

PA SCHEDULE B
Dividend Income

2301510059

PA-40 B (EX) 09-23 (FI)
PA Department of Revenue

2023

OFFICIAL USE ONLY

Name (if filing jointly, use name shown first on the PA-40)	Social Security Number (shown first)
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CAUTION: Federal and PA rules for dividend income are different. **Read the instructions.**

If your total PA-taxable dividend and capital gains distributions income (taxpayer, spouse, and/or joint) is equal to the amount reported on your federal return and does not include any amounts for Lines 2 through 11 (not including subtotal Line 6) of PA Schedule B, you must report your income on Line 3 of the PA-40, but you do not have to submit PA Schedule B. If there are any amounts (taxpayer, spouse, and/or joint) for any of the Lines 2 through 11 (not including subtotal Line 6), you must complete and submit PA Schedule B with your PA-40. A taxpayer and spouse must complete separate schedules to report their income if any amounts are reported on Lines 2 through 11 (not including subtotal Line 6) of Schedule B. However, if all the income is earned on a joint basis, one schedule may be completed. Complete the oval to indicate whether the income included on the schedule is from the taxpayer, spouse, or joint. If a separate PA Schedule B is prepared for a taxpayer and spouse, include only the taxpayer or spouse share of the income for each line.

**PA SCHEDULE B - PA-Taxable Dividend and
Capital Gains Distributions Income** (See the instructions.)

Taxpayer Spouse Joint

1. Dividend income from Line 3b of your federal return. See instructions.	1.	\$
2. Dividend income from federal Schedule K-1(s). See instructions.	2.	\$
3. Pennsylvania exempt-interest dividend income. See instructions.	3.	\$
4. Other reduction adjustments. See instructions. Description: _____	4.	\$
5. Add the amounts on Lines 2, 3, and 4.	5.	\$
6. Subtract Line 5 from Line 1.	6.	\$
7. Total exempt-interest dividends. See instructions.	7.	\$
8. Other addition adjustments. See instructions. Description: _____	8.	\$
9. Repatriation of foreign income. See instructions.		
a. Total earnings and profits included on Line 1 of IRC Section 965 Transition Tax Statement. 9a. _____		
b. Total payments of earnings and profits included in Line 9a received in prior years. 9b. _____		
c. Payments of earnings and profits included in Line 9a received in current year. 9c.		\$
10. Capital Gains Distributions - See instructions.	10.	\$
11. Dividend income from PA S corporation(s) and partnerships, reported on your PA Schedule(s) RK-1 or federal Schedule(s) K-1.	11.	\$
12. Total PA-Taxable Dividend Income. Add Lines 6, 7, 8, 9c, 10, and 11. Enter on Line 3 of your PA-40.	12.	\$



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Instructions for PA-40 Schedule B Dividend Income

PA-40 B IN 09-23

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use PA-40 Schedule B to report the amount of dividend income earned and reported for federal income tax purposes from:

- U.S. corporations
- Foreign corporations
- Mutual Funds
- Other corporate capital investments

PA-40 Schedule B also adjusts the federal income to determine the PA-taxable dividend income by reporting income and adjustments from:

- Capital gains distributions
- S corporations not electing to be taxed as an S corporation for PA tax purposes
- Exempt-interest dividends from other states bonds
- Various other increase and decrease adjustments included in the following instructions

Refer to the PA Personal Income Tax Guide – Dividends section for additional information.

RECORDING DOLLAR AMOUNTS

Show money amounts in whole-dollars only. Eliminate any amount less than \$0.50 and increase any amount that is \$0.50 or more to the next highest dollar.

WHO MUST COMPLETE

PA resident and part-year resident taxpayers must complete and include PA-40 Schedule B with an originally filed PA-40, Personal Income Tax Return, if there are any amounts on Lines 2 through 11 (not including subtotal Line 6). If there are no amounts on Lines 2 through 11 (not including subtotal Line 6), do not complete and include PA-40 Schedule B with the PA-40, Personal Income Tax Return. However, the amount of dividend income received must be reported on Line 3 of the PA-40. Nonresident taxpayers are not required to complete PA-40 Schedule B.

Separate schedules must be completed for a taxpayer and spouse if either has income on Lines 2 through 11 of PA Schedule B (not including subtotal Line 6). Both schedules must be completed and included even if only one had amounts on those lines. A joint PA-40 Schedule B may be completed only if all amounts of interest income are earned on a joint basis. If some income is earned on a joint basis while other income is not, the joint income must be split and the taxpayer and spouse must report their separate share

of the income from the jointly owned accounts on each PA-40 Schedule B.

An amended PA Schedule B must be included with Schedule PA-40 X if increases or decreases in income amounts on PA Schedule B are discovered after an original or other amended return is filed with the department. Section III on Page 2 of Schedule PA-40 X must be completed to explain any increase or decrease to the amount of dividend income reported on an amended PA-40, Personal Income Tax Return.

SCHEDULE INSTRUCTIONS

IDENTIFICATION INFORMATION

NAME

Enter the name of the taxpayer. If a jointly filed return, enter the name of the primary taxpayer (name shown first on the PA-40, Personal Income Tax Return). Enter the primary taxpayer's name when reporting the dividend income for the spouse.

SOCIAL SECURITY NUMBER

Enter the Social Security number (SSN) of the taxpayer. Enter the primary taxpayer's SSN also when reporting dividend income for the spouse.

TAXPAYER OVAL


Complete the taxpayer oval to indicate the dividend income reported is from the taxpayer whose name appears on the name line.

SPOUSE OVAL


Complete the spouse oval to indicate the dividend income reported was earned by the spouse listed on a PA-40, Personal Income Tax Return, filed using the Married, Filing Jointly filing status.

