

# Instructions for PA-65 Corp

Directory of Corporate Partners

PA-20S/PA-65 Schedule PA-65 Corp (10-15)

## GENERAL INFORMATION

### PURPOSE OF FORM

A partnership (domestic or foreign general partnership, joint venture, limited partnership, limited liability company, business trust or other unincorporated entity that for federal income tax purposes is classified as a partnership) uses the PA-65 Corp, Directory of Corporate Partners for the following:

- To remit corporate net income tax withholding 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;
- When the partnership is 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.

 **Note.** The PA-65 Corp, Directory of Corporate Partners, is not used for personal income tax purposes.

 **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

#### Fed/State e-File for S Corporations and Partnerships

The Pennsylvania Department of Revenue accepts original and amended PA-65 Corp, Directory of Corporate Partners including corresponding forms and schedules filed through the Modernized e-File (MeF) platform provided by the IRS (also known as the Fed/State Partnership e-File Program).

#### Filing Mandate

The Method of Filing Notice [44 Pa.B. 6294] establishes requirements for mandatory e-filing. For all calendar

years following a calendar year in which a third party tax preparer prepares 11 or more PA Directory of Corporate Partner returns the preparer is required to electronically file (e-file) in a manner prescribed by the department, all PA Directory of Corporate Partner Returns including all associated schedules and attachments.

Once a third party preparer is subject to the filing mandate, they shall continue to be subject to the mandate regardless of how many PA Directory of Corporate Partner Returns are filed during a tax year. A third party preparer who is subject to this filing method must have appropriate software compatible with department e-filing systems.

 **Important.** An amended PA-65 Corp, Directory of Corporate Partners, filed through Fed/State e-file will only be accepted for tax years 2013 and forward. An amended PA-65 Corp, Directory of Corporate Partners, may not be filed through Fed/State e-file for tax years prior to 2013. See How To Amend the PA-65 Corp prior to 2013.

Corporate net income tax withholding payments made on behalf of nonfiling corporate owner(s) can only be paid electronically if the PA-65 Corp, Directory of Corporate Partners, is filed through Fed/State e-file. Visit Revenue's e-Services Center for more information.

The Fed/State Partnership e-File Program allows the federal and state returns to be filed together or separately. It is available through tax preparers or computer software. When using Fed/State e-file to file, the department sends an acknowledgement directly to you, the tax professional or Electronic Return Originator (ERO). Whoever submits the tax return will receive the acknowledgement.

The PA-65 Corp, Directory of Corporate Partners can be filed through Fed/State e-file through an approved vendor that has tested with and been approved by the department to offer electronic filing 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 U.S. 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 U.S at any point in the process.

### WHO MUST FILE

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

- Partnerships remitting corporate net income withholding on behalf of their nonfiling C corporations subject to corporate net income tax for Pennsylvania; or
- Partnerships owned 100 percent by C corporations.

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 entities formed as limited liability companies classified as partnerships for federal income tax purposes 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 include the corporate partner's Revenue ID.

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 on total federal 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 reverts to the partnership, as do any penalty and interest.

 **Note.** The department does not have an official affidavit form. It is the responsibility of the partnership to keep the affidavit it receives from its corporate partner(s) as part of the partnership's records. Do not submit the affidavit to the department.

### **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 Form 1065 Schedules

K-1 for the entity completing the PA-65 Corp, Directory of Corporate Partners, and a federal Form 1065 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 formed as a limited liability company classified as a partnership for federal income tax purposes 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 who is a corporation with the apportionment information needed to complete the RCT-101, PA Corporate Tax Report and calculate CNI tax.

The Schedule H-Corp is also used by other entity types to pass through information to their corporate partners or for determining capital stock/foreign franchise tax.

The PA-20S/PA-65 Schedule H-Corp is for information purposes only for corporate partners when calculating CNI tax. Do not use this schedule to arrive at calculations for other non-corporate partners / members 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, Directory of Corporate Partners, each PA-65 Corp form must include the total of all the PA-65 Corp, Directory of Corporate Partners forms.

