

Instructions for PA-65 Corp Directory of Corporate Partners

What's New

The amended oval has been changed from Amended Schedule to Amended PA-65 Corp.

The word "Total" was added to Line 3.

General Information

Purpose of Form

Partnerships and limited liability companies taxed as partnerships use PA-65 Corp, Directory of Corporate Partners to remit corporate net income tax withheld on behalf of the partnership's nonfiling corporate partners that are domestic or foreign (incorporated in state/country other than Pennsylvania/U.S.) C corporations, that have not filed an RCT-101, PA Corporate Tax Report for the prior or current tax year (s) or the fiscal year in which the partnership's/limited liability company's year-end.

The PA-65 Corp, Directory of Corporate Partners is also used for partnerships that are owned 100 percent by C corporations. The partnership is required to complete the PA-65 Corp, Directory of Corporate Partners to fulfill its Pennsylvania filing requirement and does not complete the PA-20S/PA-65 Information Return.



Important. Entities that are publicly traded, real estate investment trusts or regulated investment companies are not subject to these corporate net income tax withholding requirements.

Electronic Filing

Federal/State e-File for S Corporations and Partnerships

Since March 2009, Pennsylvania businesses can electronically file PA-65 Corp, Directories of Corporate Partners.

Corporate net income tax withholding payment made on behalf of nonfiling corporate owner(s) and can only be paid electronically if the Pennsylvania return is filed electronically. Visit Revenue's e-Services Center for more information.

A Pennsylvania tax return can be e-Filed through an approved vendor that has tested with and been approved by the department to offer e-file in Pennsylvania. Even if a vendor is federally approved, they also must be approved by Pennsylvania. As a result, every year

vendors must go through a testing process for the department's approval of their software. When the vendors complete the testing process, they will be listed on Revenue's e-Services Center.

International ACH Transactions

The Federal Office of Foreign Assets Control has imposed additional reporting requirements on all electronic banking transactions that directly involve a financial institution outside of the territorial jurisdiction of the United States. These transactions are called International ACH Transactions (IAT). Presently, the Pennsylvania Department of Revenue does not support IAT ACH Debit Transactions. Taxpayers who instruct the department to process electronic banking transactions on their behalf are certifying that the transactions do not directly involve a financial institution outside of the territorial jurisdiction of the United States at any point in the process.

Who Must File

The following partnerships must file the PA-65 Corp, Directory of Corporate Partner:

- Partnerships owned 100 percent by C corporations; or
- Partnerships owned by at least one nonfiling C corporation subject to corporate net income tax.

Act 46 of 2003 added provisions to the Tax Reform Code, § 403.2 that require a partnership to withhold and remit corporate net income tax on behalf of a nonfiling corporate partner. The corporate net income tax withholding requirement for nonfiling corporate partners applies to taxable years beginning after Dec. 31, 2003.

Corporate partners are not exempt from filing the RCT-101, PA Corporate Tax Report. If the partnership does not have a signed affidavit from its corporate partner(s) then the partnership is responsible for withholding corporate net income tax. The corporate net income tax payment is posted to the corporate partner's account, and an estimate may be imposed on the corporate partner for not filing the RCT-101, PA Corporate Tax Report. See [Signed Affidavit](#).

Partnerships and limited liability companies filing as partnerships are required to ensure corporate net income tax is withheld and paid on any income

passed through to nonfiling corporate partners that have not filed an RCT-101, PA Corporate Tax Report.

Signed Affidavit

Each corporate partner is required to provide the partnership with a signed affidavit stating the corporate partner is compliant with filing its RCT-101, PA Corporate Tax Report. The affidavit must also include the PA Account # (Box Number). The PA Account # is assigned by the Department of Revenue's Bureau of Corporation Tax.

If the partnership has not received an affidavit, the partnership must file the PA-65 Corp, Directory of Corporate Partners, along with PA-20S/PA-65 Schedule H-Corp, PA-20S/PA-65 Schedule CP and federal schedules. The partnership must pay corporate net income tax for the total federal positive income multiplied by Pennsylvania apportionment percentage from PA-20S/PA-65 Schedule H-Corp multiplied by the corporate tax rate of 9.99 percent.

