to businesses or organizations is for 30 days or more.
- Code 5, land. Enter when the property being rented is land.
- Code 6, royalties. Enter when reporting income resulting from royalty payments, bonus payments, and damage rents from oil and gas and other mineral extractions or from other royalty payments received from other types of property.
- Code 7, self-rental. Enter when renting property other than real estate rented to a trade or business in which there is material participation by the owner.
- Code 8, other. Enter when the property is not one of the other types listed above. Enter a brief description of the property in the space provided on the form or include a statement with the return describing the property.

Description of Property and Complete Address. Enter a brief description that provides additional detail to the type of property rented. Include the property or building name, property or building number, or any other description that distinguishes the property from similar property. For rental real estate, enter the street address, city or town, state, and ZIP code. Indicate whether the property is for-profit property or not. PA law generally follows the IRC Section 280A when you rent or lease property, such as a vacation home, and do not intend to realize a profit. You may only deduct your rental expenses up to your rental income, and you may not use a loss to reduce other rental income. If you rent or lease your property to realize a profit, but do not operate the rental property as a business activity, you may offset losses against other rental or royalty income. For oil and gas royalties, enter the name of the oil and gas producer paying the royalties for each 1099-MISC received. For all other patent, copyright, or similar property or any other tangible personal rental property, enter the type of property and source of the income.

IMPORTANT: If the property is located in another state or country, you must include the complete address of the property in the address field.

Section II. Income and Expenses

Line a. Indicate the ownership of the property: (T) = Primary taxpayer shown first on the PA-40; (S) = Spouse; or (J) = Joint ownership.

Line b. Fill in the "Yes" oval if the property is located within Pennsylvania. Otherwise, fill in the "no" oval.

Line c. Rental properties with property type 3 typically have rental periods less than 30 days and require additional considerations regarding the class of income in which they should be reported. If the rental of the property includes additional services being provided to the renters such as

those provided with a bed and breakfast, the rental contract is procured through an online short-term rental site or the vacation property rental period by a renter is less than 30 days, complete the "yes" oval and report the net income or loss for such properties on Line 22 and include the amount on Line 4 of the PA-40.

Rental properties with property types 1, 2, 4, 5, 7, and 8, or a vacation property with a rental period by the same renter for 30 days or more, are classified as rents. Complete the "No" oval and report the net income or loss for such properties on Line 23.

CAUTION: If any property has rental periods of less than 30 days and the same property has rental periods of 30 days or more, enter the property as two separate properties on Schedule E and provide the income and expenses for each rental period length.

Income

1. **Rent received.** Enter the gross rent from the rental of real estate or other tangible personal property (including personal property leased with real estate) you held for investment or speculation. Include income received for renting a room or other space. If you received services or property as rent, report the fair market value of such services or property as rental income.
2. **Royalties received.** Enter the gross royalties from oil, gas, mineral properties, and other property. Oil and gas royalty payments received from mineral rights located under a farm are not considered farm income and should be reported on PA Schedule E.

CAUTIONS: Property damage reimbursement resulting from the construction of temporary structures such as staging areas is taxable as rental income on Schedule E. Most contracts require the lessor to mitigate damage and restore the property to its original condition, thus no "damage" actually occurs. Payments received for the granting of a permanent right of way or an express easement of 15 years or more should be reported on Schedule D as a gain of the sale or disposition of property. Otherwise, payments received for temporary access to another property for a temporary easement or right of way are included as rental income. Report the amount of royalty income from oil and gas leases separately from any rental income for the same property. When reporting royalty income, use the gross amount reported to you on federal Form 1099-MISC.

Expenses

Enter your rental and royalty expenses for each property. You can deduct all ordinary and necessary expenses. Do not deduct the value of your own labor or amounts paid for capital investments or capital improvements other than through depreciation.

Oil and Gas Royalty Expenses

Royalty income is derived from subsurface mineral or oil and gas rights. As a result, the expenses that relate to surface rights, such as real estate taxes and insurance are not allowable against royalty income. Mortgage interest is only allowable if the interest relates directly to the financing of the separately enumerated mineral or oil and gas rights. Expenses that relate directly to the production of royalty income, such as production costs payments and costs related to the negotiation or verification of the lease, are allowable. Direct reductions to payments from the lessor, such as production costs, transmission costs or gathering fees, are allowable and should be itemized under Line 18, Other Expenses.

Expenses incurred by a landowner to restore a property damaged by staging areas, rights of way or structures are allowable expenses.

However, expenses incurred by a landowner to improve the property or increase its value are not allowable.

⚠️ IMPORTANT: Per Act 56 of 2024, a person may claim a deduction for depletion of a mine, oil and gas well, and other natural deposits.

⚠️ IMPORTANT: Renting Part of Your Home. If you rent out only part of your home or other property, deduct only those expenses (or percentages of expenses) that apply to the rented part.

3. Advertising

4. Automobile and travel. Deduct ordinary and necessary auto and travel expenses related to your rental activities, including 100 percent of meal expenses incurred while traveling away from home. Pennsylvania differs from federal treatment on the meals and entertainment expense. You generally can either deduct your actual expenses or take the standard federal mileage rate.

5. Cleaning and maintenance

6. Commissions

7. Insurance

8. Legal and professional fees

9. Management fees

10. Mortgage interest. If you have a mortgage on your rental property, enter the amount of interest you paid for the current year to banks or other financial institutions.

11. Other interest. Generally, to determine the interest expense allocable to your rental activities, you must have records to show how the proceeds of each debt were used. Pennsylvania does not follow federal rules regarding prepaid interest.

12. Repairs. Deduct the cost of repairs made to keep your property in good working condition. Repairs (fixing a broken lock or painting a room) generally do not add significant value to the property or extend its life. Improvements that increase the value of the property or extend its life (such as replacing a roof or renovating a kitchen) must be capitalized. You cannot expense such costs in full in the year paid or incurred.

13. Supplies

14. Taxes. Deduct taxes directly related to the rental activity. Deduct the proportionate share of real estate taxes. You may not deduct taxes based on income. You may deduct gross receipts and business privilege taxes.

15. Utilities. Deduct the cost of ordinary and necessary telephone calls related to your rental activities or royalty income. However, the base rate (including taxes and other charges) for telephone service for the first telephone line into your residence is a personal expense and is not deductible.

⚠️ CAUTION: Certain utilities, which are not subject to sales and use tax when purchased exclusively for residential use, become subject to sales and use tax when used for commercial purposes. Commercial purposes includes rental property owned by an individual and held out for rent by another individual or business. Exceptions include properties with separate metering for rental units and common areas where the common area utilities are included as used for commercial purposes and the rental unit property is residential rental property when the utilities are paid for by the tenants. If you are including electricity, natural gas, fuel oil, or kerosene in your calculation of utilities expense and the property is not listed as commercial property with the utility company or as a commercial entity with the fuel oil or kerosene supplier, you should report use tax due on the related expense amounts for these utility

expenses. The use tax on these utilities should be paid via the online Use Tax Return, or if you are required to file a sales tax return, as part of that return. Please visit the myPATH website at mypath.pa.gov to file the Use Tax Return or to register for a use tax account if you have regular recurring use tax liability on utilities.

16. Depreciation expense. See DIFFERENCES BETWEEN PA PIT AND IRS on Page 9. You may use any other generally accepted depreciation method, but you must use it consistently.

17. Depletion. A person may claim a deduction for depletion of a mine, oil and gas well, and other natural deposits.

18. Other expenses. Include any production costs, transmission costs or gathering fees taken as a direct deduction by the lessor from royalty payments. Please itemize.

19. Total Expenses. Add Lines 3 through 18.

20. Income. Subtract Line 19 from Line 1 or 2.

21. Loss. Subtract Line 1 or 2 from Line 19, and fill in the oval.

⚠️ NOTE: PA law does not permit losses from property rented where there is no intent to realize a profit.

22. Net Income (Loss). For all properties answering "Yes" to Section II, Line c, add the amounts for Lines 20 and 21. If a net loss, fill in the oval. Include the amount on Line 22 along with any other net income or loss amounts from Line 1 of all Schedule(s) RK-1 or NRK-1 for PA S corporation(s), Line 1 and Line 12 of all Schedule(s) RK-1, Line 1 and Line 10 of all Schedule(s) or NRK-1 for partnerships, Line 39 of PA Schedule(s) C, and/or Line 41 of PA Schedule(s) F on Line 4 of the PA-40.

⚠️ CAUTION: If any property has rental periods of less than 30 days and the same property has rental periods of 30 days or more, enter the property as two separate properties on Schedule E and provide the income and expenses for each rental period length.

23. For all properties answering "No" to Section II, Line c, add the amounts for Lines 20 and 21. If a net loss, fill in the oval.

⚠️ NOTE: Pennsylvania does not follow federal At-Risk Rules or Passive Activity Loss Rules.

24. Rent or Royalty Income (Loss) from PA S Corporations and Partnerships. For Line 24, enter the rent and royalty income (loss) amounts from your PA Schedule(s) RK-1 or NRK-1. If PA Schedules RK-1 or NRK-1 are not provided, enter the amount from the federal Schedule K-1. Include a statement providing the entity name and FEIN along with the income (loss) by entity if rent or royalty income (loss) from any pass-through entity is reported on this line.

