

Instructions for RCT-128C

Report of Change in Corporate Net Income Tax

RCT-128C IN (SU) 11-22

HIGHLIGHTS

The RCT-128C, Report of Change in PA Corporate Net Income Tax Report, has an updated look for 2022 tax year.

Taxpayers now have the option to have their refund directly deposited into a bank account.

⚠ IMPORTANT: All reports for tax years beginning Jan. 1, 2022 and later must be filed on the year specific RCT-128C. All reports for tax years beginning prior to Jan. 1, 2022 must be filed on the non-year-specific RCT-128C. These forms can be found on the department's website at www.revenue.pa.gov.

GENERAL INFORMATION

RECORDING DOLLAR AMOUNTS

All tax forms and schedules must 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. Negative amounts should be written as follows: -1,234.

REVISED SUPPLEMENTAL FORMS AND SCHEDULES

If an amount changes on any schedule as a result of the change in income, include the appropriate revised schedule with RCT-128C.

FORM COMPLETION

Complete ALL information fields on the report even if the amounts have not changed from the previously filed RCT-101, PA Corporate Net Income Tax Report or RCT-128C. Any taxpayer filing RCT-128C is required to enter all dates along with applicable tax rates, apportionment and net operating loss deduction limitations in effect for the tax year being reported. See the rate table and instructions for the applicable tax year in the year-specific REV-1200, CT-1 PA Corporation Tax Instructions, found at www.revenue.pa.gov.

PURPOSE OF FORM

Use the RCT-128C to report changes to an entity's income as a result of a federal audit, examination or changes as a result of an amended federal income tax return filed by the entity. The RCT-128C is used only by entities subject to corporate net income tax. This includes all entities who file as a corporation with the federal government.



NOTE: The RCT-128C is not to be used to file an amended RCT-101, PA Corporate Net Income Tax Report **for reasons other than amending federal taxable income.**

WHO MUST FILE

Any corporation who finally changes or corrects the amount of taxable income as returned to the federal government must file RCT-128C. This includes changes in federal taxable income resulting from the taxpayer filing an amended federal income tax return, as well as changes initiated by the federal government due to an audit or examination of the federal return regardless of the year involved.

WHEN TO FILE

In cases where the change was based on a federal amended return, RCT-128C must be filed within six months of the filing of the federal amended return. If RCT-128C is being filed to report changes due to an audit or examination of the federal return, the report must be filed within six months after the receipt of the final change or correction. A \$5 a day penalty will be imposed for a late filed return.



NOTE: For tax years beginning prior to Jan. 1, 2013, RCT-128C must be filed within 30 days of the filing of the federal amended return. If RCT-128C is being filed to report changes due to an audit or examination of the federal return, the report must be filed within 30 days after the receipt of the final change or correction. A \$5 a day penalty will be imposed for a late filed return.

ATTACH A COPY OF THE INCOME TAX EXAMINATION CHANGES OR AMENDED FEDERAL RETURN.

WHERE TO FILE

If you are including payment, please use the following address:

**PA DEPARTMENT OF REVENUE
PAYMENT ENCLOSED
PO BOX 280427
HARRISBURG PA 17128-0427**

If you are requesting a transfer of credit or refund of over-payment, please use the following address:


**PA DEPARTMENT OF REVENUE
REFUND REQUESTED
PO BOX 280706
HARRISBURG PA 17128-0706**

If you are neither including payment nor requesting a transfer of credit or refund of overpayment, please use the following address. This includes reports when payment was made electronically.

PA DEPARTMENT OF REVENUE
NO PAYMENT, NO REFUND
PO BOX 280708
HARRISBURG PA 17128-0708

LINE INSTRUCTIONS

PAGE 1

 **CAUTION:** If the Department of Revenue has made prior changes to the PA corporate net income, these changes must be taken into consideration when completing RCT-128C, Report of Change in PA Corporate Net Income Tax.

STEP A

TAX YEAR BEGINNING

Enter the beginning date of the tax period for which a change in income occurred. Enter the date in MMDDYYYY format.

TAX YEAR ENDING

Enter the ending date of the tax period for which a change in income occurred. Enter the date in MMDDYYYY format.

STEP B

NAME, ADDRESS, FEDERAL EIN, BUSINESS ACTIVITY CODE, REVENUE ID AND PARENT CORPORATION EIN

Print or type the corporation name, complete address, 10-digit Revenue ID and nine-digit Federal ID (EIN).

Foreign corporations filing from outside the United States must use Province, Country Code and Foreign Postal Code address fields, if applicable.

The six-digit Business Activity Code entered here is the same Business Activity Code reported to the IRS on the federal income tax return.

Parent Corporation EIN – Taxpayers that are included in a consolidated federal income tax return must provide the nine-digit EIN of the corporation that files the consolidated federal income tax return. If you are not included in a consolidated federal return, leave blank.

Address Change – Check box if the address reported in Step B is a change from prior tax periods. If changing the address after filing the report, file the REV-854 electronically at my.path.pa.gov, via fax to 717-787-3708 or email to ra-btftregisfax@pa.gov.

