PA SCHEDULE SP
Special Tax Forgiveness
PA-40 Schedule SP (09-08) (I) 2008

Name of taxpayer claiming Tax Forgiveness (if filing a PA-40 jointly, enter the name shown first) ____________________________
Social Security Number (shown first) ____________________________

Spouse’s Name (even if filing separately) ____________________________
Spouse’s Social Security Number ____________________________

Eligibility Questions
1. Are you a dependent on another taxpayer’s (parent, guardian, step-parent, etc.) federal tax return? Yes [ ] No [ ]
2. If you answered “Yes” above, does the taxpayer on whose return you are a dependent qualify for tax forgiveness? Yes [ ] No [ ]

IMPORTANT: If you answered “No” to Question 1, please proceed with completing Schedule SP. If you answered “Yes” to Question 1, you must also have answered “Yes” to Question 2 to be eligible for tax forgiveness and complete Line 1b. or Line 3c. from Part A below.

Part A. Filing Status for Tax Forgiveness.
1. Unmarried - use Column A to calculate your Eligibility Income. Fill in the Unmarried oval on Line 19a of your PA-40. Fill in the oval that describes your situation:
   b. Single and claimed as a dependent on another person’s PA Schedule SP. Enter the other person’s:
      SSN: _______ - _______ - _______ Name: ________________

2. Separated - use Column A to calculate your Eligibility Income.
   Fill in this oval only if (a) you are separated pursuant to a written agreement or (b) you were married, but separated and lived apart for the last six months of the year. Fill in the Unmarried oval on Line 19a of your PA-40.
   a. Married and claiming Tax Forgiveness together with my spouse. Use Column A to calculate Eligibility Income.
   b. Married and filing separate PA tax returns. Certification. Fill in this oval certifying that you and your spouse are submitting the same information on each PA Schedule SP. Use Column A to calculate Eligibility Income.
   c. Married with a spouse who is a dependent on another person’s PA Schedule SP or federal income tax return. Use Columns B and C to calculate Eligibility Income. Enter the other person’s:
      SSN: _______ - _______ - _______ Name: ________________
   d. Separated and lived apart from my spouse but for less than the last six months of the year. Use Columns B and C to calculate Eligibility Income. Enter your spouse’s name and SSN above.

3. Married - Fill in the Married oval on Line 19a of your PA-40. Enter your spouse’s name and SSN above. Fill in the oval that describes your situation:
   a. Married and claiming Tax Forgiveness together with my spouse. Use Column A to calculate Eligibility Income.
   b. Married and filing separate PA tax returns. Certification. Fill in this oval certifying that you and your spouse are submitting the same information on each PA Schedule SP. Use Column A to calculate Eligibility Income.
   c. Married with a spouse who is a dependent on another person’s PA Schedule SP or federal income tax return. Use Columns B and C to calculate Eligibility Income. Enter the other person’s:
      SSN: _______ - _______ - _______ Name: ________________

4. Deceased - use Column A to calculate your Eligibility Income.
   Fill in the Deceased oval on Line 19a of the PA-40. You must annualize the decedent’s income (see the instructions) and briefly describe your method:

Part B. Dependent Children. Provide all the information for each dependent child. If more than four dependent children, submit additional sheets in this format.

1. Dependent’s Name Age Relationship Social Security No.
   ____________________________ ____________ ____________
   ____________________________ ____________ ____________
   ____________________________ ____________ ____________
   ____________________________ ____________ ____________

Part C. Eligibility Income

Married taxpayers filing jointly use Column A and Eligibility Income Table 1. Married taxpayers filing separately, and taxpayers separated but not for the last six months of the year use Columns B and C, and Eligibility Income Table 2.

Table 2. Single filers, qualifying separated filers, and if filing for a decedent use Column A and Eligibility Income Table 1.

<table>
<thead>
<tr>
<th>Column A</th>
<th>Married Filing Separately</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unmarried or Married Filing Jointly</td>
<td>Column B Taxpayer</td>
</tr>
<tr>
<td>1. PA taxable income from Line 9 of your PA-40</td>
<td>1.</td>
</tr>
<tr>
<td>2. Nontaxable interest, dividends, and gains and/or annualized income</td>
<td>2.</td>
</tr>
<tr>
<td>3. Alimony</td>
<td>3.</td>
</tr>
<tr>
<td>5. Gifts, awards, and prizes</td>
<td>5.</td>
</tr>
<tr>
<td>7. Nontaxable military income – Do not include combat pay</td>
<td>7.</td>
</tr>
<tr>
<td>8. Gain excluded from the sale of a residence</td>
<td>8.</td>
</tr>
<tr>
<td>10. Cash received for personal purposes from outside your home</td>
<td>10.</td>
</tr>
<tr>
<td>11. Total Eligibility Income for Column A</td>
<td></td>
</tr>
</tbody>
</table>

Part D. Calculating your Tax Forgiveness Credit

12. PA Tax Liability from your PA-40, Line 12 (if amended return, see instructions) 12.
15. Percentage of Tax Forgiveness from the Eligibility Income Table using your dependents from Part B and your Total Eligibility Income from Line 11 15.