25. Net Rent and Royalty Income (Loss). Add Lines 23 and 24. Include the total on Line 6 of your PA-40.

⚠️ IMPORTANT: For Lines 22 and 25, amounts reported on Lines 4 and 6 of the PA-40 filed using the Married, Filing Joint filing status must be calculated separately. If a taxpayer and spouse are reporting income and losses, a taxpayer's income may not be offset by a spouse's loss and vice versa. All joint income and losses must be split equally when calculating net income (loss) for the taxpayer and spouse. If both the taxpayer and spouse have net income or both have net loss from all income sources (including PA S corporations and partnerships) the amounts may be added together for the taxpayer and spouse and the result entered on Line 4 or 6 of PA-40. If the taxpayer has net income and the spouse has a net loss (or vice versa), the net income amount separately calculated for the taxpayer or spouse must be entered on Line 4 or 6 of the PA-40.

PA SCHEDULE J (LINE 7)

As a beneficiary of an estate or trust, you should receive a PA Schedule RK-1 and/or NRK-1. Report the total income that you received or that the estate or trust credited to you. For PA income tax purposes, an estate or trust cannot distribute a loss.

Enter the name, identification number, and amount of PA-taxable income from each PA Schedule RK-1 or NRK-1. Check the box on the schedule to indicate if the estate or trust income you are reporting is received from a PA resident estate or trust as reported on a PA Schedule RK-1 or NRK-1. Do not check this box if you use a federal Schedule K-1 to report the income. If you only receive a federal Schedule K-1, enter the total amount of positive income reported, whether the income is your income, your spouse's income, or your joint income. Include a photocopy of the federal Schedule K-1 with your return for all nonresident estates or trusts and/or each estate or trust for which you fail to receive a PA Schedule RK-1 or NRK-1.

TIP Include any nonresident withholding reported on Line 2 of a PA-41 Schedule NRK-1 in Line 17 of the PA-40, Personal Income Tax Return. When nonresident withholding from an estate or trust is included in Line 17, you must also provide a copy of the PA-41 Schedule NRK-1 with the PA-40, Personal Income Tax Return.

CAUTION: The federal amount may not be correct for PA purposes. You should contact the fiduciary of the estate or trust to verify the correct PA income.

IMPORTANT: Irrevocable trusts do not distribute losses as trust income. Therefore, all amounts for PA Schedule J should be positive.

PA SCHEDULE T (LINE 8)

The instructions for PA Schedule T are on the schedule. Also, please see Page 19 LINE 8, GAMBLING AND LOTTERY Winnings for more information.

PA SCHEDULE O (LINE 10)

The instructions for PA Schedule O are on the schedule. Also, please see Page 20 Line 10, OTHER DEDUCTIONS for more information.

PA SCHEDULE SP (LINE 21)

What is Tax Forgiveness?

Tax Forgiveness is a credit that allows eligible taxpayers to reduce all or part of their PA tax liability. Tax Forgiveness:

- Gives a state tax refund to some taxpayers; and
- Forgives some taxpayers of their liabilities even if they have not paid their PA personal income tax.

Who is Eligible for Tax Forgiveness?

You, and your spouse if applicable, are eligible if:

1. You are subject to PA personal income tax. You and/or your spouse are liable for PA tax on your income (or would be liable if you earned, received, or realized PA-taxable income);
2. You are not a dependent on another person's federal tax return; and
3. You meet the eligibility requirements.

NOTE: A dependent child may be eligible if they are a dependent on the PA Schedule SP of their parents, grandparents, or foster parents. See Pages 37 through 39.

How Do I Claim Tax Forgiveness?

To claim Tax Forgiveness, complete and submit a PA Schedule SP, and:

1. Determine your Eligibility Income. If married, whether filing jointly or separately, you must determine your total (your Eligibility Income plus your spouse's Eligibility Income) joint Eligibility Income in Section III.
2. Determine your Filing Status in Section I.
3. Calculate your Tax Forgiveness Credit, using the applicable Eligibility Income Table, in Section IV.

IMPORTANT: There is no advantage to filing separately because married claimants must report their Joint Eligibility Income on PA Schedule SP. You must include your spouse's SSN if filing separate.

Claiming Dependents on Separate PA Schedules SP

It is possible that you and your spouse file jointly for federal purposes, but must file separately for PA purposes. If you qualify for Tax Forgiveness, you must each complete PA Schedule SP as if filing jointly. You each must report the same information including dependents and your joint eligibility income. You must fill in the Married and Filing Separate oval in Section I of each PA Schedule SP. You must each submit a copy of the PA Schedule SP with your PA tax return.

Section I. Filing Status

Fill in the oval that describes your status as of Dec. 31, 2025.

Unmarried means single, widowed and could not or did not elect to file a joint return in the year of death of the taxpayer and/or spouse, or divorced on Dec. 31, 2025.

Separated means:

- Separated and living apart at all times during the last six months of 2025; or
- Separated pursuant to a written separation agreement.

Married means:

- Married and lived together; or
- Separated and lived apart, but for less than the last six months of 2025; or
- Separated, but not by a written separation agreement; or
- Elected to file a joint return in the year of death with a deceased taxpayer and/or spouse.

Also, fill in the correct oval for your specific filing condition.

When claiming Tax Forgiveness together, one of you must meet the eligibility requirements, but you must use your Joint Eligibility Income and Eligibility Income Table 2.

When filing separately, the taxpayer and spouse must combine their eligibility incomes to determine if they meet the eligibility requirements. A married taxpayer cannot claim Tax Forgiveness independently of their spouse. Married claimants are not dependents of one another for Tax Forgiveness purposes, even when one spouse does not have any Eligibility Income. You each must use your Joint Eligibility Income and Eligibility Income Table 2, and fill in the oval and certify that you are using the same information for PA Schedule SP.

When one spouse is claimed as a dependent on another person's federal income tax return, otherwise qualifying married taxpayers must file separately.

EXAMPLE: Scott is a dependent on his parents' federal income tax return and is not eligible for Tax Forgiveness. His wife, Paula, is not a dependent, and may complete PA Schedule SP. Paula may not claim Scott as a dependent, but must include his Eligibility Income when calculating her

Total Eligibility Income. Additionally, if Scott's parents qualify for Tax Forgiveness, Scott may also qualify if he included Paula's income in his Total Eligibility Income.

Deceased means you are filing for a person who died during 2025 and/or the deceased person's surviving spouse or deceased spouse could not or did not elect to file a joint return with the deceased taxpayer. Annualization of a deceased taxpayer and/or spouse's income may be required in order to determine total eligibility income for Tax Forgiveness purposes.

Annualization of Income

In order to annualize a taxpayer's income, you may use the income realized by the decedent, divided by the number of days or months the taxpayer lived and multiplied by 365 days or 12 months. Subtract from that product the amount of realized income and include the remainder in the amount reported on Line 2 of Section III for PA Schedule SP. One time transactions, such as those from the sale of stock or real property, need not be included when determining the amount of the daily or monthly income for a decedent.

When determining the amount of annualized income, you may also base the total eligibility income on the prior year's return if the individual was eligible for Tax Forgiveness, received approximately the same income during this taxable year and did not have any transactions that were different from the previous tax year. The department will accept a reasonable calculation of the decedent's annual Eligibility Income.

EXAMPLES: Jerry and Pat have been married for 50 years and Jerry dies on October 1 of the most recent tax year. Pat elects to file a joint return with her deceased spouse. Jerry worked as a custodian for a local school to supplement their social security income and died while still employed. Jerry and Pat also had joint interest and dividend income during the tax year. Jerry's compensation income must be annualized and the amount Jerry might have earned for the remaining three months of the tax year must be included on Line 2 in Section III of PA Schedule SP. Because Pat is electing to file a joint return, the interest and dividend income from the joint ownership of the assets is not required to be annualized. If the surviving spouse (Pat) or Jerry's estate elects to file a separate return, Jerry's return would need to include annualized income from the interest and dividend classes of income in addition to the annualized compensation income.

IMPORTANT: Surviving spouses should not include any income in respect of a decedent, income that should be included on the estate tax return, or any income of the deceased taxpayer (including the decedent's half of any joint income received prior to the decedent's date of death) in the taxable income or in the calculation of the eligibility income of the surviving spouse when a separate return is filed by the surviving spouse.

Students

A full-time student who is a dependent on their parents' federal income tax return cannot claim this credit, regardless of their income, unless their parents are eligible for Tax Forgiveness. In this case, the student claimant must file their own tax return and PA Schedule SP.

Nonresidents and Part-Year Residents

Taxpayers who are nonresidents and part-year residents of Pennsylvania may claim Tax Forgiveness if meeting all the eligibility requirements. Such taxpayers must include in their eligibility income all income as described whether earned within or outside Pennsylvania. Nonresident and part-year resident taxpayers who file paper copies of the PA-40 must also include a copy of Pages 1 and 2 of their federal income tax return along with their completed PA Schedule SP.



