

Instructions for RCT-111

Gross Receipts Tax (GRT) Report - Telecommunications Companies

GENERAL INFORMATION

REMINDER

- All payments of \$1,000 or more must be made electronically or by certified or cashier's check remitted in person or by express mail courier.
- Use **ONLY** whole dollars when preparing tax reports.
- PA sales for resale exemptions must be reported on Page 3 of the report. If additional pages are needed, please make a clean copy of Page 3 and complete.
- Taxpayers may request a 60-day extension to file this report by filing REV-426.



NOTE: The automatic PA extension provided by Act 52 of 2013 to those with valid federal extensions **DOES NOT** apply to this tax.

- The penalty imposed for failure to file timely reports is now a minimum of \$500, regardless of the determined tax liability, plus an additional 1 percent of any determined tax liability over \$25,000.
- RCT-111 is available as a fill-in form on the department's website at **www.revenue.pa.gov**. Use **ONLY** the most current, non-year-specific tax form and instructions for filing **ALL** years. **If an amended report must be filed, taxpayers must use the most current, non-year-specific tax form, completing all sections of the form. REV-1175, Schedule AR (explanation for amending), must be included when filing an amended report.**
- One extension coupon, REV-426, will be used for all specialty taxes. The coupon and the tax report will no longer be mailed. These forms are available as fill-in documents

on the department's website **www.revenue.pa.gov**. The REV-426 extension coupon can be filed electronically through e-TIDES at **www.etides.state.pa.us**. However, electronic filing of the tax report is not available. The report should be completed using the computer-based fill-in form, printed and submitted by mail to the department. The form can be saved electronically for your records.

- For tax years beginning on or after Jan. 1, 2011, taxpayers subject to gross receipts tax must file the Pennsylvania gross receipts tax report using the same method of accounting used to file reports with the Federal Energy Regulatory Commission (FERC) or the Federal Communications Commission (FCC). If the taxpayer has no regulatory reporting requirement to FERC or FCC, the taxpayer must file the Pennsylvania gross receipts tax report using the same method of accounting used to file reports with the Pennsylvania Public Utility Commission (PUC). If the taxpayer has no regulatory reporting requirement to FERC, FCC or PUC, the taxpayer must file the Pennsylvania gross receipts tax report using the same method of accounting used to file the federal income tax return with the Internal Revenue Service. If this requires a taxpayer to change the accounting method for reporting Pennsylvania gross receipts, see Tax Bulletin 2011-02 for the applicable rules in reporting for the transition year.
- For tax years beginning on or after Jan. 1, 2011, taxpayers using the accrual method of accounting may take an adjustment to PA receipts for bad debts. The taxpayer must provide detail of all adjustments,

including tax type, amount, location and tax period.

Annual Report Checklist: Make sure you include the following to file your annual report properly and completely:

- Negative amounts must be written using a minus sign preceding the number. Do not use parentheses.
- Complete RCT-111, Gross Receipts Tax Report – Telecommunications Companies
- Copy of the FCC annual report and/or PUC annual report
- Copy of the federal income tax return as filed, or a pro-forma return if a report is not required to be filed with the IRS
- Monthly schedule of receipts if the taxpayer is a fiscal filer for federal purposes (this schedule must cover the two fiscal periods which include the 12 calendar months reflected on this report)
- Detailed reconciliation if total receipts do not equal the amount reported on the federal return
- Detailed reconciliation if PA receipts do not equal the amount of the sales factor apportionment reported on the PA Corporate Net Income Tax Report, RCT-101/106 or PA sales tax report or Schedule H of the PA20S/PA65
- Detail of adjustments for PA bad debts
- Detail of PA non-taxable receipts
- Corporate officer's signature on Page 1 and preparer's signature and PTIN on Page 2 (if applicable)

Imposition, Base and Rate

Gross receipts tax is imposed on telephone and telegraph companies that do business in Pennsylvania. The tax applies to telegraph or telephone messages transmitted wholly within Pennsylvania; telegraph or telephone

messages transmitted in interstate commerce (including international calls) where messages originate or terminate in Pennsylvania and the charges for such messages are billed to a service address in Pennsylvania; and mobile telecommunication service messages

sourced to Pennsylvania per the Mobile Telecommunications Sourcing Act. The tax rate for intrastate receipts includes the Public Utility Realty Tax Act (PURTA) surcharge. For more information, see Section 1101 of the Tax Reform Code of 1971 (72 P.S. § 8101).