**Example.** The partnership reports corporate net income withholding for six corporate partners on two PA-65 Corp forms. The entity will enter "6" in the field for Line 2 on both PA-65 Corp forms. The same concept is applied for Lines 3, 4 and 5.

### **Partnership Wholly Owned by C Corporations**

A partnership is considered wholly owned when all of the partnership's owners (partners) are C corporations or entities formed as limited liability companies that are classified 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 the RCT-101, PA Corporate Tax Report and calculate CNI tax.

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 Schedule CP to each nonfiling corporate partner for use in filing RCT-101 PA Corporate Tax Report. 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 C corporations, 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.

### **Partnerships 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.

### **APPORTIONMENT**

When the partnership has at least one partner that is an entity, the partnership must also submit a PA-20S/PA-65 Schedule H-Corp. The PA-20S/PA-65 Schedule H-Corp should be provided to each partner who is a corporation for use in completing its RCT-101 PA Corporate Tax Report and to any other entity partner so that those entities can in turn pass through the information to their corporate partners or for determining their own capital stock/foreign franchise tax liability.

### **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; and
- Corporate net income tax payment for nonfiling corporate partners

**⚠ Important.** Do not create a substitute PA-65 Corp, Directory of Corporate Partners, which 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 review Miscellaneous Tax Bulletin 2008-02, issued Aug. 13, 2008, on the department's website.

### **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 the same tax year as federal rules.

### **Calendar-Year Entity**

A partnership or entity formed as a limited liability company that is classified as a partnership for federal income tax purposes that files on a calendar year basis, reports all corporate net income tax withholding recognized between Jan. 1 and Dec. 31.

A partnership or entity formed as a limited liability company classified as a partnership for federal income tax purposes files the current year PA-65 Corp, Directory of Corporate Partners, on or before April 18, 2016.

If the return is not filed by the original due date, the department imposes late filing penalties and interest.

### **Fiscal-Year Entity**

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 entity formed as a limited liability company classified 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.

A partnership or entity formed as a limited liability company classified as a partnership for federal income tax purposes files the 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.

### **Short-Year Return**

A short year is an accounting period shorter than one year and not a 52-53 week taxable year.

A short-year return is required for the following reasons:

- Changes in the annual accounting period. For example, the entity changes from a fiscal year filer to a calendar year filer; or
- An entity is in existence during only part of the tax year. For example, if the year is the initial year or the entity sells or exchanges 50 percent or more of ownership interest.

When there has been a change in an accounting period that requires filing of a short-year return, the tax is calculated on an annualized basis.

### **No Extension of Time To File**

There is no extension of time to file the PA-65 Corp, Directory of Corporate Partners. See How a 1065 Federal Extension Affects the PA-65 Corp Filing. The PA-65 Corp is a payment voucher for withholding corporate net income tax for nonfiling corporate partners which indicates how much was withheld for 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 by April 18, 2016. See How To Pay.

### **HOW A 1065 FEDERAL EXTENSION AFFECTS THE PA-65 CORP FILING**

A valid federal extension of time to file federal Form 1065 does not extend the filing time for the PA-65 Corp, Directory of Corporate Partners or the remittance of corporate net income tax withholding for nonfiling corporate partners.

The partnership must timely file the PA-65 Corp, Directory of Corporate Partners on or before the original due date and remit corporate net income tax withheld on behalf of its nonfiling corporate partners. The partnership must pay in full the amount reasonably estimated as the Pennsylvania corporate net income tax due on or before the original due date. Failure to withhold and remit the correct amount of corporate net income tax on behalf of nonfiling corporate partners may subject the partnership to interest and penalties.

When the partnership's federal Form 1065 is filed, the partnership is required to submit the PA-65 Corp, Directory of Corporate Partners with federal Form 1065 attached. See Underpayment, Correct Payment and Overpayment.

### **Underpayment of Corporate Net Income Tax**

If upon filing federal Form 1065, the partnership determines the proper amount of corporate net income tax was not withheld for a corporate partner, the partnership must file an amended PA-65 Corp, Directory of Corporate Partners, and remit the additional tax due within 30 days of filing federal Form 1065 with the IRS. Check the payment enclosed oval on the form. See How To Amend the PA-65 Corp.