CAUTION: If you are a resident of a reciprocal state and have PA-taxable income in classes other than compensation (see also Resident of a Reciprocal State Filing for a Refund on Page 11), you must include all your nontaxable income (including the compensation not taxable to Pennsylvania as a resident of a reciprocal state) earned outside Pennsylvania on Line 6 of PA Schedule SP.

Section II. Dependent Children

A dependent is a minor or adult child claimed as a dependent on a 2025 federal income tax return.

The Department of Revenue has a two-step test for a dependent child:

1. Is the individual a child of the claimant?

For PA income tax purposes, child includes the natural child, adopted child, or step-child of a parent. Child also includes a grandchild of a grandparent and a foster child of a foster parent. Therefore, you can claim a son or daughter, a grandchild, or a foster child as a dependent for PA Schedule SP if you can claim the child as a dependent on your federal income tax return.

However, an aunt, uncle, or unrelated person cannot claim a child as a dependent, as defined above, even if claiming the child as a dependent on a federal income tax return.

2. Can the claimant claim the child as a dependent for federal tax purposes?

The age, status as a full-time student, and gross income of a daughter, son, granddaughter, grandson, or foster child are factors only in determining whether the claimant can claim the child as a dependent for federal purposes. For example, parents that can claim a qualifying 30-year-old child for federal purposes can claim that child as a dependent for PA Schedule SP purposes.

You cannot claim a dependent child on PA Schedule SP if:

- The dependent is not your child, as defined in questions 1 and 2;
- You cannot claim the child on your federal tax return;
- You are unmarried for Tax Forgiveness purposes, and your former spouse by agreement or court decree can claim your child as a dependent for federal and PA Schedule SP purposes; or
- Your child's other parent, by agreement or court decree, can claim your child as a dependent for federal tax and PA Tax Forgiveness purposes.

You cannot claim any other adult as a dependent, even if doing so on a federal tax return.

A dependent child with taxable income in excess of \$33 must file a PA tax return. If that child's parents qualify for Tax Forgiveness, that child is also eligible for this credit. The child must file a tax return and a PA Schedule SP. The child must also include any child support paid to their parent on their behalf in their Eligibility Income.

Complete Lines 1 and 2.

1. Provide all the requested information for each child.
2. Enter the number of dependent children you are claiming.



NOTE : If you do not have any dependents, go to Section III.



CAUTION: If claiming an adult child, an adopted child, a foster child or a child with a different last name than yours, you must include a copy of Pages 1 and 2 of your 2025 federal income tax return.



TIP If you are filing PA Schedule SP for the first time or claiming a new dependent for first time that enables you to qualify for tax forgiveness, please include copies of the birth certificates and Social Security cards of all the dependents listed in Section II. For taxpayers

with more than nine dependent children, the department recommends that all the children included as dependents on PA Schedule SP also be included as dependents for federal income tax purposes even if no tax benefit for federal tax purposes results from including them as dependents on the federal return.

Section III. Eligibility Income

Use Column A if unmarried or married filing jointly. Use the columns under Column B and C if married filing separately.

1. **PA Taxable Income.** Enter your total PA Taxable Income amount from Line 9 of your PA-40 form.

Nontaxable Income. On Lines 2 through 10, you must include income that you do not report as taxable on your PA return, but PA law requires you to report for Tax Forgiveness purposes. If you do not have an amount to report on Lines 2 through 10, enter zero. Annualized income from each of the sources for Lines 2 through 10 should also be reported for decedents on the respective lines.

2. **Nontaxable interest, dividends, and gains and/or annualized income.** Include the tax-exempt interest from Lines 6 and 7 of PA Schedule A and the exempt-interest dividends included in Line 3 of PA Schedule B as well as any exempt gains from investments in direct obligations of the federal government, Pennsylvania, and political subdivisions of Pennsylvania. Include the nontaxable portion of gain from the sale of any property. Include nontaxable income received as a beneficiary of an estate or trust as well as any tax-exempt income from a partnership or S corporation's participation in a Keystone Opportunity Zone. For decedents only: in addition to any annualized income for nontaxable interest, dividends, and gains, include the difference between the total annualized taxable income and the PA-taxable income from Line 1 above.

3. **Alimony.** Enter the amount of alimony that you receive. Do not include child support payments received by a spouse.

4. **Insurance proceeds and inheritances.** This amount includes the total proceeds received from life or other insurance policies. Also, include inherited cash or the value of property received as well as the amount received as reported on federal Form 1099-R with distribution Code 4 reported in Box 7 of the form. Also include any survivor annuity benefits reported on federal Form 1099-R with distribution Code 7 reported in Box 7.

5. **Gifts, awards, and prizes.** Include the total amount of nontaxable cash or property received as gifts from others. Also, include awards received in recognition of civic and social achievements and noncash prizes from the Pennsylvania Lottery.

6. **Non-PA income.** Part-year residents and nonresidents must complete this line. Enter the total of all income, not already reported on this schedule, that you (and your spouse, if applicable) earned, received or realized while residing outside Pennsylvania. Include any amount exempted from taxation under the Servicemembers Civil Relief Act (see Page 40 for additional information). If you are a part-year resident or nonresident and you file a paper copy of your PA-40 return, you must also include a copy of Pages 1 and 2 of your federal income tax return.

7. **Nontaxable military income.** This amount represents the difference between the total military income you earned and the amount you report on your PA tax return. Do not include combat zone pay and hazardous duty pay.

8. **Gain excluded from the sale of a residence.** Enter your nontaxable gain.

9. **Nontaxable educational assistance.** Include the total value of all nontaxable scholarships, fellowships, and stipends as well as the amount of any federal and state educational grants received. Do not include student loans. Also, include the value of tuition reductions offered as part of your employer's benefit plan.

10. **Cash received for personal use from outside your home.** Include on Line 10 the following kinds of nontaxable income when determining your Eligibility Income:

- Support you receive from a spouse or former spouse who does not live in your household. Do not include payments you receive for child support here – see the instructions for Section II.
- Any payments received from other persons outside your household, including nontaxable cash or property received for personal use, such as cash received from a parent to buy clothing, or gifts from grown children. Do not include monies paid pursuant to a cost-sharing arrangement.
- Nontaxable payments to your employer's cafeteria plan for hospitalization, sickness, disability, or death, supplemental unemployment, or strike benefits.
- Payments received as a foster parent for providing in-home care for foster children.

TIP If claiming a foster child in Section II, you must include the payments you received as a foster parent. However, if the foster care program did not place the child in your home, or you did not receive any payments for providing foster care, submit a written explanation that you do not have any income to report as a foster parent. Include an explanation of the child's relationship to you.

- The value of the personal use of employer-owned or leased property (if included in federal taxable income).
- The value of government education grants.
- In case of a Chapter 7 or 11 bankruptcy filed under Section 1398 of the Internal Revenue Code, the total amount of income reported on Line 7 of PA-41 Fiduciary Income Tax Return for a resident bankruptcy estate prepared on behalf of the debtor taxpayer; or the total of the positive income reported on Lines 1, 2a and 3 through 8 of federal Form 1041 for a nonresident bankruptcy.

Do not include the following types of nontaxable income in Line 10 when calculating eligibility income:

- Social Security and Railroad Retirement Benefits;
- Retirement benefits from Pennsylvania eligible retirement plans after becoming eligible to retire and retiring;
- United Mineworkers pensions;
- Child support (unless a dependent child of a taxpayer also eligible for Tax Forgiveness);
- Military pension benefits;
- Civil Service annuity payments;
- Payments received under workers' compensation acts, occupational disease acts or similar legislation including Heart and Lung Pensions;
- Payment for injuries received while working and damages received, whether by suit or otherwise, for personal injuries;
- Sick pay and disability benefits, including payments by third party insurers for sickness and disability;
- Damage awards and settlements from physical injury or sickness – pain and suffering, emotional distress;
- Personal use of an employer's owned or leased property and/or

services, at no cost or at a reduced cost (if not included in federal taxable income); or

- Income from contracts of insurance for long-term care that do not have accumulated refundable reserves payable upon lapse or surrender.

11. Total Eligibility Income. Add Lines 1 through 10, and enter the total. If using Columns B and C, add each column, and enter the total on Line 11. Eligibility Income is the total amount of your PA-taxable and nontaxable income that you use to determine your percentage of Tax Forgiveness.

Section IV. Calculating Your Tax Forgiveness

12. PA Tax Liability. Enter the amount of your tax due from your PA-40, Line 12. If filing an amended return, you must use the amount from Line 12 of the amended PA-40.

- 13. Less Resident Credit.** Enter your credit from your PA-40, Line 22.
- 14. Net PA Tax Liability.** Subtract Line 13 from Line 12.
- 15. Percentage of Tax Forgiveness.** Find your percentage using your dependents from Section II, Line 2, and your Eligibility Income from Section III, Line 11, and the appropriate Eligibility Income Table. Enter the percentage as a decimal on Line 15.
- 16. Tax Forgiveness Credit.** Multiply Line 14 by the decimal on Line 15, and enter on your PA-40, Line 21.