THE TAX RATES ARE AS FOLLOWS:					
Tax Period	Tax Type	Tax Rate	Surtax	PURTA Surcharge	Total Tax Rate
12/31/2018	Intrastate (11)	45 mills	5 mills	0.0 mills	50.0 mills (0.0500)
	Interstate (12)	45 mills	5 mills	n/a	50.0 mills (0.0500)
	Mobile (13)	45 mills	5 mills	n/a	50.0 mills (0.0500)
12/31/2017	Intrastate (11)	45 mills	5 mills	0.0 mills	50.0 mills (0.0500)
	Interstate (12)	45 mills	5 mills	n/a	50.0 mills (0.0500)
	Mobile (13)	45 mills	5 mills	n/a	50.0 mills (0.0500)
12/31/2016	Intrastate (11)	45 mills	5 mills	0.0 mills	50.0 mills (0.0500)
	Interstate (12)	45 mills	5 mills	n/a	50.0 mills (0.0500)
	Mobile (13)	45 mills	5 mills	n/a	50.0 mills (0.0500)
12/31/2015	Intrastate (11)	45 mills	5 mills	0.0 mills	50.0 mills (0.0500)
	Interstate (12)	45 mills	5 mills	n/a	50.0 mills (0.0500)
	Mobile (13)	45 mills	5 mills	n/a	50.0 mills (0.0500)
12/31/2014	Intrastate (11)	45 mills	5 mills	0.0 mills	50.0 mills (0.0500)
	Interstate (12)	45 mills	5 mills	n/a	50.0 mills (0.0500)
	Mobile (13)	45 mills	5 mills	n/a	50.0 mills (0.0500)

Revenue ID, Federal Employer Identification Number (FEIN), Parent Corporation FEIN, Name and Address

The Revenue ID number, FEIN, name and complete mailing address must be provided. If the taxpayer is a subsidiary of a corporation, the parent corporation’s FEIN must be provided. Also provide the telephone number and email address of the taxpayer.

Tax Year

Enter month, day and year (MMDD YYYY) for the tax year beginning and enter year (YY) for the tax year end.

Report Due Date

This report is due March 15 for the preceding year ended Dec. 31. If March 15 falls on a Saturday, Sunday or holiday, the report is due the next business day. The penalty imposed for failure to file timely reports is now a minimum of \$500, regardless of the determined tax liability, plus an additional 1 percent of any determined tax liability over \$25,000.

Address Change

Enter “Y” in the block on Page 1 if the address of the corporation has changed from prior tax periods. The current

mailing address should be reflected on the report.

Correspondence to Preparer

Enter “Y” in the block on Page 1 if all correspondence (notices and requests for additional information) is to be sent to the preparer’s address. If “Y” is entered, the address recorded on Page 2 will be used.

Amended Report

Enter “Y” in the block on Page 1 if you are filing an amended report to add, delete or adjust information. Provide documentation to support all changes being made. An amended report should only be filed if an original report was filed previously for the same period.

An amended report must be filed within three years of the filed date of the original report. The department may adjust the tax originally reported based on information from the amended report.

The taxpayer must consent to extend the assessment period. If the amended report is timely filed and the taxpayer consented to extend the assessment period, the time period in which to assess tax will be the greater of three years from the filed date of the original

report or one year from the filed date of the amended report.

Regardless of the tax year being amended, taxpayers must use the most current non-year-specific tax form, completing all sections of the report. This includes those sections originally filed and those sections being amended. All tax liabilities should be recorded on Page 1. Taxpayers must check the Amended Report check box on Page 1 and include Schedule AR, REV-1175, with the report.

