

education grants. Do not include student loans in eligibility income. However, include PA-excludible loan forgiveness provided in exchange for services or a promise to perform services in the future.

For more information about PA's Tax Forgiveness Program, please visit [www.revenue.pa.gov](http://www.revenue.pa.gov).

**Are scholarships, fellowships or stipends taxable for PA personal income tax purposes?**

Generally, a scholarship or fellowship award made on the basis of need or academic achievement is not taxable if awarded to encourage or allow the recipient to further educational development.

The award is taxable as compensation if given for past or present services or in expectation of future employment. For example, stipends paid to medical students for internships and residencies approved by the American Medical Association are taxable.

If not taxable, the award must still be included as eligibility income on Line 9 of PA Schedule SP.

**What is the best way to file my PA personal income tax return?**

E-filing offers advantages not available to taxpayers filing by paper, including error-reducing automatic calculators, instant confirmation of a successful filing, faster refund processing and direct deposit options.

**padirectfile**

padirectfile is a free service from the Department of Revenue to electronically file Pennsylvania income tax returns. The secure system does not involve a third party and is available at no-cost for most taxpayers to submit the Pennsylvania personal income tax return directly to the department. With padirectfile, you can report most types of income and claim dependent children for Tax Forgiveness. To file using padirectfile, you will need your Social Security number and one of the following: last year's tax liability or PA Driver's License/Identification Card number.

**Fed/State E-File**

Fed/State E-File is e-filing for a fee, a program for those who prefer to electronically file state and federal tax returns using software available from reputable vendors.

**CONTACT INFORMATION**

Online Customer Service Center  
[www.revenue.pa.gov](http://www.revenue.pa.gov)

Taxpayer Service & Information Center  
Personal Taxes: 717-787-8201  
Business Taxes: 717-787-1064  
e-Business Center: 717-783-6277

1-888-PATAXES (728-2937)

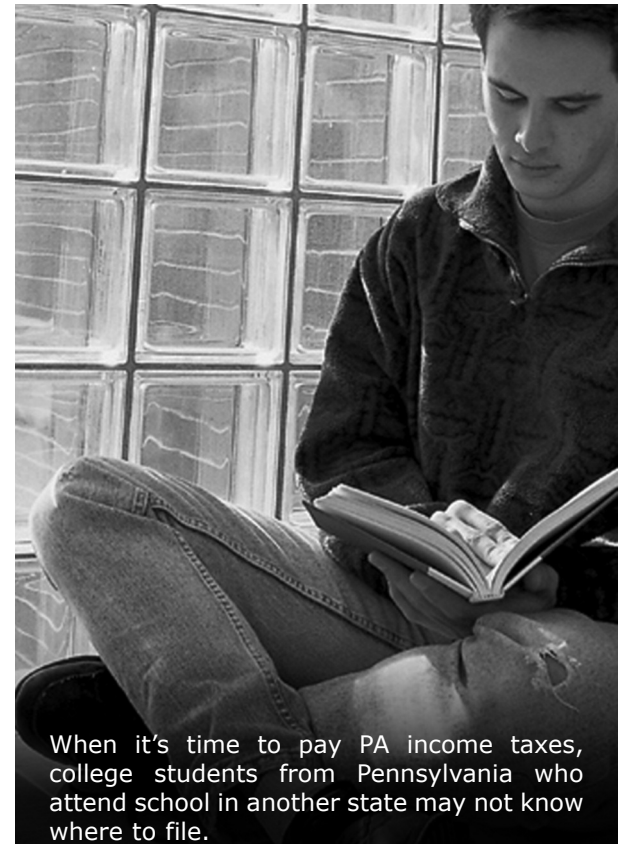
Touch-tone service is required for this automated 24-hour toll-free line. Call to order forms or check the status of a personal income tax account or property tax/rent rebate.

Automated Forms Ordering Service  
1-800-362-2050

Service for Taxpayers with Special Hearing  
and/or Speaking Needs  
1-800-447-3020

Call or visit your local Department of Revenue district office, listed in the government pages of local telephone directories.

**PERSONAL INCOME TAXES FOR COLLEGE STUDENTS**



When it's time to pay PA income taxes, college students from Pennsylvania who attend school in another state may not know where to file.

Also, students from other states who attend college in Pennsylvania have tax filing responsibilities. In fact, students may have to file income tax returns in two states.

This brochure provides assistance in determining how and where students should file state personal income tax returns.



## WHO IS SUBJECT TO PA PERSONAL INCOME TAX?

Any individual who receives more than \$33 of PA-taxable income must file a PA tax return and pay appropriate income tax. PA residents and nonresidents can be subject to PA income tax.