PA SCHEDULE DC (LINE 23)

The instructions for PA Schedule DC are on the schedule. Also, please see Page 22 LINE 23, TOTAL OTHER CREDITS for more information.

ELIGIBILITY INCOME TABLE 1. Unmarried, Separated and Deceased Claimants

If your Eligibility Income from PA Schedule SP, Line 11, does not exceed:

YOU ➔	\$6,500	\$6,750	\$7,000	\$7,250	\$7,500	\$7,750	\$8,000	\$8,250	\$8,500	\$8,750
▼ DEPENDENT CHILDREN										
1	\$16,000	\$16,250	\$16,500	\$16,750	\$17,000	\$17,250	\$17,500	\$17,750	\$18,000	\$18,250
2	\$25,500	\$25,750	\$26,000	\$26,250	\$26,500	\$26,750	\$27,000	\$27,250	\$27,500	\$27,750
3	\$35,000	\$35,250	\$35,500	\$35,750	\$36,000	\$36,250	\$36,500	\$36,750	\$37,000	\$37,250
4	\$44,500	\$44,750	\$45,000	\$45,250	\$45,500	\$45,750	\$46,000	\$46,250	\$46,500	\$46,750
5	\$54,000	\$54,250	\$54,500	\$54,750	\$55,000	\$55,250	\$55,500	\$55,750	\$56,000	\$56,250
6	\$63,500	\$63,750	\$64,000	\$64,250	\$64,500	\$64,750	\$65,000	\$65,250	\$65,500	\$65,750
7	\$73,000	\$73,250	\$73,500	\$73,750	\$74,000	\$74,250	\$74,500	\$74,750	\$75,000	\$75,250
8	\$82,500	\$82,750	\$83,000	\$83,250	\$83,500	\$83,750	\$84,000	\$84,250	\$84,500	\$84,750
9	\$92,000	\$92,250	\$92,500	\$92,750	\$93,000	\$93,250	\$93,500	\$93,750	\$94,000	\$94,250

Then your Percentage of Tax Forgiveness and the Decimal Equivalent is:

100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
1.0	.90	.80	.70	.60	.50	.40	.30	.20	.10

NOTE: If claiming more than nine (9) dependent children, go to the **PA Personal Income Tax Guide – Tax Forgiveness** section on the department's website.

ELIGIBILITY INCOME TABLE 2. Married Claimants, even if filing separately

If your Eligibility Income from PA Schedule SP, Line 11, does not exceed:

YOU & ➔ SPOUSE	\$13,000	\$13,250	\$13,500	\$13,750	\$14,000	\$14,250	\$14,500	\$14,750	\$15,000	\$15,250
▼ DEPENDENT CHILDREN										
1	\$22,500	\$22,750	\$23,000	\$23,250	\$23,500	\$23,750	\$24,000	\$24,250	\$24,500	\$24,750
2	\$32,000	\$32,250	\$32,500	\$32,750	\$33,000	\$33,250	\$33,500	\$33,750	\$34,000	\$34,250
3	\$41,500	\$41,750	\$42,000	\$42,250	\$42,500	\$42,750	\$43,000	\$43,250	\$43,500	\$43,750
4	\$51,000	\$51,250	\$51,500	\$51,750	\$52,000	\$52,250	\$52,500	\$52,750	\$53,000	\$53,250
5	\$60,500	\$60,750	\$61,000	\$61,250	\$61,500	\$61,750	\$62,000	\$62,250	\$62,500	\$62,750
6	\$70,000	\$70,250	\$70,500	\$70,750	\$71,000	\$71,250	\$71,500	\$71,750	\$72,000	\$72,250
7	\$79,500	\$79,750	\$80,000	\$80,250	\$80,500	\$80,750	\$81,000	\$81,250	\$81,500	\$81,750
8	\$89,000	\$89,250	\$89,500	\$89,750	\$90,000	\$90,250	\$90,500	\$90,750	\$91,000	\$91,250
9	\$98,500	\$98,750	\$99,000	\$99,250	\$99,500	\$99,750	\$100,000	\$100,250	\$100,500	\$100,750

Then your Percentage of Tax Forgiveness and the Decimal Equivalent is:

100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
1.0	.90	.80	.70	.60	.50	.40	.30	.20	.10

APPENDIX

REV-1882 - Health Insurance Coverage Information Request

The Pennsylvania Department of Revenue and the Pennsylvania Health Insurance Exchange Authority, also known as Pennie, have teamed up to gather information from residents who do not have health insurance coverage, making it easier to apply and enroll in comprehensive health insurance through Pennie. By completing and including a REV-1882 with your Pennsylvania income tax return, you are giving permission for the Pennsylvania Department of Revenue to share information from your state tax return with Pennie so that Pennie can evaluate your eligibility for no-cost or low-cost health care coverage. The instructions for the REV-1882 are on the schedule.

2026 PA Estimated Payment Requirements

If you expect to earn, receive, or realize \$14,000 of PA-taxable income (\$430 of PA tax) that is not subject to withholding by a Pennsylvania employer in 2026, you must make 2026 estimated tax payments.

⚠️ IMPORTANT: If you are a PA resident working in a reciprocal-agreement state and your employer is not withholding PA tax, you must make PA estimated tax payments.

The department no longer mails preprinted coupons to taxpayers. Taxpayers must obtain copies of the PA-40ES forms from the department's website or order the forms from the department using the Forms Ordering Service found on Page 2. If you made your estimated payments using software produced forms or via the Revenue e-Services Center or via myPATH, the department will continue to accept your PA-40ES forms.

Military Pay - Members of the Armed Forces

PA residents report military pay earned while in Pennsylvania or earned when not on active duty status as taxable compensation on Line 1a. Active duty military pay is not taxable for Pennsylvania purposes if earned by a PA resident serving on full-time active duty (or federal active duty for training) outside the state. In addition, Act 182 of 2006 expanded the definition of active duty military income to include income from the U.S. government or the Commonwealth of Pennsylvania for active state duty for emergency within or outside the commonwealth. This addition includes duty ordered pursuant to 35 PA.C.S. Ch. 76 (relating to the Emergency Management Assistance Compact). However, other income is still taxable. Please see the information for Combat Zone and Hazardous Duty Service below.

Do not include qualifying active duty military pay earned outside of PA in taxable compensation reported on Line 1a of the PA-40. However, you must submit legible copies of all your Form(s) W-2, and your military orders assigning you to federal active duty outside Pennsylvania. While your Form W-2 may state active duty, it does not show where you performed your military service. Military personnel stationed abroad should use their APO or FPO addresses.

For more information, refer to our website at revenue.pa.gov.

⚠️ CAUTION: PA residents serving in the Merchant Marines, U.S. Public Health Service, the National Oceanic and Atmospheric Administration, the U.S. Foreign Service or contractors working in foreign countries, are subject to tax on compensation whether earned within or outside Pennsylvania. However, compensation earned by PA residents serving in the Merchant Marines or U.S. Public Health Service called to active duty in a Combat Zone or hazardous duty zone is not subject to tax in Pennsylvania. Copies of executive orders that make the active duty in the Merchant Marines military active duty are required to be included with the return.

Servicemembers Civil Relief Act

The Servicemembers Civil Relief Act (SCRA) provides that a servicemember does not lose his domicile/residency or acquire a new domicile/residency for income tax purposes by reason of being absent or present in any tax jurisdiction of the U.S. solely in compliance with military orders. For tax years 2023 and after, the SCRA was amended to provide options for domicile/residency for any year of the servicemember and spouse's marriage. The servicemember and spouse can elect one of the following as their domicile/residency for taxation purposes:

1. The domicile/residence of the servicemember.
2. The domicile/residence of the spouse.
3. The permanent duty station of the servicemember.

For detailed information on how SCRA impacts state taxation of income earned by a service member's nonmilitary spouse, please review updated Tax Bulletin 2024-02 on the department's website at revenue.pa.gov.

Combat Zone and Hazardous Duty Service

Pennsylvanians serving in combat zones or qualified hazardous duty areas designated by the President of the U.S. are given the same additional time to file and pay their PA income tax returns and make payments as allowed for federal income tax purposes. The deadline is automatically extended to 180 days from the last day of service or the last day of continuous hospitalization for injury incurred in one of these areas. Print COMBAT ZONE at the top of your return. Mail your return and military orders to:

Regarding: **COMBAT ZONE**
PA DEPARTMENT OF REVENUE
BUREAU OF INDIVIDUAL TAXES
PO BOX 280600
HARRISBURG PA 17128-0600

If you are filing your return electronically, you must still submit copies of your orders. Submit correspondence via myPATH at myPATH.pa.gov. Correspondence submitted through myPATH will post to the taxpayer's account immediately. If submitting via fax, email, or mail, please use the DEX-93 Personal Income Tax Correspondence Sheet found at revenue.pa.gov. Print COMBAT ZONE at the top of your orders. Fax your orders to 717-772-4193, email your orders to RA-BITPITELFCORFAXES@PA.GOV, or mail your orders to:

Regarding: **COMBAT ZONE**
PA DEPARTMENT OF REVENUE
ELECTRONIC FILING SECTION
PO BOX 280507
HARRISBURG PA 17128-0507

Extension of Time to File

The department will grant up to a six-month extension of time for filing a PA income tax return. Unless you are outside the U.S., the department will not grant an extension for more than six months.

