

Instructions for REV-798

Schedule C-2 – PA Dividend Deduction & Schedule X

GENERAL INFORMATION

PURPOSE OF SCHEDULE

This schedule must be completed by all taxpayers claiming a Corporate Dividend Deduction on RCT-101, Page 2, Section C, Line 2A. If federal Schedule C, Line 17 includes any GILTI income, you must attach federal Forms 5471 and 8992.

LINE INSTRUCTIONS

LINE 1

Enter from federal Schedule C, Line 24, total deductions. S corporations must submit a schedule reflecting this information if subject to PA corporate net income tax.

LINE 2

Enter federal Schedule C, Line 18 Foreign Dividend Gross-Up (Section 78 total Column A).

LINE 3

Pennsylvania's corporate net income tax base is computed without regard to special deductions.

LINE 4

Enter dividends from less than 20 percent owned foreign corporations listed on Lines 14, 16b, 16c and 17 of federal Schedule C times 50 percent.

LINE 5

Enter dividends from 20 percent or more owned foreign corporations listed on Lines 14, 16b, 16c and 17 of federal Schedule C times 65 percent.

LINE 6

Enter dividends listed on Lines 14, 16b, 16c and 17 of federal Schedule C from foreign corporations that meet the 80 percent voting and value test of IRC Section 1504(a)(2) and otherwise would qualify for 100 percent deduction under IRC Section 243(a)(3), if they were from a domestic corporation.

LINE 7

Enter the total PA dividend deduction by adding Lines 1 through 6. Enter the result on RCT-101, Page 2, Section B, Line 2A.

SCHEDULE X

OTHER COMPANIES OF WHICH THIS COMPANY OWNS ALL OR A MAJORITY OF THE STOCK

Corporate taxpayers who answer yes to Question 2 on Page 3, Section D of RCT-101 are required to report the name, EIN and Revenue ID, if applicable, of all corporate entities of which the corporate taxpayer owns more than 50 percent of the stock. In addition, taxpayers who own more than 50 percent of the stock of other corporate entities are required to submit a consolidated balance sheet. Taxpayers who answer "Yes" to Question 1 on Page 3, Section D of RCT-101 must report the name, EIN or SSN and Revenue ID Number, if applicable, of any corporation, individual or other business entity that owns all or a majority of the stock of the taxpayer.