

PA-40ES (F-C) Instructions for Remittance of Nonresident Withholding

REV-413_414 (P/S) 04-20

By Partnerships, PA S Corporations, Estates and Trusts

WHAT'S NEW

For tax years beginning after Jan. 1, 2020, the department will no longer mail preprinted estimated coupon packets to taxpayers. The department notified taxpayers of this change via various methods and media platforms. Taxpayers must prepare and print their own PA-40 ES (F-C), Declaration of Estimated Tax or Estimated Withholding Tax for Fiduciaries, Partnerships & Other Pass Through Entities, complete the fill-in form on the department's website, or obtain blank copies of the form from the department.

The REV-413 (P/S) instructions and REV-414 (P/S) worksheet are being phased out. For 2020, these two forms are combined into one document and provide instructions for the PA-40 ES (F-C). Please use these instructions to calculate your nonresident withholding and to remit payment to the Department.

GENERAL INFORMATION

PURPOSE

The PA-40 ES (F-C) is used by a partnership, PA S corporation, estate or trust to remit its nonresident withholding tax payments. This document provides the instructions for the PA-40 ES (F-C).

WHO MUST WITHHOLD AND REMIT

Partnerships, PA S corporations, estates and trusts with taxable PA-source income are:

- Jointly liable with their nonresident partners, shareholders, members and beneficiaries for payment of tax on such income to the extent allocable to the nonresidents; and
- Authorized and required to withhold such tax from the nonresidents and remit the tax to Pennsylvania.

The imposition of the tax against the partnership, PA S corporation, estate or trust does not change the filing requirements or the tax liability of its nonresident partners, shareholders, members or beneficiaries.

The nonresidents are entitled to claim a credit on their annual returns for the tax withheld and treat the income as income subject to withholding in calculating any other personal estimated taxes. The partnership, PA S corporation, estate or trust may not reduce its withholding requirement by any estimated payments made by the nonresident owner or beneficiary.

PENALTY FOR FAILURE TO WITHHOLD


Pennsylvania law imposes a penalty for failure to remit nonresident withholding on or before the 15th day of the fourth month following the end of the taxable year. The penalty is 5 percent per month or fraction thereof, to a maximum of 50 percent, of the nonresident withholding due.

FORMS AND TIMEFRAME TO MAKE NONRESIDENT WITHHOLDING TAX PAYMENTS

Partnerships, PA S corporations, estates and trusts with taxable PA-source income are required to withhold and remit PA personal income tax from the income of the nonresident owners or beneficiaries. The withholding must be remitted to the department by April 15th for calendar year filers (or the 15th day of the fourth month after the close of the taxable year for fiscal year filers). The department encourages withholding to be remitted quarterly throughout the tax year using the PA-40 ES (F-C) coupon. Final withholding payments should be remitted with the PA- 20S/PA-65, PA-41 or REV-276 (in the case of an extension).

The forms may be obtained on the department's website or by contacting the department's Forms Ordering Service at 1-800-362-2050. The forms may also be obtained by sending written requests to:

**PA DEPARTMENT OF REVENUE
TAX FORMS SERVICE UNIT
1854 BROOKWOOD ST
HARRISBURG PA 17104-2244**

 **CAUTION:** Do not mail estimated payments to this address.

HOW TO COMPLETE THE PA-40 ES (F-C)

Use a separate PA-40 ES (F-C) for each payment.

- For fiscal filers only, enter the Beginning and Ending tax period dates;
- Enter the payment in the Amount of Payment block;
- Make the check or money order payable to PA Department of Revenue, printing the entity's FEIN and "2020 Nonresident Tax Payment" on the check or money order;
- Do not staple or attach the payment the PA-40 ES (F-C); Mail the payment and the PA-40 ES (F-C) to the following address:

**PA DEPARTMENT OF REVENUE
PO BOX 280403
HARRISBURG PA 17128-0403**

⚠ IMPORTANT: When filing the PA-40 ES (F-C), enter the FEIN of the partnership, PA S corporation, estate or trust; never use the Social Security number of an owner or beneficiary.

Complete the other identification information on the left-hand side of the coupon. In the middle column, fill in the oval to

indicate the account is for a partnership, PA S corporation, estate or trust. In the right-hand column, enter the fiscal year information if applicable, as well as the amount of payment or declaration of tax.

Use the worksheet below to help calculate and track your nonresident withholding for the year.

**2020 PA NONRESIDENT WITHHOLDING TAX WORKSHEET FOR PARTNERSHIPS,
PA S CORPORATIONS, ESTATES AND TRUSTS**

Keep for Your Records

SECTION I 2020 PA NONRESIDENT WITHHOLDING

1. Enter the 2020 PA-taxable income the partnership, PA S corporation, estate or trust expects to realize from PA sources. 1. _____
2. Multiply Line 1 by 3.07% (0.0307). 2. _____

SECTION III 2020 RECORD OF NONRESIDENT WITHHOLDING TAX PAYMENTS (if more than six, make a copy of this worksheet)

Payment	(A) Date	(B) Amount	Payment	(A) Date	(B) Amount
1			4		
2			5		
3			6		
Total					

SECTION IV 2020 FINAL NONRESIDENT WITHHOLDING TAX WORKSHEET

1. Enter the total PA-taxable income from PA sources from the 2020 PA-20S/PA-65 or PA-41. 1. _____
2. Enter the total nonresidents' distributive shares of Line 1 above, totaled from PA Schedules NRK-1. 2. _____
3. Total 2020 PA Nonresident Withholding. Multiply Line 2 by 3.07% (0.0307). 3. _____
4. Allowable PA Credits from Schedule OC. 4. _____
5. The nonresidents' distributive share of Line 4 above from PA Schedules NRK-1. 5. _____
6. Total nonresident withholding paid for the taxable year. 6. _____
7. Total credits and withholding payments. Add Lines 5 and 6. 7. _____
8. **Nonresident withholding due with final return. Subtract Line 7 from Line 3.** 8. _____

LINE 8 IS THE PAYMENT THAT MUST BE REMITTED WITH THE ANNUAL RETURN (PA-20S/PA-65 OR PA-41). IN ADDITION, FOR PARTNERSHIPS OR S CORPORATIONS, YOU MUST ALSO COMPLETE PA-20S/PA-65 SCHEDULE NW AND INCLUDE IT WITH FORM PA-20S/PA-65.