⚠️ CAUTION: An extension of time for filing will not extend the time for paying the tax.

Follow these procedures when applying for an extension of time to file:

1. If you owe income tax on your PA tax return, you must:
 - Pay by check with a timely Application for Extension of Time to File (PA Form REV-276); or
 - Pay by electronic funds transfer (EFT) to have your extension payment deducted from your bank account. Visit myPATH at

mypath.pa.gov to arrange an EFT payment. You do not need to mail a PA Form REV-276; or

- Pay by credit/debit card online at **mypath.pa.gov**. You may also pay with a credit card by calling 1-800-2PAYTAX (1-800-272-9829). You do not need to mail a PA Form REV-276. This option is not available if you never filed a Pennsylvania personal income tax return or made an estimated payment prior to making the request for the extension and payment via this method.
- 2. If you have an approved extension for filing your federal income tax return, and you do not owe PA income tax on your 2025 tax return, the department will grant you the same extension for filing your PA tax return. You do not have to submit a PA Form REV-276 or federal Form 4868 before the due date.
- 3. If you do not have an extension for filing your federal income tax return, request an extension on PA Form REV-276.

CAUTION: An extension of time to file cannot be filed electronically if no payment is due with the extension. A federal extension or a PA Form REV-276 is required to be filed.

Mail your Form REV-276, with or without a payment, to:

**PA DEPARTMENT OF REVENUE
BUREAU OF INDIVIDUAL TAXES
PO BOX 280504
HARRISBURG PA 17128-0504**

When filing your PA tax return:

- Fill in the extension request oval at the top of your PA-40.
- If you did not file a PA Form REV-276, submit a copy of the federal Form 4868 with your PA tax return.
- If you electronically filed your federal extension, submit a statement with an explanation and the confirmation number you received.
- If you submitted PA Form REV-276, electronically submitted your PA extension payment via EFT or made your extension payment by credit/debit card, you do not have to submit the extension paperwork with your PA tax return.

The department will impose:

- An underpayment penalty if you do not pay at least 90 percent of your 2025 tax due by April 15, 2026; and the remaining balance with your PA return by the extended due date; and
- Interest on the amount you do not pay by April 15, 2026.

Amended Returns

If you realize you made a mistake on your 2025 PA tax return, you must correct your return by filing a separate 2025 PA-40 return, marking the Amended Return oval on the return and completing and submitting Schedule PA-40 X for the tax year being amended with your amended return. If you made a mistake on a 2010 or earlier tax year return, you must obtain a PA-40 PA Personal Income Tax Return booklet for the year you want to amend and use the Amended Returns instructions included therein.

If you use software that supports the amended PA return, you can amend your 2022 or later year return using the Modernized e-File (MeF) platform for Fed/State e-file. If not using the MeF platform for filing Fed/State e-file returns, obtain a PA-40 PA Personal Income Tax Return booklet for the year you want to amend, and follow the Amended Returns instructions included therein.

For filing an amended return on a 2025 PA-40, complete the following steps:

1. Fill in the Amended Return oval, and write AMENDED RETURN at the top of the PA tax return.
2. Complete the Schedule PA-40 X. Enter the amended amounts from Schedule PA-40 X per the PA-40 X instructions.
3. Calculate your Line 11 amended total PA-taxable income.
4. Calculate your Line 12 amended PA tax liability.
5. Enter your Line 24 amended total payments and credits.
6. Complete Line 27 to report any adjusted penalty and interest to be included on the return.
7. DO NOT complete Lines 28 and 29. The department will properly calculate your amended total payment due or overpayment.
8. Complete Lines 30 through 36 to notify the department how to disperse your overpayment.

The department will take your original refund or payment into account when reviewing the amended PA-40. Be sure to sign your amended return and mail it with all explanations and attachments using the Mailing Instructions for each type of return beginning on Page 25.

Refunds from Amended Returns

You can file an amended PA return and request a refund if you over-reported income or did not claim allowable credits or deductions. You must file your amended PA return within three years from the original due date or payment of tax.

Under PA law, a taxpayer must file a refund petition within three years following the date of payment. For a refund of tax shown on a timely filed PA tax return, the Board of Appeals may not accept a petition for refund unless the taxpayer files the petition within three years of the original due date or payment of tax.

TIP An amended return should not be filed requesting a refund in the nine month period prior to the close of the statute of limitations for a tax period (three years from the original due date of the return or the payment of tax). A Petition for Refund (Form REV-65) should be filed for amendments requesting refunds during that time period to protect appeal rights in the event the request for refund is denied. A Petition for Refund may not be acted upon by the Board of Appeals if an amended return refund is denied and the Petition for Refund is filed after the three-year period has ended.

CAUTION: You may not file an amended PA return after the department issued an assessment if your amendment relates to the same taxable year and item of income, gain, deduction, or loss that the department assessed. You must either file a timely petition for reassessment or pay the assessment and file a timely refund petition. Under PA law, you must submit a Board of Appeals Petition Form (Form REV-65) no later than six months after the date shown on the assessment. You may also file an appeal online at revenue.pa.gov/taxappeals. When an online appeal is submitted, the petitioner will be provided with a confirmation number that the appeal has been received. The petitioner should keep a record of that confirmation number.

Underreported Income for Amended Returns

If you discover that you did not report taxable income or erroneously claimed credits or deductions, you must correct the error within 30 days. File an amended PA return and pay the additional tax, plus penalty and interest. Amended returns to pay additional tax can be filed at any time. There is no statute of limitations for filing a return when an error is discovered that results in additional tax due.

Copies of Previously Filed Returns

To receive copies of previously filed tax returns, you can access your tax records, including a statement of account, 24/7 via your online myPATH account. To do so, please visit mypath.pa.gov.

If you currently do not have a myPATH account, you should complete and sign form REV-467, Authorization for Release of Tax Records.

The completed REV-467 can be emailed to the department at ra-rvpa-rvdisclosure@pa.gov or by mailing to:

ATTN: DISCLOSURE OFFICE
PA DEPARTMENT OF REVENUE
PO BOX 281200
HARRISBURG PA 17128-1200

! IMPORTANT: Photo ID and acceptable authorization documentation must be submitted with requests (See instructions on the REV-467 for specifics.) You MUST provide a copy of your ID and authorization documentation since the department cannot return original documents.

If someone other than the taxpayer is making the request, Form REV-677, Power of Attorney and Declaration of Representative, must be submitted with the request for release of tax records. If a taxpayer is deceased, you must provide sufficient evidence to establish that you are authorized to act for the taxpayer's estate.

Please allow four to six weeks for a request to be processed.

Penalty and Interest

• Penalties for Not Filing or for Filing a Late Return

PA law imposes a penalty if you do not file your return on or before the due date, or the approved extended due date. The penalty is 5 percent of the unpaid tax due for each month or fraction of a month. PA law imposes this penalty unless you show reasonable cause for late filing. The maximum penalty is 25 percent. The minimum penalty is \$5. The department may prosecute any person who attempts to evade or defeat their PA tax responsibility.

• Penalties for Underpayment or for Late Payment

If you do not pay the full amount of your tax due with your extension or your timely filed return, PA law imposes a 5 percent underpayment penalty.

If you do not report taxable income that is more than 25 percent of the taxable income shown on your return, PA law imposes an additional penalty. This penalty is 25 percent of the tax due on your unreported income.

You are liable for these penalties if your underpayment of tax is due to negligence or intentional disregard of rules and regulations, but without intent to defraud. The department may assess both late filing and underpayment penalties if you file your return after the due date, or extended due date, and do not pay your tax liability with your return.

! CAUTION: If you filed late or did not pay your Pennsylvania income tax on time, the department will calculate your penalty and interest and issue a notice. If any part of any underpayment of the tax is due to fraud, PA law imposes a penalty of 50 percent of the underpayment.

• Penalty for Uncollectible Funds

PA tax law imposes an additional penalty on funds submitted via check and not paid on presentment or an electronic funds transfer (EFT) payment and not credited on transmission. The penalty is 10 percent of the face amount of the check or EFT payment. The penalty imposed cannot exceed \$100 nor be less than \$25.

• Other Penalties

PA law imposes a \$500 penalty on a taxpayer that files a frivolous return. A frivolous return is one that:

- Does not contain sufficient information for the department to determine the correct liability;
- Contains information indicating the liability is significantly incorrect; or
- Indicates that the taxpayer is filing in a manner to delay or impede the administration of the PA tax law.

PA law imposes a penalty on any person required to furnish an information return that does not file a required information return or files a false or fraudulent information return. The penalty is \$250 for each information return.

• Interest for Nonpayment or Late Payment

If you do not pay the tax due on or before the due date, PA law imposes interest from April 15, 2026, to the date of payment at the annual interest rate that the U.S. Secretary of the Treasury establishes as of January 1 of each calendar year.

