

Instructions for PA-20S/PA-65 Schedule D

Sale, Exchange or Disposition of Property

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

GENERAL INFORMATION

PURPOSE OF SCHEDULE

PA S corporations, partnerships or limited liability companies classified as partnerships or PA S corporations for federal income tax purposes use PA-20S/PA-65 Schedule D to report the allocated gain (loss) from the sale, exchange or disposition of property within and outside of Pennsylvania.

Net Gain (Loss) from the Sale, Exchange or Disposition of Property

Entities must report the sale, exchange or disposition of capital assets and gains on the distribution of appreciated assets to its partners, members and shareholders (owners). The entity must report the gain on the sale, exchange or disposition of property to its owners in the year in which the amount realized from the conversion of the property into cash or other property exceeds the adjusted basis of the property. A loss is recognized only on transactions the PA S corporation or partnership entered into for profit and only in the taxable year in which the transaction, in respect to which loss is claimed, is closed and completed by an identifiable event that fixes the amount of the loss so there is no possibility of eventual recoupment.

Important. Include the sales, exchanges or dispositions of inventories and/or stock-in-trade in determining net business income (loss).

Use this schedule to report net gain (loss) derived from the sale, exchange or disposition of property, including real property, tangible personal property, intangible personal property or obligations issued on or after the effective date of this amendatory act by the commonwealth; any public authority, commission, board or other agency created by the commonwealth; any political subdivision of the commonwealth or any public authority created by any such political subdivision; or by the federal government as determined in accordance with accepted accounting principles and practices.

TIP Amounts from federal Schedule D and other federal forms may not be accurate for Pennsylvania personal income tax purposes.

Other issues that the PA S corporation or partnership must consider:

- Pennsylvania law recognizes capital gains distributions from mutual funds and other regulated investment companies as dividend income on the partner's/shareholder's (owner's) personal income tax return.
- Adjusted Basis - The entity determines the basis of real, personal, tangible and intangible property it acquired on or after June 1, 1971, on the date of acquisition.

The entity must adjust the basis of property it acquired before June 1, 1971, to reflect the property's value on that date. For determining a gain, the basis of such property is the greater of (1) the property's cost or other basis, as adjusted, or

(2) the property's fair market value on June 1, 1971. For determining a loss, the basis of such property is the cost or other basis, as adjusted, without reference to its fair market value on June 1, 1971. For instructions on how to determine the basis of assets acquired on or before June 1, 1971, obtain REV-1742, Gain or Loss on Property Acquired Prior to June 1, 1971, PA Schedule D-71.

Report the kinds of transactions in the table below on PA-20S/PA-65 Schedule D. However, nonresident owners may or may not have to report the gains (losses).

Note. Gain (loss) from ordinary business transactions where the proceeds are reinvested in the same line of business is classified as incurred in the ordinary course and operations of the business, profession or other qualified activity. The determination of whether gain is classified as incurred in

Reporting Gain (Loss) from Federal Forms for Pennsylvania Personal Income Tax Purposes

Federal Form Reference	Pennsylvania Personal Income Tax
Federal Form 4797: Sale or exchange of property used in trade or business and involuntary conversions from other than casualties or thefts - most property held more than one year. Ordinary gain (loss) includes property held one year or less.	Gain on the sale or exchange of property used in a business, profession, or farm and involuntary conversion from other than casualty or theft of business property and the proceeds reinvested and used to acquire similar property used in the same kind of business must be classified by the entity as business income used in determining the net profit (loss) of the PA S corporation or partnership. Otherwise it should be classified as PA-20S/PA-65 Schedule D gain. There are no provisions for the carryover of losses from one tax year to another year. Pennsylvania does not allow an offset of loss against gain from one class of income to another or between two taxpayers (i.e. spouses).
Federal Schedule D: Long-term and short-term capital gain (loss) is reported on federal Schedule K.	Pennsylvania makes no distinctions for capital gains, whether long-term or short-term. Such gain (loss) must be classified by the entity as either net profit (loss) of the PA S corporation or partnership, or PA-20S/PA-65 Schedule D gain. There are no provisions for the carryover of losses from one tax year to another year. PA does not allow an offset of loss against gain from one class of income to another or between two taxpayers (i.e. spouses).

the ordinary course of operations of the business, profession or other qualified activity is a factual determination that requires a tracing of the sales' proceeds and the reinvestment of the proceeds in the same line of business as defined under the North American Industry Classification System (NAICS) code.