With the amended PA-65 Corp and CNI check, the partnership must submit a complete copy of federal Form 1065, including federal Form 1065 Schedule K-1 for each nonfiling corporate partner, PA-20S/PA-65 Schedule H-Corp and PA-20S/PA-65 Schedule CP. Fill in the amended PA-65 Corp oval on the PA-65-Corp, Directory of Corporate Partners.

 **Important.** When submitting the amended PA-65 Corp, enter only the amended amount of corporate net income tax withheld on Line 4.

**Example.** The entity files the PA-65 Corp on April 18, 2016 and remits \$500 for corporate net income tax. After filing federal Form 1065 the partnership realizes the correct amount of corporate net income tax withheld should be \$600. There is an underpayment of \$100. The partnership reports only \$100 on the amended PA-65 Corp, Line 4.

### **Correct Payment of Corporate Net Income Tax**

If upon filing federal Form 1065, the partnership determines that it correctly

withheld corporate net income tax for a corporate partner, the partnership must submit a copy of federal Form 1065, including federal Form 1065 Schedule K-1 for each nonfiling corporate partner with a copy of the original PA-65 Corp, Directory of Corporate Partners within 30 days of filing federal Form 1065 with the IRS.

 **Important.** When submitting the PA-65 Corp with federal Form 1065, enter zero on Line 4 because the correct amount of corporate net income tax withheld and remitted on April 18, 2016 was correct. All other information on the PA-65 Corp should appear as was filed on April 18, 2016.

### **Overpayment of Corporate Net Income Tax**

If upon filing federal Form 1065, the partnership determines that it withheld excess corporate net income tax for a corporate partner, the partnership must file an amended PA-65 Corp, Directory of Corporate Partners. Refunds are not issued to the partnership. See Refund of Overpayment of Corporate Net Income Tax Withholding.

With the amended PA-65 Corp, the partnership must submit a complete copy of federal Form 1065, including federal Form 1065 Schedule K-1 for each nonfiling corporate partner, PA-20S/PA-65 Schedule H-Corp and PA-20S/PA-65 Schedule CP within 30 days of filing federal Form 1065 with the IRS. Fill in the amended PA-65 Corp oval on the PA-65-Corp, Directory of Corporate Partners. See How To Amend the PA-65 Corp.

 **Important.** When submitting the amended PA-65 Corp, enter zero on Line 4 because the correct amount of corporate net income tax withheld and remitted on April 18, 2016 was correct. All other information on the PA-65 Corp should appear as was filed on April 18, 2016.

Attach a statement indicating there was an overpayment and the amount of the overpayment.

**Example.** The entity files the PA-65 Corp on April 18, 2016 and remits \$600 for corporate net income tax. After filing federal Form 1065 the partnership realizes the correct amount of corporate net income tax withholding is \$500. There is an overpayment of \$100. The partnership reports zero on the amended PA-65 Corp, Line 4.

### **No Payment Required for Corporate Net Income Tax**

A partnership that is owned 100 percent by corporate partners that are compliant and file a Pennsylvania corporate tax return will have no tax due on the PA-65 Corp. Submit a copy of federal Form 1065, including all federal Form 1065 Schedules K-1 and the PA-20S/PA65 Schedule H-Corp with a copy of the original PA-65 Corp, Directory of Corporate Partners, within 30 days of filing federal Form 1065 with the IRS.

If the partnership, owned 100 percent by corporate partners, determines there was an underpayment or overpayment of corporate net income tax. See Underpayment of Corporate Net Income Tax or Overpayment of Corporate Net Income Tax.

### **REFUND OF 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.

### **HOW TO AMEND THE PA-65 CORP Prior to Tax Year 2013**

An amended PA-65 Corp, Directory of Corporate Partners cannot be filed through Federal/State e-file for tax years prior to 2013.

When amending a PA-65 Corp, Directory of Corporate Partners filed through Fed/State e-file prior to tax year 2013, the appropriate paper form must be used.