Abatement of Penalties

Penalties may be abated only if the taxpayer can show reasonable cause for abatement in their petition for reassessment of the penalty. To be timely, the petition must be filed with the department's Board of Appeals within 60 days of the mailing date of the penalty assessment.

INSTRUCTIONS FOR NONRESIDENTS AND PART-YEAR RESIDENTS

Reporting Income from PA Schedules RK-1 and NKR-1 and Federal Schedule K-1

See REPORTING NET INCOME, GAINS, AND LOSSES ON LINE 4, 5, AND 6 ONLY on Page 15 for additional information.

Nonresident of Pennsylvania - You must report all taxable income you earned, received, and realized from PA sources.

Part-Year Resident of Pennsylvania - You must report all taxable income you earned, received, and realized from all sources for the time you were a PA resident, and report the PA-taxable income you earned, received, and realized from sources within Pennsylvania for the time you were not a PA resident. Read the following instructions for each PA income class and on Pages 10 through 21.

Apportioning Income and Loss on PA Schedule NRH

As a nonresident, you may apportion income that you earn both within and outside Pennsylvania. You apportion your PA-taxable compensation when your employer does not separately report your PA wages on your Form W-2. You must apportion income (loss) from operating a business within and outside Pennsylvania, unless you maintain separate books and records that clearly substantiate your PA source receipts, expenses, liabilities, etc.

Allocating Income and Loss

As a nonresident, you may allocate income (loss) from a business when you maintain separate PA books and records. You must allocate income (loss) from real or tangible property located within Pennsylvania. You must allocate gain (loss) from the sale, exchange, or disposition of real or tangible property located within Pennsylvania. You allocate income (loss) from rental property, royalties, patents, and copyrights located within Pennsylvania. You allocate winnings from gambling and lotteries from Pennsylvania sources.

Compensation

As a nonresident, you pay PA income tax on compensation for services you perform in Pennsylvania. Your PA employer should report and withhold PA tax from the exact amount of your PA-taxable compensation. If your employer does not report, or incorrectly reports, your PA-taxable compensation, you must use PA Schedule NRH to apportion your compensation and any allowable employee business expenses.

⚠️ IMPORTANT: If you are a nonresident, part-year resident, or former resident of Pennsylvania, payments you receive from an Early Retirement Incentive Plan, Deferred Compensation Plan, or exercising of stock options may be taxable in whole or in part to Pennsylvania if you earned any of these amounts while working in Pennsylvania. You may be required to substantiate the number of days worked in Pennsylvania or amount of time spent in Pennsylvania to determine the taxable portion in Pennsylvania.

⚠️ CAUTION: Special rules apply for residents of reciprocal agreement states working within the commonwealth. Special rules also apply for Ohio resident shareholder-employees with a 20 percent or greater interest in a PA S corporation who worked or performed services in Pennsylvania in 2025. See Page 11 of the instructions and the PA Personal Income Tax Guide – Gross Compensation section for more information.

Interest Income, Dividend Income, and Gain from the Sale of Intangible Property

As a nonresident, you do not pay PA income tax on ordinary interest, ordinary dividends, and any gain you realize on the sale, exchange, or disposition of intangible personal property, such as stocks and bonds. You cannot use the loss from such sales against other taxable gains.

Net Income or Loss from the Operation of a Business, Profession, or Farm

As a nonresident, you must report your net profit (and pay the PA income tax due) or loss on your net profits from business or farm operations. See Page 17 of the instructions for more information.

Net Gain or Loss from the Sale, Exchange, or Disposition of Property

As a nonresident, you must report net income (and pay the PA income tax due) or loss from the sale of real or tangible property located within Pennsylvania. See Pages 17 and 18 of the instructions for more information.

Net Income or Loss from Rents, Royalties, Patents, and Copyrights

As a nonresident, you must report your net income (and pay the PA income tax due) or loss from rental property located in Pennsylvania, and income from royalties, patents, and copyrights for the use of your property in Pennsylvania. See Pages 18 and 19 of the instructions for more information.

Income from Estates or Trusts

As a nonresident, you must report the net income (and pay the PA income tax due) you receive as a beneficiary of an estate or trust as reported to you on PA Schedule NRK-1. See Page 19 of the instructions for more information.

Gambling and Lottery Winnings

As a nonresident, you must report your winnings from gambling and lotteries in Pennsylvania, including cash prizes awarded by the Pennsylvania Lottery. See Pages 19 and 20 of the instructions for more information.

DONATIONS

PA BREAST CANCER COALITION'S BREAST AND CERVICAL CANCER RESEARCH FUND

You have the opportunity to contribute to the PA Breast Cancer Coalition's Refunds for Breast and Cervical Cancer Research fund by making a donation of all or a part of your tax refund. Every penny of your donation goes directly to fund breast and cervical cancer research conducted by Pennsylvania researchers.



You can also send a direct, tax-deductible contribution to: PBCC's Refunds for Research fund, c/o PA Breast Cancer Coalition, 2397 Quentin Road, Suite B, Lebanon, PA 17042. For more information, visit: pabreastcancer.org or call 1-800-377-8828

WILD RESOURCE CONSERVATION FUND

You have the chance to "Do Something Wild" and help protect Pennsylvania's non-game wildlife and native wild plants by making a contribution to the Wild Resource Conservation Fund. This special nonprofit fund helps Pennsylvania's resource agencies protect and restore these unique state treasures.



You can also send a direct, tax-deductible contribution to: Wild Resource Conservation Fund, Bureau of Forestry, 400 Market St, 6th floor, Harrisburg, PA 17105-8552. For more information, visit: dcnr.pa.gov/Conservation/Biodiversity/WildResourceConservationProgram

MILITARY FAMILY RELIEF ASSISTANCE PROGRAM

Help those who serve our Nation and the Commonwealth of Pennsylvania by donating to the Military Family Relief Assistance Program. Your donation will help Pennsylvania service members and their families by providing financial assistance to those with a direct and immediate financial need as a result of circumstances beyond their control.



You can also send a direct, tax-deductible, donation to the Military Family Relief Assistance Program, c/o Department of Military and Veterans Affairs, Bldg. 0-47, Fort Indiantown Gap, Annville, PA 17003-5002. Donations may also be made online at pa.gov/dmva/donate. For more information, visit: dmva.pa.gov or call: 1-800-547-2838

GOVERNOR ROBERT P. CASEY MEMORIAL ORGAN AND TISSUE DONATION AWARENESS TRUST FUND



The Casey Trust Fund has one overarching mission: to save lives. It was established to heighten awareness about the importance of organ and tissue donation, and inspire Pennsylvanians to sign up as donors. Since its inception, more than 56,000 people in Pennsylvania have received a life-saving organ transplant, including close to 4,000 children.

There is more work to be done. Today, more than 7,500 people in Pennsylvania are on the waiting list for an organ transplant. On average, someone in Pennsylvania dies every 18 hours waiting for a transplant.

By contributing all or a portion of your tax refund, you'll be supporting education programs, public awareness campaigns, and donor support services — all with the goal of saving lives.

You can also send a direct, tax-deductible contribution by making your check payable to the Governor Robert P. Casey Memorial Organ and Tissue Donation Awareness Trust Fund c/o Pa. Department of Health, Bureau of Health Promotion and Risk Reduction, 625 Forster St., Room 1000, Health and Welfare Building, Harrisburg, PA 17120-0701.

You can also make your tax-deductible contribution online: apps.pwp.pa.gov/DOHOrganDonations. For more information or to register as a donor, visit: donatelifepea.org or facebook.com/DonateLifePennsylvania

JUVENILE (TYPE 1) DIABETES CURE RESEARCH FUND



Each year, Type 1 diabetes accounts for \$14.9 billion in healthcare costs, and more than 15,000 children and 15,000 adults — approximately 80 people per day — are diagnosed with Type 1 diabetes in the U.S. Type 1 diabetes is a condition where the body does not produce insulin, the hormone needed to convert sugar (glucose), starches, and other food into energy needed for living. Although the disease can be diagnosed at any age, it is most often diagnosed in children, adolescents and young adults. The causes of Type 1 diabetes are unknown, and there is currently no way to prevent or cure it. Persons with Type 1 diabetes are dependent on injected or pumped insulin for life. You have the opportunity to help find a cure for this disease by contributing all or a portion of your Pennsylvania tax refund to the Juvenile (Type 1) Diabetes Cure Research Fund.