If the partnership has a signed affidavit and the department determines the corporate partner is not compliant with filing an RCT-101, PA Corporate Tax Report, the obligation to withhold corporate net income tax falls back on the partnership, as do any penalty and interest fees.

What To File

A partnership must complete a PA-65 Corp, Directory of Corporate Partners if the partnership has income (loss) from operating a business, profession or farm within Pennsylvania and/or income (loss) from the ownership of property within Pennsylvania.

Submit a complete federal Form 1065 including federal Schedules K-1 for the entity completing the PA-65 Corp, Directory of Corporate Partners and the federal Schedule K-1 for each corporate partner listed on the PA-65 Corp, Directory of Corporate Partners.

Partnership with Nonfiling Corporate Partner(s) and Non Corporate Partner(s)

A partnership may have non corporate partners, as well as one or more partner(s) that are domestic or foreign C corporations. Such a partnership submits a complete PA-20S/PA-65 Information Return. A complete PA-65 Corp, Directory

of Corporate Partners is required if the partnership is remitting corporate net income withholding tax on behalf of nonfiling corporate partners and is filed separately from the PA-20S/PA-65 Information Return.

If the partnership has corporate net income tax withholding for any domestic or foreign nonfiling corporate partner, the partnership files a complete PA-65 Corp, Directory of Corporate Partners and a copy of the partnership's federal Form 1065, including all federal schedules and federal Form 1065 Schedules K-1 in addition to the PA-20S/PA-65 Information Return.

If the entity is a limited liability company taxed as a partnership and has already forwarded a complete copy of its federal tax return to the Bureau of Corporation Taxes with the RCT-101, PA Corporate Tax Report, do not send another copy.

If the partnership has business operations within and outside Pennsylvania, the partnership must complete a PA-20S/PA-65 Schedule H to apportion business income (loss) for Pennsylvania personal income tax purposes.

The partnership must also submit a complete PA-20S/PA-65 Schedule H-Corp and provide a copy to each entity partner. The PA-20S/PA-65 Schedule H-Corp provides the entity partner with the apportionment information needed to complete the RCT-101, PA Corporate Tax Report. The PA-20S/PA-65 Schedule H-Corp is for information purposes only for corporate partners. Do not use this schedule to arrive at calculations for other non corporate partner's/member's income. PA-20S/PA-65 Schedule H-Corp must be completed for distribution to partners that are business entities. The PA-20S/PA-65 Schedule H-Corp must be provided to the corporate partners if the partnership has business operations within and outside of Pennsylvania or totally within Pennsylvania.

The partnership is also required to file PA-20S/PA-65 Schedule CP with the PA-65 Corp, Directory of Corporate Partners for each nonfiling corporate partner and provide a copy of PA-20S/PA-65 Schedule CP to each nonfiling corporate partner for use in filing the RCT-101, PA Corporate Tax Report. A corporate partner is not required to file PA-20S/PA-65 Schedule CP with the RCT-101, PA Corporate Tax Report.

If additional space is required, copy the PA-65 Corp, Directory of Corporate Partners. When completing more than one PA-65 Corp, the totals must be calculated on the first form. Do not enter totals on the additional forms.

Partnership Wholly Owned by C Corporations

All of the partnership's owners (partners) are C corporations or limited liability

companies taxed as disregarded entities owned by C corporations.

A partnership wholly owned by C corporations submits PA-65 Corp Directory of Corporate Partners and a complete copy of the partnership's federal Form 1065, including all federal schedules and federal Form 1065 Schedules K-1. The partnership does not complete the PA-20S/PA-65 Information Return.

If the partnership has business operations within and outside Pennsylvania or totally within Pennsylvania, the partnership submits a complete PA-20S/PA-65 Schedule H-Corp and provides a copy of Schedule H-Corp to each entity partner. The PA-20S/PA-65 Schedule H-Corp provides the entity partner with the apportionment information needed to complete RCT-101, PA Corporate Tax Report.