JOINT OVAL

Complete the joint oval if all the dividend income reported by the taxpayer and spouse is earned and being reported on a joint basis.

 **NOTE:** Do not use the joint oval to report joint dividend income if any dividend income is earned by the taxpayer and/or spouse separately. In such cases, the joint income must be split and the taxpayer and spouse must show the separate share of the joint dividend income on the separate PA-40 Schedule B prepared for each.

LINE INSTRUCTIONS

 **IMPORTANT:** If a separate PA-40 Schedule B is prepared for a taxpayer and spouse, include only the taxpayer or spouse share of the dividend income for each line.

LINE 1

Enter the amount of dividend income reported on Line 3b of the federal return. If filing a joint return and required to show the dividend income for a taxpayer and spouse separately, enter only the taxpayer or spouse's portion of the dividend income reported on Line 3b of the federal return. If a federal return is not required to be filed, see the instructions for Line 8.

LINE 2

Enter the total amount of dividend income included on Line 5 of federal Schedule B from federal Schedule(s) K-1.

LINE 3

Enter the total amount of any tax-exempt dividends from direct obligations of the Commonwealth of Pennsylvania, direct obligations of political subdivisions of Pennsylvania and/or direct obligations of the U.S. Government (U.S. Treasury Bonds, Notes, Bills, Certificates and Savings Bonds) included in any tax exempt fund or money market fund dividends.

LINE 4

Enter any other adjustments that decrease PA dividend income and provide a description of the amounts. Examples would include, but are not limited to: dividend income for a part-year resident taxpayer during the period the taxpayer was a nonresident; nominee capital gains distributions; and dividend income from an irrevocable federal grantor trust that is required to file a PA-41, Fiduciary Income Tax Return. Do not include expenses incurred to realize dividend income.

LINE 5


Add the amounts on Lines 2, 3, and 4 and enter the result.

LINE 6

Subtract Line 5 from Line 1 and enter the result. The amount reported for this line may be a negative number.


LINE 7

Enter the total amount of any exempt-interest dividends reported in Box 11 of federal Form 1099-DIV, Dividends and Distributions, that are included in Line 2a of the federal return.

 **CAUTION:** Do not include the amount of tax-exempt interest included in Line 2a of the federal return in this amount.

LINE 8

Enter any other adjustments that increase PA dividend income and provide a description of the amounts. Examples include, but are not limited to: excessive salary paid to a shareholder; nominee capital gains distributions; distributions from non-PA S corporations; and expenses incurred to realize dividend income.

 **IMPORTANT:** If a federal return is not required to be filed, enter on this line the amount of dividend income reported in Box 1 of all federal Forms 1099-DIV, Dividends and Distributions, as well as any other federally taxable dividend income received from all sources including, but not limited to, dividends from federal Schedule K-1s.

LINE 9


As a result of the federal Tax Cuts and Jobs Act of Dec. 22, 2017, additional dividend income may have to be included for Pennsylvania personal income tax purposes on income that was subject to the federal Repatriation Transition Tax on the IRC Section 965 Transition Tax Statement for 2017. Although the total deemed dividend of accumulated earnings and profits taxed for federal income tax purposes is not includable in Pennsylvania taxable income, the amount of actual earnings and profits cash payments received during a tax year are taxable for Pennsylvania personal income tax purposes. Refer to Informational Notice Corporation Taxes and Personal Income Tax 2018-1: Tax Cuts and Jobs Act of 2017, available on department's website for additional information regarding the repatriation of foreign income.

LINE 9a

Enter the amount of deemed dividend foreign earnings and profits reported on Line 1 of the IRC Section 965 Transition Tax Statement for calendar or fiscal year tax returns for 2017.


LINE 9b

Enter the amount of cash payments of foreign earnings and profits received in prior tax years attributable to the amount reported on Line 9a that were previously reported as dividend income for Pennsylvania personal income tax purposes.

 **IMPORTANT:** If no amount of repatriated foreign earnings was reported on the 2017 through 2022 PA-40 Schedule B as additional dividend income, enter a zero on Line 9b. However, if cash payments were received during 2017 through 2022 attributable to the amount reported on Line 9a and no income was reported for foreign repatriated income, the appropriate year's PA-40 should be amended to include the amount received in 2017 on Line 8 of the 2017 PA-40 Schedule B or the amount received in 2018 through 2022 on Line 9c of the respective year's PA-40 Schedule(s) B. The total amount included on the amended returns should then be included on Line 9b.

LINE 9c

Enter the amount of cash received during the current tax year that is attributable to the repatriation of foreign income included on Line 9a.

 **CAUTION:** Federal Form 1099-DIV, Dividend Income, may not be prepared and sent by the payer for these payments. Even if the 1099-DIV is not prepared, the cash payments received must be reported as dividend income for Pennsylvania personal income tax purposes.

LINE 10

Enter the amount of capital gains distributions included as capital gains on federal Schedule D. If federal Schedule D is not required, enter the amount of capital gains distributions reported directly on the federal return.

LINE 11

Enter the amount of dividend income from PA S corporations and partnerships. Include the amounts reported from all PA Schedule(s) RK-1, or federal Schedule(s) K-1 if an RK-1 is not provided.

LINE 12

Add Lines 6, 7, 8, 9c, 10, and 11 and enter the result.

TIP This amount cannot be a negative number. If the result is negative, an amount has not been included on an addition line or excess adjustments have been recorded.

Include the total from Line 12 (or the combined Line 12 amounts for taxpayer and spouse using the Married, Filing Jointly filing status) on Line 3 of the PA-40, Personal Income Tax Return.