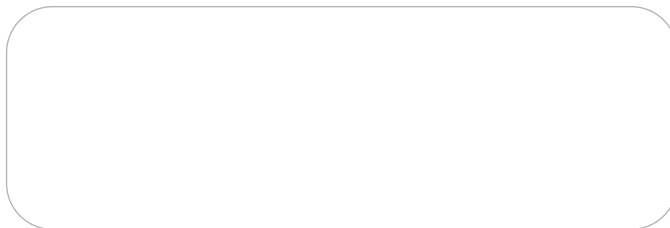


BULK RATE
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PAID
COMMONWEALTH
OF
PENNSYLVANIA
DEPARTMENT OF
REVENUE

40EZ



PA-40EZ



Commonwealth of
Pennsylvania

Dear Taxpayer:

Since day one of the Ridge Administration, we've worked hard to make sure that state government is more customer focused than ever before. Those efforts are resulting in positive changes for those living, working and doing business in Pennsylvania.

To that end, this year, the Department of Revenue is unveiling several new services to help you file your PA Personal Income Taxes with greater ease and to be more accessible with improved customer service opportunities.

New technology embraced by the Department will allow taxpayers to contact the Department through a toll-free automated phone service. By calling 1-888-PATAXES (1-888-728-2937), common questions can be answered, plus other information about forms and account status can be obtained - 24 hours a day, 7 days a week. Also, the Department continues to provide up-to-date forms and information on the Internet at: <http://www.revenue.state.pa.us>.

And, available this year, for the first time, is the ability to file your state tax return electronically. The Federal/State Electronic Filing Program allows taxpayers to file their returns through an approved practitioner. Filing electronically will allow returns to be processed more efficiently, and provide taxpayers with acceptance notices and refunds more quickly.

We remain committed to improving our services to you!

Tom Ridge
Governor

Robert A. Judge, Sr.
Secretary of Revenue

1 9 9 6

Pennsylvania

Resident

Individual

Income Tax

Form PA-40EZ,

Payment

Voucher and

Instructions

NEW FOR 1996 RETURNS

PA-40EZ is available for taxpayers whose income and credits are limited to Compensation, Interest, Dividends, PA Tax Withheld, Estimated Payments and Tax Forgiveness. Use the PA-40EZ if you can. If you need a long form PA-40, see Forms Ordering on this page.

Taxpayer Identification Label. In response to taxpayer requests, the Department is again using labels. The next page is an insert with your preprinted label. Affix your label to the tax return you file. If any of the preprinted information is wrong, make your corrections directly on the preprinted label before affixing it to your tax return. If you owe tax, use your personalized PA-V, Payment Voucher, which is also on the insert.

SSN/NAME/ADDRESS CHANGE Box. Check this box only if the information you enter this year is different from your 1995 PA tax return. If the information on your label is the same as on your 1995 PA return, do not check this box.

Last Year's Municipality Name & Zip Code. If you do check the change box, enter in the space provided the name and zip code of the city, town, borough or other municipality where you lived on December 31, 1996.



Electronic Filing. The Department of Revenue and the Internal Revenue Service are offering one-stop federal and PA electronic tax return filing. You will be able to file your PA tax return electronically with your federal tax return. Electronic filing is available whether you pay a tax preparer or prepare your own return. However, both your federal and PA tax returns must be submitted by an IRS approved transmitter or ERO -- electronic return originator. In addition to tax preparers, other firms are approved by the IRS for electronic filing. If you do not have a tax preparer, check your telephone book.

Electronic returns offer many benefits:

Accuracy. Computer programs catch mistakes before they become problems.

Acknowledgment. Your preparer or ERO is notified electronically of the receipt and acceptance of your return.

Refunds. If your return is complete and accurate, your refund check will be issued within 4 weeks.

File Now, Pay Later. If you owe tax, you can file early, allow the Department to verify your tax return and then pay by the April 15, 1997 due date.

REMINDERS FOR 1996 RETURNS

The PA-40EZ simplifies preparing and processing your return. See page 7 to determine if you must file a long form PA-40.

Customer Services. In addition to the Taxpayer Assistance information listed on this page, the Department provides general information, tax forms and schedules on the Internet at <http://www.revenue.state.pa.us>. You may also contact the Department at our e-mail address: pavev@epix.net. In February, 1997, the Department will also provide toll-free assistance through recorded messages at 1-888-PATAXES (728-2937). Within the local Harrisburg area, call (717) 772-9739.

Payment Voucher. The Department is again providing you with a preprinted form with which to pay any PA tax due. Your PA-V is on the insert. When you file, you will place your PA-V with your check in the same envelope. The

Department will use this coupon to process your payment on our automated equipment. Using your PA-V will save time and reduce costs. If any of the preprinted information on the PA-V is incorrect, **do not use it**. Follow the PA-V instructions and the Mailing Instructions on page 13. If you owe no tax, do not use your PA-V. Please do not use it for any other tax payment -- discard it.

Tax Forgiveness on PA Schedule SP. The instructions for claiming tax forgiveness have been changed to answer certain questions. Read the instructions for both PA Schedule SP and the SP Worksheet. Dependent spouses and children of taxpayers who are eligible for tax forgiveness may still claim tax forgiveness, if they otherwise qualify. Read all the instructions beginning on page 13 before you complete your PA Schedule SP. The SP Worksheet does not need to be filed with your PA tax return.

School District Code. Enter the code of the school district in which you resided as of December 31, 1996. Based on these codes, information is provided to the PA Department of Education for use in calculating school district subsidies. Using a wrong or incorrect code may affect your school district's funding. See the instructions on page 9.

Math Errors. Double check all your calculations before completing your return. Complete the Tax Due and Overpayment lines. If you have an Overpayment, be sure your refund, credit and donation line amounts are accurate.

DO NOT ENTER CENTS ON ANY LINE OF YOUR PA TAX RETURN. Using whole dollars reduces math errors, processing time and costs. See the instructions for rounding amounts on page 9.

Mailing Instructions. See page 13 for information about using the preaddressed return mailing labels and envelope. Also read the U.S. Postal Service recommendations concerning additional postage.

PA-IRS Exchange. The agreement between the Department and the IRS permits the exchange of tax information and is used to insure that taxpayers are properly reporting.

Taxpayer Assistance. The Department, the IRS and volunteer organizations work together to provide assistance in preparing tax returns.

Revenue District Offices. For the location of the nearest district office, see the "blue pages" in your telephone book.

Free Income Tax Preparation Service. Individuals who are elderly, on a fixed income, disabled or housebound can receive free assistance in preparing uncomplicated federal, state and local income tax returns. This assistance is provided by volunteers working through the Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) programs. Contact a Revenue district office for information, or call the IRS toll free number (1-800-829-1040) for the location of assistance sites.

Free Federal Tax Assistance from the Internal Revenue Service.

- 1 Federal tax account or technical information: 1-800-829-1040.
- 1 Recorded Tele-Tax Service on 150 federal tax topics or 1996 tax refund information: 1-800-829-4477.
- 1 Federal tax forms/publications ordering: 1-800-829-FORM (3676). Taxpayers unable to solve federal tax account problems through normal contacts may be eligible for help from the Problem Resolution Program: 1-800-829-1040.

- 1 Faster IRS refunds through Electronic Filing: 1-800-829-1040.

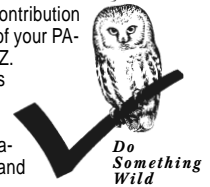
Forms Ordering. You may order any PA tax form or schedule by calling these special 24-hour answering service numbers:

- 1 In Pennsylvania 1-800-362-2050
- 1 Outside Pennsylvania and within local Harrisburg area (717) 787-8094;
- 1 TDD # (717) 772-2252 (Hearing Impaired Only) or
- 1 On the Internet at <http://www.revenue.state.pa.us>.

Mail written requests to: PA Department of Revenue, Tax Forms Service Unit, 2850 Turnpike Industrial Drive, Middletown, PA 17057-5492. All material will be mailed directly to you.

DONATIONS**WILD RESOURCE CONSERVATION FUND**

You have the chance to "Do Something Wild" and help protect Pennsylvania's nongame wildlife and native wild plants by making a contribution of your state refund on line 19c of your PA-40 or line 12c of your PA-40EZ. This special nonprofit fund is designed to help the state's resource agencies protect and restore these unique state treasures, our native wild plants and nongame wildlife.



To make your refund contribution, simply designate on line 19c or line 12c part or all of your tax overpayment to the Wild Resource Conservation Fund.

UNITED STATES OLYMPIC COMMITTEE, PA DIVISION

You have the opportunity to support American athletes in the Olympic Games by making a contribution of your state refund on line 19d of your PA-40 or line 12d of your PA-40EZ.

To make your refund contribution, simply designate on line 19d or line 12d part or all of your refund.



If you are not receiving a refund and wish to contribute, PLEASE DO NOT alter your tax return. You may send a check or a money order payable to: Pennsylvania Wild Resource Conservation Fund, P.O. Box 1467, Harrisburg, PA 17120-1467 OR Olympic Committee, P.O. Box 1994, Colorado Springs, CO 80977-1994. Contributions may be claimed as charitable deductions on your federal tax return next year, if you itemize. Consult your IRS instructions for more details.

ORGAN DONOR AWARENESS TRUST FUND

For tax years 1997 and 2000, taxpayers will be able to donate all or a portion of their tax refunds to this special non-profit fund.

You may not make a donation on your 1996 PA tax return. Specific information will be provided in next year's tax booklet.

Who must file a Return? If you earned or received at least \$35 of PA taxable income, you must file a PA tax return. PA law is very different from federal tax rules. You may have to file a PA tax return even if you do not have to file a federal tax return.

PA-40EZ or PA-40? You may use the PA-40EZ in this booklet if you report the following kinds of income and credits:

Income:

- 1 Compensation for services rendered
- 1 Interest Income
- 1 Dividend Income

Credits:

- 1 PA Income Tax Withheld
- 1 Estimated Payments and Credits
- 1 Tax Forgiveness Credit from PA Schedule SP

You may use the PA-40EZ to claim unreimbursed employee business expenses from a PA Schedule UE. The PA Schedule UE-2 on the back of your PA-40EZ allows expenses for Union Dues, Work Clothes and Uniforms, Small Tools and Supplies, Professional License Fees, Malpractice Insurance & Fidelity Bond Premiums and certain Travel and Mileage Expenses from your Form 2106 (Employee Business Expenses.) If you have other unreimbursed expenses to deduct from your compensation, obtain a PA Schedule UE-1 and attach it to your PA-40EZ. See the Forms Ordering instructions on page 2.

You **must** file a PA-40 if you are reporting any of the following kinds of income or [losses] and credits.

Income:

- 1 Net Income or [Loss] from the Operation of a Business, Profession or Farm
- 1 Net Gain or [Loss] from the Sale, Exchange or Disposition of Property
- 1 Net Income or [Loss] from Rents, Royalties, Patents or Copyrights
- 1 Estate and Trust Income
- 1 Gambling and Lottery Winnings

Credits:

- 1 Credit for Taxes Paid to Other States or Countries
- 1 PA Employment Incentive Payments Credit

Making PA Estimated Personal Income Tax Payments for 1997. If your 1996 PA tax exceeds \$70, you may need to file a 1997 declaration and pay PA Estimated Tax. You must file a Declaration of Estimated Tax when your taxable income, not subject to employer withholding, reasonably can be expected to exceed \$2,500. You then pay the tax in installments which are due for most individuals on April 15, June 15, September 15 and January 15. **Important.** If you are a PA resident working in a reciprocal state and your employer is not withholding PA tax, you are also subject to making PA Estimated Tax payments. You should either advise your employer to withhold PA tax or obtain PA estimated tax forms and make installment payments to avoid possible penalty.

