

# Instructions for PA-20S/PA-65 Schedule T

Gambling and Lottery Winnings

## GENERAL INFORMATION

### PURPOSE OF SCHEDULE

Use PA-20S/PA-65 Schedule T to report gambling and lottery winnings of PA S corporations, partnerships and limited liability companies filing as partnerships or PA S corporations for federal income tax purposes.

### WHO SHOULD FILE PA SCHEDULE T

Entities complete and submit PA-20S/PA-65 Schedule T if there are winnings realized from gambling or lotteries other than the Pennsylvania Lottery. Winnings from the Pennsylvania Lottery are not reportable for partnerships or S corporations.

However, Powerball and Mega Millions tickets purchased in another state that have winnings are reportable by partnerships and S corporations and taxable to their owners. Additionally, proceeds from the sale of an annuity from a lottery winner are also taxable as Schedule D gain.

Expenses such as travel meals and programs related to realizing gambling income may not be deducted. However, winnings and losses, such as, cost of tickets and bets, can be offset within this income class. Submit a detailed statement/explanation of any amount reported, including information such as the source of winnings, specific amounts, etc.



**Note.** Include the name of the entity and the entity's FEIN on the statement.

## COMPLETING THE PA SCHEDULE T

### Business Name

Enter the complete name of the entity or business as shown on the PA-20S/PA-65 Information Return.

### FEIN

Enter the nine-digit federal employer identification number (FEIN) of the entity or business as shown on the PA-20S/PA-65 Information Return.

## LINE INSTRUCTIONS

### COLUMN (A)

#### PA-Source Winnings

Record all reportable gambling and lottery winnings from sources within Pennsylvania.

### COLUMN (B)

#### Total Winnings Everywhere

Record all reportable gambling and lottery winnings from all sources, whether receiving a federal Form W-2G or not.

## LINE 1

Enter your total winnings from all federal Forms W-2G.

## LINE 2

Enter your total winnings from all other gambling, betting, and lottery activities.

Include cash and the fair market value or stated value of property, trips, services, etc.

## LINE 3

### Total Winnings

Add Lines 1 and 2.

## LINE 4

Enter your total costs for tickets, bets, and other wagering. Do not include any expenses (travel, meals, programs, tip sheets, etc.) you incurred to play a game of chance.

## LINE 5

### Total Gambling and Lottery Winnings

Subtract Line 4 from Line 3 in Column (a) and Column (b).

Enter the amount from Column (a) on PA-20S/PA-65 Information Return, Part III, Line 8b.

Subtract Column (a) from Column (b) and enter the difference on PA-20S/PA-65 Information Return, Part III, Line 8a.