First Report

Enter “Y” in the block on Page 1 if this is the taxpayer’s first PA gross receipts tax filing.

Electronic Payment

Enter “Y” in the block on Page 1 if the taxpayer has made any electronic payments using e-TIDES.

Final Report

- Enter “Y” in the block on Page 1 if this report will be the final report filed with the department. Indicate the effective date of the event as MMDDYYYY.
- Include a copy of your PUC and/or FCC cancellation notice.

- Include a copy of the regulatory authority's approval of the merger, dissolution, plan of reorganization and/or articles of merger.
- Provide the Revenue ID and FEIN of the surviving entity, if applicable.

Corporate Officer Information

A corporate officer must sign and date the tax report. The signature must be original; photocopies or faxes will not be accepted. Print the first and last name, title, Social Security number, telephone number and email address of the corporate officer.

Preparer's Information

Paid preparers must sign and date the tax report. If the preparer works for a firm, provide the name, FEIN and address of the firm along with the name, telephone number, email address and PTIN/SSN of the individual preparing the report. If the preparer is an individual without any association to a firm, provide the name, address, telephone number, email address and PTIN/SSN of the individual preparing the report.

Estimated Payment Instructions

All accounts are expected to remit estimated prepayments toward the final liability a corporation estimates is due for the taxable year. Prepayment for gross receipts tax is due March 15 of the reported year. Tax remaining due at the close of the taxable year must be paid on or before March 15 of the following year.

Mail the estimated payment coupon, REV-423, separately from all other forms.

If you have questions regarding estimated payments, call the Accounting Division at 717-705-6225 (Option 5, then Option 1 or 3).

Extension Request Due Date

To request a due date extension of up to 60 days to file the annual report, you must file an extension request, REV-426, by the original report due date.

However, an extension of time to file does not extend the deadline for payment of tax and an extension request must be accompanied by payment of taxes owed for the taxable year for

which the extension is requested. Mail the extension coupon separately from all other forms. A taxpayer using an electronic method to make a payment with an extension request should not submit the extension coupon. Do not use the extension coupon to remit other unpaid liabilities within the account.

Payment and Mailing Information

Failure to make a payment by an approved method will result in the imposition of a 3 percent penalty of the tax due, up to \$500. All payments of \$1,000 or more must be made electronically or by certified or cashier's check remitted in person or by express mail courier. For more information on electronic payment options, visit www.etides.state.pa.us. Payments under \$1,000 may be remitted by mail, made payable to the PA Department of Revenue.

Mail payments, extension requests and Tax Report, RCT-111, to the following address:

PA DEPARTMENT OF REVENUE
327 WALNUT ST FL 3
PO BOX 280407
HARRISBURG PA 17128-2005

Current Period Overpayment

If an overpayment exists on Page 1 of the RCT-111, the taxpayer must instruct the department to refund or transfer overpayment as indicated below.

Refund: Identify the amount to refund from the current tax period overpayment. Prior to any refund, the department will offset current period liabilities and other unpaid liabilities within the account.

Transfer: Identify the amount to transfer from the current tax period overpayment to the next tax period. Prior to any transfer, the department will offset current period liabilities and other unpaid liabilities within the account.



NOTE: If no option is selected, the department will automatically transfer any overpayment to the next tax year for estimated tax purposes after offsetting current period liabilities and other unpaid liabilities within the account.

A tax period overpayment summary will be mailed to the taxpayer confirming the disposition of the credit.

Requests for Refund or Transfer of Available Credit

Requests for refund or transfer of available credit from prior periods can be faxed on company letterhead, signed by an authorized representative, to 717-705-6227.

Requests can also be submitted in writing to the following address:

PA DEPARTMENT OF REVENUE
PO BOX 280701
HARRISBURG PA 17128-0701

Please do not duplicate requests for refund and/or transfer by submitting both RCT-111 and written correspondence.