Exceptions are:

- 1 If you expect to obtain at least two-thirds of your total 1997 estimated gross income from farming for the period, you have the option of filing your declaration and paying your PA estimated tax at any time up to March 1, 1998. You may not use a PA-40EZ.
- 1 If your total PA Estimated Tax for 1997 is \$100 or less, you have the option of filing your declaration and paying your PA Estimated Tax at any time up to January 15, 1998.

Your estimated tax payments must be made on the PA-40ES form. These forms are being sent to taxpayers who made payments for the 1996 tax year. If you do not receive your 1997 PA-40ES forms by March 1, 1997, contact the revenue district office nearest you. See the "blue pages" of your telephone book.

If you will be filing PA estimated taxes for the first time, request a PA-40ESR replacement form. Specific instructions for estimating your PA tax and filing the forms are explained in REV-413I.

Filing Tip: To avoid problems and delays in processing your 1996 PA tax return, you should file in the same manner in which you made your

1996 PA Estimated Tax installment payments. If you and your spouse made joint estimated payments, please file a joint return. If you and your spouse made separate estimated payments, please file separate returns claiming the proper amounts on each return.

Type Filer. Your filing status depends on whether you are single or married. You may also need to consider tax forgiveness before you decide your type filer. See the instructions for PA Schedule SP beginning on page 13 .

(S) Single. You **must** file as single if either of the following is true as of the end of your taxable year:

- 1 You were never married; or
- 1 You were divorced or widowed and have not remarried.

You **must** file as single if your spouse was deceased by the end of the taxable year.

(J) Married, Filing Joint Return. You and your spouse, even if living apart, may file a joint return, but only if **all** of the following three conditions are met:

- 1 Your taxable years begin on the same date and end on the same date; and
- 1 Neither of you is filing a PA-40 and claiming the PA Employment Incentive Payments Credit; and
- 1 Your spouse was living on January 1, 1997.

Filing Tip: Your spouse is not required to file a joint return if he or she did not receive total taxable gross income in excess of \$35. **Important:** If you file jointly, you and your spouse are both liable for all PA tax owed, even if only one of you had taxable income and even if either you or your spouse had already paid your own tax due through withholding or estimated payments.

(M) Married, Filing Separate Returns. You and your spouse each may file a separate return instead of a joint return. You and your spouse must file separate returns if:

- 1 Your taxable years begin on different dates or end on different dates; or
- 1 Your spouse is deceased; or
- 1 You or your spouse are filing a PA-40 and claiming the PA Employment Incentive Payments Credit.

Married, One Spouse a Resident or Part-Year Resident and One Spouse a Nonresident. If one spouse is a resident or part-year resident and the other spouse a nonresident, you and your spouse must obtain the long form PA-40 booklet and follow the instructions for filing.

(F) Deceased or Final Return. The tax return for a deceased individual who dies during 1996 must be filed on a PA-40. See the Forms Ordering instructions on page 2. If the taxpayer dies after December 31, 1996, but before filing, the executor, administrator or other person charged with caring for the decedent's property may file the PA-40EZ as **Deceased**. A joint return may not be filed. Report all income earned or received by and credited to the decedent for 1996.

Final Return. If you lived in Pennsylvania for all of 1996, but permanently moved from Pennsylvania, you file as **Final**.

Residency. You may use this PA-40EZ only if you were a PA resident for all of 1996. Otherwise, you must use the PA-40. See Forms Ordering on page 2.

How Residents Are Taxed. As a resident, you are taxed on all your includable income whether you received it from sources inside or outside Pennsylvania. You are allowed the PA Resident Credit for any tax imposed by and paid to other states or countries based upon income that also is subject to PA tax. You must file a PA-40 to claim this credit.

PA Residents Working in Indiana, Maryland, New Jersey, Ohio, Virginia or West Virginia. If you are a PA resident and work in a reciprocal state, your compensation is taxed by Pennsylvania and not by that state. The PA Resident Credit does not apply for compensation from these states. It is your responsibility to notify your employer that you are a PA resident and that the income tax for any of these states should not be withheld from your pay. Your employer should withhold PA tax from your compensation and forward it to the Department. If

your employer does not withhold PA tax, you may need to make PA estimated payments, see page 7.

Members of the Armed Forces. Military pay earned by PA residents is fully taxable unless received while on federal active duty or federal active duty for training outside the Commonwealth. Income received by a PA resident for military service performed inside Pennsylvania, even if on federal active duty or federal active duty for training, is fully taxable as compensation.

Nonresident military personnel who are serving in Pennsylvania are exempt from PA tax on their military pay. They are, however, subject to tax on any other income normally taxable to nonresidents.

Military Service Performed Outside Pennsylvania.

- 1 Income received for military service outside Pennsylvania while on active duty as a member of the armed forces of the United States is not taxable as compensation and may be deducted, if included in your W-2 form. Attach an explanation along with copies of your orders.
- 1 Reservists and National Guardsmen ordered to active duty for training pursuant to Title 10 or Title 32 of the U.S. Code shall be presumed to be on federal active duty. Military pay received for such service is not taxable when the active duty training is performed outside Pennsylvania.

Important: A PA resident on active duty with the U.S. Public Health Service is considered to be on federal active duty and his or her compensation is not includable in gross compensation if earned outside Pennsylvania. A written explanation should be provided in lieu of copies of orders. A PA resident in the U.S. Foreign Service is not considered to be on federal active duty and his or her income is includable in PA taxable compensation.

If you are domiciled in Pennsylvania, you are considered to be a PA resident and must file as a resident. However, your income is not taxable for PA if you did not maintain a permanent home in Pennsylvania **and** you did maintain a permanent home outside Pennsylvania **and** you did not spend more than 30 days in Pennsylvania. If you meet these conditions, you must file a PA-40.

Evidence of Active Duty. Residents must provide proof that the military income excluded from gross compensation was earned outside Pennsylvania while on federal active duty. The Department will accept as proof the authority section of the military orders directing the PA resident to federal duty outside Pennsylvania. If the authority for reporting to active duty is based on a federal statute, such as 32 U.S.C. §§316, 502, 503, 504, or 505, federal active duty is presumed. However, if the authority for reporting to active duty is based on a PA statute, such as 51 P.S. §§508 or 3102, state active duty will be presumed and such income is considered taxable compensation.

Filing Tip: Attach to your PA tax return copies of your orders and explain where you earned your active duty pay. Your W-2 form may indicate active duty, but unless you earned that pay outside Pennsylvania, the processing of your return and refund, if any, may be delayed.

Extension of Time to File. An extension of time to file your return does not extend the time to pay the tax. An extension to file cannot exceed six (6) months unless you are outside the United States. The amount you reasonably estimate to be your PA tax due must be paid in full with your extension request. **Important:** Attach a copy of your federal or PA extension to the front of your PA tax return when you file. Placing your extension form behind your PA tax return may result in correspondence or a billing notice from the Department.

There are two ways to obtain an extension of time to file:

1. If you are granted an extension of time for filing your federal return, you automatically will be granted the same extension for filing your PA tax return. For an automatic four-month extension, attach a copy of the completed Form 4868 (Application for Automatic Extension of Time to File U.S. Individual Income Tax return), to your PA return when you file. For extensions over four months, also attach a copy of the letter or form granting the federal extension.
2. If you have not been granted an extension of time for filing your federal tax return, you may request an extension for filing your PA tax return by submitting an Application for Extension of Time to File (form REV-276). This form can be obtained by calling the Forms Ordering telephone numbers listed on page 2. The extension application must be received in sufficient time for the

Department to consider and act upon it prior to the date your return is due. Mail the extension application and any payment due to: PA Department of Revenue, Bureau of Individual Taxes, Dept. 280504, Harrisburg, PA 17128-0504.

Important: With an extension, you must pay in full on or before the original due date the amount reasonably expected to be your PA tax due. Enter this extension payment on line 7 of your PA-40EZ when you file your return. Underpayment penalty will not be charged if the amount you pay on or before the original due date is at least 90 percent of the total tax actually due, and the remaining balance is paid with a timely filed return. However, interest will be charged on the amount not paid by the original due date.

You will not receive an approval letter from the Department if your request for extension has been accepted. Only if the Department has a question concerning your request will you receive correspondence.

Filing Amended Returns. It is not necessary to attach a complete copy of your original return. Use a PA tax return from the same tax year you are amending. For example: To amend for 1994 and 1995, use a 1994 and a 1995 PA tax return.

Clearly print **AMENDED RETURN** at the top. Then, follow these steps:

1. Enter the amounts from your original return that you **are not** amending.
2. Enter your amended amounts. Explain the reason you are filing an amended return and attach the amended forms or schedules supporting your amended amounts.
3. Calculate your amended Total PA Taxable Income.
4. Calculate your PA Tax Liability. If you received a refund on your original return, add that amount to your PA Tax Liability.
5. Calculate your Total Credits and Payments. If you paid tax with your original return, add that payment to your Total Credits and Payments.
6. Calculate your amended Tax Due or Overpayment. If an overpayment, be sure to complete lines 12a through 12d.

The Department will take your original refund or payment into account when reviewing your amended return. Be sure to sign your amended return.

Mail your amended return with all explanations and attachments to: PA Department of Revenue, Bureau of Individual Taxes, Dept. 280502, Harrisburg, PA 17128-0502.

Refunds. To receive a refund if you overreported your income or are entitled to credits or deductions which you failed to claim, you must file an amended PA tax return within three years from the date your original return was due. The Department will accept amended returns filed within three years of the extended due date if an extension was granted.

Important. An amended return may not be filed after an assessment has been issued if the amendment relates to the same taxable year and item of income, gain, deduction or [loss] involved in the assessment. In this instance, you must either file a timely petition for reassessment or pay the assessment and file a timely refund petition to claim your refund. Order the Petition, REV-65, by calling a Forms Ordering number on page 2.

Underreported Income. If at any time after you file your return, you discover that you have underreported your income tax or erroneously claimed credits or deductions to which you are not entitled which would increase your taxable income, you must correct the error within 30 days by filing an amended PA tax return. You must pay the additional tax, plus applicable penalty and interest.

Records Must Be Maintained. All amounts reported on your return and accompanying schedules are subject to verification and audit by the Department. Books and records must be maintained for at least four years after filing to verify any information you reported on PA tax returns.

Penalties For Not Filing or for Filing a Late Return. If you do not file your return on or before the due date, or if you do not file your return on or before the date to which an extension has been granted, then for each month or fraction of a month your return is late a 5 percent penalty will be imposed, unless reasonable cause for late filing is shown. The maximum penalty is 25 percent. The minimum penalty is

\$5. Any person who attempts to evade or defeat their PA income tax responsibility may be prosecuted.

Interest for Nonpayment or for Late Payment of Your Tax. If you do not pay the tax due on or before the due date, interest will be computed from the date the tax was due and payable to the date of payment. The annual interest rate is that rate established by the U.S. Secretary of the Treasury and which is in effect on January 1 of each calendar year.

Penalties for Nonpayment or for Late Payment of Your Tax.

1. If you do not pay the full amount of your tax due with your return, a 5 percent underpayment penalty will be imposed.
1. If you fail to report an amount of taxable income which is more than 25 percent of the taxable income shown on your return, an additional penalty of 25 percent of the tax due on the unreported income will be imposed.

These penalties will be imposed if the underpayment of tax is due to negligence or intentional disregard of rules and regulations, but without intent to defraud.

1. If any part of any underpayment of the tax is due to fraud, 50 percent of the underpayment will be added to the tax.

Important. You may be assessed both late filing and underpayment penalty if you file your return after the due date (or extended due date) and do not pay your tax liability with your return.

Other Penalties. Any taxpayer who files a return which does not contain sufficient information on which to determine the correct liability or which contains information which indicates the liability is significantly incorrect and the return is filed frivolously or in a manner to delay or impede the administration of the tax law shall pay a \$500 penalty. Any person required to furnish an information return who furnishes a false or fraudulent return shall be subject to a penalty of \$50 for each failure.