Refer to the Pennsylvania Personal Income Tax (PA PIT) Guide, Chapter 12 for the specific rules used to define a line of business under the North American Industry Classification System code.

The determination of whether gains are classified as incurred in the ordinary course of operations of the business, profession or qualified activity are not determined based on the character of the federal income. As an example, ordinary income recapture is not automatically classified as incurred in the ordinary course of operations of the business, profession or qualified activity.

Likewise, as to the long-term and short-term federal classification as Schedule D gain:

- Aggregate federal gain (loss) from operations other than real estate is first aggregated and then classified for Pennsylvania personal income tax purposes as either Schedule D gain (loss) or net profit (loss).
- All aggregate federal gain (loss) that is not classified as net profits and reported on PA-20S/PA-65 Schedule M, Part A are adjusted for Pennsylvania/federal differences on the PA-20S/PA-65 Schedule D-I and PA-20S/PA-65 Schedule D-III.
- Gains from the disposal of IRC §179 property reported on the federal Schedule K-1 should be addressed on PA-20S/PA-65 Schedule D-I and/or PA-20S/PA-65 Schedule D-III, Line 6.
- Net IRC §1231 gain (loss) from federal Form 4797 is reported on PA-20S/PA-65 Schedule M and/or PA-20S/PA-65 Schedule D. If IRC §1231 gain (loss) is classified as PA-20S/PA-65 Schedule D gain, it is included in PA-20S/PA-65 Schedule D, Part I and/or PA-20S/PA-65 Schedule D, Part III and reported on Line 5. PA-20S/PA-65 Schedule D, Part I and PA-20S/PA-65 Schedule D, Part-III also includes any other sales not included above. If IRC §1231 gain (loss) is classified to net profits from a business, it is

included in PA-20S/PA-65 Schedule M, Part A.

COMPLETING PA SCHEDULE D-I

Allocated Gain (Loss) from the Sale, Exchange or Disposition of Property within Pennsylvania

In Part I, enter the allocated gain (loss) from the sale, exchange or disposition of property within Pennsylvania.

Business Name

Enter the complete name of the entity or business as shown on the PA-20S/PA-65 Information Return.

FEIN

Enter the nine-digit federal employer identification number (FEIN) of the entity or business as shown on the PA-20S/PA-65 Information Return.

FILL IN THE APPLICABLE OVALS

Amended Schedule

If this is an amended schedule, fill in the oval.

If Part I is Blank


If there is no difference in the gain (loss) on the federal return and the gain (loss) on the PA-20S/PA-65 Information Return, then PA Schedule D-I should be blank. Fill in the oval.

LINE INSTRUCTIONS

LINE 1

All PA-Source Gain (Loss) Included in Federal Ordinary Business Income (Loss) and/or Federal Other Income (Loss)

Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 1 and Line 11, Column (e) (Pennsylvania-source gain (loss) only).


 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 1 and Part III, Line 1 will equal the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 1, Column (e) and Line 11, Column (e). Enter the gain (loss) amount on the disposition of assets in which the proceeds were not reinvested in similar property. Enter IRC §1256 income (loss) from the federal Schedule K, Line 11 without any

adjustment for Pennsylvania personal income tax purposes.

LINE 2

All PA-Source Gain (Loss) Included in Ordinary Net Rental/Royalty Income (Loss) from Federal Form 8825


Enter the amounts reported on PA-20S/PA-65 Schedule M, Part A, Lines 2, 3, and 6, Column (e) (Pennsylvania-source gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 2 and Part III, Line 2 will equal the amount reported on PA-20S/PA-65 Schedule M, Part A, Lines 2, 3 and 6, Column (e).

