

PA-41 SCHEDULE A

2004310054

Interest Income and Gambling
and Lottery WinningsPA-41 A 09-20 (FI)
PA Department of Revenue**2020**

OFFICIAL USE ONLY

Name as shown on the PA-41

Federal EIN or Decedent's SSN

Caution: If the estate or trust's total PA-taxable interest income is equal to the amount reported on the estate or trust's federal Form 1041 and there are no amounts for Lines 2 through 14 (not including subtotal Lines 4 and 10) of Schedule A, the estate or trust must report the interest income on Line 1 of the PA-41, Fiduciary Income Tax Return, but the estate or trust does not have to submit Schedule A. If there are any amounts for any of the Lines 2 through 14 (not including subtotal Lines 4 and 10) of Schedule A, the estate or trust must complete and submit Schedule A with the estate or trust's PA-41, Fiduciary Income Tax Return.

1. Interest income reported on federal Form 1041 Line 1.	1.	\$
2. Total tax-exempt interest income.	2.	\$
3. Other addition adjustments. See instructions. Description: _____	3.	\$
4. Add Lines 1, 2 and 3.	4.	\$
5. Interest income from federal Schedule(s) K-1. See instructions.	5.	\$
6. Interest income from direct obligations of the Commonwealth of Pennsylvania and/or its municipalities.	6.	\$
7. Interest income from direct obligations of the U.S. government.	7.	\$
8. Other reduction adjustments. See instructions. Description: _____	8.	\$
9. Add Lines 5, 6, 7 and 8.	9.	\$
10. Subtract Line 9 from Line 4.	10.	\$
11. Distribution from life insurance, annuity, endowment contracts, or charitable gift annuities included in federal taxable income. See instructions.	11.	\$
12. Interest income from partnership(s), from PA Schedule(s) RK-1 or federal Schedule(s) K-1.	12.	\$
13. Interest income from PA S corporation(s), from PA Schedule(s) RK-1 or federal Schedule(s) K-1.	13.	\$
14. Gambling and lottery winnings. See instructions.	14.	\$
15. Total interest income and gambling and lottery winnings Add Lines 10, 11, 12, 13 and 14. Enter on Line 1 of the PA-41.	15.	\$



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Instructions for PA-41 Schedule A

Interest Income and Gambling and Lottery Winnings

PA-41 A IN 09-20

WHAT'S NEW

The instruction for Line 14, Gambling and lottery winnings were revised for an estate and trust electing to file a combined tax return for federal income tax purposes based upon an election filed under IRC Section 645 of the Internal Revenue Code of 1986, as amended. See the Line 14 instructions on Page 3 for additional information.

WHEN TO INCLUDE

If the estate or trust's total PA-taxable interest income is equal to the amount reported on the estate or trust's federal Form 1041 and there are no amounts for Lines 2 through 14 (not including subtotal Lines 4 and 10) of Schedule A, the estate or trust must report the interest income on Line 1 of the PA-41, Fiduciary Income Tax Return, but the estate or trust does not have to submit Schedule A. If there are any amounts for any of the Lines 2 through 14 (not including subtotal Lines 4 and 10) of Schedule A, the estate or trust must complete and submit Schedule A with the estate or trust's PA-41, Fiduciary Income Tax Return.

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use PA-41 Schedule A to report interest income and gambling and lottery winnings of estates and trusts.

FORM INSTRUCTIONS

NAME

Enter the complete name of the estate or trust as shown on the PA-41, Fiduciary Income Tax Return.

FEIN OR DECEDENT'S SSN

Enter the nine-digit federal employer identification number (FEIN) of the estate or trust or the decedent's Social Security number as shown on the PA-41, Fiduciary Income Tax Return.



An estate with a FEIN should not use the decedent's Social Security number.

LINE INSTRUCTIONS

Please read the Line 1 Instructions on Page 21 of the Instructions for Form PA-41 prior to completing this schedule.

LINE 1

Enter the amount of interest income reported on Line 1 of the estate or trust's federal Form 1041. If there are no amounts for Lines 2 through 14 (not including subtotal Lines 4 and 10) of PA-41 Schedule A, stop here. An estate or trust must report the amount on Line 1 of the PA-41 form but the estate or trust is not required to include a copy of PA-41 Schedule A with the PA-41.

If the trust is not required to file a federal return, see the instructions for Line 3.

LINE 2

If the estate or trust has any investments in tax-exempt bonds from states or local instrumentalities that are excluded from taxation for federal income tax purposes, enter the total amount of total tax-exempt interest from all state or local bonds. Include amounts from all states and local instrumentalities including Pennsylvania.



