

PA SCHEDULE NW

Nonresident Withholding Payments for
PA S Corporations and Partnerships

1908410051

PA-20S/PA-65 NW (PT) 09-19 (FI)
PA Department of Revenue

2019

OFFICIAL USE ONLY

Name as shown on the PA-20S/PA-65 Information Return

FEIN

DO NOT WITHHOLD FOR PARTNERSHIP, S CORPORATION OR LIMITED LIABILITY COMPANY OWNERS.

Nonresident Withholding Payments PA S Corporations and Partnerships

Use this schedule to list all the withholding and extension payments that the PA S corporation, partnership or limited liability company filing as a partnership or PA S corporation for federal income tax purposes made on behalf of individuals, estate or trust owners that were not residents of Pennsylvania during the taxable year.

A PA Tax Due on PA-Taxable Income to Nonresident Individuals, Estates, or Trusts. A

\$

B Nonresident Withholding Payments and Extension Payment during the Entity's Taxable Year:

Date	Amount		Date	Amount

Total Nonresident Withholding Payments and Extension Payment. Enter here and on the PA-20S/PA-65 Information Return, Section V, Line 14a. B

\$

C Payment remitted with the PA-40NRC, Nonresident Consolidated Tax Return, if electing nonresident individual owners elect to participate in a group return. C

\$

D Reconciliation Payment. Subtract B and C from A, and enter here and on the PA-20S/PA-65 Information Return Section V, Line 14b. D

\$

Pay any balance due with the PA-20S/PA-65 Information Return.

DO NOT USE SCHEDULE NW TO SUBMIT A PAYMENT; IT IS NOT A VOUCHER.



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pennsylvania
DEPARTMENT OF REVENUE

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


Nonresident Withholding Payments for
PA S Corporations and Partnerships

PA-20S/PA-65 NW IN (PT) 10-19

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use the PA-20S/PA-65 Schedule NW to list all withholding payments and extension payments the PA S corporation, partnership or limited liability company filing as a partnership or PA S corporation for federal income tax purposes made on behalf of individual shareholders, partners, estates or trusts that were not residents of Pennsylvania during the taxable year. This information is used to reconcile the total tax withheld from nonresident owners that are individuals, estates or trusts to the total credit claimed by nonresident owners that are individuals, estates or trusts on their Pennsylvania PA-40, PA-41 or PA-40 NRC tax returns.

 **NOTE:** An entity **may not** withhold Pennsylvania personal income tax for another partnership, S corporation, or limited liability company. An entity also **must not** withhold Pennsylvania personal income tax for a Pennsylvania resident individual or resident beneficiary of an estate or trust. When calculating the amount to withhold, entities should not withhold for income from intangibles such as interest, dividends or sale of stock.

OVERPAYMENT/ADJUSTMENT OF WITHHOLDING FOR NONRESIDENT OWNERS

The PA-20S/PA-65 PA S Corporation/Partnership Information Return is for information purposes only. It is not a return where you can indicate a refund or carry forward credit. Payments submitted to this account are for nonresident withholding only and are held for transfer to the partner, member or shareholder (owner) as indicated on their individual tax returns. The Department of Revenue will not make the assumption that the entity paid more than was needed.

Under Act 22 of 1991, partnerships and PA S corporations must withhold quarterly Pennsylvania personal income tax from nonresident partners and shareholders (owners) that are individuals, estates or trusts. This quarterly tax withholding payment is based on each nonresident owner's expected share of distributable Pennsylvania-source taxable income.

If the entity overpaid the nonresident tax withholding, the entity should pass through the overpayment to their nonresident owners on the PA Schedule NRK-1, Line 6, where the owner can then claim a credit on their individual income tax return.

If the entity did not pass through the overpayment of nonresident withholding to their nonresident owners on PA Schedule NRK-1 and wants a refund or to carry forward to the next tax year the entire amount of tax withheld or the excess over the withholding passed through to the nonresident owners that are individuals, estates or trusts and providing

the entity did not file a PA-40 Nonresident Consolidated Income Tax Return, the entity must submit a written request to:

PA DEPARTMENT OF REVENUE
BUREAU OF INDIVIDUAL TAXES
NONRESIDENT WITHHOLDING
TAX REFUND
PO BOX 280600
HARRISBURG PA 17128-0600

The entity may also fax the request to 717-705-6236, or email the request to RA-BITPITBILL-REJECT@PA.GOV.

The request must be on company letterhead and include the entity's name, federal employer identification number, tax year, Social Security number(s) of the owner(s), amount of nonresident withholding paid, amount of nonresident withholding tax liability, the requested refund amount and/or carry-forward to the next year of nonresident withholding and reason for request.