LINE 3

All PA-Source Net Short-Term Capital Gain (Loss) from Federal Schedule D


Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 7, Column (a) (Pennsylvania-source gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 3 and Part III, Line 3 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 7, Column (a).

LINE 4

All PA-Source Net Long-Term Capital Gain (Loss) from Federal Schedule D


Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 8, Column (a) (Pennsylvania-source gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 4 and Part III, Line 4 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 8, Column (a).

LINE 5

All Other PA-Source Net IRC §1231 Gain (Loss) Reported on Federal Form 4797 not Listed Above


Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 10, Column (e) (Pennsylvania-source gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 5 and Part III, Line 5 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 10, Column (e).

LINE 6

All PA-Source Gain (Loss) from the Disposition of IRC §179 Property

Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 9, Column (e) (Pennsylvania-source gain or loss only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 6 and Part III, Line 6 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 9, Column (e).

LINE 7

Capital Gains Distributions Taxed as Dividends

Enter the amounts reported on PA-20S/PA-65 Schedule M, Part A, Lines 7 and 8, Column (d).

LINE 8

Total PA-Source Federal-Realized and Recognized Reportable Gain (Loss) Before Classification and/or Adjustment Amounts for Pennsylvania Personal Income Tax Purposes

Add Lines 1 through 6, minus Line 7. Enter the result on Line 8.

LINE 9

PA-Source Gain (Loss) on Federal Non-Taxable Exchanges on IRC Sections 1031 and 1033

Enter the Pennsylvania-source amount from federal Form 8824, like-kind exchanges. Pennsylvania does not recognize like-kind exchanges under IRC Sections 1031 and 1033. Report federal deferred gain (loss) on this line.

LINE 10


Total PA-Source Federal Gain (Loss) Reportable for PA PIT Before Additional Classification and/or Adjustments

Enter the sum of Lines 8 and 9.

LINE 11

PA-Source Adjustment for Gain (Loss) Reflected on Part A of Schedule M for Business Income (Loss) (Net Profits from a Business, Profession or Farm)

Enter the amounts reported on PA-20S/PA-65 Schedule M, Part A, Lines 7 and 8, Column (b) (Pennsylvania-source gain (loss) only).

 **Note.** If the proceeds from assets sold have been reinvested back into the business operations and the business has the same North American Industry Classification System code, then the gain (loss) should be reflected as ordinary income.

LINE 12

PA-Source PA PIT Reportable Schedule D Gain (Loss) Before PA PIT Adjustments

Enter the difference of Line 10 minus Line 11.

LINE 13

Net or Aggregate PA-Source, PIT for Schedule D Gain (Loss) from Transactions Requiring Adjustment for Pennsylvania/Federal Gain (Loss) Differences. Itemize in Part II of this Schedule.

Full detail must be provided on PA-20S/PA-65 Schedule D-II when there is a difference between federal and Pennsylvania gain (loss) for assets disposed. Enter the sum of the aggregate difference on this line.

Include any other difference in gain, e.g., an installment sale, on this line, and itemize on PA-20S/PA-65 Schedule D-II. If there is no difference between Pennsylvania/federal gain (loss) for assets disposed, fill in the "blank" oval on PA-20S/PA-65 Schedule D-II.

Assets on which federal bonus depreciation was taken and disposed in the current year may have a difference between federal and Pennsylvania gain (loss).

LINE 14

Net Adjustment to Arrive at PA-Source PIT Schedule D Reportable Gain (Loss)

Enter the sum of Lines 12 and 13.

LINE 15

PA-Source Partnership and PA S Corporation Gain (Loss) from PA-20S/PA-65 Schedules RK-1 and NRK-1

Enter the amount of Pennsylvania-source gain (loss) from pass through entities.