The partnership is also required to file PA-20S/PA-65 Schedule CP with PA-65 Corp, Directory of Corporate Partners for each nonfiling corporate partner and provide a copy of Schedule CP to each nonfiling corporate partner for use in filing RCT-101. A corporate partner is not required to file PA-20S/PA-65 Schedule CP with the RCT-101.

 Important. If the partnership is wholly owned by C corporations or limited liability companies filing as a C corporation, the partnership does not file a PA-20S/PA-65 Information Return. The partnership is only required to file the PA-65 Corp, Directory of Corporate Partners.

Partnership without Corporate Partners

If the owners of the partnership are individuals, estates, trusts, other partnerships, PA S corporations, and/or other entities, and the partnership does not have any C corporations as partners, the partnership submits a complete PA-20S/PA-65 Information Return but does not complete a PA-65 Corp, Directory of Corporate Partners.

Assembling the PA-65 Corp, Directory of Corporate Partners

Assemble the PA-65 Corp, Directory of Corporate Partners in the following order:

- Signed original PA-65 Corp, Directory of Corporate Partners Do not mail a photocopy
- PA-20S/PA-65 Schedule H-Corp
- PA-20S/PA-65 Schedule CP for each corporate partner
- Federal Form 1065 including all federal schedules and federal Schedules K-1 (including all federal Schedules K-1 for all C corporation partners) unless previously filed with the RCT-101, PA Corporate Tax Report

- Corporate net income tax payment for nonfiling corporate partners

 Important. **Do not create a substitute PA-65 Corp**, Directory of Corporate Partners that has not been approved by the department. A spreadsheet is an unapproved and unacceptable tax form. No more than three corporate partners may be entered on the PA-65 Corp, Directory of Corporate Partners. If additional pages are needed, a photocopy of the PA-65 Corp, Directory of Corporate Partners or department-approved form is acceptable.

If you are filing any tax form other than an official tax form, please read Miscellaneous Tax Bulletin 2008-02, issued Aug. 13, 2008, on the department's website.

Losses, Expenses and Credits

The partnership cannot reduce the income by losses or expenses on PA-20S/PA-65 Schedule CP. The corporation must file its RCT-101, PA Corporate Tax Report to take losses and/or expenses into account.

Overpayment of Corporate Net Income Tax Withholding

If the partnership withholds excess corporate net income tax for a corporate partner the overpayment will be refunded to the corporate partner and not the partnership when the C corporation files its RCT-101, PA Corporate Tax Report.

When To File

If the due date falls on a Saturday, Sunday, or business holiday, the entity must file its PA-65 Corp, Directory of Corporate Partners no later than midnight on the first business day following the Saturday, Sunday, or business holiday. The U.S. Postal Service postmark date on the envelope is proof of timely filing. Pennsylvania follows same tax year as federal.

Calendar-Year Filer

A partnership or limited liability company filing as a partnership for federal income tax purposes that files on a calendar year, reports all corporate net income tax withholding recognized between January 1 and December 31.

File your 2010 PA-65 Corp, Directory of Corporate Partners by April 18, 2011. The due date is April 18, instead of April 15, because of the Emancipation Day holiday in the District of Columbia even if you do not live in the District of Columbia.

Fiscal-Year Filer

A fiscal year is a period of 12 consecutive months without regard to the calendar year. The fiscal year is designated by the calendar year in which it ends. A fiscal year entity reports all taxable income recognized during the fiscal year.

A partnership or limited liability company filing as a partnership for federal income tax purposes that files on a fiscal year reports all corporate net income tax withholding recognized during the fiscal year.

File your PA-65 Corp, Directory of Corporate Partners on or before the 15th day of the fourth month following the close of the fiscal year. A partnership may use a 52/53 week-year if it keeps its books on that basis.