## WHERE AM I A RESIDENT?

For tax purposes, a person is a resident of the state in which he/she is domiciled. Generally, students are residents of the state where their parents or guardians reside.

### Where am I domiciled?

A domicile is the location at which an individual maintains his/her permanent abode and to which he/she intends to return whenever absent. A person may only have one domicile at any one time. To determine a college student's domicile, the department reviews where the student holds a driver's license, voter registration, bank accounts, etc.

In order to change domicile, a student must show:

- Physical presence at a new permanent abode;
- The intent to return to the new permanent abode as his/her principal dwelling place when absent; and
- That he/she financially supports himself/herself and is independent of parents or guardians.

### What is a permanent abode?

An abode is a house, apartment or other building maintained as a dwelling place. An abode is permanent if it is maintained as a dwelling place for an indefinite period of time, whether the occupants own it or not. College dorms, fraternity and sorority houses, and off-campus rentals used for a fixed term during which a student pursues a degree or certificate are not permanent abodes.

### A student is a resident of PA if he/she:

- Is domiciled in PA; or
- Maintains a permanent abode in PA and spends more than half of the year (183 days) in PA.

### A student is a nonresident of PA if he/she:

- Maintains no permanent abode in PA;
- Maintains a permanent abode outside of PA; and
- Spends fewer than 30 days a year in PA, if he/she is not supported and claimed as a dependent by his/her parent(s).

**Example: Todd's parents live in another state. Since he left for school in PA, he has only been back to visit on holidays. He has a job in PA to help support himself while he is in school. How and where should Todd file his state income tax return?**

Unless a student considers PA to be his new home, is supporting himself, and has established a permanent abode in PA, the student is considered a nonresident. Todd should file as a resident in the state where his parents live, and file a tax return in PA as a nonresident.

### Reciprocal Agreement States

PA has reciprocal tax agreements with Indiana, Maryland, New Jersey, Ohio, Virginia and West Virginia. Under these agreements, one state will not tax the other state's residents on compensation subject to employer withholding. These agreements apply to employee compensation only.

### PA RESIDENTS WORKING IN OTHER STATES:

A student who is a PA resident and earns taxable income while attending college in another state may have to file a return with the other state as a nonresident. He/she must also file a return with PA as a resident.

A PA resident is responsible for reporting income – including income earned in another state – to PA, including interest, dividends, gains and trust income.

If a PA resident pays taxes on income to another state, he/she may claim a resident tax credit by completing PA Schedule G-L.

If a PA resident attends school and works in a reciprocal agreement state, he/she should review the other state's residency requirements to determine whether attending college in that state makes him/her a resident under state tax law. If the student is a resident of both PA and the other state – even if the other state is not one of the reciprocal agreement states – the student will be entitled to a resident tax credit on his/her PA return for the income tax imposed by the other state. If the student is a nonresident of the other state and the other state does not have an income tax, he/she should ask the employer to withhold PA personal income tax from his/her paycheck.

**What should I do if I am a PA resident and worked in a reciprocal agreement state, but my employer took out the wrong state's income tax?**

You must file a tax return in the other state and request a refund of the income tax paid to that state. You must also file a return in PA and pay the tax due to PA by April 15 or the next business day if April 15 falls on a Saturday, Sunday or holiday.

### NONRESIDENTS WORKING IN PA:

Nonresident students working in PA are required to pay taxes on income earned in PA. If a student is a resident of a reciprocal agreement state, he/she can ask employers to withhold the home state's income tax from paychecks.

If a student is a resident of a state with which PA does not have a reciprocal agreement, he/she should report income earned in PA by filing a PA-40 tax return and filling in the oval for "Nonresident."

Students should check with their home states to see if they may claim credits for taxes paid in PA.

**What should I do if I am a resident of a reciprocal agreement state working in PA and my employer took out PA income tax?**

You may request a refund of the PA tax your employer withheld. Report zero taxable compensation on Line 1a and the amount of PA tax withheld on Line 13 of the PA-40. Submit an explanation stating you were a resident of the reciprocal state in the taxable year.

### ADDITIONAL INFORMATION:

**As a college student, can I qualify for PA's Tax Forgiveness Program?**

You may, but only if:

- Your parent(s) or guardian(s) claim you as a dependent on their federal income tax return and they are eligible to claim Tax Forgiveness (or would have qualified if they were PA residents); or
- You are not a dependent on anyone's federal return.

For a nonresident to qualify for Tax Forgiveness, he/she must report all income, including the total income earned or received from outside of PA.

When calculating eligibility income, include the value of scholarships, fellowships and stipends, such as federal

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