

Shareholder Tax Basis in PA S Corporation Stock Worksheet



PA S Corporation: _____ EIN: _____
 Shareholder's Name: _____ Tax Year: _____ SSN: _____

	Stock Basis	Debt Basis
1. Shareholder's Stock Basis at Beginning of Year	1	
2. Shareholder's Debt Basis at Beginning of Year		2
ADJUSTMENTS TO SHAREHOLDER'S BASIS		
3. Adjustments to Stock Basis (shareholder's contributions to capital/stock purchases)	3	
4. Adjustments to Debt Basis		
4a New shareholder's loans to the corporation		4a
4b Repayment of debt principal (Enter debt principal repayments made during the year, but only if debt basis has not been reduced in previous years by pass-through losses. If debt basis was previously reduced by losses, see Line 21b.)		4b ()
ADJUSTMENTS FOR INCOME AND GAINS (FROM PA RK-1 OR NRK-1)		
5. Shareholder's Distributed Share of Income		
5a Interest income (resident only)	5a	
5b Dividend income (resident only)	5b	
5c Net income from business, profession or farm	5c	
5d Net income from rents, royalties, patents, etc.	5d	
5e Net gain from the disposition of property	5e	
5f Other classes of income (excluding gross compensation)	5f	
5g Non-taxable income	5g	
Total Increases for Income and Gains (Add Lines 5a through 5g)	5	
DECREASES TO SHAREHOLDER'S BASIS		
6. Decreases for Non-Dividend Distributions		
6a Accumulated Adjustments Account (AAA) distributions	6a ()	
6b Distributions in excess of AAA	6b ()	
Total Distributions (Add Lines 6a + 6b)	6 ()	
DISTRIBUTIVE LOSSES		
7. Net Loss from the Operation of a Business, Profession or Farm		
7a Net loss from the operation of a business, profession or farm from RK-1/NRK-1	7a ()	
7b Shareholder's utilized loss (amount of Line 7a loss used to offset PA-40 in-class income)	7b ()	
7c Shareholder's share of straight-line depreciation	7c ()	
If Line 7a = Line 7b, then Line 7 = Line 7a		
If Line 7b = \$0, then Line 7 = Line 7c		
If neither of the above apply, then Line 7 = 7b + {(7a - 7b)/7a} x 7c	7 ()	
8. Net Loss from Rents, Royalties, Copyrights and Patents		
8a Net loss from rents, royalties, copyrights and patents from RK-1/NRK-1	8a ()	
8b Shareholder's utilized loss (amount of Line 8a loss used to offset PA-40 in-class income)	8b ()	
8c Shareholder's share of straight-line depreciation	8c ()	
If Line 8a = Line 8b, then Line 8 = Line 8a		
If Line 8b = \$0, then Line 8 = Line 8c		
If neither of the above apply, then Line 8 = 8b + {(8a - 8b)/8a} x 8c	8 ()	
9. Net Loss from Sale, Exchange or Disposition of Property		
9a Net loss from sale, exchange or disposition of property from RK-1/NRK-1	9a ()	
9b Shareholder's utilized loss (amount of Line 9a loss used to offset PA-40 in-class income)	9b ()	
Line 9 = 9b	9 ()	
10. Decrease for PA Business Credits	10 ()	
11. Non-Deductible Expenses	11 ()	
12. Total Distributed Losses & Credits (Add Lines 7, 8, 9, 10 and 11.)	12 ()	
13. Net Increase/(Decrease) (Add Lines 5, 6 and 12.)	13	
14. If Line 13 is Positive:	14a	14b
Restore any negative debt basis caused by pass-through losses from the Line 13 income. Any excess over the debt basis adjustment should be entered as stock basis on Line 14a. If not restoring debit basis, enter Line 13 on Line 14a.		
15. If Line 13 is Negative: Enter the Shareholder's Distributed Share of Income from Line 5. If Line 13 is positive, enter Line 14a.	15	
16. Subtotals		
Line 16a = Line 1 + Line 3 + Line 15		
Line 16b = Line 2 + Line 4a + Line 4b + Line 14b	16a	16b
17. If Line 13 is Negative: Adjustment for Non-Dividend Distributions	17a ()	
Enter amount from Line 6, but no more than the amount in the stock basis column on Line 16a. However, if there is an entry on Line 14a, leave this line blank and go to Line 20.		
18. Subtotals		
Line 18a = Line 16a + Line 17a		
Line 18b = Line 16b	18a	18b
19. If Line 13 is Negative: Adjustment for Distributed Losses & Credits	19a ()	19b ()
Enter in the Stock Basis column the amount on Line 12 to the extent of the subtotal on Line 18a. Any excess is entered in the debt column to the extent of the subtotal on Line 18b. If there are entries on Lines 14a and 14b, leave this line blank and go to Line 20.		
20. Subtotals		
Line 20a = Line 18a + Line 19a		
Line 20b = Line 18b + Line 19b	20a	20b
21. Adjustments for:		
21a Sale or other disposition of stock	21a ()	
21b Repayment of debt principal due to pass-through losses. (Enter debt principal repayments made during the corporation's tax year, but only if debt basis has been reduced in previous years by pass-through losses. If debt basis has not been previously reduced by losses, see Line 4b. Repayment of reduced-basis loans triggers gain recognition.)		21b ()
22. End of Year Balances (not less than zero)		
Line 22a = 20a + 21a		
Line 22b = 20b + 21b	22a	22b

Lines 1 and 2- Enter prior year ending stock and debt basis or initial basis in S corporation stock.
Line 17a - Distributions in excess of basis are taxable to residents and should be reported on PA-40 Schedule D, Line 9
Distributive Losses - PA law requires a PA S corporation to depreciate property by a minimum amount it determines using the straight-line method, even if the depreciation calculated under this method does not provide any tax benefit. Tax benefit means that the shareholder reduces PA tax liability or tax liability to another state. Therefore, if a shareholder receives a distributable share of a loss and does not receive a benefit from the loss, the shareholder must still reduce the basis by the share of straight-line depreciation. However, if the shareholder only received a partial benefit from the loss, the shareholder must reduce the basis by (1) the loss utilized and (2) a portion of the shareholder's share of straight-line depreciation. This is calculated by the unutilized loss divided by the total loss, multiplied by the shareholder's share of straight-line depreciation. The shareholder must reduce the basis by the total loss if the shareholder receives full benefit of the loss.