Extension of Time To File

An extension of time to file is not available for the PA-65 Corp, Directory of Corporate Partners. The PA-65 Corp, Directory of Corporate Partners is a form for withholding corporate net income tax for a nonfiling corporate partner which indicates how much of the payment should be allocated to each corporate partner. It is not a tax return and therefore has no extension provision. The corporate net income tax withholding payment must be remitted with the PA-65 Corp, Directory of Corporate Partners.

Filing an Amended PA-65 Corp

If after filing the PA-65 Corp, Directory of Corporate Partners, the partnership discovers that an incorrect PA-65 Corp has been submitted to the department, the partnership must submit an amended PA-65 Corp.

The partnership must:

- Use a PA-65 Corp, Directory of Corporate Partners from the same year you are amending. Do not submit a photocopy of your original PA-65 Corp.
- Correct the error by completing and filing a PA-65 Corp, Directory of Corporate Partners and clearly mark the amended oval.
- Re-submit federal Form 1065 as amended.



Note. The PA-65 Corp, Directory of Corporate Partners must be amended if the partnership amends federal Form 1065.

Tax Due - Under Reported Income

If the partnership under reported income, erroneously claimed credits or deductions to which it was not entitled, or events transpired that increased reportable Pennsylvania-taxable income, including an IRS Report of Change, the entity must file

an amended PA-65 Corp, Directory of Corporate Partners within 30 days from the determination of such increase.

The entity owners must also file an amended Pennsylvania tax return within 30 days of the discovery of the error to report any increase in income for taxes due.

Where To File

A partnership and limited liability company filing as a partnership that has a partner that is a nonfiling C corporation or 100 percent owned by C corporations submits the PA-65 Corp, Directory of Corporate Partners, PA-20S/PA-65 Schedule CP, PA-20S/PA-65 Schedule H-Corp, and corporate net income tax payment. If a limited liability company filing as a partnership did not forward a complete copy of its federal return to the Bureau of Corporation Taxes with the RCT-101, PA Corporate Tax Report, it must include a complete copy of federal Form 1065, including federal Schedules K-1.

Where the partnership should mail the PA-65 Corp depends whether there is a corporate net income withholding payment. Choose the appropriate mailing address:

Without Payment:

PA DEPARTMENT OF REVENUE
BUREAU OF INDIVIDUAL TAXES
PO BOX 280509
HARRISBURG PA 17128-0509
(Include PA-20S/PA-65, if applicable; PA-65 Corp, PA-20S/PA-65 Schedule H-Corp and the federal return)

With Payment:

PA DEPARTMENT OF REVENUE
BUREAU OF INDIVIDUAL TAXES
PO BOX 280502
HARRISBURG PA 17128-0502
(Include PA-20S/PA-65, if applicable; PA-65 Corp, PA-20S/PA-65 Schedule H-Corp, PA-20S/PA-65 Schedule CP, CNI payment and the federal return)



Important

- Mail the PA-65 Corp, Directory of Corporate Partners separate from all other Pennsylvania returns.
- Do not send corporate net income tax withholding payments to the Bureau of Corporation Taxes.
- Do not mail the PA-20S/PA-65 Information Return with the RCT-101, PA Corporate Tax Report.

Apportionment

When the partnership has at least one partner that is a corporation subject to corporate net income tax, the partnership must also submit a PA-65 Corp, Directory of Corporate Partners, and a PA-20S/PA-65 Schedule H-Corp. The PA-20S/PA-65

Schedule H-Corp provides the corporate partner with the apportionment information needed to complete the RCT-101, PA Corporate Tax Report.

Line Instructions

Partnership Federal Employer Identification Number (FEIN)

Enter the federal employer identification number of the partnership.

Partnership Business Name

Enter the complete name of the entity.

First Line of Address

Enter the street address. If the address has an apartment number, suite, or RR number, enter after the street address.

The U.S. Postal Service preference is to put the actual delivery address on the line immediately above the city, state and ZIP Code.



Note. If the street address along with the apartment number, suite, or RR number does not fit on the first line of address, then enter the street address on the second line of address and the apartment number, suite, or RR number on the first line of address.

Second Line of Address

Enter the post office box, if applicable. If there is no post office box, leave the second line of address blank.