CAUTION: Do not include exempt-interest dividends in this amount. See the instructions for PA-41 Schedule B.

LINE 3

If the estate or trust has adjustments to federal taxable interest income that increase the amount of interest income reported for federal purposes, enter any other adjustments for items that increase PA-taxable interest income and provide a description of the amounts. If any expenses such as amortization of bond premium, nominee interest, or expenses incurred to realize interest income were deducted against the income for federal income tax purposes, the estate or trust must include all adjustments that reduce federal income.

If the estate or trust is not required to file a federal return, enter the amount of interest income reported to the trust in Box 1 of all federal Forms 1099-INT, Interest Income, as well as any other federally taxable interest income received by the trust (such as interest from U.S. government obligations) for federal grantor trusts or other trusts not required to file a federal tax return.

LINE 4

Add the amounts on Lines 1, 2 and 3.

LINE 5

If the estate or trust has any investments in partnerships or S corporations or any interest income from other estates or trusts, the estate or trust must include the amount reported for federal income tax purposes. Enter the total amount of interest income included in the amount reported for Line 1 of federal Form 1041 from all federal Schedule(s) K-1.

LINE 6

If the estate or trust has investments in tax-exempt bonds, the amount of interest from direct obligations of the commonwealth or its instrumentalities is tax exempt for Pennsylvania purposes. Enter the amount of the estate or trust's tax-exempt interest from direct obligations of the Commonwealth of Pennsylvania and/or direct obligations of political subdivisions of Pennsylvania. Include on this line any interest income from obligations issued by the commonwealth, a public authority, commission, board or other agency created by the commonwealth or political subdivision of the commonwealth.

LINE 7

An estate or trust that has interest income from direct obligations of the U.S. government must provide the amount of that interest as it is also tax exempt for Pennsylvania purposes. Enter the amount of any interest income from direct obligations of the U.S. government (U.S. Treasury Bonds, Notes, Bills, Certificates and Savings Bonds). See the REV-1643 EX, Tax-Exempt Obligations for Pennsylvania Personal Income Tax Purposes, for additional information. Do not include amounts from U.S. obligations reported on federal Schedule K-1(s).

LINE 8

Estates or trusts may need to record other adjustments to federal interest income to account for differences in Pennsylvania and federal tax laws and where there is no specific line to record that difference. Enter any other adjustments that decrease PA interest income and provide a description of the amounts. Examples include: interest on installment obligations that are included as gain on the sale of property for PA purposes; forfeited interest penalty; and amortization of bond premium. An example of the description for interest income earned while a nonresident would be "Forfeited Interest Penalty". Do not include expenses incurred to realize interest income. Include a statement providing the descriptions and amounts if more than one type of adjustment is included in the amount reported for this line.

LINE 9

Add the amounts on Lines 5, 6, 7 and 8.

LINE 10

Subtract Line 9 from Line 4.

LINE 11

DISTRIBUTIONS FROM LIFE INSURANCE, ANNUITY OR ENDOWMENT CONTRACTS OR CHARITABLE GIFT ANNUITIES INCLUDED IN FEDERAL TAXABLE INCOME

Distributions from a commercial insurance or mutual company annuity (code D also included with codes 1, 2, 3, 4, 7 or C) purchased as a retirement annuity, or any distributions from a life insurance or endowment contract or charitable gift annuity that are included in federal gross taxable income are taxable as interest income for Pennsylvania personal income tax purposes for an estate or trust.

LINE 12

INTEREST INCOME FROM PARTNERSHIPS FROM PA SCHEDULES RK-1

If the estate or trust is a partner in a partnership or a member in an entity formed as a limited liability company that is classified as a partnership for federal income tax purposes, the estate or trust will receive a PA-20S/PA-65 Schedule RK-1 showing its share of any interest income.

Enter the amount of interest income from partnerships. Include the amounts reported from all PA Schedule(s) RK-1, or federal Schedule(s) K-1 if an RK-1 is not provided. Include any U.S. government interest from federal Schedule(s) K-1, where PA Schedule(s) RK-1 is/are not provided, on Line 8 of PA Schedule A.

If the estate or trust realizes income from more than one partnership, provide a statement showing the FEIN, name and amount of income by each partnership.

