

**PA-41 SCHEDULE B**

2304710052

Dividend and Capital Gains  
Distributions IncomePA-41 B 03-23 (FJ)  
PA Department of Revenue**2023**

OFFICIAL USE ONLY

Name as shown on the PA-41

Federal EIN or Decedent's SSN

**Caution:** If the estate or trust's total PA-taxable dividend income is equal to the amount reported on the estate or trust's federal Form 1041 and there are no amounts for Lines 2 through 12 (not including subtotal Line 6) of Schedule B, the estate or trust must report the dividend income on Line 2 of the PA-41, Fiduciary Income Tax Return, but the estate or trust does not have to submit Schedule B. If there are any amounts for any of the Lines 2 through 12 (not including subtotal Line 6) of Schedule B, the estate or trust must complete and submit Schedule B with the estate or trust's PA-41, Fiduciary Income Tax Return.

1. Dividend income reported on federal Form 1041 Line 2a.	1.	\$
2. Dividend income from federal Schedule K-1(s). <b>See instructions.</b>	2.	\$
3. Pennsylvania exempt-interest dividend income. <b>See instructions.</b>	3.	\$
4. Other reduction adjustments. <b>See instructions.</b> 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. <b>See instructions.</b>	7.	\$
8. Other addition adjustments. <b>See instructions.</b> Description: _____	8.	\$
9. Repatriation of foreign income. <b>See instructions.</b>		
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.	10.	\$
11. Dividend income from partnership(s), from PA Schedule(s) RK-1 or federal Schedule(s) K-1.	11.	\$
12. Dividend income from PA S corporation(s), from PA Schedule(s) RK-1 or federal Schedule(s) K-1.	12.	\$
<b>13. Total dividend income</b> Add Lines 6, 7, 8, 9c, 10, 11 and 12. Enter on Line 2 of the PA-41.	13.	\$



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## Instructions for PA-41 Schedule B

### Dividend and Capital Gains Distributions Income

PA-41 B IN 03-23

#### WHEN TO INCLUDE

If the estate or trust's total PA-taxable dividend and capital gains distributions income is equal to the amount reported on the estate or trust's federal Form 1041 and there are no amounts for Lines 2 through 12 (not including subtotal Line 6) of Schedule B, the estate or trust must report the dividends and capital gains distributions income on Line 2 of the PA-41, Fiduciary Income Tax Return, but the estate or trust does not have to submit Schedule B. If there are any amounts for any of the Lines 2 through 12 (not including subtotal Line 6) of Schedule B, the estate or trust must complete and submit Schedule B with the estate or trust's PA-41, Fiduciary Income Tax Return.

#### GENERAL INFORMATION

##### PURPOSE OF SCHEDULE

Use PA-41 Schedule B to report dividend and capital gains distributions income of estates and trusts.

#### FORM INFORMATION

##### NAME

Enter the complete name of the estate or trust as shown on the PA-41, Fiduciary Income Tax Return.

##### FEIN OR DECEDENT'S SSN

Enter the nine-digit federal employer identification number (FEIN) of the estate or trust or the decedent's Social Security number as shown on the PA-41, Fiduciary Income Tax Return.

**TIP** An estate with a FEIN should not use the decedent's Social Security number.

#### LINE INSTRUCTIONS

Please read the Line 2 Instructions on Pages 22 and 23 of the Instructions for Form PA-41 prior to completing this schedule.

#### LINE 1

Enter the amount of dividend income reported on Line 2a of the estate or trust's federal Form 1041. If there are no amounts for Lines 2 through 12 (not including subtotal Line 6) of PA Schedule B, stop here. An estate or trust must report the amount on Line 2 of the PA-41 form but the estate or trust is not required to include a copy of the PA-41 Schedule B with the PA-41.

If the trust is not required to file a federal return, see the instructions for Line 8.

#### LINE 2

If the estate or trust has any investments in partnerships or S corporations or any dividend income from other estates or trusts, the estate or trust must include the amount reported for federal income tax purposes. Enter the total amount of dividend income included in the amount reported for Line 2 of federal Form 1041 from all federal Schedule(s) K-1.

#### LINE 3

If the estate or trust has investments in funds which have investments where some of the income is tax exempt, the exempt-interest dividends associated with Pennsylvania or U.S. government obligations are not taxable for Pennsylvania purposes. Enter the total amount of any exempt-interest 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

Estates or trusts may need to record other adjustments to federal dividend income to account for differences in Pennsylvania and federal tax laws and where there is no specific line to record that difference. Enter any other adjustments that decrease PA dividend income and provide a description of the amounts. An example would include dividend income for a nominee taxpayer recorded on the 1099 as dividend income of the estate or trust. Do not include expenses incurred to realize dividend income.