Rounding Amounts to Whole Dollars. Do not enter cents on your tax return and schedules. Enter amounts in whole dollars. Round money amounts: less than 50 cents is eliminated and 50 cents or more is increased to the next whole dollar. Using whole dollars expedites the processing of tax returns.

Reproducing PA Returns and Schedules. You may make copies of all the PA tax returns and schedules in this booklet, except your PA-V.

GENERAL INSTRUCTIONS FOR SHORT FORM PA-40EZ.

This booklet includes two PA-40EZ returns. Affix your preprinted label to the return you are filing with the Department. The other PA-40EZ is for your records.

Social Security Number, Name and Address. Review the preprinted information on your label and make any necessary corrections directly on the label. If you do not have a preprinted label, print or type your Social Security Number, your spouse's SSN (even if filing separately), your complete name(s) -- last name first, and your complete address including Zip Code. If a husband and wife use different last names, please write both last names.

If married, but filing separately, do not enter your spouse's name but enter his or her SSN.

SSN/NAME/ADDRESS CHANGE. If making corrections to your label or if entering on a blank return and your Social Security Number(s), name(s) or address is different from your 1995 PA tax return, please check this box.

Last Year's Municipality Name & Zip Code. If you checked the **SSN/NAME/ADDRESS CHANGE** box, then you must provide this information, even if you moved within the same area. Enter the name and Zip Code of the city, town, borough or other municipality where you lived on December 31, 1996.

Type Filer. Check the appropriate box for the type return you are filing. See the instructions on page 7.

School District Information. Enter the name and code number of the school district where you lived December 31, 1996. See pages 19 and 20 for school district names and code numbers. If you do not know the name of the school district in which you lived at the end of 1996, contact the nearest school or your local government office.

Option Not To Receive a 1997 PA Tax Booklet. If you do not use the forms mailed to you or you paid a preparer who does not use the Department provided forms to complete your 1996 PA tax return, check this box. You will receive a letter and a personalized PA-V form next year, instead of a booklet.

LINE INSTRUCTIONS FOR PA-40EZ

Line 1a. Enter the total of your taxable compensation from your W-2 form(s) and other statements. Do not use federal wages.

W-2 Forms, Wage and Tax Statements. A copy of your W-2 form for each employer must accompany your PA tax return as evidence of your compensation and taxes withheld. If you worked for more than one employer during the year, you should have more than one W-2 form. You must provide copies of all W-2 form(s). If the PA taxable compensation you report on line 1a differs from that on your W-2 form, you must explain this difference in a separate written statement or schedule. Attach this explanation to the back of your return.

Filing Tip: Statutory employees enter income on line 1a.

Use only the wages reported in the PA or state block of your W-2 form. If you are unable to attach a W-2 form or the Federal Substitute W-2, Form 4852, attach copies of evidence of compensation paid and taxes withheld (such as pay stubs) along with a statement explaining the reason you do not have a W-2 form.

Compensation means remuneration received for services whether directly or through an agent and whether in cash or in property. Compensation includes salaries, wages, tips, gratuities, commissions, bonuses, incentive payments, vacation or holiday pay, termination or severance pay, sick pay (unless excludable), reimbursements and allowances in excess of allowable business expenses, and payments realized in the form of property or a discharge of indebtedness, unless specifically excludable from compensation. Compensation paid in any medium other than cash is valued at fair market value.

Sick pay and disability benefits, other than regular wages, are not taxable for PA purposes. Payments made by third party insurers for sickness or disability are not taxable. Where sick pay represents regular wages or sick leave pay, the income is taxable to the employee.

Reimbursement For Expenses. You must report all reimbursements and allowances paid by your employer as compensation unless:

1. The expenses for which you are reimbursed are allowable employee business expenses (see page 11); and
2. You are required to, and do account for these expenses to your employer; and
3. You are reimbursed by your employer in the exact amount of the allowable business expenses; and
4. You do not report these expenses on PA Schedules UE-1 or UE-2.

See page 13 for instructions for reporting employee business expenses.

Although you must be able to substantiate travel expenses as to time, place and business purpose, you meet the above requirements when you receive a fixed mileage allowance or a per diem living expense allowance which does not exceed applicable limits as defined for federal purposes.

Exclusions from Compensation. Certain income is not taxable as compensation. Examples are:

1. Social security benefits, public assistance and unemployment compensation;
2. Qualifying old age or retirement benefits;
3. Payments received under workers compensation acts, occupational disease acts or similar legislation for injuries received while working and damages received (whether by suit or otherwise) for personal injuries or sickness. If the payments you received for injuries received while on the job are included in your W-2 form, attach an explanation;
4. All premiums for group term life insurance policies purchased for employees;
5. Prizes and awards unless the winner is required to render any substantial services as a condition to receiving the prize or award;
6. Federally taxable noncash fringe benefits realized from an employee's personal use of his employer's property or services,

such as an employee's personal use of his employer's vehicle or airplane.

Gifts. Gifts made from detached or disinterested generosity are not taxable. However, transfers of cash or property made pursuant to an obligation to provide payment for compensable services or as an inducement to perform compensable services are taxable compensation, not gifts.

Scholarships, Fellowships and Stipends. Scholarships and fellowship awards made on the basis of need or academic achievement for the purpose of encouraging or allowing the recipient to further his educational development and not as compensation for past or present services or in expectation of future employment are not taxable. If you believe your scholarship or fellowship award meets this requirement, you must attach an original detailed description of the program under which the scholarship, fellowship or stipend was granted. This must be an original letter and signed by your department head or other official. **Important:** A form letter is not acceptable.

Fellowship awards and stipends constitute compensation for services if the recipient is required to apply his or her skill and training to advance research, creative work or some other project or activity, unless the recipient can show that:

1. The benefits resulting from the services of the recipient are so minimal, given the actual services performed or expected to be performed, that they constitute no realistic basis for compensation; or
2. The activities of the recipient are so closely and directly supervised and immediately controlled by regular faculty members so as to constitute a burden on the institution which would offset any benefit it receives from the recipient's activities; or
3. The recipient is a candidate for a degree and the same activities are required of all candidates for that degree as a condition to receiving such degree.

Stipends paid to medical interns and residents pursuant to an internship or residency program that conforms with the Essentials of an Approved Internship or the Essentials of an Approved Residency as established by the American Medical Association are taxable.

PA Differences from Federal Rules for Compensation. On your W-2 form, your PA taxable compensation will usually be higher than your federal taxable wages. Below are described some of the major reasons for differences on your W-2 form(s).

Employer Retirement, Pension and Other Deferred Payment Programs. Your employer sponsored deferred payment program constitutes a qualifying retirement program for PA purposes only if **ALL** of the following conditions are met:

1. The plan is reduced to writing and communicated to the participants;
2. The plan establishes eligibility requirements for separation from service by retirement on the basis of old age, infirmity, long-continued service or a combination of old age or infirmity and long-continued years of service;
3. The plan makes provisions for payments based on retirement to be made at regularly recurring intervals to employees after their retirement from service which continue at least until the retired employee's death; and
4. The plan does not permit the distribution of program benefits to any employee until termination of employment except:
 - a) Incidental disability benefits; or
 - b) The return of the employee's previously taxed contributions and income or gains thereon in the case of a contributory retirement benefit plan.

The State Employees Retirement Fund, the State School Teachers and Employees Retirement Fund, the U.S. Civil Service Commission Retirement Disability Plan, and governmental thrift savings plans are some examples of plans that qualify as retirement benefit programs.

Employer Contributions and Payments. Your payments, whether voluntary or mandatory and whether direct or through withholding, into your employer sponsored retirement plan are not excludable from your gross PA taxable compensation. This is true even if your contributions are not taxable for federal purposes. You may not exclude, or take as an expense, any payments you make into a retirement plan.

Reason: Pennsylvania does not tax commonly recognized retirement benefits. If you meet the requirements of the retirement plan, your benefits are not taxable.

Employer Contributions and Payments. Payments to these plans and programs made by employers are not includable in employee compensation and are deductible as an employer business expense to the extent the contributions represent reasonable compensation to the employees for services rendered.

Distributions from Employer Sponsored Deferred Payment Programs. All amounts you receive under your deferred payment program are taxable in the year received to the extent that your contributions and income earned on your contributions were not taxed previously, except:

1. Payments from a qualifying retirement benefit program or old age benefit program by reason of your retirement; or
2. Payments paid to the estate or designated beneficiary by reason of the employee's death; or
3. Payments received from a qualifying retirement benefit program or old age benefit program which you roll over into another deferred payment program or IRA, **when the transferred amounts are not includable in your income for federal purposes;** or
4. Payments you receive at regularly recurring intervals during periods of disability by reason of disability.

Early Retirement Incentive Plans. Payments received as an inducement for early retirement are taxable as compensation. Such payments are not considered as part of a qualifying retirement plan. Your employer should include these incentive payments on your W-2 form and withhold PA tax. Even if you move out of Pennsylvania, these incentive payments are taxable.

Other Deferred Payment Plans. Simplified Employee Plans (SEP), Keogh plans, federally qualified tax sheltered annuity programs and tax deferred custodial accounts established by federally tax exempt educational, charitable or religious organizations are PA qualifying old age benefit programs. Other deferred payment programs are also qualifying old age programs for PA purposes only if **ALL** of the following conditions are met:

1. The plan is reduced to writing and communicated to the participants;
2. Program benefits cannot be paid before retirement, death, disability, separation from service, unforeseeable emergency or the attainment of age 59-1/2 or, if payable before retirement, death, disability, separation from service, unforeseeable emergency or the attainment of age 59-1/2, program benefits are subject to substantial penalty when so paid;
3. The plan makes provisions for payments to be made at regularly recurring intervals to participants which continue at least until the participant's death.

The cost recovery method of accounting must be used to determine the portion of a distribution to be included in taxable income.

Annuities. If you invest in a retirement annuity that is not sponsored by an employer or is not part of an employer's program, as described above, to the extent the amount received exceeds the amount of your previously taxed contributions, you must report the difference as taxable income on a PA-40, see Forms Ordering on page 2.

Sick Pay and Disability Pay. If you receive periodic payments for sickness or disability, including payments from third party insurers, your employer should not include those payments in your PA taxable compensation. If your employer does include sick or disability pay in your compensation and withholds PA tax, you must provide an explanation from your employer stating the number of days and amount of nontaxable sick or disability pay included. **Exception:** Sick leave pay or payments equal to your full regular wages are taxable for PA purposes.

Fringe Benefits. PA law does not have language similar to federal law concerning employee benefit plans (cafeteria plans). For PA purposes, if an employer pays or reimburses you for a personal expense or gives you cash, or the option to select cash instead of a benefit, the value of the benefit, or the cash, is included in your PA taxable compensation. Taxable benefits include cash, reimbursements for dependent care expenses, life insurance on dependents, the option to

receive cash or take any other benefit (including nontaxable benefits) and tuition reductions for dependents. Nontaxable benefits include health, eye and dental care, group term life insurance and personal use of employer property, such as a car, recreational facility, housing and dependent care facility.

Employer Welfare Benefit Programs. Sick pay, disability pay and fringe benefits are usually paid from an employer sponsored employee welfare benefit program. Your contributions to such plans, whether direct or through employer withholding of your voluntary or mandatory contributions, are not excludable from your gross taxable PA compensation. Your contributions, as an employee, to profit-sharing plans, stock bonus plans, money purchase plans, Federal Employee Thrift Savings Plan, 401(k) or 403(b) plans, and other programs established by employers are not excludable or deductible from your gross PA taxable compensation.

Employer contributions and payments are not includable in your compensation and are deductible as an employer business expense to the extent the contributions represent reasonable compensation to the employees for services rendered.