LINE 16

Total PA-Source Schedule D Net Gain (Loss) from Property within Pennsylvania for Residents Only

Enter the sum of Lines 14 and 15. Also enter this amount on the PA-20S/PA-65 Information Return, Page 1, Part III, Line 5b.

LINE 17

PA-Source Adjustment for Gain (Loss) on Short-Term Portfolio Investments Not Used in Working Capital for Nonresidents Only

Enter the amount of gain (loss) from the sale of intangible portfolio investments. Obtain this number from entity level books and records.

LINE 18

Total PA-Source Schedule D Net Gain (Loss) from Property within Pennsylvania for Nonresidents only

Enter the difference of Lines 16 and 17. Allocate this line to the PA-20S/PA-65 Schedules NRK-1 based on percentage interest.

COMPLETING PA SCHEDULE D-II

Copy PA-20S/PA-65 Schedule D-II to list additional properties.

Sale, Exchange or Disposition of Property within Pennsylvania

On PA-20S/PA-65 Schedule D-II, enter the allocated gain (loss) from the sale, exchange or disposition of property within Pennsylvania, included on federal Schedule K line amounts.

Enter whole dollars only. If this is an amended schedule, fill in the oval. If Part II is blank, fill in the oval.

Business Name

Enter the complete name of the entity or business as shown on the PA-20S/PA-65 Information Return.

FEIN

Enter the nine-digit federal employer identification number (FEIN) of the entity or business as shown on the PA-20S/PA-65 Information Return.

FILL IN THE APPLICABLE OVALS

Amended Schedule

If this is an amended schedule, fill in the oval.

If Part II is Blank

If there is no difference in the gain (loss) on the federal return and the gain (loss) on the PA-20S/PA-65 Information Return, PA Schedule D-II should be blank. Fill in the oval.

LINE INSTRUCTIONS

LINES 1 THROUGH 5

Type of Property

Enter one of the following codes for type of property and include a description of the property:

- R = Real
- S = Security
- P = Personal
- O = Other Intangible (not security)

Date Acquired

Enter the date (MMDDYYYY) the property was acquired.

Date Sold

Enter the date (MMDDYYYY) the property was sold.

PA Allowed or Allowable Depreciation

Enter your Pennsylvania-allowed or allowable depreciation from your books and records.

Gross Sales Price

Enter the gross sales price of the property.

Cost or Other PA Basis

Enter your cost or other Pennsylvania basis from your books and records.

Difference Between PA/Federal Gain (Loss)

The entity must take the gross sales price, less cost or other Pennsylvania basis, less Pennsylvania-allowed or allowable depreciation, to obtain the Pennsylvania gain (loss).

Pennsylvania gain (loss) minus federal gain (loss) equals the difference between Pennsylvania/federal gain (loss).

If any of the federal gain (loss) transactions require adjustment, list each transaction and show the differences in federal gain (loss).


If the difference is negative, fill in the "loss" oval.

The sum of all differences in Pennsylvania/federal gain (loss) fields must equal the amount reported on the PA-20S/PA-65 Schedule D-I, Line 13.

COMPLETING PA SCHEDULE D-III

Allocated Gain (Loss) from the Sale, Exchange or Disposition of Property Outside Pennsylvania

On PA-20S/PA-65 Schedule D-III, enter the allocated gain (loss) from sale, exchange or disposition of property outside Pennsylvania.

 **Note.** The gain (loss) from the sale or disposition of an intangible asset is not Pennsylvania-source for nonresidents unless employed in a Pennsylvania trade or business. See PIT Bulletin 2005-02. This gain (loss) is reported on PA-20S/PA-65 Schedule D-III, Sale, Exchange or Disposition of Property Outside Pennsylvania.

Business Name

Enter the complete name of the entity or business as shown on the PA-20S/PA-65 Information Return.

FEIN

Enter the 9-digit federal employer identification number (FEIN) of the entity or business as shown on the PA-20S/PA-65 Information Return.