HOW TO PAY

DO NOT USE SCHEDULE NW TO SUBMIT A PAYMENT; IT IS NOT A VOUCHER.


If you are filing the PA-20S/PA-65 Information Return electronically:

- **Final Payment of Nonresident Withholding Tax Electronically**

The department accepts through the MeF Fed/State e-File program the electronic payment of the quarterly estimated withholding tax for nonresident owners filed with the PA-65ES. You can electronically transmit the following types of payments through Fed/State MeF e-File program:

- Final nonresident individual tax withholding "catch-up" payment submitted with the 2019 tax year PA-20S/PA-65 Information Return; and
- 2020 (future) estimated payments for nonresident individual quarterly withholding tax submitted with the 2019 tax year PA-20S/PA-65 Information Return; and
- PA-65ESR Quarterly Estimated Payments for nonresident individuals.

Future estimated nonresident individual tax withholding payments for tax year 2020 will be stored in the system as separate electronic transaction payments until the specified due date.

 **IMPORTANT:** You cannot submit the nonresident individual quarterly withholding payment through Electronic Funds Transfer (EFT), credit/debit cards or e-TIDES.

- **Final Payment of Nonresident Withholding Tax Payment by Check**

Use the PA-40 ES (F/C) voucher found on the Department's website to send in a check if you electronically file the PA-20S/PA-65 but do not make your payment electronically. Make your check payable to PA Dept. of Revenue. Print the entity's federal employer identification number (FEIN) and "2019 Final Nonresident Withholding" on the check or money order. Mail the voucher and check to:

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


If you are filing the PA-20S/PA-65 Information Return By Mail:

- **Final Payment of Nonresident Withholding Tax Payment by Check**

If your tax preparation software prints a Nonresident Withholding Voucher approved by the Department of Revenue, you can use that voucher to submit your payment. Mail the voucher and check to:

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

If your software does not print vouchers approved by the Department of Revenue, make the check or money order payable to PA Dept. of Revenue. Write the entity's federal employer identification (FEIN) and "2019 Final Nonresident Withholding" on the check or money order. The department needs the entity's FEIN to accurately apply the payment.

 **IMPORTANT:** Do not staple the check or money order to the return.

COMPLETING PA SCHEDULE NW

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.

LINE INSTRUCTIONS

LINE A

PENNSYLVANIA TAX DUE ON PENNSYLVANIA-TAXABLE INCOME TO NONRESIDENT INDIVIDUALS, ESTATES OR TRUSTS

Calculate the amount of tax the nonresident individuals, estates or trusts owe Pennsylvania. Total the income (do not

deduct any losses) from Lines 1 through 5, and Line 10 of all PA-20S/PA-65 Schedule(s) NRK-1 that the entity provides to its nonresident owners that are individuals, estates or trusts, from whom Pennsylvania law requires it withhold Pennsylvania personal income tax. Multiply the total by .0307 (3.07 percent) and enter on PA-20S/PA-65 Schedule NW, Line A.

LINE B

NONRESIDENT WITHHOLDING PAYMENTS AND EXTENSION PAYMENT DURING THE ENTITY'S TAXABLE YEAR

List each withholding and extension payment that the entity made on behalf of its nonresident owners that are individuals, estates or trusts during the taxable year. Enter the total amount of all payments on Line B.

LINE C

PAYMENT REMITTED WITH PA-40 NRC

Line C represents a payment amount remitted with the filing of the PA-40 NRC for its qualifying electing nonresident individual owners. If there is an overpayment with the filing of the PA-40 NRC, the entity can request a refund or request the overpayment be credited to the following year nonresident withholding account. Please refer to the PA-40 NRC Instructions Line 13a or 13b.

LINE D

RECONCILIATION PAYMENT

Line D is the balance due or amount the entity must remit with its PA-20S/PA-65 Information Return. The tax being remitted is not necessarily the tax that was collected from the nonresident owners that are individuals, whose tax liability is reported on the PA-40 Nonresident Consolidated Income Tax Return.

Compare Line A to the total of Line B and Line C:

- If Line A is greater than the total of Line B and Line C, subtract Line B and Line C from Line A. Enter the difference on PA-20S/PA-65 Schedule NW, Line D and on the PA-20S/PA-65 Information Return, Section V, Line 14b. This amount represents the final catch-up payment and must match what is reported on Line 14b of the PA-20S/PA-65 Information Return.
- If the total of Line B and Line C is greater than Line A, enter zero. Please refer to the Schedule NW instructions Overpayment/Adjustment of Withholding for Nonresident Owners.