Benefits received or realized from such welfare benefit programs are taxable, in the year received, to the extent attributable to employer contributions that were not included in employee compensation or directly paid by the employer, except:

1. Amounts received for the permanent loss or loss of use of a part or function of the body or permanent disfigurement or in reimbursement of expenses incurred for medical care; or
1. Amounts which are computed with reference to the nature of a sickness or injury and without regard to the period the employee is absent from work; or
1. Amounts other than regular wages or sick leave pay which are computed with regard to the period that the employee is absent from work due to sickness or disability; or
1. Strike benefits; or
1. Supplemental Unemployment Compensation (SUB) payments made periodically during the period of actual unemployment and that continue only for the period of actual unemployment. **Lump sum payments are taxable;** or
1. Amounts paid to beneficiaries or to the estate of an employee by reason of the death of the employee; or
1. The fair market value of employer-provided dependent care facilities and the use of other employer property, unless provided as a disguised form of compensation.

Clergy and Statutory Employees. Pennsylvania has no special rules for these employees or any other employee. All employees report compensation on line 1a and take allowable expenses on a PA Schedule UE, not a federal or PA Schedule C. Housing allowances are always included in PA taxable compensation. The fair market value of the use of employer owned property (car and housing) is not included in taxable compensation. PA law does not make any exception for any specific type of employee or job situation.

Individual Retirement Arrangements (IRA) Contributions. No exclusion is provided for contributions to an IRA **except:**

1. Direct employer contributions; and/or
1. Amounts rolled over from another IRA or from a qualifying old age or retirement benefit program where the transferred amounts are not includable in income for federal purposes.

Undistributed Income on IRA Assets. Undistributed income including interest and other earnings on assets held is not includable in income.

Withdrawals from IRA's. Amounts withdrawn from an IRA are includable in income to the extent that contributions and income earned on such contributions were not taxed previously, **except:**

1. Payments, including lump sum distributions, **made on or after retirement after reaching the age of 59-1/2 years;**
2. Payments received at regularly recurring intervals during periods of disability by reason of disability;
3. Payments paid to the estate or designated beneficiary of the participant by reason of the participant's death; and/or

4. Payments which are rolled over into another IRA or into a qualifying old age or retirement benefit program, where the transferred amounts are not includable in income for federal purposes.

Line 1b. Unreimbursed Employee Business Expenses from PA Schedule UE-2. The specific instructions for PA Schedule UE-2 begin on page 13. Compensation does not include ordinary, actual, reasonable and necessary business expenses. If you did not incur any allowable business expenses during the year, go to the instructions for line 1c on page 12.

What Are Allowable Employee Business Expenses? To be an allowable employee business expense, the expense must be:

1. **Ordinary** - customary and accepted in the industry or occupation in which you work; and
2. **Actual** - incurred in performing the duties of your employment; and
3. **Reasonable** - in amount and not excessive; and
4. **Necessary** - to enable you to properly perform the duties of your employment; and
5. **Directly Related** - to performing the duties of your occupation or employment.

You did not incur an allowable business expense during the year if you:

1. Received a fixed mileage allowance or a per diem living expense allowance and you did not, nor did your employer, include the allowance in income;
1. Were required to account for your expenses to your employer and you were reimbursed by your employer in the exact amount of your expenses.

Do not include such reimbursements in gross compensation or claim such expenses on PA Schedule UE.

What Expenses Are Not Allowable and Not Deductible from Compensation?

1. Personal, living or family expenses;
1. Dues to fraternal organizations or professional societies, Chambers of Commerce or recreational club memberships;
1. Dues and subscriptions to publications, including trade and professional publications;
1. Political candidate or campaign contributions;
1. Charitable contributions;
1. Commuting expenses;
1. Cost of meals while working late, unless while traveling away from home overnight on business;
1. Occupational privilege taxes or assessments and other local, county, state, federal and foreign country taxes;
1. Child care or elderly care expenses;
1. Life, disability income and health insurance premiums;
1. Contributions to deferred compensation plans or other pension plans;
1. Legal fees (except to recover back wages), fines, penalties and bad debts;
1. Bribes, kickbacks or other illegal payments;
1. Job hunting or other pursuit of employment expenses;
1. Malpractice insurance premiums, except when required by law or by the employer as a condition of employment. See PA Schedule UE-1, Part D;
1. Moving expenses, except when moving for the convenience of the employer;
1. Educational expenses, except when required by law or by the employer;
1. Capital expenditures. Depreciation may be an allowable employee business expense. Federal depreciation or cost recovery deductions are acceptable for PA purposes.

It may be necessary to obtain a PA Schedule UE-1 to claim some of your allowable employee business expenses. See the Forms Ordering instructions on page 2.

Line 1b. Unreimbursed Employee Business Expenses from PA Schedule UE. Add the expenses you are claiming from each PA Schedule UE you completed. A separate schedule must be completed for each job or occupation. If your spouse incurs allowable employee business expenses, he or she must complete his or her own PA Schedule(s) UE. Expenses from one job may not be used to reduce compensation from another job. Spouses may not use each other's expenses.

Line 1c. Net PA Taxable Compensation. Subtract line 1b from line 1a. Enter the difference as Net PA Taxable Compensation on line 1c.

Line 2. PA Taxable Interest. Include all PA taxable interest income received during the taxable year from savings and loan associations, credit unions, bank deposits, bonds, certificates of deposit, interest-bearing checking accounts, PA, federal and local tax refunds or other obligations on line 2 of your return. If over \$1,000, a PA Schedule A must be completed and filed. Generally, Form 1099-INT, issued by financial institutions will indicate the amount of interest received or credited from or by such institutions. Interest received on GNMA and FNMA certificates is taxable for PA purposes.

PA Tax Exempt Interest. Interest from direct obligations of the Commonwealth of Pennsylvania or its political subdivisions and direct obligations of the United States Government is not taxable income and should not be reported. Interest from Series E, F, G, H and EE bonds, federal treasury bills and notes is not taxable. Interest received from obligations of other states or countries is taxable income.

For a complete list of exempt obligations, request form REV-1643 by calling the Forms Ordering numbers on page 2.

Important: Exempt interest is included in Eligibility Income for tax forgiveness purposes.

Distributions from Money Market and Mutual Funds and Other Investment Companies. Distributions from the earnings and profits of money market or mutual funds and investment trusts and companies must be reported as dividend income on line 3 and not interest income.

Forfeited Interest Penalty. You may offset forfeited interest penalty incurred for premature redemption or withdrawal of a time savings account or certificate of deposit against only the interest income from that account or certificate. You cannot offset such interest penalty against other interest income. If the total penalty exceeds the interest on an account or certificate, you must file a PA-40 with a PA Schedule D, see Forms Ordering on page 2.

Undistributed Interest Income from Individual Retirement Arrangements. See page 11.

Line 2. PA Taxable Interest. Report all PA taxable interest income on your return. When your interest income exceeds \$1,000, you must complete and file a PA Schedule A, on page 18. You are not required to attach your Form(s) 1099-INT.

Line 3. PA Taxable Dividends. All dividend income is reported on line 3 in the taxable year in which it is received or credited. Report as taxable dividend income any distribution by a business corporation or business association out of its earnings and profits, without regard to the manner in which the business derived the income. For PA purposes, a business association is an unincorporated business enterprise which is organized in a manner similar to a business corporation. Business corporations or business associations include, but are not limited to, business trusts, federally qualified real estate investment companies, mutual funds, other federally regulated investment companies and limited liability companies. If over \$1,000, a PA Schedule B must be completed and filed.

Dividend Reinvestment Plans. An individual who, pursuant to a stock dividend reinvestment plan, chooses to receive a dividend in the form of stock rather than cash or other property must report as dividend income the stock's fair market value as of the date it is paid.

Dividend Income Does Not Include:

1. Dividends distributed by a corporation to its stockholders in the form of stock if the distribution is not treated as personal income for federal purposes.
2. Distributions designated as "return of capital" by utility companies or other corporations reduce the basis of your stock in the

corporation. Once your basis is reduced to zero, any further distributions are taxed as gain from the sale or disposition of property. For more information, obtain a PA-40 booklet.

3. "Dividends" paid by savings and loan associations, mutual savings banks, cooperative banks and credit unions on deposits or withdrawals from accounts must be reported as interest income on line 2.
4. Ordinary dividends paid by a mutual fund or a registered investment company and designated as being "Exempt-interest Dividends" for PA purposes in the written notice issued to the shareholder. You may exclude the portion of total dividends which are designated by the fund or company as being from exempt PA obligations and exempt federal obligations. The amount designated as capital gains is fully taxable as dividend income for PA purposes.

Line 3. PA Taxable Dividends. Report all PA taxable dividend income on your return. When your total dividend income exceeds \$1,000, you must complete and file a PA Schedule B, on page 18. You are not required to attach your Form(s) 1099-DIV.

Line 4. Total PA Taxable Income. Add lines 1c, 2 and 3. Enter the total on line 4.

Line 5. PA Tax Liability. Multiply the amount on line 4 by 2.8 percent (0.028), and enter on line 5.

Line 6. Total PA Income Taxes Withheld. Enter on line 6 the amount of PA tax withheld as shown in the PA or state block of your W-2 form(s). Be sure to include a copy of each W-2 form.

Line 7. Total Estimated Payments and Credits. Enter on line 7 the total of the following:

1. The credit to your 1996 estimated tax account from your overpayment on your 1995 PA tax return, which was not denied or refunded.
1. Your installment payments of estimated tax for 1996; and
1. The payment you made with your request for an extension of time to file your 1996 PA-40EZ.

Lines 8a through 8d. Tax Forgiveness from PA Schedule SP. You must complete your PA Schedule SP (page 4 or 6) and SP Worksheet (page 17) before you can complete these lines. The specific instructions for tax forgiveness begin on page 13.

Line 8a. Household Members Claimed from PA Schedule SP, Part II, line 4. Enter the total number of household members on line 4, Part II of Schedule SP.

Line 8b. Your Eligibility Income from PA Schedule SP, Part III, line 2. If single or married filing separately (including dependents of persons eligible for tax forgiveness), enter your Eligibility Income only. If filing jointly and you and your spouse both qualify for tax forgiveness, enter your combined Eligibility Income.

Line 8c. Total Income from PA Schedule SP, Part III, line 1. This amount is for information purposes and will not affect your eligibility for tax forgiveness.

Line 8d. Tax Forgiveness Credit from PA Schedule SP, Part III, line 7. This is the amount of tax forgiveness credit to which you are entitled.

Line 9. Total Credits and Payments. Add lines 6, 7 and 8d. Enter the total on line 9.

Line 10. Tax Due. Subtract line 9 from line 5 and enter the difference. Pay this amount with your return. If no payment is due, a return must still be filed.

How To Pay. The Tax Due on line 10 must be paid in full with your return. Follow the instructions for using your PA-V. Make check or money order payable to **PA DEPT. OF REVENUE**, and include your Social Security Number on the check or money order. Do not send cash or stamps.

Bad Check. If your check is returned to the Department unpaid, you will be subject to a 10 percent bad check penalty (minimum of \$10)

and possible criminal prosecution in addition to other penalties and interest.

Line 11. Overpayment. Subtract line 5 from line 9 and enter the difference. Your overpayment will be reduced by any outstanding PA tax liability you still owe from previous tax years.

Line 12. Application Of Overpayment. If you have an overpayment of \$1 or more on line 11, you may request that your overpayment be: refunded to you (line 12a); credited to your 1996 estimated tax account (line 12b); donated to the Wild Resource Conservation Fund (line 12c); donated to the U.S. Olympic Committee, PA Division (line 12d).

The total of lines 12a through 12d must equal line 11.