STEP C

CHECK SPECIAL FILING STATUS

52-53 Week Filer – Check box if the corporation is a 52-53 week filer.

S Corp filing as C Corp – For periods beginning on or after January 1, 2006 corporations which have validly elected to be taxed for federal purposes as S corporations are automatically treated as S corporations for Pennsylvania purposes. However, a federal S corporation may elect to be taxed as a C corporation for Pennsylvania purposes by filing a timely election using form REV-976.

KOZ/SDA Credit – Check box if the corporate taxpayer is claiming the Keystone Opportunity Zone Credit or the Strategic Development Area Credit.

Royalty/Related Interest Add-Back – Act 52 of 2013 requires the add-back of intangible expenses to income for interest, royalties, patents, trademarks, etc. between affiliated entities in certain instances.

S Corp Taxable Built-in Gains – PA S corporations and QSSS are subject to PA corporate net income tax. Their taxable income is their net recognized built-in gains as determined for federal income tax purposes pursuant to IRC Section 1374(d) (2).

Section 381/382/Merger NOLs – Corporations having net operating loss (NOL) limitations under IRC Section 381 and IRC Section 382 or claiming losses or Bonus Depreciation from a merger. Provide the Merger documents including Company Name, EIN and Revenue ID of merged company. Provide a schedule with NOL'S by tax periods and the balance of the Bonus Depreciation carry-forward from the merged company.

Alternative Apportionment – If the taxpayer is requesting an alternate apportionment method, extra-statutory treatment, separate accounting or unrelated asset treatment, check this box and provide a written, detailed explanation of the methodology being used as well as fully detailed supporting schedules, worksheets and documentation to review the methodology being employed.

Claiming P.L. 86-272 Protection – Corporations which sell tangible personal property and meet the activity limitations contained in P.L. 86-272 check this box. See additional information in Tax Bulletins 2004-01 and 2019-03.

SECTION A

LINE 1

Enter the adjusted PA taxable income amount from Section B, Line 12 on Page 2 of RCT-128C.

LINE 2

Enter the amount of PA taxable income from Section B, Line 12 of the originally filed RCT-101, or Section B Line 12 of the most recently filed RCT-128C.

LINE 2A

Subtract Line 2 from Line 1. If Line 2 is greater than Line 1, enter the amount as a negative number: -1,234.

LINE 3

Enter the amount of PA corporate net income tax from Section B, Line 13 or Line 15 on Page 2 of RCT-128C.

LINE 4

Enter the amount of PA corporate net income tax from Section B, Line 13 or Line 15 of the originally filed RCT-101, or Section B, Line 13 or Line 15 of the most recently filed RCT-128C.

LINE 4A


Subtract Line 4 from Line 3. If Line 3 is greater than Line 4, enter the amount as a negative number: -1,234. If a negative number, this is your overpayment. If a positive number, this is the amount of tax owed to the department.

LINE 5

Remittance made payable to the PA Department of Revenue.

NOTICE OF FINAL CHANGE DATE

Enter the date the final notice of change was received from the Internal Revenue Service or the date the amended federal return was filed.

 **CAUTION:** If the date is not provided, interest will be imposed from the original due date applicable to that tax year. Also, a \$5 a day penalty will be imposed for a late filed report.

PAGE 2

All fields on Page 2 of the RCT-128C must be completed with figures as originally filed, where applicable, unless revised in accordance with the Federal 1120-X or Federal Audit Report.

PAGE 3

SECTION D

TRANSFER/REFUND METHOD

After completing Section A on Page 1, if an overpayment exists taxpayers must instruct the department to either transfer any available credit to the next tax year or consider any available credit for refund, or both, under Section D. The department will not issue refunds in the amount of \$1.00 or less.

Taxpayers may request direct deposit of the refund by completing the Direct Deposit section of Page 3 of the RCT-128C.

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 Credit Summary Notice will be mailed to the taxpayer confirming the disposition of the credit.

SECTION E

CORPORATE OFFICERS

Taxpayers annual affirmation of all corporate officer's information must be included on the RCT-128C. When information is provided on RCT-128C, REV-1605 is not required. However, to report a change in corporate officers during the tax year, REV-1605 should be filed electronically at mypath.pa.gov. REV-1605 may also be submitted via fax to 717-787-3708 or email to ra-btftregisfax@pa.gov.

When completing the affirmation of corporate officer section, LLCs, business trusts and other unincorporated entities required to file RCT-101 must enter the names and Social Security numbers of individuals who are responsible for the tax and/or business matters of the entity (i.e. Tax Matter Partner, Managing Partner, Trustee). Social Security numbers must contain all nine digits.

A corporate officer must sign the report. The signature may be original, stamped or electronic. Also provide telephone number, email address and title of the officer along with the date signed.

PAGE 4

Paid preparers must sign and date all tax returns. The preparer's name, complete address, federal PTIN and the date prepared must be typed or printed in the appropriate boxes.