

## FORM INSTRUCTIONS

### **Tax Rate, Net Loss Deduction and Apportionment**

**The RCT-128C, Report of Change in Corporate Net Income Tax, is only filed by entities subject to the corporate net income tax. This includes all entities who file as a corporation with the federal government.**

Any taxpayer filing RCT-128C is required to enter all dates along with applicable tax rates, apportionment and net operating loss deduction limitations in effect for the tax year being reported. See the rate table for the applicable tax year in the REV-1200, CT-1 PA Corporation Tax Instructions, found at [www.revenue.pa.gov](http://www.revenue.pa.gov).

### **Net Operating Loss Deduction**

Any taxpayer claiming a net operating loss deduction is required to provide a completed Net Operating Loss Deduction Schedule, RCT-103, showing the limitation on the deduction in effect for the tax year being reported. RCT-103 can be found at [www.revenue.pa.gov](http://www.revenue.pa.gov).

### **Apportionment**

Any taxpayer apportioning income is required to complete the Sales Factor

Apportionment on RCT-128C, Page 3, Schedule C-1. Taxpayers are also required to calculate the corporate net income tax apportionment in effect for the tax year being reported. See the instructions for apportionment in REV-1200, found at [www.revenue.pa.gov](http://www.revenue.pa.gov).



**CAUTION:** RCT-128C, Schedule C-1, all fields must be completed with figures as originally filed, where applicable, unless revised in accordance with the Federal 1120-X or Federal Audit Report.

### **Interest**

All taxes due the commonwealth shall bear interest from the date they become due and payable until paid. (72 PS § 806).

### **Filing**

If the amount of taxable income, as returned by a corporation to the federal government, is finally changed or corrected, such corporation must file RCT-128C. This includes changes in federal taxable income resulting from the taxpayer filing an amended federal income tax return for years in which the department did not issue an Official Notice of Settlement, as well as changes initiated by the federal government due

to an audit or examination of the federal return regardless of the year involved. In cases where the change was based on a federal amended return, RCT-128C must be filed within six months of the filing of the federal amended return. If RCT-128C is being filed to report changes due to an audit or examination of the federal return, the report must be filed within six months after the receipt of the final change or correction. A \$5 a day penalty may be imposed for a late filed return.



**NOTE:** For tax years beginning prior to Jan. 1, 2013, RCT-128C must be filed within 30 days of the filing of the federal amended return.

When filing an amended report, be sure to use the instructions for the tax year being amended. Year specific instructions can be found at [www.revenue.pa.gov](http://www.revenue.pa.gov).

ATTACH A COPY OF THE INCOME TAX EXAMINATION CHANGES OR AMENDED FEDERAL RETURN.