Taxpayer's Signature and Verification. You must sign and date your return. You have not filed a valid return unless the return is signed. Read the oath before you sign. You may submit a photocopied return, but it must have your original signature(s). A husband and wife who choose to file a joint return must both sign the return. Include the area code and telephone number where you may be called between the hours of 8:30 a.m. and 4:00 p.m.

Occupation. State your occupation. If married and filing jointly, also enter your spouse's occupation.

Preparer's Name and Telephone Number. If you paid someone to prepare your tax return, the preparer should enter his or her name or their business name and telephone number on your return.

Mailing Instructions. To insure your return is mailed properly:

1. Remove all three labels along perforation from envelope flap; and
2. Choose the correct label that applies to your return. See the descriptions below; and
3. Moisten and affix only the correct label on the front of the return envelope enclosed for your convenience.

Type of Return	City & State	Extended Zip Code
PAYMENT Enclosed	HBG., PA	17129-0001
An amount of Tax Due is shown line 10.		
NO PAYMENT (No Refund/No Credit Due)	HBG., PA	17129-0002
No amounts are on lines 10 or 11.		
REFUND/CREDIT Requested	HBG., PA	17129-0003
An Overpayment is shown line 11.		

SCHEDULE INSTRUCTIONS

Enter your names and Social Security Number(s) as requested on each schedule.

PA Schedule A. PA Taxable Interest

List and total all PA taxable interest received or credited during the taxable year from your Form(s) 1099-INT and all other statements. Include interest from obligations of other states and countries. Do not include interest from direct obligations of the U. S. Government, the Commonwealth of Pennsylvania and political subdivisions of Pennsylvania. If your interest is from a mutual fund or regulated investment company, it may be necessary to calculate your PA taxable interest using the statement you are given by the fund or company. Enter your taxable interest on line 2 of your PA tax return. **Important:** You may not deduct any expenses paid or incurred in earning or receiving interest income.

Filing Tip: If your total PA taxable interest income is less than \$1,000, you do not have to attach PA Schedule A to your tax return.

You have completed your PA Schedule A. Double check all your calculations before filing your PA tax return.

PA Schedule B. PA Taxable Dividends.

List and total all PA taxable dividends received or credited during the taxable year from your Form(s) 1099-DIV and all other statements. Enter your total taxable dividend income on line 2 of your PA tax return.

Filing Tip: If your total PA taxable dividend income is less than \$1,000, you do not have to attach PA Schedule B to your tax return.

You have completed your PA Schedule B. Double check all your calculations before filing your PA tax return.

Instructions for Allowable Business Expenses. Complete the PA Schedule UE-2 on the reverse side of your form PA-40EZ.

Part A. Union Dues. Union dues, assessments and initiation fees are allowable business expenses if:

1. Such payments are a condition of continued membership in the union and membership is related directly to your present job; or
2. Such payments are required to be deducted from regular wages under an agency shop agreement.

Part B. Work Clothes and Uniforms. The costs of purchasing and maintaining uniforms and work clothing to protect you from bodily injury are allowable business expenses if the uniforms and clothing are both:

1. Of a type specifically required by the employer to be purchased as a condition of continued employment; and
2. Not adaptable to general usage.

Part C. Small Tools and Supplies. Expenditures for small tools and supplies which are required to perform the duties of your job, but which are not provided by your employer are allowable business expenses. If any of the required tools or supplies has a useful life of more than one year, its cost is depreciated or amortized if it cannot be currently expensed under IRC Section 179. PA Schedule UE-1 must be completed to claim depreciation expenses (Part I).

Part D. Professional License Fees, Malpractice Insurance and Fidelity Bond Premiums. Trade, professional or occupational licenses or fees required as a condition of employment are allowable business expenses. Include malpractice insurance and fidelity bond premiums where required by law or by your employer.

Part E. Employee Travel and Mileage Expenses. Expenses for travel, meals and lodging which were incurred in performing the duties of your job are allowable business expenses. Transportation expenses, but not commuting to and from any job, incurred in performing the duties of your job are allowable business expenses. Business expenses incurred by outside salespersons are also allowable.

You may use the PA Schedule UE-2, on the back of your PA tax return, if you are only claiming expenses from lines 1, 2, 3 and 5 of your Form 2106. If you are claiming your actual expenses, or have expenses from line 4 of Form 2106, you must obtain and complete PA Schedule UE-1, see Forms Ordering on page 2. **Important:** If using Form 2106, you must itemize your expenses from line 4 in Part J of PA Schedule UE-1. You must also itemize any other miscellaneous business expenses. The Department will not accept the Federal 1040 PC Format Return.

The Department accepts the standard mileage rate used by the IRS. If your employer reimburses you at a per mile rate which is less than the federal allowable rate, you may not claim the difference. You may however claim your actual expenses incurred on a PA Schedule UE-1.

Total Employee Business Expenses. Add the amounts from Parts A through E. Enter the total here and on line 1b of your PA-40EZ.

You have completed your PA Schedule UE-2. Double check all your calculations before filing your PA tax return.

Specific Instructions for Claiming Tax Forgiveness on PA Schedule SP

General Information. Read ALL the following instructions.

What is Tax Forgiveness? Special Tax Forgiveness is a credit against your PA tax which allows eligible taxpayers to reduce all or a part of their PA tax liability. To qualify for this credit, you must calculate your own taxable income, nontaxable income, exempt income and total support income. If married, your spouse must also determine these kinds of incomes.

Who Is Eligible For Tax Forgiveness? A claimant must meet the following requirements to qualify for tax forgiveness. You must:

1. Have PA Taxable Income; and

2. Have personally provided at least one-half of your own Total Support in 1996; and
3. Meet the Eligibility Income limitations.

If you do not have any PA Taxable Income, you still qualify if you meet 2 and 3 above. Your dependent spouse may claim tax forgiveness if he or she meets **ALL** three requirements.

Example: John and Sue are married without any dependent children. John is retired with a \$15,000 pension and \$5,000 of PA exempt interest. Sue earns \$6,000 of PA taxable wages. Sue is John's dependent for tax forgiveness. John has no tax to forgive and does not have to file a PA tax return. John is otherwise eligible for tax forgiveness. Sue must file a PA tax return. As a dependent of a person eligible for tax forgiveness, Sue may also file a PA Schedule SP.

If you meet **ALL** the requirements, then your Eligibility Income and the number of your dependents, if any, will determine your tax forgiveness credit. If you are eligible, your dependent family members may also qualify for tax forgiveness. See **Who is a Dependent for Tax Forgiveness?** below.

Important: If you do not qualify for tax forgiveness, your dependents do not qualify for tax forgiveness.

Who is a Dependent for Tax Forgiveness? A dependent is a spouse, natural child, stepchild, adopted child, grandchild or foster child, who lived in your household for all of 1996, and who received at least one-half of his or her support from an eligible claimant for tax forgiveness. A full time student is a dependent if a dependent for federal purposes.

To determine who is a dependent, use the SP Worksheet on page 17.

Joint or Separate Returns. If both you and your spouse each qualify for tax forgiveness, you have the option of filing together or separately. If one of you is a dependent of the other and you both have taxable income, you **must** file separate returns. Your dependent children who have Taxable Income must also file separate PA tax returns to obtain tax forgiveness.

General Instructions for the SP Worksheet. You must complete the SP Worksheet on page 17. Complete **ALL** information for yourself (YOUR Column) and, if married, your husband or wife (SPOUSE Column), even if filing separately. If married, you must always complete the JOINT Column.

Filing Tip: You do not need to submit your **SP Worksheet** when you file your PA tax return. The Department may request it if you do not properly complete your PA Schedule SP or if there is a question concerning your income or eligibility.

For the purpose of claiming tax forgiveness, family members include you, your spouse and your dependent children.

PA law does not exempt a child from filing a PA tax return and paying any tax due. However, if a child is a dependent of a person eligible for tax forgiveness, that child is also eligible. Generally, the income received by a child is not included in determining Total Income.

Remember: If a child has income and is a dependent of a person eligible for tax forgiveness, that child must file a separate PA tax return and his or her own PA Schedule SP.

Line Instructions for the SP Worksheet.

Enter your amounts and your spouse's amounts, even if filing separately and even if only one of you is claiming tax forgiveness. Enter zero if no income to report.

Step 1. Taxable Income. Enter your PA Taxable Income amount(s) on line 1.

Step 2. Nontaxable Income. For each line, compute and enter the total income received in each category. Nontaxable income includes income that is not taxable under PA law or regulations. Nontaxable income may or may not be income that is taxable for federal purposes. Read each description carefully.

Line 2. Cash Payments and Support Received. This amount includes nontaxable cash or property received for personal use. Include direct contributions from spouses, children, parents and others, such as cash received from a parent to buy clothing. This amount does not include monies exchanged to pay household expenses, such as deposits to joint accounts or rental-like payments from children living at home.

Line 3. Nontaxable Interest, Dividends and Gains. Include income from investments in direct obligations of the Federal Government, Pennsylvania and political subdivisions of Pennsylvania, even if received through a mutual fund or other regulated investment company. If originally issued before February 1, 1994, enter any gains realized from sales of these obligations. Include the nontaxable portion of gain on property acquired before June 1, 1971. Also include nontaxable income received as a beneficiary of an estate or trust.

Line 4. Alimony. This is the amount of federally taxable alimony received.

Line 5. Insurance Proceeds and Inheritances. This amount includes the total proceeds received from life or other insurance policies. Also include inherited cash or the value of property received.

Line 6. Gifts, Awards and Prizes. Include the total amount of nontaxable cash or property received as gifts from others. Also include awards given in recognition of civic and social achievements. Add winnings from the PA State Lottery here.

Line 7. Nonresident Income. Enter the total of all income received while residing outside Pennsylvania. This amount includes income that would otherwise be taxable if earned and received in Pennsylvania.

Line 8. Nontaxable Military Income. This amount represents the difference between total military income earned and the amount reported as taxable to Pennsylvania on your PA tax return, except combat pay which is reported as Exempt SP Income.

Line 9. Gain Excluded on Sale of a Personal Residence. Enter the amount from line 5a of PA-40. This line does not apply for PA-40EZ.

Line 10. Educational Assistance. Include the total value of nontaxable scholarships, fellowships and stipends received.

Line 11. Total Nontaxable Income. Add lines 2 through 10 in each Column and enter the total.

Step 3. Eligibility Income. Eligibility Income is the total amount of your PA taxable and certain nontaxable income. Eligibility Income does not include the kinds of income described in Exempt Income below. Eligibility Income is the amount used to determine your percentage of tax forgiveness.

Line 12. Eligibility Income. Add lines 1 and 11 in each column and enter the total. Follow the instructions on the SP Worksheet.

Step 4. Exempt SP Income. Exempt SP Income includes all other nontaxable cash or property received and used in providing support to the household. These kinds of income may or may not be taxable for federal purposes. In each column, enter the amounts received by you and your spouse, even if filing separately.

Line 13. Social Security and Railroad Retirement Benefits

Line 14. Retirement, Pension, IRA and Annuity Benefits, when meeting the requirements for retiring.

Line 15. Welfare Benefits

Line 16. Workers Compensation Benefits

Line 17. Unemployment Compensation Benefits

Line 18. Child Support Payments

Line 19. Cash or Property From Other Household Members Include monies exchanged to pay household expenses, such as deposits to joint accounts and rental-like payments from children living at home.

Line 20. Total Exempt SP Income. Add lines 13 through 19 in each column.

Step 5. Total Income. Add Eligibility Income and Exempt SP Income. If you did not have enough Total Income to provide at least one-half of your own support, you are a dependent. The same applies to your spouse. A dependent child usually does not provide at least one-half of his or her own support.

Line 21. Total Income. Add lines 12 and 20 in each column.

Step 6. Average Support Cost. In order to determine whether you provide more than one-half of your own support, it is necessary to calculate the Average Support Cost for each family member. This is a mathematical calculation that presumes your income and expenses to support yourself, your spouse and dependent children were equally

distributed during 1996. Complete each line in Step 6. Comparing line 21 to line 24 determines whether you (your spouse) are (is) a dependent or not.

