



ELECTION NOT TO BE TAXED AS A PENNSYLVANIA S CORPORATION

Corporation is not subject to PA corporate net income tax; election is for PA resident shareholder purposes only.

Revenue ID
Federal Employer Identification Number (FEIN)
Pennsylvania Department of State Entity Number
Election is to be first effective for:
Tax year beginning: MMDDYYYY
Tax year ending: MMDDYYYY

Please fill in Corporate Name, Address, City, State and ZIP Code above.

Election is for this corporation and its qualified subchapter S subsidiaries as identified on the included schedule showing the names and Revenue ID numbers of all subsidiaries.

(A) Name and address of each shareholder, member or partner having an interest in the corporation's stock without regard to the manner in which the stock is owned. If additional space is needed, complete a separate schedule and include it with this form. You must provide your Social Security number so the department may establish your identity and cross-reference other tax systems, as is authorized under federal law, 42 U.S.C. § 405 (c).

(B) Social Security Number or Federal Employer Identification Number

(C) Percentage of Stock Owned

(D) We, the undersigned shareholders, consent to the election of the corporation not to be taxed as a Pennsylvania S corporation.

Table with 4 columns: (A) Name and address, (B) Social Security Number, (C) Percentage of Stock Owned, (D) Signature/Date. Contains 10 rows for shareholder information.

Total = ____ 100%

The corporate statement must be signed by an authorized officer of the corporation. The above-named corporation hereby elects not to be taxed as a Pennsylvania S corporation under Section 401 of the Tax Reform Code of 1971. Under penalties of perjury, I declare that I have examined this Election Not To Be Taxed As A Pennsylvania S Corporation, and to the best of my knowledge and belief it is true, correct and complete.

NAME OF CORPORATE OFFICER TELEPHONE NUMBER
SIGNATURE AND TITLE
SOCIAL SECURITY NUMBER DATE


Instructions for REV-976

Election Not to be Taxed as a Pennsylvania S Corporation


REV-976 IN (TR) 12-19

GENERAL INFORMATION

Federal subchapter S corporations are no longer required to file the REV-1640, Pennsylvania S Corporation Election and Shareholders' Consent, in order to be granted Pennsylvania S corporation status. Effective for tax years beginning after Dec. 31, 2005, any corporation with a valid federal subchapter S corporation election will automatically be a Pennsylvania S corporation. Any federal subchapter S corporation that does not desire to be a Pennsylvania S corporation must file REV-976, Election Not to be Taxed as a Pennsylvania S Corporation, on or before the due date or extended due date of the RCT-101, PA Corporate Net Income Tax Report, for the first tax period in which the election is to be in effect. This election must be signed by 100 percent of the shareholders of the S corporation and once made cannot be revoked for five years. RCT-101 is due 30 days after the federal return.

 **CAUTION:** In cases where the taxpayer must file short period federal returns in relation to making the election, the RCT-101 and REV-976 are due on the 30th day following the due date of the applicable federal return.

In the case of a federal subchapter S corporation not required to file RCT-101, does not do business in PA and is not registered to do business in PA, REV-976 must be filed 30 days after the due date of the federal return (the due date of RCT-101 if the corporation is required to file this report).

 **NOTE:** Subchapter S corporations are only required to file RCT-101 for tax years when they have built-in gains.

Any federal subchapter S corporation doing business in Pennsylvania or registered to do business in PA that does not make this election will be taxed as a Pennsylvania S corporation and will be required to file PA-20S/PA-65, PA S Corporation/Partnership Information Return. In addition, each resident shareholder is subject to Pennsylvania personal income tax on each shareholder's pro rata share of the S corporation income, whether distributed or not. Each nonresident shareholder is subject to tax on the shareholder's personal income from sources within PA. Filing the RCT-101 is not required unless the corporation has federal taxable built-in gains.

Partnership returns and Pennsylvania S corporations with taxable PA-sourced income are jointly liable with their nonresident partners and shareholders for payment of tax on such income to the extent allocable to the nonresidents. Partnerships and S corporations are authorized and required to withhold this tax from its nonresident owners and remit the tax to the PA Department of Revenue. The department accepts through the MeF Fed/State program the electronic payment of the quarterly estimated withholding tax for nonresident owners filed with the PA65ES. Payments may be remitted with the PA-40ES (F/C) found on the department's website with a check or money order made payable to

the PA Department of Revenue. The PA-40ESR (F/C) form can be downloaded from the department's website at www.revenue.pa.gov or ordered by telephone at 1-888-PATAXES (728-2937).

QUALIFIED SUBCHAPTER S SUBSIDIARIES

If a qualified subchapter S subsidiary and/or parent of a qualified subchapter S subsidiary, does not desire to be taxed as a Pennsylvania S corporation, the parent must file REV-976 for itself and all qualified subchapter S subsidiaries. The corporation must include a schedule with the election identifying the name, address, Revenue ID and federal employer identification number of each qualified subchapter S subsidiary owned by the corporation and doing business in Pennsylvania.

PA RESIDENT SHAREHOLDERS OF SUBCHAPTER S CORPORATIONS IN ANOTHER STATE

Any federal subchapter S corporation that does not make this election, and which does not do business nor is registered to do business in PA but has a PA resident shareholder, will be taxed as a Pennsylvania S corporation and will be required to file PA-20S/PA-65. In addition, each resident shareholder will be subject to Pennsylvania personal income tax on each shareholder's pro rata share of the S corporation income, whether distributed or not.

FILING THE ELECTION

For a federal subchapter S corporation conducting business in Pennsylvania that is required to file RCT-101: The due date for filing REV-976 is the due date or the extended due date of RCT-101 for the first year for which the election is to be in effect.

For a federal subchapter S corporation that is not required to file RCT-101, (does not do business in PA and is not registered to do business in PA): The due date for filing REV-976 is 30 days after the due date or the extended due date of the federal return. These corporations must check the box indicating "Corporation is not subject to PA Corporate Net Income Tax; election is for PA resident Shareholder purposes only".

The REV-976 must be signed by 100 percent of the shareholders on the date of the election and sent via Fax or Email to:

Fax: 717-787-3708

Email: ra-btftregisfax@pa.gov

DO NOT SEND WITH THE PA CORPORATE NET INCOME TAX REPORT