**NEW FOR 2012**

- RCT-143 has been redesigned and is no longer year-specific.
- Line-by-line instructions for the RCT-143 are now available.
- RCT-143 is available as a fill-in form on the department's website at **www.revenue.state.pa.us**.
- **Revenue ID**: For the 2012 tax year, a corporation's Revenue ID is its seven-digit PA Tax Account ID OR a new, unique, 10-digit number assigned by the department to a taxpayer, separate from any federally issued identification number(s) or Pennsylvania license number(s).

  As the department transitions to an integrated tax system, a 10-digit Revenue ID number will be assigned and communicated to each taxpayer. A corporation's PA Tax Account ID will continue to be accepted by the department on tax forms and schedules, but upon assignment of a 10-digit Revenue ID to a taxpayer, the department will begin using the 10-digit Revenue ID on outbound correspondence in lieu of referencing the Tax Account ID.

**REMINDER**

- REV-1175, Schedule AR, (explanation for amending) must be included when filing an amended report.
- One estimated payment coupon (REV-423) and one extension coupon (REV-426) will be used for all specialty taxes. The coupons and the tax report (RCT-143) will no longer be mailed. These forms are available as fill-in documents on the department's website at **www.revenue.state.pa.us**. The REV-423 and REV-426 coupons can be filed electronically through e-TIDES at **www.etides.state.pa.us**. However, electronic filing of the tax report is not available. The report should be completed using the computer-based fill-in form, printed and submitted by mail to the department. The form can be saved electronically for your records.

**Annual Report Checklist:** Make sure you include the following to file your annual report properly and completely:

- Complete RCT-143, Mutual Thrift Tax Report
- Attachments to be included with report:
  - Reports of condition filed for each quarter for taxpayers who meet the following conditions.
    - The taxpayer is filing mutual thrift institutions net income tax report for a year ending Dec. 31.
    - The taxpayer files reports of condition on a separate company basis.
    - The taxpayer did not enter into a business combination after Dec. 31, 1986, (which is treated as reorganization for purposes of section 368 of the Internal Revenue Code of 1986) or a similar successor provision that is accounted for under the purchase accounting method.
  - Include the following for taxpayers not meeting the above conditions:
    - An income statement for the year being reported, prepared on a separate company basis. If the taxpayer entered into a business combination after Dec. 31, 1986, (which is treated as reorganization for purposes of section 368 of the Internal Revenue Code of 1986) or a similar successor provision, net income or net loss must be determined by accounting for the acquisition under the pooling of interest method.
    - Balance sheets prepared on a separate company basis reporting the asset, liability and equity accounts as of the beginning of the year and the last day of the third, sixth, ninth and twelfth month of the tax year.
    - A reconciliation of the beginning and ending balances of the equity accounts
  - A schedule identifying the names and interest amounts from U.S. and Pennsylvania obligations.
- Corporate officer's signature on Page 1 and preparer's signature and PTIN on Page 2, if applicable.

All tax calculations must be shown in **whole dollar** amounts. An amount less than 50 cents will be eliminated, and an amount of 50 cents or more will be rounded to the next dollar.

**Imposition, Base and Rate**

Mutual thrift institutions tax is imposed at the rate of 11.5 percent on net taxable income of mutual thrift institutions in Pennsylvania, including savings banks without capital stock, building and loan associations, savings and loan associations and savings institutions having capital stock. Mutual thrift institutions are exempt from all other Pennsylvania corporate taxes and local taxes except taxes on real estate and real estate transfers. For more information, see Section 1502 of the Tax Reform Code of 1971 (72 P.S.§ 8502).

**Revenue ID, Federal Employer Identification Number (FEIN), Parent Corporation FEIN, Name and Address**

The Revenue ID number, FEIN, name and complete mailing address must be provided. If the taxpayer is a subsidiary of a corporation, the parent corporation's FEIN must be provided. Also provide the telephone number and email address of the taxpayer.

**Tax Year**

Enter month, day and year (MM DD YYYY) for the tax year beginning and tax year end.

**Report Due Date**

The annual report for calendar year institutions is due April 15 for the preceding year ended Dec. 31. An institution operating on a fiscal year end must file the report within 105 days of the close of the fiscal year. If April 15 or the 105th day following the close of the fiscal year falls on a Saturday, Sunday or holiday, the report is due the next business day. A penalty for late filing will be imposed as follows and assessed at the time of filing: 10 percent of the first $1,000 of tax liability, 5 percent of the next $4,000 of tax liability and 1 percent on any tax liability in excess of $5,000.

**Address Change**

Enter "Y" in the block on Page 1 if the address of the corporation has changed from prior tax periods. The current mailing address should be reflected on the report.

**Correspondence to Preparer**

Enter "Y" in the block on Page 1 if all correspondence (notices and requests for additional information) is to be sent to the preparer's address. If "Y" is entered, the address recorded on Page 2 will be used.

**Amended Report**

Enter "Y" in the block on Page 1 if you are filing an amended report to add, delete or adjust information. Provide documentation to support all changes being made. An amended report should only be filed if an original report was filed previously for the same period.

An amended report must be filed within three years of the filed date of the original report. The department may adjust the tax originally reported based on information from the amended report. The taxpayer must consent to extend the assessment period. If the amended report is timely filed and the taxpayer consented to extend the assessment period, the time period in which to assess tax will be the greater of three years from the filed date of the original report or one year from the filed date of the amended report.