Line 22. Number of Household Members. Enter the number of family members including yourself, your spouse and all dependent children. Do not include any other persons who may live in your household. Tax forgiveness rules exclude other persons, even if you may claim those other persons as dependents for federal purposes.

Line 23. Average Support Cost. Divide line 21, JOINT Column, by line 22. Round the result to the nearest whole dollar. This amount represents each family member's share of the income available for support.

Line 24. Minimum Support Cost. Multiply line 23 by 50% (0.5). Round the result to the nearest whole dollar. This is the amount that you compare to line 21 to determine who is a claimant or a dependent.

Step 7. Determining Claimant and/or Dependent Status. A claimant is eligible for tax forgiveness depending on Eligibility Income and allowable dependents, if any. Answer the questions for lines 25 and 26 on your SP Worksheet. Follow the instructions for each applicable question.

A dependent is not eligible for tax forgiveness unless he or she is a dependent of a claimant eligible for tax forgiveness.

Specific Instructions for the PA Schedule SP.

After completing your SP Worksheet, you will know who in your household is a claimant and who is a dependent. You must now certify how you are filing your PA tax return and claiming tax forgiveness.

Part 1. Certification of Eligibility

Section A: Filing as S, Single or M, Married Filing Separate Returns. Check either Box 1 (Claimant) or Box 2 (Dependent). The box you check depends on your answer to question 25 on your SP Worksheet.

Box 1. If you are a claimant, check Box 1 and enter your spouse's name and Social Security Number in the space provided, even if filing separately. Compare your Eligibility Income from **YOUR Column**, line 12 of your SP Worksheet to the Eligibility Income Table on page 16.

Example 1: You are single with no dependents (only 1 family member). Compare your Eligibility Income to the first (1) line of the Eligibility Income Table. If your Eligibility Income is \$6,300 or less, you receive 100% tax forgiveness. If your Eligibility Income is more than \$7,200, you do not qualify for any tax forgiveness.

Example 2: You are married and your spouse is your dependent (2 family members). Your spouse has no Eligibility Income. Compare your Eligibility Income to the second (2) line of the Eligibility Income Table. If your Eligibility Income is \$9,300 or less, you receive 100% tax forgiveness. If your Eligibility Income is more than \$10,200, you do not qualify for any tax forgiveness. As a dependent of an eligible claimant, your spouse also qualifies for tax forgiveness. But since your spouse had no Eligibility Income, there is no need for your spouse to file separately. You should file jointly and complete Section B of PA Schedule SP.

Remember: A dependent spouse may not claim any other dependents.

Example 3: You are single with a dependent child. You use the second (2) line of the Eligibility Income Table because there are 2 members in your household.

Example 4: You are married with a dependent spouse and 2 dependent children. You have all the income in the household. You use the fourth (4) line of the Eligibility Income Table because there are 4 members in your household. With Eligibility Income of \$15,300 or less, you receive 100% tax forgiveness. With more than \$16,200, you receive no tax forgiveness.

Box 2. If you are a dependent of a person eligible for tax forgiveness, check Box 2. Enter the name and Social Security Number of the person claiming you on his or her PA Schedule SP. In order for you to qualify for tax forgiveness, the person claiming you as a dependent must be eligible for tax forgiveness. If that person cannot file a PA Schedule SP, neither can you.

Compare your Eligibility Income to the Eligibility Income Table. As a dependent, you will ALWAYS use the first (1) line. If your Eligibility Income is within the limitations of the Eligibility Income Table, continue completing PA Schedule SP.

Example 5: You are an eligible dependent. If your Eligibility Income is \$6,300 or less, you receive 100% tax forgiveness. If your Eligibility Income is more than \$7,200, you do not qualify for any tax forgiveness.

Important. As a dependent, you may not claim any other dependents.

Section B: Filing as J, Married Filing a Joint Return. Check Box 3 if **BOTH** you and your spouse are claimants based on your SP Worksheet **AND** you both elect to file a joint claim for convenience.

To determine whether you and your spouse should file jointly or separately for tax forgiveness, compare your total and individual Eligibility Income amounts to the Eligibility Income Table.

Also use this filing status if one of you is a claimant and the other is a dependent with no taxable income. The dependent spouse would otherwise not have to file a PA tax return since he or she has no tax to pay (or forgive). Since the other spouse must file to claim tax forgiveness, this JOINT status may be used.

If you and your spouse have no dependent children, compare your JOINT Eligibility Income to the second line (2 members of the household) of the Eligibility Income Table.

Example 6: If your combined income is \$9,300 or less, on a joint claim you and your spouse receive 100% tax forgiveness. If your combined Eligibility Income is more than \$9,300, you should consider filing separate returns. Filing separately provides the maximum amount of tax forgiveness allowable.

Example 7: You have \$6,750 of Eligibility Income. Your spouse has \$5,900. You have no dependent children. On separate returns, you receive tax forgiveness of 50% and your spouse receives 100%. On a joint claim with \$12,650 of Eligibility Income, you receive no tax forgiveness.

If you and your spouse are filing jointly and have dependent children, you use the line on the Eligibility Income Table that equals the number of allowable members in your household.

Example 8: You and your spouse have 2 children. Compare your Joint Eligibility Income to the fourth line (4 members of the household) of the Eligibility Income Table. If your combined amount is \$15,300 or less, on a joint claim you and your spouse receive 100% tax forgiveness.

Filing Tip: To receive the most tax forgiveness allowable, you may wish to file separate returns.

How Many Dependents May Be Claimed? In order to claim a dependent child, you must provide at least one-half of their support. Divide your Total Support Income amount (line 21 of your SP Worksheet) by the Average Support Cost (line 23 of your SP Worksheet). Round the result to the nearest whole number. This represents the number of persons you support with your income, including yourself.

Example 9: You have income of \$10,800 and your wife has \$8,800. You have 3 dependent children. Together, you do not qualify for any tax forgiveness since \$19,600 exceeds the maximum income for a family of 5 (\$19,200). Your Average Support Cost is \$3,920 (\$19,600 ÷ 5). You can support yourself and 2 children (\$10,800 ÷ \$3,920 = 2.7, rounded to 3). Your spouse can support herself and 1 child (\$8,800 ÷ \$3,920 = 2.2 rounded to 2). On separate returns, you each receive 100% tax forgiveness.

Example 10: You have \$8,500 of Eligibility Income. Your spouse has \$9,650 of Eligibility Income. You have 2 dependent children. On separate returns, you can claim only 1 child and you receive 100% tax forgiveness. Using the second (2) line of the Table, \$8,500 is less than \$9,300. Your spouse can only claim the other child and receives 60% tax forgiveness, also using the second (2) line of the Table. Your spouse cannot claim both children since her income is sufficient to support only 2 persons. If you elected to file a joint claim, your combined Eligibility Income of \$18,150 would not allow any tax forgiveness. \$18,150 with 4 household members exceeds the Table maximum amount of \$16,200.

Example 11: You have income of \$13,300 and your spouse has \$6,300. You have 3 children. Together, you do not qualify for any tax forgiveness since \$19,600 exceeds the maximum income for a family of 5 (\$19,200). Your Average Support Cost is \$3,920 (\$19,600 ÷ 5). You can support yourself and 2 children (\$13,300 ÷ \$3,920 = 3.4, rounded to 3). Your spouse can support himself and 1 child (\$6,300 ÷ \$3,920 = 1.6, rounded to 2). On separate returns, you receive no tax

forgiveness, because \$13,300 exceeds the maximum allowance for 3 household members (you and 2 children) of \$13,200. You cannot claim a third child because your income does not permit you to support yourself and 3 children. Your spouse receives 100% tax forgiveness because \$6,300 is less than the minimum allowance for 2 household members of \$9,300.

Once you and your spouse have decided how to file, check either Box 2 on your separate returns or Box 3 for a joint claim.

Section C: Filing as F, the Final PA Return for a Deceased Individual. Check Box 4 if the person for whom you are filing was not a dependent. For the purpose of eligibility, use all the income earned, received or credited to the decedent through the date of death. The same calculations apply to a decedent as to others in determining eligibility for tax forgiveness. Usually, a decedent is not a dependent unless he or she lived most of the year and received more than one-half of his or her support from another person. A decedent does not claim any dependents unless he or she lived most of the year.

PART II. Number of Household Members for Tax Forgiveness Purposes.

Line 1. Enter all the information requested and check if you are claiming your spouse as your dependent.

Line 2. Enter the information requested for your spouse and check if your spouse is filing separately.

Important. If you do not complete all the information requested, the Department will write for a copy of your SP Worksheet.

Line 3. For each dependent child, as defined on page 14, enter the information requested and check whether you or your spouse is claiming the child. If your spouse is **not** your dependent and may claim one or more dependent children, check the children that your spouse is claiming. **Important.** If your spouse is your dependent and filing a separate return, your spouse **may not** claim any dependents.

Line 4. Enter the total number of Household Members for tax forgiveness purposes. Include yourself, your spouse, if your dependent and each child you may claim. **Important.** A dependent child **may not** be claimed on more than one PA Schedule SP.

PART III. Calculating Your Tax Forgiveness Credit. You will need your SP Worksheet and the Eligibility Income Table to complete this part.

Line 1. Total Income. Enter the amount from the JOINT Column, line 21, of your SP Worksheet, even if filing separately.

Line 2. Your Eligibility Income from SP Worksheet. If filing jointly, enter the amount from line 12, JOINT Column. If filing separately, enter the amount from line 12, YOUR Column.

Line 3. Tax Liability. Enter the amount of your Tax Due from your PA tax return. This is your tax due BEFORE any credits.

Line 4. Less Resident Credit. Enter the credit from line 14 of your PA-40 — **this credit does not apply to a PA-40EZ.**

Line 5. Net Tax Liability. Subtract line 4 from line 3.

Line 6. Percentage Of Tax Forgiveness. Find your Number of Household Members (Part II, line 4) on the Eligibility Income Table. Find your Eligibility Income (line 1 in this Part) on the Eligibility Income Table. Find your percentage of tax forgiveness. Enter the percentage of forgiveness in the space provided and as a decimal on line 6.

Example 12: With 4 Family Members and Eligibility Income of \$15,547, the percentage of tax forgiveness is 70% or 0.70.

Line 7. Amount Of Tax Forgiveness Credit. Multiply line 5 by the decimal on line 6. Round to the nearest dollar. Enter the result here. This is the tax forgiveness credit you may take on your PA tax return.

You have completed your PA Schedule SP. Double check all your calculations before filing your PA tax return.

ELIGIBILITY INCOME TABLE										
PART II, LINE 4: YOUR NUMBER OF HOUSEHOLD MEMBERS	TOTAL ELIGIBILITY INCOME									
	PART III, LINE 2: IF YOUR ELIGIBILITY INCOME DOES NOT EXCEED:									
1	6,300	6,400	6,500	6,600	6,700	6,800	6,900	7,000	7,100	7,200
2	9,300	9,400	9,500	9,600	9,700	9,800	9,900	10,000	10,100	10,200
3	12,300	12,400	12,500	12,600	12,700	12,800	12,900	13,000	13,100	13,200
4	15,300	15,400	15,500	15,600	15,700	15,800	15,900	16,000	16,100	16,200
5	18,300	18,400	18,500	18,600	18,700	18,800	18,900	19,000	19,100	19,200
6	21,300	21,400	21,500	21,600	21,700	21,800	21,900	22,000	22,100	22,200
7	24,300	24,400	24,500	24,600	24,700	24,800	24,900	25,000	25,100	25,200
8	27,300	27,400	27,500	27,600	27,700	27,800	27,900	28,000	28,100	28,200
9	30,300	30,400	30,500	30,600	30,700	30,800	30,900	31,000	31,100	31,200
10	33,300	33,400	33,500	33,600	33,700	33,800	33,900	34,000	34,100	34,200
THEN YOUR PERCENTAGE OF TAX FORGIVENESS AND THE DECIMAL EQUIVALENT IS:										
PERCENTAGE	100%	90%	80%	70%	60%	50%	40%	30%	20%	10%
DECIMAL	1.0	.90	.80	.70	.60	.50	.40	.30	.20	.10

This worksheet **MUST** be completed before you can claim tax forgiveness on PA Schedule SP
You do not need to submit this worksheet with your 1996 PA tax return. If the Department has any questions, however, we may request it at a later date.