For Canadian addresses, enter the city and postal delivery zone number. See the example for [Canada](#).



Important. If the address has only a post office box, enter on the first line of address.

City, State, and ZIP Code

Enter the appropriate information in each box. For Canadian and international addresses, the bottom lines of the address should show only the country name, written in full (no abbreviations) and in capital letters. See [Canadian and International Addresses](#).

Amended Oval - PA-65 Corp, Directory of Corporate Partners

If this is an amended form, fill in the oval. The PA-65 Corp, Directory of Corporate Partners, must be amended if the partnership amends federal Form 1065. See [Filing an Amended PA-65-Corp](#).

US Postal Service Name and Address Standards

Name Standards

- Eliminate apostrophes, commas, periods and hyphens.
- Do not use "The" as the first word in a title except for a two-word title (e.g. "The Boutique").

Address Standards

- Eliminate apostrophes, commas, periods and hyphens, except the hyphen in a ZIP + 4.
- Use only RR (Rural Route) and HC (Highway Contract) abbreviations. All others (Star Route, Mountain Route, Rural Delivery, etc) have been converted to RR or HC.
- Corner Addresses, i.e. "Corner Smith and Duke" will be replaced by numerical street addresses. Examples of the new format would be "1700 DUKE ST" or "1 N SMITH ST".
- Combining two types of addresses is acceptable, like "24 N GREEN ST PO BOX 10", however, the USPS preference is to put the actual delivery address on the line immediately above the city, state and ZIP Code.

Preferred Address Standards

1. **Non-Address Line.** Logos, account numbers, subscription codes, etc.
2. **Information/Attention Line.** Used to direct mail to the attention of a specific person or unit when a business name is placed on the "Name of Recipient Line".
3. **Name of Recipient Line.** The name of the business or individual of the intended recipients.
4. **Delivery Address Line.** Street address, post office box number or rural number, or a combination of post office box number and rural route or highway contract number.

Exception. Combining a street address with a post office box. The preferred delivery address must appear on this line with the other address on the line above.



Example:
ATTN CUSTOMER SERVICE
HILLS DEPT STORE
123 MAIN HWY
PO BOX 4567
ANYTOWN PA 17111-1234

5. **Post Office, State and ZIP Code Line.** For domestic mail, the Post Office (City), State and ZIP Code should appear in the order on the bottom line of the address. If all three elements will not fit on the line, the ZIP (+4) may be placed immediately below, aligned with the left edge of the address block.



Example:
21-674980 - Non-Address Line
ATTN JOHN DOE - Attention Line
ABC CO - Recipient Line
1234 S WEST ST - Delivery Address Line
ANYTOWN PA 17000 - City, State and ZIP

Domestic Address Format Examples

The following examples illustrate various formats that include ZIP + 4 Codes. Use them as a guide.

1. **PO BOX**
AZINGA COMPANY
PO BOX 34
DULUTH MN 55806-0034
2. **RURAL ROUTE OR HIGHWAY CONTRACT ROUTE**
EAST COAST CORP
RR 3 BOX 194 C
CANTON OH 44730-9615
3. **BUILDING/BUSINESS**
SOUTHERN CORP
LOUISIANA INDUSTRIAL PK
1725 E BEAUREGARD AVE
NEW ORLEANS LA 70124-1299
4. **STANDARD STREET ADDRESS - NUMERIC**
MID WEST LTD
5765 E 53RD ST SUITE 221
CHICAGO IL 60615-1234
5. **STANDARD STREET ADDRESS - ALPHABETIC**
WEST COAST INC
603 MAIN ST NE
DETROIT MI 48223-3107

Canadian and International Addresses

General Requirements

The bottom line of the address should show only the country name, written in full (no abbreviations) and preferably in capital letters. Do not place the post codes (ZIP Codes) of foreign country destinations on the last line of the address. An example of a correct foreign address follows:

