

1. USE THE CORRECT FORM

All corporate tax reports for tax years beginning prior to 2016 must be filed using the non-year specific PA Corporate Tax Report (RCT-101).

For tax years beginning 2016 and after, the PA Corporate Tax Report (RCT-101) has been redesigned and renamed to the PA Corporate Net Income Tax Report. Taxpayers are encouraged to thoroughly review all reports and instructions to ensure proper filing of a complete and accurate report.



NOTE: The Capital Stock/Foreign Franchise tax has been phased out for tax years beginning on or after Jan. 1, 2016. Single Member LLCs, Multi-Member LLCs taxed as a Partnership, Business Trusts, PA S Corporations (except those with built-in-gains) and Solicitation Only Corporations (unless activity exceeds solicitation only) are no longer required to file RCT-101.

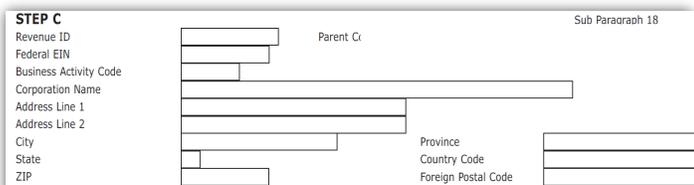
Failure to submit a properly completed and signed tax report, which includes a copy of the federal form and supporting schedules, may result in the delay of processing and the imposition of late filing penalties and/or estimated assessments.

2. FILE ON TIME

For tax years beginning after December 31, 2015, the PA Corporate Net Income Tax Report (RCT-101) is due 30 days after the federal report is due, or would be due if that corporation were required to file federally.

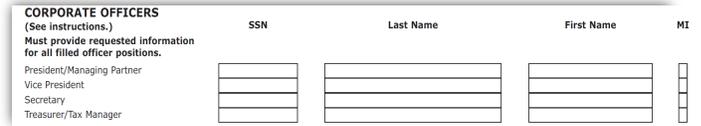
3. PROVIDE ALL DEMOGRAPHIC INFORMATION

The "Revenue ID," "Federal EIN," "Business Activity Code," "Corporation Name," Address Lines, "City," "State," and "ZIP" must be completed in Step C on Page 1 of the RCT-101.



Indicate a change of corporate address by checking the box under Step B, Page 1 of the RCT-101. If this box is not checked a change of address will not occur on your account.

Please complete all corporate officer information located in the corporate officers section on page 4 of the report as well. Corporate officers can also be updated at via e-TIDES at www.etides.state.pa.us.



4. USE ONLY NUMBERS IN NUMERIC FIELDS

Alphabetic or non-numeric characters should never be used in numeric fields.

5. USE CHECKBOXES APPROPRIATELY

Checkbox indicators on the return:



- Amended Report:** Please make sure this box is checked any time the taxpayer is filing an amended return. Otherwise, the business tax system could reject the return as a duplicate. **(Page 1, Step B)**
- Federal Extension Granted:** This box must be checked if the corporation has an extension of time to file its federal income tax return, or if the income of the entity is included on the income tax return of another business or individual with an extension of time to file the federal income tax return. **(Page 1, Step B)**
- 52/53 Week Filer:** If the taxpayer is a 52-53 week filer, make sure to check this box and enter the correct beginning and ending of the year dates. **(Page 1, Step B)**
- Royalty/Related Interest Addback (Act 52 of 2013):** The add-back of intangible expenses to income for interest, royalties, patents, trademarks, etc. between affiliated entities is required in certain instances. Taxpayers reporting such add-backs must check this box and include schedules REV-802 and REV-803 with their RCT-101. **(Page 1, Step B)**
- The "Sect 381/382/Merger NOLs/Reg Inv Co/Sub Para 18" box must be checked for any of the conditions listed below **(Page 1, Step B)**:
 - Corporations requesting extra-statutory treatment beyond that provided by law;
 - Corporations with two distinct activities like warehousing/trucking & distribution/trucking or persons/transportation & property/transportation;
 - Corporations having net operating loss (NOL) limitations under IRC Section 381 and IRC Section 382;
 - Corporations claiming losses or bonus depreciation carry-forward from a merger; and
 - UDITPA Section 18 taxpayers claiming alternate apportionment method or separate accounting.
- The "E-File Opt Out" box should be used to indicate that the taxpayer has instructed the preparer to not file the report electronically. **(Page 1, Step F)**

E-File Opt Out (See instructions.)