#### LINE 5

Add the amounts on Lines 2, 3 and 4.

#### LINE 6

Subtract Line 5 from Line 1.

#### LINE 7

##### TOTAL EXEMPT-INTEREST DIVIDENDS

Enter the total amount of exempt-interest dividends (from Pennsylvania and non-Pennsylvania sources) from Box 11 of federal Form 1099-DIV, Dividends and Distributions.

#### LINE 8

If the estate or trust has adjustments to federal-taxable dividend income that increase the amount of dividend

income reported for federal purposes due to differences between Pennsylvania and federal tax laws, enter any other adjustments for items that increase PA-taxable dividend income and provide a description of the amounts. Examples include: distributions from non-PA S corporations and expenses incurred to realize dividend income. Include a statement providing the descriptions and amounts if more than one type of adjustment is included in the amount reported for this line.

If the estate or trust is not required to file a federal return, enter the amount of dividend income reported to the trust in Box 1 of all federal Forms 1099-DIV, Dividend and Distributions, as well as any other taxable dividend income received by the trust for federal grantor trusts or other trusts not required to file a federal tax return.

## 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-41 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-41 should be amended to include the amount received in 2017 on Line 8 of the 2017 PA-41 Schedule B or the amount received in 2018 through 2022 on Line 9c of the respective year's PA-41 Schedule B. The amount included on the amended return(s) 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

For Pennsylvania purposes, capital gains distributions are taxable as dividend income not as capital gains as for federal purposes. Enter the amount of capital gains distributions included as capital gains on federal Schedule D.

**TIP** Do not report capital gains distributions on PA-41 Schedule D.

## LINE 11

### DIVIDEND INCOME FROM PARTNERSHIPS FROM PA SCHEDULES RK-1

If the estate or trust is an owner in a partnership or entity formed as a limited liability company that is classified as a partnership for federal income tax purposes, it will receive a PA-20S/PA-65 Schedule RK-1 showing its share of any dividend income.

Enter the amount of dividend income from 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.

If the estate or trust realizes income from more than one partnership, provide a statement showing the FEIN, name, and amount of distributable/distributed income by each partnership.

Submit all PA-20S/PA-65 Schedules RK-1 to support the amount reported on PA-41 Schedule B Line 11. Include a copy of federal Form 1065 Schedule K-1 if a PA-20S/PA-65 Schedule RK-1 is not supplied by a partnership or entity formed as a limited liability company that is classified as a partnership for federal income tax purposes. If the estate or trust receives only a federal Form 1065 Schedule K-1, it must adjust and classify the income from the federal Form 1065 Schedule K-1 according to Pennsylvania rules. Refer to the PA Personal Income Tax Guide - Pass Through Entities section, for additional information on the adjustments required and the proper classification of income.

## LINE 12

### **DIVIDEND INCOME FROM PA S CORPORATIONS FROM PA SCHEDULES RK-1**

If the estate or trust is an owner in a PA S corporation or entity formed as a limited liability company that is classified as a PA S corporation for federal income tax purposes, it will receive a PA-20S/PA-65 Schedule RK-1 showing its share of any dividend income.

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

If the estate or trust realizes income from more than one PA S corporation, provide a statement showing the FEIN, name, and amount of income by each PA S corporation.

Submit all PA-20S/PA-65 Schedules RK-1 to support the amount reported on PA-41 Schedule B Line 12. Include a copy of the federal Form 1120S Schedule K-1 if a PA-

20S/PA-65 Schedule RK-1 is not supplied by the PA S corporation or entity formed as a limited liability company that is classified as a PA S corporation for federal income tax purposes. If the estate or trust receives only a federal Form 1120S Schedule K-1, the estate or trust must obtain a PA-20S/PA-65 Schedule RK-1 from the entity. The department will only permit the estate or trust to adjust and reclassify the income from federal Form 1120S Schedule K-1 according to Pennsylvania rules in limited circumstances. Refer to the PA Personal Income Tax Guide - Pass Through Entities section, for additional information on the adjustments required and the proper classification of income.

## LINE 13

### **TOTAL DIVIDEND INCOME**

Add Lines 6, 7, 8, 9c, 10, 11 and 12 on the PA-41 Schedule B. Enter the amount here and on the PA-41, Fiduciary Income Tax Return, Line 2.