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, Directory of Corporate Partners.

For tax years prior to 2013, to amend the PA-65 Corp, Directory of Corporate Partners, that was originally filed through Fed/State e-file or paper-filed, a paper form PA-65 Corp, Directory of Corporate Partners must be used for the year to be amended.

The following are instructions for amending the Directory for tax years prior to 2013.

The partnership must:

- Obtain the paper form PA-65 Corp, Directory of Corporate Partners, for

the year to be amended. **Do not submit a copy of the original PA-65 Corp, Directory of Corporate Partners;**

- Correct the error by completing and filing a PA-65 Corp, Directory of Corporate Partners, and clearly mark the amended oval;
- Enclose a statement explaining the reasons an amended return is being filed; and
- Enclose a copy of the amended federal Form 1065.

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

### Tax Year 2013 and Forward

For tax years 2013 and forward, the department will accept amended PA-65 Corp, Directory of Corporate Partners including corresponding forms and schedules filed through Fed/State e-File.

Beginning with tax year 2013, to e-file an amended return through Fed/State e-File, visit Revenue's e-Services Center at [www.doreservices.state.pa.us](http://www.doreservices.state.pa.us).

Follow all the steps listed above under "Prior to Tax Year 2013" with exception to the first bullet referencing a paper return.

### WHEN TO AMEND THE PA-65 CORP Under-Reported Income (Tax Due)

If the partnership underreported 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 corporate 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

Partnerships, including entities formed as limited liability companies that are classified as partnerships for federal income tax purposes has partners that are nonfiling C corporations or 100 percent owned by C corporations must submit 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 entities formed as limited liability companies that are classified as partnerships for federal income tax purposes 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, Directory of Corporate Partners, 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 the PA-20S/PA-65 information return, if applicable; PA-65 Corp, Directory of Corporate Partners; PA-20S/PA-65 Schedule H-Corp and federal 1065 return.

#### With Payment:

PA DEPARTMENT OF REVENUE  
BUREAU OF INDIVIDUAL TAXES  
PO BOX 280502  
HARRISBURG PA 17128-0502

Include a copy of PA-20S/PA-65 information return, if applicable; PA-65 Corp, Directory of Corporate Partners; PA-20S/PA-65 Schedule H-Corp; PA-20S/PA-65 Schedule CP; CNI payment and the federal 1065 return.

**Important.** Mail the PA-65 Corp, Directory of Corporate Partners separate from all other Pennsylvania tax 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.

### HOW TO PAY

#### Payment by Check

The partnership must submit the PA-65 Corp, Directory of Corporate Partners with a check or money order made payable to the Dept. of Revenue for corporate net income tax withheld on behalf of the partnership's nonfiling corporate partners. Payments submitted to this account are for nonfiling corporate partners and are posted to their

corporate accounts as indicated on the partnership's PA-65 Corp, Directory of Corporate Partners.

The PA-65 Corp, Directory of Corporate Partners is used for remittance of corporate net income tax withholding for nonfiling corporate partners.

If payment is included with the PA65-Corp, please fill in the "Payment Enclosed" oval in the demographic area of this form.

**Caution.** Failure to remit the PA-65 Corp, Directory of Corporate Partners with the corporate net income tax withholding payment will delay processing the return and may result in the imposition of interest, penalty and estimated underpayment penalty.

### Electronic Payment

Corporate net income tax withholding payments made on behalf of nonfiling corporate owner(s) can only be paid electronically if the PA-65 Corp, Directory of Corporate Partners, is filed through Fed/State e-file. Visit Revenue's e-Services Center for more information. See Electronic Filing.

## COMPLETING THE PA-65 CORP

### FOREIGN ADDRESS STANDARDS

If the PA S corporation, partnership or entity formed as a limited liability company that is classified as a partnership or PA S corporation for federal income tax purposes is located outside the U.S., it is important to write the foreign address on the PA-65 Corp, Directory of Corporate Partners, according to U.S. Postal Service standards.

Failure to use these standards may delay processing or any correspondence necessary to complete the processing of the return.