- g. When filing the RCT-101 or the RCT-101I as a FINAL report, check the final report box and enter the date all business activity ceased. **(Page 3, Section C)**

Final Report

NOTE: Due to the phase out of the Capital Stock/Foreign Franchise Tax, taxpayers who are not subject to Corporate Net Income Tax should check the final report checkbox and include a statement accompanying the report stating the entity is no longer required to file form RCT-101. This is expected for paper filers as well as electronic filers who can attach a .pdf to their report submission.

6. CLAIM BONUS DEPRECIATION PROPERLY

If taking a deduction for bonus depreciation, Section A, Bonus Depreciation, must be completed on Page 2 of the PA Corporate Net Income Tax Report. Also, Schedule C-8 (REV-1834) must be filled out and included with the RCT-101.

7. CALCULATE APPORTIONMENT APPROPRIATELY

For Corporate Net Income Tax purposes, taxable income is apportioned by the use of a single sales factor. Sales figures may be reconciled to information reported on the federal return or on the taxpayer's Pennsylvania Sales Tax returns. For tax years beginning prior to January 1, 2016 when claiming three-factor apportionment, the denominator of each factor must equal the property, payroll, and sales reported on the federal income tax return regardless of the activity in Pennsylvania.

NOTE: Use of all zeros, "none" or "NA" in an apportionment field will cause the business tax system to calculate a 100 percent apportionment factor. A foreign corporation with no property, payroll, or sales anywhere must complete Schedule C-1 on Page 4 of the PA Corporate Tax Report (RCT-01), using zero as the numerator and one as the denominator. The integrated tax system interprets apportionment factors as follows:

- $0/0 = 1.000000$ and
- $0/1 = 0.000000$

The numerators and denominators must be entered on Schedule C-1.

8. ACCOUNT FOR PARTNERSHIP ACTIVITY

If a corporation owns underlying partnerships, the corporation's proportionate share of the partnerships' apportionment factors must be included in the apportionment factors of the corporate partner.

9. PROPERLY SUBMIT AMENDED RETURNS

If an amended return must be filed for tax years beginning prior to 2016, taxpayers must complete the non-year

specific RCT-101 PA Corporate Tax Report (RCT-101). All sections of the return, regardless of what items are being amended, must be completed. The amended report check box under Step B, Page 1 of the RCT-101 must also be checked.

For tax years beginning 2016 and after, taxpayers must file an amended return using the revised PA Corporate Net Income Tax Report (RCT-101).

Act 84 of 2016 included changes to filing amended corporate tax reports. Taxpayers will have three years from the due date of the original report to file an amended report. The department will have one year from the date the amended report is filed to notify the taxpayer if the changes are accepted. A taxpayer who disagrees with the action of the department may file a petition for review within 90 days of the mailing date of the written notice. If the taxpayer is not notified within one year, the report is deemed accepted.

10. BE WISE & USE E-TIDES

Make Electronic Payments

Pay online and ensure proper application of tax payments. e-TIDES accepts several different payment methods. The system allows for ACH Debit payments, ACH Credit and Credit/Debit Cards.

For instructions regarding each of these payment methods please visit www.etides.state.pa.us and select "Instructions" under the Options menu on the left hand side. You will then need to select "Payment Methods" under the Electronic Funds Transfer (EFT) header.

Receive an Electronic Statement of Account

Receive an updated statement of account the next business day by requesting an electronic Statement of Account (e-SOA) in the Document Center. Both taxpayers and tax practitioners have the ability to request an e-SOA once the appropriate access has been granted. The new online delivery saves time and money and provides more up-to-date information.

Obtain Correspondence Electronically

Once you enroll for this feature, requested correspondence will be delivered to you securely through the e-TIDES Document Center in PDF format. You can choose to save and print correspondence at any time or continue to access it online. This new electronic delivery saves time, money, provides up-to-date information and is environmentally friendly.

NOTE: The exact steps needed to access the new functionality in the e-TIDES Document Center vary slightly based on your current access. To learn more, visit the Get Assistance section in e-TIDES for step-by-step setup instructions. The enrollment for e-Correspondence is a separate process than the existing Electronic Statement of Account (e-SOA).