FILL IN THE APPLICABLE OVALS

Amended Schedule

If this is an amended schedule, fill in the oval.

If Part III is Blank


If there is no difference in the gain (loss) on the federal return and the gain (loss) on the PA-20S/PA-65 Information Return then PA Schedule D-III should be blank. Fill in the oval.

LINE INSTRUCTIONS

LINE 1

All Outside PA Gain (Loss) Included in Federal Ordinary Business Income (Loss) and/or Federal Other Income (Loss)

Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 1 and Line 11, Column (e) (Outside Pennsylvania gain (loss) only).


 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 1 and Part III, Line 1 will equal the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 1 and Line 11, Column (e).

Enter the gain (loss) amount on the disposition of assets in which the proceeds were not reinvested in similar property. Enter IRC § 1256 income (loss) from the federal Schedule K, Line 11 without any adjustment for Pennsylvania personal income tax purposes.

LINE 2

All Outside PA Gain (Loss) Included in Ordinary Net Rental/Royalty Income (Loss) from Federal Form 8825


Enter the amounts reported on PA-20S/PA-65 Schedule M, Part A, Lines 2, 3, and 6, Column (e) (Outside Pennsylvania gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 2 and Part III, Line 2 will equal the amounts reported on PA-20S/PA-65 Schedule M, Part A, Lines 2, 3 and 6, Column (e).

LINE 3

All Outside PA Net Short-Term Capital Gain (Loss) from Federal Schedule D


Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 7, Column (a) (Outside Pennsylvania gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 3 and Part III, Line 3 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 7, Column (a).

LINE 4

All Outside PA Net Long-Term Capital Gain (Loss) from Federal Schedule D


Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 8, Column (a) (Outside Pennsylvania gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 4 and Part III, Line 4 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 8, Column (a).

LINE 5

All Other Outside PA Net IRC §1231 Gain (Loss) Reported on Federal Form 4797 Not Listed Above


Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 10, Column (e) (Outside Pennsylvania gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 5 and Part III, Line 5 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 10, Column (e).

LINE 6

All Outside PA Gain (Loss) from the Disposition of IRC §179 Property

Enter the amount reported on PA-20S/PA-65 Schedule M, Part A, Line 9, Column (e) (Outside Pennsylvania gain (loss) only).

 **Note.** On the PA-20S/PA-65 Schedule D, the sum of Part I, Line 6 and Part III, Line 6 will equal the amount reported on the PA-20S/PA-65 Schedule M, Part A, Line 9, Column (e).

LINE 7

Capital Gains Distributions Taxed as Dividends

Enter the amounts reported on PA-20S/PA-65 Schedule M, Part A, Lines 7 and 8, Column (d).

LINE 8

Total Federal-Realized and Recognized Outside PA-Source Reportable Gain (Loss) Before Classification and/or Adjustment Amounts for PA PIT Purposes

Add Lines 1 through 6, minus Line 7. Enter the result on Line 8.

LINE 9

Outside PA Gain (Loss) on Federal Non-Taxable Exchanges on IRC Sections 1031 and 1033

Enter the outside Pennsylvania amount from federal Form 8824, like-kind exchanges. Pennsylvania does not recognize like-kind exchanges under IRC Sections 1031 and 1033. Report federal deferred gain (loss) on this line.

LINE 10


Total Outside PA/Federal Gain (Loss) Reportable for PA PIT Before Additional Classification and/or Adjustments

Enter the sum of Lines 8 and 9.

LINE 11

Outside PA Adjustment for Gain (Loss) Reflected on PA-20S/PA-65 Schedule M, Part A, for Business Income (Loss) (Net Profits from a Business, Profession or Farm)

Enter the amounts reported on PA-20S/PA-65 Schedule M, Part A, Lines 7 and 8, Column (b) (Outside Pennsylvania gain (loss) only).

 **Note.** If the proceeds from assets sold have been reinvested back into the business operations and the business has the same North American Industry Classification System code, then the gain (loss) should be reflected as ordinary income.