CONTACT INFORMATION

- To make electronic payments and file extensions electronically, visit e-TIDES at www.etides.state.pa.us. For additional information and assistance with electronic payments and extensions call 717-705-6225 (Option 6).
- To confirm account payments, call 1-888-PATAxes (1-888-728-2937).
- If you have questions regarding payments or refunds, call the Accounting Division at 717-705-6225 (Option 5, then Option 1).
- Requests for transfer of credit may be faxed to the Accounting Division at 717-705-6227.
- If you have questions regarding extensions, call the Extension Unit at 717-705-6225 (Option 4). Requests can be faxed to 717-705-6227.
- If you have questions regarding tax assessments, determinations or filing requirements, call the Specialty Tax Unit at 717-783-6031 (Option 7, then Option 2).
- If you have general business tax questions, call 717-787-1064.

LINE INSTRUCTIONS

RCT-111 should be completed in the following order:

(Page instructions start with Page 4 below.)

Step 1 - Complete the taxpayer information and any applicable questions at the top of Page 1.

Step 2 - Enter the Revenue ID number and other taxpayer information in the designated fields at the top of each page.

Step 3 - Complete Page 4, Source of Gross Receipts (total, non-PA and bad debt adjustment).

Step 4 - Complete Page 5, Source of Gross Receipts (PA non-taxable, PA sales for resale and PA taxable).

Step 5 - Complete Page 3, PA Sales for Resale Exemption Schedule.

Step 6 - Complete Pages 6 and 7, Credit Schedules (Interstate and Mobile).

Step 7 - Complete Page 2, Source of PA Taxable Gross Receipts (intrastate, interstate and mobile).

Step 8 - Complete Page 1, Lines 1 through 10.

Step 9 - Complete the corporate officer information section, sign and date the bottom of Page 1.

Step 10 - Complete the Preparer Information section, sign and date the bottom of Page 2, if applicable.

Step 11 - Mail the completed report, including all pages and any supporting schedules to the PA Department of Revenue.

PAGE 4

SOURCE OF GROSS RECEIPTS

Use the Federal Communications Commission (FCC) uniform system of accounts to identify sources of receipts.

Column 1

Total Gross Receipts Everywhere

Line 1 through Line 22

Enter the total gross receipts on the appropriate line.

Line 23 - Total

Enter the total of Lines 1 through 22.

Column 2

Receipts From Business Conducted in Other States

Line 1 through Line 22

Enter the gross receipts from business conducted totally outside Pennsylvania on the appropriate line.

Line 23 - Total

Enter the total of Lines 1 through 22.

Column 3

Adjustments for PA Bad Debts

For taxpayers using the Accrual Method of Accounting ONLY

Line 1 through Line 22

Enter the gross receipt adjustment for PA bad debts on the appropriate line. Detail of all adjustments must be provided including applicable tax type, amount, location of customer and tax period for which the receipt was originally reported. Adjustment for PA bad debts cannot reduce taxable receipts to less than zero.

Line 23 - Total

Enter the total of Lines 1 through 22.

PAGE 5

SOURCE OF GROSS RECEIPTS

Use the Federal Communications Commission (FCC) uniform system of accounts to identify sources of receipts.

Column 4

Non-taxable PA Receipts

Line 1 through Line 22

Enter the PA non-taxable receipts on the appropriate line. Detail of all non-taxable PA receipts must be provided. Include the FCC account, amount and complete description of all reported receipts.

Line 23 - Total

Enter the total of Lines 1 through 22.

Column 5

PA Sales for Resale

Line 1 through Line 22

Enter the PA sales for resale on the appropriate line. Detail of all PA sales for resale must be provided by completing Page 3 of the tax report. See detailed instructions for Page 3.

Line 23 - Total

Enter the total of Lines 1 through 22. This total must reconcile to the grand total on Page 3.

Column 6

PA Taxable Receipts

Line 1 through Line 21

Enter the PA taxable gross receipts on the appropriate line.


Line 23 - Total

Enter the total of Lines 1 through 21. This total must reconcile to Column 1 minus Column 2 minus Column 3 minus Column 4 minus Column 5 from Pages 4 and 5. This must also reconcile to the sum of Columns A through C from Page 2.