Foreign Address Example

DIETRICH ENTERPRISES
HARTMANNSTRASSE 7
5300 BONN 1
FEDERAL REPUBLIC OF GERMANY
OR
117 RUSSELL DR
LONDON W1PGHQ
ENGLAND

Canada (Only) Address Example

The following address format may be used when the postal address delivery zone number is included in the address:

NORTH BY NORTHWEST CO
1010 CLEAR ST
OTTAWA ONT K1A 0B1
CANADA

1. Enter the following information for each corporate partner:

- **FEIN** Federal employer identification number
- **PA Account #** (corporate tax number) should be provided for every corporate partner. If the corporate partner does not have a PA Account #, leave this field blank. The PA Account # is assigned by the Pennsylvania Department of Revenue's Bureau of Corporation Taxes and is applicable to PA S corporations, C corporations and limited liability companies only.
- **Nonfiling Corporation Corporate Net Income (CNI) Withholding.** Enter the amount of corporate net income tax withheld for the corporate partner. Use whole dollar amounts only.
- Fill in the oval if a foreign entity
- Name of Corporate Partner and address

2. Total Number of Corporate Partners for this Entity

Enter the total number of corporate partners for this entity.

If the partnership has multiple schedules, each schedule should include the total of all the schedules. i.e., partnership reports CNI withholding for six corporate partners on the PA-65 Corp. The total number of corporate partners for this entity is six. The partnership enters "6" in the field for Line 2 on both schedules.

3. Total Number of Corporate Partners Registered in Pennsylvania for this Entity

Enter the total number of corporate partners registered in Pennsylvania for this entity.

If the partnership has multiple schedules, each schedule should include the total of all the schedules. i.e., partnership reports CNI withholding for six corporate partners on the PA-65 Corp. The total number of corporate partners registered in Pennsylvania for this entity is four. The partnership enters "4" in the field for Line 3 on both schedules. Do not leave this field blank. If there is no corporate partners registered in Pennsylvania, enter "0."

4. Total Corporate Net Income Tax Withholding for all Nonfiling Corporate Partners for this Entity

Enter the total corporate net income tax withheld for all nonfiling corporate partners. Use whole dollar amounts only.

If the partnership has multiple schedules, each schedule should include the total of all the schedules. i.e., partnership reports CNI withholding for six corporate partners on the PA-65 Corp. The total CNI withholding on Line 4 for all six partners is \$10,000. The partnership enters \$10,000 in the field for Line 4 on both schedules. Do not leave this field blank. If there is no withholding, enter "0."

5. Pennsylvania Apportionment as Reported on PA-20S/PA-65 Schedule H-Corp

Enter the Pennsylvania-Apportionment figure from PA-20S/PA-65 Schedule H-Corp. Do not leave this field blank.

Who Must Sign

Non E-Filed Returns

Name of General Partner or Authorized Individual

The entity has not filed a valid PA-65 Corp, Directory of Corporate Partners unless it is properly signed. The individual signing the return must be a general partner, principal officer or individual expressly authorized to sign.

The partnership official that is responsible for signing the PA-65 Corp, Directory of Corporate Partners must sign it by hand; signature stamps or labels are not acceptable, and include his or her title, date, and telephone number.

The responsible official must submit all required schedules with the PA-65 Corp, Directory of Corporate Partners including the PA-20S/PA-65 Schedule H-Corp and PA-20S/PA-65 Schedule CP for each owner.

Preparer's Signature and Name

Alternative signing is for the preparer not the taxpayer. Pennsylvania follows federal guidelines for signature requirements for the preparer.

Anyone who prepares a PA-65 Corp, Directory of Corporate Partners for a fee or incident to the performance of services for which the preparer charges a fee e.g. an attorney provides legal services for a fee and includes for free the preparation of the PA-65 Corp, Directory of Corporate

Partners, must sign the return as a "Paid Preparer" and must enter his or her social security number or federal practitioner tax identification number. The company or corporation name and federal employer identification number, must be included, if applicable.

If someone prepares the return at no charge, the paid preparer's area need not be completed.

E-Filed Returns

For e-file, taxpayer and preparer are required to use PA-8453 P or PA-8879 P.