Name(s) as shown on your PA tax return:	Social Security Number:

CAREFULLY READ ALL THE INSTRUCTIONS FOR COMPLETING THIS WORKSHEET

	DO NOT USE CENTS – ROUND TO WHOLE DOLLARS					
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STEP 1. PA TAXABLE INCOME	A. YOUR Column	B. SPOUSE Column	C. JOINT Column
1. From your PA Tax Return:	1. \$	1. \$	1. \$

STEP 2. NONTAXABLE INCOME	A. YOUR Column	B. SPOUSE Column	C. JOINT Column
2. Cash Payments and Support Received	2. \$	2. \$	2. \$
3. Nontaxable Interest, Dividends and Gains	3. \$	3. \$	3. \$
4. Alimony	4. \$	4. \$	4. \$
5. Insurance Proceeds and Inheritances	5. \$	5. \$	5. \$
6. Gifts, Awards and Prizes	6. \$	6. \$	6. \$
7. Nonresident Income	7. \$	7. \$	7. \$
8. Nontaxable Military Income	8. \$	8. \$	8. \$
9. Gain Excluded on Sale of a Personal Residence (Not applicable for PA-40EZ filers)	9. \$	9. \$	9. \$
10. Nontaxable Educational Assistance	10. \$	10. \$	10. \$
11. TOTAL NONTAXABLE INCOME. Add lines 2 through 10.	11. \$	11. \$	11. \$

STEP 3. ELIGIBILITY INCOME	A. YOUR Column	B. SPOUSE Column	C. JOINT Column
12. Add line 1 and line 11. Enter the total here and on PA Schedule SP. Also enter the total on PA tax return	12. \$	12. \$	12. \$

STEP 4. EXEMPT SP INCOME	A. YOUR Column	B. SPOUSE Column	C. JOINT Column
13. Social Security and Railroad Retirement Benefits	13. \$	13. \$	13. \$
14. Retirement, Pension, IRA and Annuity Benefits	14. \$	14. \$	14. \$
15. Welfare Benefits	15. \$	15. \$	15. \$
16. Workers' Compensation Benefits	16. \$	16. \$	16. \$
17. Unemployment Compensation Benefits	17. \$	17. \$	17. \$
18. Child Support Payments	18. \$	18. \$	18. \$
19. Cash or Property from Other Household Members	19. \$	19. \$	19. \$
20. TOTAL EXEMPT SP INCOME. Add lines 13 through 19.	20. \$	20. \$	20. \$

STEP 5. TOTAL INCOME	A. YOUR Column	B. SPOUSE Column	C. JOINT Column
21. Add line 12 and line 20. Enter the TOTAL INCOME from the JOINT Column on line 1, PART III of PA Schedule SP.	21. \$	21. \$	21. \$

STEP 6. AVERAGE SUPPORT COST	DO NOT USE CENTS – ROUND TO WHOLE DOLLARS	
22. Number of Household Members. (You, your spouse and dependent children)	22.	
23. Average Support Cost. Divide line 21 JOINT Column by line 22.	23. \$	
24. Minimum Support Cost. Multiply line 23 by 50% (0.5)	24. \$	

STEP 7. DETERMINING CLAIMANT AND/OR DEPENDENT STATUS

25. IS **YOUR** line 21 equal to or more than line 24? **YES** **NO**
 If **YES**, you are a claimant, not a dependent. Complete PA Schedule SP to determine if you qualify for tax forgiveness.
 If **NO**, you are a dependent of another person. If that person is eligible for tax forgiveness, you are also eligible. You must file a separate PA tax return and PA Schedule SP. **You may not claim any dependents.** You must complete Section A, Box 2 on your PA Schedule SP.

26. IS **SPOUSE** line 21 equal to or more than line 24? **YES** **NO**
 If **YES**, your spouse is a claimant, not a dependent. Your spouse should complete PA Schedule SP to determine if he or she qualifies for tax forgiveness.
 If **NO**, your spouse is a dependent. If you answered line 25 **YES**, your spouse is your dependent. Your spouse may still be eligible for tax forgiveness if you are eligible. Your spouse must complete a separate PA tax return and PA Schedule SP.
IMPORTANT: Your dependent spouse may not claim any dependents.

NOTE: If **BOTH** you and your spouse answered **YES**, you are **BOTH** claimants and may elect to file separately or jointly.
 Read the instructions to determine which filing method is best for you and your spouse.

SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE
ADAMS		BERKS		Palmerton Area	.13650	Middletown Area	.22600
Bermudian Springs	.01110	Antietam	.06050	Panther Valley	.13660	Millersburg Area	.22610
Conewago Valley	.01160	Boyertown Area	.06075	Weatherly Area	.13900	Steeleton Highspire	.22800
Fairfield Area	.01305	Brandywine Heights Area	.06085			Susquehanna Township	.22830
Gettysburg Area	.01375	Conrad Weiser Area	.06110	CENTRE		Susquehanna	.50600
Littlestown Area	.01520	Daniel Boone Area	.06150	Bald Eagle Area	.14100	Upper Dauphin Area	.22900
Upper Adams	.01852	Exeter Township	.06200	Bellefonte Area	.14110	Williams Valley	.54880
		Fleetwood Area	.06250	Keystone Central	.18360		
ALLEGHENY		Governor Mifflin	.06300	Penns Valley Area	.14700	DELAWARE	
Allegheny Valley	.02060	Hamburg Area	.06350	Phillipsburg-Osceola Area	.17700	Chester Upland	.23123
Avonworth	.02075	Kutztown Area	.06400	State College Area	.14800	Chichester	.23130
Baldwin Whitehall	.02110	Muhlenberg Township	.06550	Tyrone Area	.07800	Garnet Valley	.23410
Bethel Park	.02125	Oley Valley	.06650			Haverford Township	.23450
Brentwood Borough	.02145	Reading	.06700	CHESTER		Interboro	.23510
Carlynton	.02160	Schuylkill Valley	.06750	Avon Grove	.15050	Marple Newtown	.23550
Chartiers Valley	.02175	Tulpehocken Area	.06800	Coatesville Area	.15190	Penn Delco	.23690
Clairton	.02190	Twin Valley	.06810	Downingtown Area	.15200	Radnor Township	.23760
Cornell	.02210	Upper Perkiomen	.46860	Great Valley	.15350	Ridley	.23770
Deer Lakes	.02225	Wilson	.06910	Kennett Consolidated	.15400	Rose Tree Media	.23790
Duquesne City	.02250	Wyomissing	.06935	Octorara Area	.15650	Southeast Delco	.23840
East Allegheny	.02280			Owen J. Roberts	.15660	Springfield	.23850
Elizabeth Forward	.02315	BLAIR		Oxford Area	.15670	Unionville-Chadds Ford	.15850
Fort Cherry	.63240	Altoona Area	.07050	Phoenixville Area	.15720	Upper Darby	.23945
Fox Chapel Area	.02391	Bellwood Antis	.07100	Spring Ford Area	.46730	Wallingford Swarthmore	.23960
Gateway	.02410	Claysburg-Kimmel	.07150	Tredyffrin Easttown	.15780	West Chester Area	.15900
Hampton Township	.02460	Holidaysburg Area	.07350	Twin Valley	.06810	William Penn	.23965
Highlands	.02475	Spring Cove	.07750	Unionville-Chadds Ford	.15850		
Keystone Oaks	.02500	Tyrone Area	.07800	West Chester Area	.15900	ELK	
McKeesport Area	.02600	Williamsburg Community	.07900			Brockway Area	.33070
Montour	.02630			CLARION		Forest Area	.27200
Moon Area	.02634	BRADFORD		Allegheny Clarion Valley	.16030	Johnsonburg Area	.24350
Mount Lebanon	.02640	Athens Area	.08050	Armstrong	.03085	Kane Area	.42230
North Allegheny	.02685	Canton Area	.08100	Clarion Area	.16120	Ridgway Area	.24260
Northgate	.02687	Northeast Bradford County	.08300	Clarion-Limestone Area	.16170	Saint Marys Area	.24800
North Hills	.02690	Sayre Area	.08600	Keystone	.16650		
Penn Hills	.02735	Towanda Area	.08650	North Clarion County	.16750	ERIE	
Penn-Trafford	.65710	Troy Area	.08665	Redbank Valley	.16800	Corry Area	.25145
Pine-Richland	.02100	Wyalusing Area	.08900	Union	.16900	Erie City	.25260
Pittsburgh	.02745			CLEARFIELD		Fairview	.25330
Plum Borough	.02750	BUCKS		Clearfield Area	.17100	Fort Leboeuf	.25355
Quaker Valley	.02775	Bensalem Township	.09100	Curwensville Area	.17180	General McLane	.25390
Riverview	.02820	Bristol Borough	.09130	Dubois Area	.17200	Girard	.25405
Shaler Area	.02830	Bristol Township	.09135	Glendale	.17300	Harbor Creek	.25435
South Allegheny	.02865	Centennial	.09200	Harmony Area	.17350	Iroquois	.25655
South Fayette Township	.02870	Central Bucks	.09210	Moshannon Valley	.17500	Millcreek Township	.25760
South Park	.02875	Council Rock	.09235	Phillipsburg-Osceola Area	.17700	North East	.25830
Steel Valley	.02883	Easton Area	.48330	Purchase Line	.32730	Northwestern	.25850
Sto Rox	.02885	Morrisville Borough	.09720	West Branch Area	.17900	Union City Area	.25910
Upper Saint Clair Township	.02920	Neshaminy	.09750			Wattsburg Area	.25970
West Allegheny	.02940	New Hope Solebury	.09760	CLINTON			
West Jefferson Hills	.02955	North Penn	.46570	Jersey Shore Area	.41400	FAYETTE	
West Mifflin Area	.02960	Palisades	.09800	Keystone Central	.18360	Albert Gallatin Area	.26030
Wilkesburg Borough	.02980	Pennridge	.09810	West Branch Area	.17900	Belle Vernon Area	.65060
Woodland Hills	.02990	Pennsbury	.09820			Brownsville Area	.26080
		Quakertown Community	.09840	COLUMBIA		Connellsville Area	.26130
		Soudertown Area	.46710	Benton Area	.19100	Frazier	.26290
ARMSTRONG				Berwick Area	.19110	Laurel Highlands	.26400
Allegheny Clarion Valley	.16030	BUTLER		Bloomsburg Area	.19120	Southmoreland	.65750
Apollo-Ridge	.03060	Allegheny Clarion Valley	.16030	Central Columbia	.19150	Uniontown Area	.26800
Armstrong	.03085	Butler Area	.10125	Millville Area	.19500		
Freepoint Area	.03305	Freepoint Area	.03305	Mount Carmel Area	.49510	FOREST	
Karns City Area	.10360	Karns City Area	.10360	North Schuylkill	.54500	Forest Area	.27200
Kiski Area	.65440	Mars Area	.10500	Southern Columbia Area	.19750		
Leechburg Area	.03450	Moniteau	.10535			FRANKLIN	
Redbank Valley	.16800	Seneca Valley	.10790	CRAWFORD		Chambersburg Area	.28130
		Slippery Rock Area	.10750	Conneaut	.20103	Fannett-Metal	.28200
		South Butler County	.10780	Corry Area	.25145	Greencastle-Antrim	.28300
BEAVER				Crawford Central	.20135	Shippensburg Area	.21800
Aliquippa Borough	.04050	CAMBRIA		Jamestown Area	.43360	Tuscarora	.28600
Ambridge Area	.04070	Blacklick Valley	.11060	Penncrest	.20470	Waynesboro Area	.28900
Beaver Area	.04120	Cambria Heights	.11120	Titusville Area	.61720		
Big Beaver Falls Area	.04150	Central Cambria	.11130	Union City Area	.25910	FULTON	
Blackhawk	.04160	Conemaugh Valley	.11140	Central Fulton	.29130	Central Fulton	.29130
Center Area	.04190	Fermdale Area	.11200	Forbes Road	.29230	Southern Fulton	.29750
Ellwood City Area	.37200	Forest Hills	.11220				
Freedom Area	.04285	Glendale	.17300	CUMBERLAND		GREENE	
Hopewell Area	.04410	Greater Johnstown	.11250	Big Spring	.21050	Carmichaels Area	.30130
Midland Borough	.04530	Northern Cambria	.11450	Camp Hill	.21100	Central Greene	.30140
Monaca	.04545	Penn Cambria	.11600	Carlisle Area	.21110	Jefferson-Morgan	.30350
New Brighton Area	.04565	Portage Area	.11630	Cumberland Valley	.21160	Southwestern Greene	.30650
Riverside Beaver County	.04585	Richland	.11650	East Pennsboro Area	.21250	West Greene	.30850
Rochester Area	.04690	Westmont Hilltop	.11850	Mechanicsburg Area	.21650		
Southside Area	.04740	Windber Area	.56910	Shippensburg Area	.21800	HUNTINGDON	
Western Beaver County	.04930			South Middleton	.21830	Huntingdon Area	.31250
		CAMERON		West Shore	.21900	Central Dauphin	.31280
BEDFORD		Cameron County	.12270	DAUPHIN		Derry Township	.31600
Bedford Area	.05100			Central Dauphin	.22140	Mount Union Area	.31750
Chestnut Ridge	.05150	CARBON		Harrisburg City	.22275	South Huntingdon County	.31750
Claysburg-Kimmel	.07150	Hazleton Area	.40330	Lower Dauphin	.22400	Tussey Mountain	.05800
Everett Area	.05300	Jim Thorpe Area	.13500			Tyrone Area	.07800
Northern Bedford County	.05600	Lehigh Area	.13550				
Tussey Mountain	.05800						

SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE	SCHOOL DISTRICT	CODE
INDIANA							
Apollo-Ridge	.03060	Dallas	.40160	Easton Area	.48330	UNION	
Armstrong	.03085	Greater Nanticoke Area	.40260	Nazareth Area	.48480	Lewisburg Area	.60400
Blairsville-Saltsburg	.32110	Hanover Area	.40300	Northampton Area	.48490	Mifflinburg Area	.60500
Harmony	.17350	Hazleton Area	.40330	Northern Lehigh	.39450	Milton Area	.49500
Homer Center	.32330	Lake-Lehman	.40390	Pen Argyl Area	.48560	Warrior Run	.49800
Indiana Area	.32370	Northwest Area	.40600	Saucon Valley	.48600		
Marion Center Area	.32520	Pittston Area	.40660	Wilson Area	.48860		
Penns Manor Area	.32630	Wilkes-Barre Area	.40885			VENANGO	
Punxsutawney Area	.33800	Wyoming Area	.40920	NORTHUMBERLAND		Allegheny Clarion Valley	.16030
Purchase Line	.32730	Wyoming Valley West	.40930	Danville Area	.47180	Cranberry Area	.61130
United	.32800			Line Mountain	.49350	Forest Area	.27200
		LYCOMING		Milton Area	.49500	Franklin Area	.61220
JEFFERSON		Canton Area	.08100	Mount Carmel Area	.49510	Oil City Area	.61620
Brockway Area	.33070	East Lycoming	.41200	Shamokin Area	.49650	Penncrest	.20470
Brookville Area	.33080	Jersey Shore Area	.41400	Shikellamy	.49660	Titusville Area	.61720
Clarion-Limestone Area	.16170	Loyalsock Township	.41420	Southern Columbia Area	.19750	Valley Grove	.61860
Dubois Area	.17200	Montgomery Area	.41500	Warrior Run	.49800		
Punxsutawney Area	.33800	Montoursville Area	.41510			WARREN	
		Muncy	.41530	PERRY		Corry Area	.25145
JUNIATA		South Williamsport Area	.41610	Fannett-Metal	.28200	Titusville Area	.61720
Greenwood	.50300	Southern Tioga	.59700	Greenwood	.50300	Warren County	.62830
Juniata County	.34360	Wellsboro Area	.59850	Newport	.50400		
		Williamsport Area	.41720	Susquenita	.50600	WASHINGTON	
				West Perry	.50800	Avella Area	.63050
LACKAWANNA		MCKEAN		PHILADELPHIA		Bentworth	.63090
Abington Heights	.35030	Bradford Area	.42080	Philadelphia City	.51500	Bethlehem Center	.63100
Carbondale Area	.35130	Kane Area	.42230			Brownsville Area	.26080
Dunmore	.35220	Oswayo Valley	.53750	PIKE		Burgettstown Area	.63120
Forest City Regional	.58300	Otto Eldred	.42600	Delaware Valley	.52200	California Area	.63150
Lackawanna Trail	.66500	Port Allegany	.42630	East Stroudsburg Area	.45200	Canon McMillan	.63170
Lakeland	.35460	Smethport Area	.42750	Wallenpaupack Area	.64830	Charleroi	.63180
Mid Valley	.35550					Chartiers Houston	.63190
North Pocono	.35650	MERCER		POTTER		Fort Cherry	.63240
Old Forge	.35660	Commodore Perry	.43130	Austin Area	.53030	McGuffey	.63390
Riverside	.35700	Crawford Central	.20135	Coudersport Area	.53130	Peters Township	.63650
Scranton City	.35740	Farrell Area	.43250	Galeton Area	.53280	Ringgold	.63700
Valley View	.35840	Greenville Area	.43280	Keystone Central	.18360	Trinity Area	.63800
		Grove City Area	.43290	Northern Potter	.53550	Washington	.63880
LANCASTER		Hermitage	.43330	Oswayo Valley	.53750		
Cocalico	.36130	Jamestown Area	.43360	Port Allegany	.42630	WAYNE	
Columbia Borough	.36150	Lakeview	.43390			Forest City Regional	.58300
Conestoga Valley	.36170	Mercer Area	.43500	SCHUYLKILL		North Pocono	.35650
Donegal	.36220	Reynolds	.43530	Blue Mountain	.54080	Susquehanna Community	.58650
Eastern Lancaster County	.36230	Sharon City	.43560	Hazleton Area	.40330	Wallenpaupack Area	.64830
Elizabethtown Area	.36240	Sharpville Area	.43570	Mahanoy Area	.54450	Wayne Highlands	.64870
Ephrata Area	.36260	West Middlesex Area	.43750	Minersville Area	.54470	Western Wayne	.64890
Hempfield	.36310	Wilmington Area	.37800	North Schuylkill	.54500		
Lampeter-Strasburg	.36360			Panther Valley	.13660	WESTMORELAND	
Lancaster	.36400	MIFFLIN		Pine Grove Area	.54600	Belle Vernon Area	.65060
Manheim Central	.36440	Mifflin County	.44460	Pottsville Area	.54610	Blairsville-Saltsburg	.32110
Manheim Township	.36450	Mount Union Area	.31600	Saint Clair Area	.54680	Burrell	.65070
Octorara Area	.15650			Shenandoah Valley	.54720	Derry Area	.65160
Penn Manor	.36520	MONROE		Schuylkill Haven Area	.54730	Franklin Regional	.65260
Pequea Valley	.36530	East Stroudsburg Area	.45200	Tamaqua Area	.54760	Greater Latrobe	.65310
Solanco	.36700	Pleasant Valley	.45520	Tri Valley	.54780	Greensburg Salem	.65320
Warwick	.36900	Pocono Mountain	.45540	Williams Valley	.54880	Hempfield Area	.65380
		Stroudsburg Area	.45600			Jeannette City	.65410
				SNYDER		Kiski Area	.65440
LAWRENCE		MONTGOMERY		Midd-West	.55500	Leechburg Area	.03450
Blackhawk	.04160	Abington	.46030	Selinsgrove	.55710	Ligonier Valley	.65490
Ellwood City Area	.37200	Boyertown Area	.06075			Monessen City	.65580
Laurel	.37400	Bryn Athyn Borough	.46050	SOMERSET		Mount Pleasant Area	.65590
Mohawk Area	.37500	Cheltenham Township	.46130	Berlin Brothersvalley	.56100	New Kensington Arnold	.65630
Neshannock Township	.37520	Colonial	.46160	Conemaugh Township Area	.56180	Norwin	.65650
New Castle Area	.37530	Hatboro-Horsham	.46360	Meyersdale Area	.56520	Penn-Trafford	.65710
Shenango Area	.37620	Jenkintown	.46380	North Star	.56550	Southmoreland	.65750
Union Area	.37700	Lower Merion	.46450	Rockwood Area	.56630	Yough	.65890
Wilmington Area	.37800	Lower Moreland Township	.46460	Salisbury Elk Lick	.56700		
		Methacton	.46530	Shade-Central City	.56720	WYOMING	
LEBANON		Norristown Area	.46560	Shanksville-Stonycreek	.56740	Elk Lake	.58250
Annvile Cleona	.38030	North Penn	.46570	Somerset Area	.56770	Lackawanna Trail	.66500
Cornwall Lebanon	.38130	Perkiomen Valley	.46610	Turkeyfoot Valley Area	.56840	Lake-Lehman	.40390
Eastern Lebanon County	.38230	Pottsgrove	.46630	Windber Area	.56910	Tunkhannock Area	.66750
Lebanon	.38460	Pottstown	.46640			Wyalusing Area	.08900
Northern Lebanon	.38500	Souderton Area	.46710	SULLIVAN		Wyoming Area	.40920
Palmyra Area	.38530	Springfield Township	.46720	Sullivan County	.57630		
		Spring Ford Area	.46730			YORK	
LEHIGH		Upper Dublin	.46830	SUSQUEHANNA		Central York	.67130
Allentown City	.39030	Upper Merion Area	.46840	Blue Ridge	.58100	Dallastown Area	.67160
Bethlehem Area	.48100	Upper Moreland Township	.46850	Elk Lake	.58250	Dover Area	.67180
Catasauqua Area	.39130	Upper Perkiomen	.46860	Forest City Regional	.58300	Eastern York	.67220
East Penn	.39230	Wissahickon	.46930	Montrose Area	.58450	Hanover Public	.67280
Northern Lehigh	.39450			Mountain View	.58460	Northeastern York	.67440
Northwestern Lehigh	.39460	MONTOUR		Susquehanna Community	.58650	Northern York County	.67460
Parkland	.39510	Danville Area	.47180			Red Lion Area	.67550
Salisbury Township	.39560	Warrior Run	.49800	TIOGA		South Eastern	.67620
Southern Lehigh	.39570			Canton Area	.08100	South Western	.67640
Whitehall Coplay	.39780	NORTHAMPTON		Galeton Area	.53280	Southern York County	.67650
		Bangor Area	.48080	Northern Tioga	.59600	Spring Grove Area	.67670
LUZERNE		Bethlehem Area	.48100	Southern Tioga	.59700	West Shore	.21900
Berwick Area	.19110	Catasauqua Area	.39130	Wellsboro Area	.59850	West York Area	.67850
Crestwood	.40140					York City	.67900
						York Suburban	.67940