Submit all PA-20S/PA-65 Schedules RK-1 to support the amount reported on PA-41 Schedule A Line 12. Include a copy of federal Form 1065 Schedule K-1 if a PA-20S/PA-65 Schedule RK-1 is not supplied by a partnership, or entity formed as a limited liability company that is classified as a partnership for federal income tax purposes. If the estate or trust receives only a federal Form 1065 Schedule K-1, the estate or trust must adjust and classify the income from the federal Form 1065 Schedule K-1 according to Pennsylvania rules. Refer to the PA Personal Income Tax Guide - Pass Through Entities section, for additional information on the adjustments required and the proper classification of income.

LINE 13

INTEREST INCOME FROM S CORPORATIONS FROM PA SCHEDULES RK-1

If the estate or trust is an owner of an S corporation or entity formed as a limited liability company that is classified as a S corporation for federal income tax purposes, the estate or

trust will receive a PA-20S/PA-65 Schedule RK-1 showing its share of any interest income.

Enter the amount of interest income from PA S corporations. Include the amounts reported from all PA Schedule(s) RK-1, or federal Schedule(s) K-1 if an RK-1 is not provided. Include any U.S. government interest from federal Schedule(s) K-1, where PA Schedule(s) RK-1 is/are not provided, on Line 8 of PA Schedule A.

If the estate or trust realizes income from more than one PA S corporation, provide a statement showing the FEIN, name, and amount of income by each PA S corporation.

Submit all PA-20S/PA-65 Schedules RK-1 to support the amount reported on PA-41 Schedule A Line 13. Include a copy of federal Form 1120S Schedule K-1 if a PA-20S/PA-65 Schedule RK-1 is not supplied by the S corporation or entity formed as a limited liability company that is classified as a S corporation for federal income tax purposes. If the estate or trust receives only a federal Form 1120S Schedule K-1, the estate or trust must obtain a PA-20S/PA-65 Schedule RK-1 from the entity. The department will only permit the estate or trust to adjust and reclassify the income from the federal Form 1120S Schedule K-1 according to Pennsylvania rules in limited circumstances. Refer to the PA Personal Income Tax Guide - Pass Through Entities section, for additional information on the adjustments required and the proper classification of income.

LINE 14

GAMBLING AND LOTTERY WINNINGS

Enter the amount of any taxable gambling and lottery winnings of the estate or trust.

As a result of Act 84 of 2016, Pennsylvania-taxable gambling and lottery winnings for estates and trusts includes cash prize payments made by the Pennsylvania Lottery on or after Jan. 1, 2016. Cash prize payments include all annuity prize payments made by the Pennsylvania Lottery in 2016. Cash prize payments also include any federal and state withholding tax payments, sales taxes and any other fees paid by the Pennsylvania Lottery on behalf of the winner. Any PA personal income tax withholding on prize payments made after July 12, 2016, should be reported on

Line 17 of the PA-41, Fiduciary Income Tax Return when included in Box 15 of federal Form W-2G, Certain Gambling Winnings.


RESIDENT ESTATES AND TRUSTS

Report the amount of any gambling winnings from sources inside and outside the commonwealth. Report the amount of any lottery winnings from all lotteries other than noncash prizes of the Pennsylvania Lottery.

NONRESIDENT ESTATES AND TRUSTS

Report the amount of any gambling winnings from Pennsylvania sources or lottery winnings from sources within Pennsylvania other than noncash prizes of the Pennsylvania Lottery.

If an estate and related trust elect to file a combined tax return for federal income tax purposes based upon an election filed under IRC Section 645 of the Internal Revenue Code of 1986, as amended, gambling and lottery winnings from the estate must be reported separately from gambling and lottery winnings of the trust. You must include a statement which shows the amount of gambling and lottery gross winnings for the estate along with the cost of tickets, bets or wagering and the net winnings or losses separately from those of the trust.

 **IMPORTANT:** You may only combine net winnings from an estate and trust when reporting the net winnings of both on Line 14 of PA-41 Schedule A. Gambling and lottery net losses from the estate may not offset gambling and lottery net winnings from the trust and vice versa. In addition, costs of tickets, bets and other wagering paid for by the estate may not offset gambling and lottery winnings of the trust and vice versa. If either the estate or trust has net winnings and the other has a net loss, only report the net winnings on Line 14 of PA-41 Schedule A. If both have a net loss, report a zero (0) on Line 14 of PA-41 Schedule A.

LINE 15

TOTAL INTEREST INCOME AND GAMBLING AND LOTTERY WINNINGS

Add Lines 10, 11, 12, 13 and 14. Enter on Line 1 of the PA-41, Fiduciary Income Tax Return.