

1. Use the correct form.

All corporate tax reports for tax years beginning prior to 2016 must be filed using the non-year specific [PA Corporate Tax Report \(RCT-101\)](#).

For tax years beginning 2016 and after the PA Corporate Tax Report (RCT-101) has been redesigned and renamed to the PA Corporate Net Income Tax Report. Taxpayers are encouraged to thoroughly review the new report and instructions for all changes.

Due Dates: For tax years beginning after December 31, 2015, the PA Corporate Net Income Tax Report (RCT-101) is due 30 days after the federal report is due, or would be due if that corporation were required to file federally.

2. Properly submit amended returns.

If an amended return must be filed for tax years beginning prior to 2016, taxpayers must complete the non-year specific RCT-101 PA Corporate Tax Report (RCT-101). **All** sections of the return, regardless of what items are being amended, must be completed. The amended report check box under Step B, Page 1 of the RCT-101 must also be checked.

For tax years beginning 2016 and after taxpayers must file an amended return using the revised PA Corporate Net Income Tax Report (RCT-101).

Act 84 of 2016 included changes to filing amended corporate tax reports. Taxpayers will have three years from the due date of the original report to file an amended report. The department will have one year from the date the amended report is filed to notify the taxpayer if the changes are accepted. If the taxpayer is not notified within one year, the report is deemed accepted.

3. Use only numbers in numeric fields.

Alphabetic or non-numeric characters should never be used in numeric fields. Use of "none" or "NA" in an apportionment field will cause the business tax system to calculate a 100 percent apportionment factor.

4. Use checkboxes appropriately.

Checkbox indicators on the return:

- a. If the corporation has an extension of time to file its federal income tax return, or if the income of the entity is included on the income tax return of another business or individual with an extension of time to file the federal income tax return, "Federal Extension Granted" must be checked.
- b. If checking "Holding Company," do not use three-factor apportionment.

- c. If checking "Investment in LLC" or "Family Farm," do not complete Section A.
- d. If checking "Solicitation Only," "Single-Member LLC," "Multi-Member LLC," or "PA S Corporation," do not complete Section C, Corporate Net Income Tax.
- e. When filing the RCT-101 or the RCT-101I as a FINAL report, check the final report box and enter the date all business activity ceased.
- f. Taxpayers no longer subject to Capital Stock/Foreign Franchise Tax should check the final report checkbox and include a statement accompanying the report stating the entity is no longer subject to the Capital Stock/Foreign Franchise Tax. This is expected for paper filers as well as electronic filers who can attach a .pdf to their report submission.

Act 52 of 2013 requires the add-back of intangible expense to income for interest, royalties, patents, trademarks, etc. between affiliated companies in certain instances. This is effective for tax years beginning in 2015. Taxpayers should check the appropriate checkbox on page 1 of the new PA Corporate Net Income Tax Report (RCT-101) and complete and include forms Rev-802 and Rev-803 with the report.

5. Provide all demographic information.

The "Corp Tax Account ID," "Federal EIN," "Business Activity Code," "Corporation Name," Address Lines, "City," "State," and "ZIP" must be completed in Step C on Page 1 of the RCT-101.

Indicate a change of corporate address by checking the box under Step B, Page 1 of the RCT-101. If this box is not checked a change of address will not occur on your account.

Please also complete all corporate officer information located in the corporate officers section of the tax report. Corporate officers can also be updated by accessing e-TIDES from our website www.revenue.pa.gov.

6. Complete history of earnings correctly.

For tax periods beginning prior to January 1, 2016 when filing the PA Corporate Tax Report (RCT-101) the History of earnings for capital stock/foreign franchise tax must be in order, starting with the oldest year on Year 1. If only one year is applicable, the first year should be entered on the Current Year line. There should be no gaps in the history of earnings period begin and period ending dates, and the most recent consecutive five years must be provided.

7. Claim bonus depreciation properly.

If taking a deduction for bonus depreciation, Section B1, Current Year Federal Depreciation of 168K Property, must be completed on Page 3 of the PA Corporate Tax Report or Section A in the PA Corporate Net Income Tax Report for 2016 and after. Also, Schedule C-3 (REV-799) must be filled out and included with the RCT-101.

8. Calculate apportionment appropriately.

For tax years beginning prior to January 1, 2016 when claiming three-factor apportionment, the denominator of each factor must equal the property, payroll, and sales reported on the federal income tax return regardless of the activity in Pennsylvania.

NOTE: The integrated tax system considers apportionment factors as follows:

- $0/0 = 1.000000$ and
- $0/1 = 0.000000$.

The numerators and denominators must be entered on Schedule A-1 and Schedule C-1.

9. Report foreign corporations' lack of activity.

For tax years beginning prior to January 1, 2016 a foreign corporation with no property, payroll, or sales anywhere must complete Schedule A-1 and/or C-1 on Page 4 of the PA Corporate Tax Report (RCT-101), using zero as the numerator and one as the denominator.

10. Account for partnership activity.

If a corporation owns underlying partnerships, the corporation's share of the partnerships' property, payroll, and sales factors must be included in the property, payroll, and sales of the corporation.

BONUS: Apply electronic payments properly/other services.

In order to ensure proper application of tax payments, follow the detailed instructions regarding ACH debit and credit electronic funds transfer. Visit www.etides.state.pa.us, selecting "Instructions" under the "Options" category, then "Payment Methods" under the Electronic Funds Transfer (EFT) header.

NEW in e-TIDES: Business taxpayers and tax practitioners now have the ability to electronically request and receive a more detailed version of the Statement of Account (e-SOA) in PDF format through the new Document Center section in e-TIDES. The e-SOA can be requested at any time and is made available in PDF format in the Document Center to print or download on the next business day. The new online delivery saves time and money and provides more up-to-date information.