LINE 12

Outside PA PIT Reportable Schedule D Gain (Loss) Before Pennsylvania Personal Income Tax Adjustments

Enter the difference of Line 10 minus Line 11.

LINE 13

Net or Aggregate Outside PA PIT Adjustments for Schedule D Gain (Loss) from Transactions Requiring Adjustment for PA/Federal Gain (Loss) Differences. Itemize in Part IV of this Schedule

Full detail must be provided on PA-20S/PA-65 Schedule D-IV when there is a difference between federal and PA gain (loss) for assets disposed. Enter the sum of the aggregate difference on this line. Include any other difference in

gain, e.g., an installment sale, on this line, and itemize on PA-20S/PA-65 Schedule D-IV. If there is no difference between Pennsylvania/federal gain (loss) for assets disposed, fill in the "blank" oval on PA-20S/PA-65 Schedule D-IV.

Assets on which federal bonus depreciation was taken and disposed in the current year may have a difference between federal and Pennsylvania gain (loss).

LINE 14

Net Adjustment to Arrive at Outside PA PIT Schedule D Reportable Gain (Loss)

Enter the sum of Lines 12 and 13.

LINE 15

Outside Partnership and PA S Corporation Gain (Loss) from PA-20S/PA-65 Schedules RK-1 and NRK-1

Enter the amount of outside Pennsylvania gain (loss) from pass through entities.

LINE 16

Total Outside PA-20S/PA-65 Schedule D Net Gain (loss) from Property Outside PA

Enter the sum of Lines 14 and 15. Also enter this amount on the PA-20S/PA-65 Information Return, Part III, Line 5a.

COMPLETING PA SCHEDULE D-IV

Copy PA-20S/PA-65 Schedule D-IV to list additional properties.

Sale, Exchange or Disposition of Property Outside Pennsylvania

On PA-20S/PA-65 Schedule D-IV, enter the allocated gain (loss) from the sale, exchange or disposition of property outside Pennsylvania, as included on federal Schedule K line amounts. Enter whole dollars only.

Enter whole dollars only. If this is an amended schedule, fill in the oval. If Part IV is blank, fill in the oval.

Business Name

Enter the complete name of the entity or business as shown on the PA-20S/PA-65 Information Return.

FEIN

Enter the nine-digit federal employer identification number (FEIN) of the entity or business as shown on the PA-20S/PA-65 Information Return.

FILL IN THE APPLICABLE OVALS

Amended Schedule

If this is an amended schedule, fill in the oval.

If Part IV is Blank

If there is no difference in the gain (loss) on the federal return and the gain (loss) on the PA-20S/PA-65 Information Return then PA Schedule D-IV is blank. Fill in the oval.

LINE INSTRUCTIONS

LINES 1 THROUGH 5

Enter one of the following codes for type of property and include a description of the property:

- R = Real
- P = Personal
- S = Security
- O = Other Intangible (not security)

Date Acquired

Enter the date (MMDDYYYY) the property was acquired.

Date Sold

Enter the date (MMDDYYYY) the property was sold.

PA Allowed or Allowable Depreciation

Enter your Pennsylvania-allowed or allowable depreciation from your books and records.

Gross Sales Price

Enter the gross sales price of the property.

Cost or Other PA Basis

Enter your cost or other Pennsylvania basis from your books and records.

Difference Between PA/Federal Gain (Loss)

The entity must take the gross sales price, less cost or other Pennsylvania

basis, less Pennsylvania-allowed or allowable depreciation, to obtain the Pennsylvania gain (loss).

Pennsylvania gain (loss) minus federal gain (loss) equals the difference between Pennsylvania/federal gain (loss).

If any of the federal gain (loss) transactions require adjustment, list each transaction and show the differences in federal gain (loss).

If the difference is negative, fill in the "loss" oval.

The sum of all differences in Pennsylvania/federal gain (loss) fields must equal the amount reported on the PA-20S/PA-65 Schedule D-III, Line 13.