To comply with foreign address standards, use the following rules when completing the address portion of the PA-65 Corp, Directory of Corporate Partners.

- Eliminate apostrophes, commas, periods and hyphens. Write the address in all uppercase letters. An address should have no more than five lines and must be written in ink or typewritten. Pencil is unacceptable.

- Write the name of the entity in the spaces provided. Mail may not be addressed to a person in one country "in care of" a person in another country. The address of items sent to general delivery must indicate the addressee's full legal name.
- Write the address in the space provided, including street and building name and number, apartment or suite numbers, city name and city or provincial codes. All lines of the delivery address should appear in all capital letters. The house number and street address or box number must appear when mail is addressed to towns or cities.
- Write only the name of the country in the space provided for the city or post office.
- **Do not** include any entries in the state field other than "OC" for Out-of-Country. The ZIP code spaces should remain blank on the PA-65 Corp, Directory of Corporate Partners.

Providing the address in this format will better ensure that the department is able to contact the entity if we need additional information.

Below are examples of properly completed foreign addresses.

#### Foreign Address Examples

Name: DIETRICH ENTERPRISES  
 Address 1: HARTMANNSTRASSE 7  
 Address 2: 5300 BONN 1  
 City: GERMANY  
 State: OC  
 ZIP Code: Leave Blank

**OR**

Name: DIETRICH ENTERPRISES  
 Address 1: 117 RUSSELL DR  
 Address 2: LONDON W1PGHQ  
 City: ENGLAND  
 State: OC  
 ZIP Code: Leave Blank

#### Canada (Only) Address Example

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

Name: NORTH BY NORTHWEST CO  
 Address 1: 1010 CLEAR ST  
 Address 2: OTTAWA ONT K1A OB1  
 City: CANADA  
 State: OC  
 ZIP Code: Leave Blank

 **Note.** For a Canadian address, two spaces must be between the

province abbreviation and the postal code. Please review example above where "ONT" (province abbreviation) and "K1A OB1" (postal code) are shown with the proper address format, separated by two spaces.

If the entity's address does not fit in the available spaces on the PA-65 Corp, Directory of Corporate Partners, using this format, please include a separate statement with the return showing the complete address.

### PA-65 CORP FORM

#### Partnership Federal Employer Identification Number (FEIN)

Enter the nine-digit 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 a foreign address enter the city or municipal designation. See Foreign Address Examples.

For a Canadian address, enter the city and postal delivery zone number. See Canada Address Example.



**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 Foreign Address Examples and Canada Address Example.

#### 100% Corp Owned Oval

Fill in this oval if the entity is wholly owned by corporations.

#### Payment Enclosed Oval

Fill in this oval if the entity is submitting a payment with the PA65-Corp.

#### Amended PA-65 Corp

Fill in this oval if the entity is submitting an amended form.

### PA-65 CORP LINE INSTRUCTIONS

#### LINE 1

Enter the following information for each corporate partner:

#### FEIN

Enter the corporate partner's nine-digit federal employer identification number.

#### Revenue ID

Enter the Revenue ID of the PA S corporation or limited liability company.

The Revenue ID is a unique, 10-digit number assigned by the Department of Revenue to replace the seven-digit Tax Account ID number. The seven-digit Tax Account ID number may be used if the 10-digit Revenue ID number is not known. One of these numbers must be provided.

 **IMPORTANT:** If using the seven-digit Tax Account ID number, left justify and do not use additional zeros to fill the space. This is not the same number as the seven-digit Entity ID issued by the Department of State.

#### 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.

#### Foreign Entity/Outside U.S. Oval

Fill in the oval if the entity is outside the U.S.

#### RCT-101 Filed Oval

Fill in the oval if the corporate partner is compliant and filed a PA Corporation Tax Return. Note if this oval is populated then no CNI withholding amount should be shown in the Nonfiling Corporation CNI Tax Withholding box described above.

The only time the RCT-101 Filed oval will be filled is when the partnership is 100% owned by corporate partners. In this scenario, you may have compliant and non-compliant corporate partners.