PAGE 3

PA SALES FOR RESALE EXEMPTION SCHEDULE

Complete this schedule if claiming an exemption for PA sales for resale. If the number of exemptions exceeds 28 resellers, include additional pages of this schedule. If additional pages are needed, the first Page 3 must include the grand total from all Page 3(s) and it must reconcile to Page 5, Column 5, Line 23.

 **IMPORTANT:** The sales for resale exemption from gross receipts tax is on telecommunication services, including telecommunications exchange access to interconnect with a local exchange carrier's network and network elements on an unbundled basis. The exemption only applies to receipts from sales to resellers who are subject to PA gross receipts tax. To claim the exemption, **provide the name**, sales tax number, and **FEIN** of the reseller, along with the amount received by each entity for each of the


three tax types. The allowance of the sales for resale exemption is contingent on the validation of the listed entities subjectivity to PA gross receipts tax.

 **NOTE:** The presence of a PA sales tax exemption certificate does not qualify in and of itself for the resale exemption.

PAGE 6

CREDIT SCHEDULE - INTERSTATE


Complete this schedule if claiming the interstate credit.

 **IMPORTANT:** Entities may be entitled to credits against PA tax due if they pay gross receipts tax to other states on messages or services taxable in Pennsylvania. However, credit may not exceed the tax due. Taxpayers must include copies of tax reports filed with the other states.

PAGE 7

CREDIT SCHEDULE - MOBILE

Complete this schedule if claiming the mobile credit.

 **IMPORTANT:** Entities may be entitled to credits against PA tax due if they pay gross receipts tax to other states on messages or services taxable in Pennsylvania. However, credit may not exceed the tax due. Taxpayers must include copies of tax reports filed with the other states.

PAGE 2

SOURCE OF PA TAXABLE GROSS RECEIPTS

Use the Federal Communications Commission (FCC) uniform system of accounts to identify sources of receipts.

Column A

INTRASTATE Gross Receipts (PA Taxable)

Line 1 through 22

Enter the intrastate gross receipts on the appropriate line. Lines 4, 13 and 22 are not applicable to intrastate taxable gross receipts.

Line 23 - Total

Enter the total of Lines 1 through 22.

Line 24 - Tax

Multiply Line 23 by the appropriate tax rate from the table on Page 2 of the information section.

Line 25 - Tax Credits

Tax credits cannot be taken against intrastate tax.

Line 26 - Tax

Enter the figure from Line 24. Carry to RCT-111 Page 1, Line 1a.

Column B

INTERSTATE Gross Receipts (PA Taxable)

Line 1 through 22

Enter the interstate gross receipts on the appropriate line. Lines 4, 13 and 22 are not applicable to interstate taxable gross receipts.

Line 23 - Total

Enter the total of Lines 1 through 22.

Line 24 - Tax

Multiply Line 23 by the appropriate tax rate from the table on Page 2 of the information section.

Line 25 - Tax Credits

Enter the figure from Page 6.

Line 26 - Tax (less credits)

Enter the difference of Line 24 minus Line 25. Carry to RCT-111 Page 1, Line 1b.

Column C

MOBILE Gross Receipts (PA Taxable)

Line 1 through Line 22

Enter the mobile gross receipts on the appropriate line. Line 22 is not applicable to mobile taxable gross receipts.

Line 23 - Total

Enter the total of Lines 1 through 22.

Line 24 - Tax

Multiply Line 23 by the appropriate tax rate from the table on Page 2 of the information section.

Line 25 - Tax Credits

Enter the figure from Page 7.

Line 26 - Tax (less credits)

Enter the difference of Line 24 minus Line 25. Carry the tax to RCT-111 Page 1, Line 1c.

Line 27: Source of Information

Enter the letter associated with the type of annual report used to report gross receipts. (A=FCC, B=PUC, C=Federal Tax)

Line 28: Accounting Method

Enter the letter associated with the type of accounting method used to report gross receipts. If other, explain. (A=Accrual, B=Cash, C=Other)