You can also send a direct, tax-deductible contribution by making your check or money order payable to the Juvenile (Type 1) Diabetes Cure Research Fund and mailing it to: Department of Health, Bureau of Administrative and Financial Services, 625 Forster St., Health and Welfare Building, Room 402, Harrisburg, PA 17120

PA CHILDREN'S TRUST FUND



The Pennsylvania Children's Trust Fund (CTF) is dedicated to funding effective and innovative child abuse and neglect prevention programs that strengthen families by promoting protective factors such as social connections, concrete supports, parenting and child development, and parental resilience that can prevent instances of child maltreatment. While preventable, too many children experience maltreatment and some even die because of child abuse and neglect each year. The impact of maltreatment is profound with lifelong consequences. Robust funding of prevention programs that offer supports to families can strengthen and improve the lives of children and families. Every citizen has a role to play in keeping Pennsylvania's children safe and families strong. You can contribute all or a portion of your Pennsylvania tax refund to make it possible for CTF to fund more child abuse and neglect prevention programs. For more information, visit: pactf.org

AMERICAN RED CROSS

The American Red Cross shelters, feeds and provides emotional support to victims of disasters; supplies about 40 percent of the nation's blood; teaches skills that save lives; provides international humanitarian aid; and supports military members and their families. The Red Cross is a not-for-profit organization that depends on volunteers and the generosity of the American public to perform its mission. By donating some or all of your tax refund, you help the Red Cross respond to nearly 70,000 disasters each year. You can also make a direct, tax deductible donation by visiting redcross.org.



PENNSYLVANIA 529 COLLEGE AND CAREER SAVINGS PROGRAM ACCOUNT

You may contribute some or all of your Pennsylvania tax refund to an existing PA 529 Guaranteed Savings Plan (GSP) or PA 529 Investment Plan (IP) account. Both plans are simple, tax-advantaged ways to save for education. For more information or to make additional contributions, visit: pa529.com or call 1-800-440-4000



PEDIATRIC CANCER RESEARCH FUND

Cancer is the leading cause of death by disease past infancy among children in the United States. About 9,910 children in the United States under the age of 15 and about 5,280 teens age 15 to 19 will be diagnosed with cancer in 2025. Childhood cancer rates have been rising slightly the past few decades. Thanks to advances in research, 85 percent of children with cancer now survive five years or more. There are six pediatric cancer hospitals in Pennsylvania performing cutting edge research to develop better treatments and methods to combat cancer in



our children. You have the opportunity to help find a cure for this disease by contributing all or a portion of your Pennsylvania tax refund to the Pediatric Cancer Research Fund, which provides funding to these research institutions.

You can also send a direct, tax-deductible contribution by making your check or money order payable to the Pediatric Cancer Cure Research Fund and mailing it to: Department of Health, Health Research Office, 625 Forster St., Health and Welfare Building, Room 833, Harrisburg, PA 17120

VETERANS' TRUST FUND

Help Pennsylvania's veterans by making a contribution to the Pennsylvania Veterans' Trust Fund (VTF). The VTF provides funding to assist and support Pennsylvania veterans and their families. The VTF will issue grants to statewide charitable organizations that assist veterans, veterans service organizations and county directors of veterans affairs. The fund can assist veterans in need of shelter and with necessities of living.



The VTF is funded by generous Pennsylvanians who voluntarily donate when applying for or renewing driver's licenses, photo IDs or motor vehicle registrations, purchasing Honoring Our Veterans standard and motorcycle license plate, purchasing Honoring our Women Veterans standard license plate, or making private donations.

You can make a tax-deductible grant, gift or donation directly to the VTF. You can also send a direct, tax-deductible, gift to the Veterans Trust Fund online at pa.gov/dmva/donate. For more information, visit: dmva.pa.gov or call 1-800-547-2838

PA SCHOOL DISTRICTS & CODES BY COUNTY

SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE
ADAMS		BERKS		CENTRE		DELAWARE	
Bermudian Springs	01110	Antietam	06050	Palmerton Area	13650	Middletown Area	22600
Conewago Valley	01160	Boystown Area	06075	Panther Valley	13660	Millersburg Area	22610
Fairfield Area	01305	Brandywine Heights Area	06085	Weatherly Area	13900	Steelton Highspire	22800
Gettysburg Area	01375	Conrad Weiser Area	06110	CHESTER		Susquehanna Township	22830
Littlestown Area	01520	Daniel Boone Area	06150	Bald Eagle Area	14100	Susquenita	50600
Upper Adams	01852	Exeter Township	06200	Bellefonte Area	14110	Upper Dauphin Area	22900
ALLEGHENY		Fleetwood Area	06250	Keystone Central	18360	Williams Valley	54880
Allegheny Valley	02060	Governor Mifflin	06300	Penns Valley Area	14700		
Avonworth	02075	Hamburg Area	06350	Philipsburg-Osceola Area	17700		
Baldwin Whitehall	02110	Kutztown Area	06400	State College Area	14800		
Bethel Park	02125	Muhlenberg Township	06550	Tyrone Area	07800		
Brentwood Borough	02145	Oley Valley	06650	CLARION			
Carlynton	02160	Reading	06700	Avon Grove	15050	Allegeny Clarion Valley	16030
Charters Valley	02175	Schuylkill Valley	06750	Coatesville Area	15190	Armstrong	03085
Clairton City	02190	Tulpehocken Area	06800	Downtown Area	15200	Clarion Area	16120
Cornell	02210	Twin Valley	06810	Great Valley	15350	Clarion-Limestone Area	16170
Deer Lakes	02225	Upper Perkiomen	06860	Keystone	16650	Keystone	16750
Duquesne City	02250	Wilson	06910	North Clarion County	16750	Redbank Valley	16800
East Allegheny	02280	Wyomissing	06935	Union	16900	Union	16900
Elizabeth Forward	02315			CLEARFIELD			
Fort Cherry	063240	BRADFORD		Clearfield Area	17100	Curwensville Area	17180
Fox Chapel Area	02391	Athens Area	08050	Dubois Area	17200	Glendale	17300
Gateway	02410	Canton Area	08100	Harmony Area	17350	Moshannon Valley	17500
Hampton Township	02460	Northeast Bradford County	08300	Philipsburg-Osceola Area	17700	Purchase Line	32730
Highlands	02475	Sayre Area	08600	West Branch Area	17900	West Branch Area	17900
Keystone Oaks	02500	Towanda Area	08650	CLINTON			
McKeesport Area	02600	Troy Area	08665	Jersey Shore Area	41400	Keystone Central	18360
Montour	02630	Wyalusing Area	08900	West Branch Area	17900	West Branch Area	17900
Moon Area	02634			COLUMBIA			
Mount Lebanon	02640	BUCKS		Benton Area	19100	Berwick Area	19110
North Allegheny	02685	Bensalem Township	09100	Bloomsburg Area	19120	Central Columbia	19150
Northgate	02687	Bristol Borough	09130	Millville Area	19500	Mount Carmel Area	49510
North Hills	02690	Bristol Township	09135	North Schuylkill	54500	North Union City Area	25910
Penn Hills	02735	Centennial	09200	Southern Columbia Area	19750	Wattsburg Area	25970
Penn-Trafford	065710	Central Bucks	09210	CRAWFORD			
Pine-Richland	02100	Council Rock	09235	Conneaut	20103	Corry Area	25145
Pittsburgh	02745	Easton Area	48330	Crawford Central	20135	Fairview	25330
Plum Borough	02750	Morrisville Borough	09720	Jamestown Area	43360	Fort Leboeuf	25355
Quaker Valley	02775	Neshaminy	09750	Millville Area	19500	General McLane	25390
Riverview	02820	New Hope Solebury	09760	Mount Carmel Area	49510	Girard	25405
Shaler Area	02830	North Penn	46570	North Schuylkill	54500	Harbor Creek	25435
South Allegheny	02865	Palisades	09800	Southern Columbia Area	19750	Iroquois	25655
South Fayette Township	02870	Pennridge	09810	FOREST		Millcreek Township	25760
South Park	02875	Pennsbury	09820	Forest Area	27200	North East	25830
Steel Valley	02883	Quakertown Community	09840			Northwestern	25850
Sto-Rox	02885	Souderton Area	46710	FRANKLIN		Union City Area	25910
Upper Saint Clair Township	02920			Chambersburg Area	28130	Wattsburg Area	25970
West Allegheny	02940	BUTLER		Fannett-Metal	28200		
West Jefferson Hills	02955	Allegheny Clarion Valley	16030	Greencastle-Antrim	28300		
West Mifflin Area	02960	Butler Area	10125	Jamestown Area	43360	Shippensburg Area	21800
Wilkinsburg Borough	02980	Freeport Area	03305	Penncrest	20470	Tuscarora	28600
Woodland Hills	02990	Karns City Area	10360	Titusville Area	61720	Waynesboro Area	28900
ARMSTRONG		Knoch	10780	Union City Area	25910	FULTON	
Allegheny Clarion Valley	16030	Mars Area	10500	CAMBRIA		Central Fulton	29130
Apollo-Ridge	03060	Moniteau	10535	Big Spring	21050	Forbes Road	29230
Armstrong	03085	Seneca Valley	10790	Camp Hill	21100	Southern Fulton	29750
Freeport Area	03305	Slippery Rock Area	10750	Carlisle Area	21110	GREENE	
Karns City Area	10360			Cumberland Valley	21160	Carmichaels Area	30130
Kiski Area	65440	CAMBRIA		East Pennsboro Area	21250	Central Greene	30140
Leechburg Area	03450	Blacklick Valley	11060	Mechanicsburg Area	21650	Jefferson-Morgan	30350
Redbank Valley	16800	Cambridge Heights	11120	Shippensburg Area	21800	Southeastern Greene	30650
BEAVER		Central Cambria	11130	South Middleton	21830	West Greene	30850
Aliquippa Borough	04050	Conemaugh Valley	11140	West Shore	21900	HUNTINGDON	
Ambridge Area	04070	Ferndale Area	11200	DAUPHIN		Huntingdon Area	31250
Beaver Area	04120	Forest Hills	11220	Central Dauphin	22140	Juniata Valley	31280
Big Beaver Falls Area	04150	Glendale	17300	Derry Township	22175	Mount Union Area	31600
Blackhawk	04160	Greater Johnstown	11250	Halifax Area	22250	Southern Huntingdon County	31750
Central Valley	04200	Northern Cambria	11450	Harrisburg City	22275	Tussey Mountain	05800
Ellwood City Area	37200	Penn Cambria	11600	Lower Dauphin	22400	Tyrone Area	07800
Freedom Area	04285	Portage Area	11630				
Hopewell Area	04410	Richland	11650				
Midland Borough	04530	Westmont Hilltop	11850				
New Brighton Area	04565	Windber Area	56910				
Riverside Beaver County	04585						
Rochester Area	04690						
South Side Area	04740						
Western Beaver County	04930						
BEDFORD		CAMERON					
Bedford Area	05100	Cameron County	12270				
Chestnut Ridge	05150						
Claysburg-Kimmel	07150						
Everett Area	05300	CARBON					
Northern Bedford County	05600	Hazleton Area	40330				
Tussey Mountain	05800	Jim Thorpe Area	13500				
		Lehighton Area	13550				