Only the non-complaint Corporate Partners require withholding.

When the entity is only partly owned by Corporate Partners only list those who are non-compliant and require CNI Withholding.

### **Name and Address of Corporate Partner**

Complete the name and address of the corporate partner

#### **LINE 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. e.g., 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.

#### **LINE 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 (e.g., 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 are no corporate partners registered in Pennsylvania, enter "0."

#### **LINE 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 (e.g., 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."

#### **LINE 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 used to calculate CNI tax. Do not leave this field blank.

### **WHO MUST SIGN**

#### **Paper Filed Returns General Partner, Principal Officer or Authorized Individual Signature and Name**

The PA-65 Corp, Directory of Corporate Partners must be signed and dated.

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 signing the return verifies by written declaration, under penalties of perjury, that he or she personally has examined the PA-65 Corp, Directory of Corporate Partners and its accompanying schedules and to the best of his or her knowledge, the PA-65 Corp, Directory of Corporate Partners is true, correct and complete.

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 daytime phone number.

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

#### **Preparer's Signature and Name**

A paid preparer may sign original or amended returns by rubber stamp, mechanical device, or computer software program. Pennsylvania follows federal guidelines for signature requirements for the preparer.

If a partner, member or employee of the entity completes the PA-65 Corp, Directory of Corporate Partners, the paid preparer's space should remain blank. In addition anyone who prepares the PA-65 Corp, Directory of Corporate Partners, but does not charge the entity should not complete the paid preparer section.

Anyone who prepares a PA-65 Corp, Directory of Corporate Partners, for a fee or incidental 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 complete the required paid preparer information listed below:

- Print or type the preparer's names in the space provided.
- Sign the return in the space provided for the paid preparer's signature.
- Fill in the other areas in the "Paid Preparer Use Only" section.
- Print or type the paid preparer's company or corporation name and federal employer identification number, if applicable.
- Print or type the paid preparer's Preparer Tax Identification Number (PTIN). If you are a paid preparer, you must use a PTIN issued by the Internal Revenue Service (IRS) to identify yourself in the paid preparer section of the tax return.
- Give a copy of the return to the taxpayer.

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

### **Electronically Filed Returns**

An electronic return must be signed by a general partner, principal officer or authorized individual.

An electronic return must also be signed by the paid preparer, if applicable.

Two signature options are available, as follows:

1. PA-8879-P - Pennsylvania e-File Signature Authorization for PA S Corporation/Partnership Information Return (PA-20S/PA-65) - Directory of Corporate Partners (PA-65 Corp); or
2. PA-8453-P - PA S Corporation/Partnership Information Return (PA-20S/PA-65) - Directory of Corporate

Partners (PA-65 Corp) Tax Declaration for a State e-File Return.

### **PA-8879-P Form**

The federal self-select PIN option consists of two PINs, one for the taxpayer and one for the preparer.

In order for the department to accept the federal self-select PIN as a signature, software developers must display a Jurat/Disclosure Statement (similar to the language on the PA-8453-P and meeting the requirements of 72 P.S. §7333 and 61 Pa. Code §121.23) attached as Page 3 to PA-8879-P.

Taxpayers and Electronic Return Originators (EROs) must complete

PA-8879-P when using this method and consenting to electronic funds withdrawals.

The department requires the EROs to retain completed PA-8879-P forms for three years after the due dates of the returns or the dates the returns were filed electronically, whichever is later. **Do not** mail these forms to the department.

### **PA-8453-P Form**

If a taxpayer elects not to use the federal self-select PIN option, or if the state submission is filed as a state stand-alone (no link to an original federal submission), the department requires the ERO to retain completed PA-8453-P forms

for three years after the due date of the returns or the date the returns were filed electronically, whichever is later.

**Do not** mail these forms to the department. PA-8453-P must be completed and signed by all appropriate parties before the return is transmitted electronically.

In the event the department selects an electronic return for examination, the ERO may be required to provide PA-8879-P and, if appropriate, PA-8453-P, within five business days of the request. A percentage of these forms will be randomly requested yearly for monitoring compliance.