PA SCHOOL DISTRICTS & CODES BY COUNTY

SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE
INDIANA		Dallas	40160	Easton Area	48330	UNION	
Apollo-Ridge	03060	Greater Nanticoke Area	40260	Nazareth Area	48480	Lewisburg Area	60400
Armstrong	03085	Hanover Area	40300	Northampton Area	48490	Mifflinburg Area	60500
Blairsville-Saltsburg	32110	Hazleton Area	40330	Northern Lehigh	39450	Milton Area	49500
Harmony Area	17350	Lake-Lehman	40390	Pen Argyl Area	48560	Warrior Run	49800
Homer Center	32330	Northwest Area	40600	Saucon Valley	48600		
Indiana Area	32370	Pittston Area	40660	Wilson Area	48860		
Marion Center Area	32520	Wilkes-Barre Area	40885				
Penins Manor Area	32630	Wyoming Area	40920	NORTHUMBERLAND			
Punxsutawney Area	33800	Wyoming Valley West	40930	Danville Area	47180		
Purchase Line	32730			Line Mountain	49350		
United	32800			Milton Area	49500		
JEFFERSON				Mount Carmel Area	49510		
Brockway Area	33070			Shamokin Area	49650		
Brookville Area	33080			Shikellamy	49660		
Clarion-Limestone Area	16170			Southern Columbia Area	19750		
Dubois Area	17200			Warrior Run	49800		
Punxsutawney Area	33800						
JUNIATA							
Greenwood	50300			PERRY			
Juniata County	34360			Fannett-Metal	28200		
LACKAWANNA				Greenwood	50300		
Abington Heights	35030			Newport	50400		
Carbondale Area	35130			Susquehanna	50600		
Dunmore	35220			West Perry	50800		
Forest City Regional	58300						
Lackawanna Trail	66500			PHILADELPHIA			
Lakeland	35460			Philadelphia City	51500		
Mid Valley	35550						
North Pocono	35650			PIKE			
Old Forge	35660			Delaware Valley	52200		
Riverside	35700			East Stroudsburg Area	45200		
Scranton City	35740			Wallenpaupack Area	64830		
Valley View	35840						
LANCASTER				POTTER			
Cocalico	36130			Austin Area	53030		
Columbia Borough	36150			Coudersport Area	53130		
Conestoga Valley	36170			Galetown Area	53280		
Donegal	36220			Keystone Central	18360		
Eastern Lancaster County	36230			Northern Potter	53550		
Elizabethtown Area	36240			Oswayo Valley	53750		
Ephrata Area	36260			Port Allegany	42630		
Hempfield	36310						
Lampeter-Strasburg	36360			SCHUYLKILL			
Lancaster	36400			Blue Mountain	54080		
Manheim Central	36440			Hazleton Area	40330		
Manheim Township	36450			Mahanoy Area	54450		
Octorara Area	15650			Minersville Area	54470		
Penn Manor	36520			North Schuylkill	54500		
Pequea Valley	36530			Panther Valley	13660		
Solanco	36700			Pine Grove Area	54600		
Warwick	36900			Pottsville Area	54610		
LAWRENCE				Saint Clair Area	54680		
Blackhawk	04160			Shenandoah Valley	54720		
Ellwood City Area	37200			Schuylkill Haven Area	54730		
Laurel	37400			Tamaqua Area	54760		
Mohawk Area	37500			Tri-Valley	54780		
Neshannock Township	37520			Williams Valley	54880		
New Castle Area	37530						
Shenango Area	37620			SNYDER			
Union Area	37700			Midd-West	55500		
Wilmington Area	37800			Selinsgrove Area	55710		
LEBANON							
Anville-Cleona	38030			SOMERSET			
Cornwall-Lebanon	38130			Berlin Brothersvalley	56100		
Eastern Lebanon County	38230			Conemaugh Township Area	56180		
Lebanon	38460			Meyersdale Area	56520		
Northern Lebanon	38500			North Star	56550		
Palmyra Area	38530			Rockwood Area	56630		
LEHIGH				Salisbury-Elk Lick	56700		
Allentown City	39030			Shade-Central City	56720		
Bethlehem Area	48100			Shanksville-Stonycreek	56740		
Catasauqua Area	39130			Somerset Area	56770		
East Penn	39230			Turkeyfoot Valley Area	56840		
Northern Lehigh	39450			Windber Area	56910		
Northwestern Lehigh	39460						
Parkland	39510			SULLIVAN			
Salisbury Township	39560			Sullivan County	57630		
Southern Lehigh	39570						
Whitehall-Coplay	39780			SUSQUEHANNA			
LUZERNE				Blue Ridge	58100		
Berwick Area	19110			Elk Lake	58250		
Crestwood	40140			Upper Merion Area	46840		
NORTHAMPTON				Upper Moreland Township	46850		
Bangor Area	48080			Upper Perkiomen	46860		
Bethlehem Area	48100			Wissahickon	46930		
Catasauqua Area	39130						
MONTOUR				MONTOUR			
Danville Area	47180			Danville Area	47180		
Warrior Run	49800						
NORTHAMPTON				PIKE			
Bangor Area	48080			Delaware Valley	52200		
Bethlehem Area	48100			East Stroudsburg Area	45200		
Catasauqua Area	39130			Wallenpaupack Area	64830		
UNION							
Lewisburg Area	60400						
Mifflinburg Area	60500						
Milton Area	49500						
Warrior Run	49800						
VENANGO							
Allegheny Clarion Valley	16030						
Cranberry Area	61130						
Forest Area	27200						
Franklin Area	61220						
Oil City Area	61620						
Penncrest	20470						
Titusville Area	61720						
Valley Grove	61860						
WARREN							
Corry Area	25145						
Titusville Area	61720						
Warren County	62830						
WASHINGTON							
Avelia Area	63050						
Bentworth	63090						
Bethlehem-Center	63100						
Brownsville Area	26080						
Burgettstown Area	63120						
California Area	63150						
Canon-McMillan	63170						
Charleroi	63180						
Charters-Houston	63190						
Fort Cherry	63240						
McGuffey	63390						
Peters Township	63650						
Ringgold	63700						
Trinity Area	63800						
Washington	63880						
WAYNE							
Forest City Regional	58300						
North Pocono	35650						
Susquehanna Community	58650						
Wallenpaupack Area	64830						
Wayne Highlands	64870						
Western Wayne	64890						
WESTMORELAND							
Belle Vernon Area	65060						
Blairsville-Saltsburg	32110						
Burrell	65070						
Derry Area	65160						
Franklin Regional	65260						
Greater Latrobe	65310						
Greensburg Salem	65320						
Hempfield Area	65380						
Jeannette City	65410						
Kiski Area	65440						
Leechburg Area	03450						
Ligonier Valley	65490						
Monessen City	65580						
Mount Pleasant Area	65590						
New Kensington-Arnold	65630						
Norwin	65650						
Penn-Trafford	65710						
Southmoreland	65750						
Yough	65890						
WYOMING							
Elk Lake	58250						
Lackawanna Trail	66500						
Lake-Lehman	40390						
Tunkhannock Area	66750						
Wyalusing Area	08900						
Wyoming Area	40920						
YORK							
Central York	67130						
Dallastown Area	67160						
Dover Area	67180						
Eastern York	67220						
Hanover Public	67280						
Northeastern	67440						
Northern York County	67460						
Red Lion Area	67550						
South Eastern	67620						
South Western	67640						
Southern York County	67650						
Spring Grove Area	67670						
West Shore	21900						
West York Area	67850						
York City	67900						
York Suburban	67940						

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