When filing an amended report, record the amended tax liability on Page 1, Line 1. REV-1175, Schedule AR, must be included when filing an amended report.

**First Report**

Enter "Y" in the block on Page 1 if this is the taxpayer's first PA mutual thrift tax filing.

**Electronic Payment**

Enter "Y" in the block on Page 1 if the taxpayer has made any electronic payments using e-TIDES.

**KOZ/KOEZ/EIP Credit**

Enter "Y" in the block on Page 1 if the corporate taxpayer is claiming the Keystone Opportunity Zone Credit, the Keystone Opportunity Expansion Zone Credit or the Employer Incentive Payment Credit.

**Last Report**

- Enter "Y" in the block on Page 1 if this report will be the last report filed with the department. Indicate the effective date of the event as MM DD YYYY.
- Include a copy of the regulatory authority's approval of the merger, dissolution, plan of reorganization and/or articles of merger.
- Provide the Revenue ID number and FEIN of the surviving entity, if applicable.
- Provide notification that the Federal Deposit Insurance Corporation is acting as a receiver under Title 12 USC. § 1825(b)(1).

**Corporate Officer Information**

A corporate officer must sign and date the tax report. The signature must be original; photocopies or faxes will not be accepted. Print the first and last name, title, Social Security number, telephone number and email address of the corporate officer.

**Preparer's Information**

Paid preparers must sign and date the tax report. If the preparer works for a firm, provide the name, FEIN and address of the firm along with the name, telephone number, email address and SSN/PTIN of the individual preparing the report. If the preparer is an individual without any association to a firm, provide the name, address, telephone number, email address and SSN/PTIN of the individual preparing the report.

**Estimated Payment Instructions**

All accounts are expected to remit estimated prepayments toward the final liability a corporation estimates is due for the taxable year. Estimated payments for mutual thrift institutions tax are due on the 15th day of the third, sixth, ninth and twelfth month following the close of the tax year. Tax remaining due at the close of the taxable year must be paid by the 15th day of the fourth month following the close of the tax year.

Should a corporation realize estimated tax is underpaid, additional payments should be submitted to minimize underpayment penalty. Underpayment is measured against 90 percent of the tax reported due for the taxable year. However, if the final total tax increases the self-reported tax by 10 percent or more, the underpayment will be measured against 90 percent of the final total tax. The period of underpayment is measured from the due date of the installment to the date the underpayment is paid or the date the safe harbor is satisfied. A corporation may avoid interest charges by timely paying estimated tax equal to the liability in the second-prior taxable year (safe harbor). This amount must be adjusted to reflect the tax rate and law for the estimated tax year and must reflect the total liability if it exceeds the self-reported liability by 10 percent or more. Where the second-prior year is a short period, the safe harbor is annualized. Second year corporations may use the immediate prior year (annualized if necessary) as the base year for the safe harbor. Mail the estimated payment coupon (REV-423) separately from all other forms.

If you have questions regarding estimated payments, call the Accounting Division at 717-705-6225 (Option 5, then Option 1 or 3).

**Extension Request Due Date**

To request a due date extension of up to six months to file the annual report, you must file an extension request (REV-426) by the original report due date. However, an extension of time to file does not extend the deadline for payment of tax and an extension request must be accompanied by payment of taxes owed for the taxable year for which the extension is requested. Mail the extension coupon separately from all other forms. A taxpayer using an electronic method to make a payment with an extension request should not submit the extension coupon. Do not use the extension coupon to remit other unpaid liabilities or commonwealth obligations within the account.

## Payment and Mailing Information

Remittance should include tax plus interest and penalty, if applicable. Penalty and interest calculators can be found at **www.revenue.state.pa.us**. Payments of $10,000 or more must be remitted electronically. For more information on electronic payment options, visit **www.etides.state.pa.us**. Payments under $10,000 may be remitted by mail, made payable to the PA Department of Revenue.

Mail payments, extension requests and Tax Report, RCT-143, to the following address:

PA DEPARTMENT OF REVENUE
PO BOX 280407
HARRISBURG, PA 17128-0407

## Current Period Overpayment

If an overpayment exists on Page 1 of the RCT-143, the taxpayer must instruct the department to refund or transfer overpayment as indicated below.

**Refund:** Identify the amount to refund from the current tax period overpayment. Prior to any refund, the department will offset current period liabilities and other unpaid liabilities or commonwealth obligations within the account.

**Transfer:** Identify the amount to transfer from the current tax period overpayment to the next tax period for estimated tax purposes. Prior to any transfer, the department will offset current period liabilities and other unpaid liabilities or commonwealth obligations within the account.

**NOTE:** If no option is selected, the department will automatically transfer any overpayment to the next tax year for estimated tax purposes after offsetting current period liabilities and other unpaid liabilities or commonwealth obligations within the account.

## Requests for Refund or Transfer of Available Credit

Requests for refund or transfer of available credit from prior periods can be faxed on company letterhead, signed by an authorized representative, to 717-705-6227.

Requests can also be submitted in writing to the following address:

PA DEPARTMENT OF REVENUE
PO BOX 280701
HARRISBURG, PA 17128-0701

Please do not duplicate requests for refund and/or transfer by submitting both RCT-143 and written correspondence.

## CONTACT INFORMATION

- To make electronic payments and file extensions electronically, visit e-TIDES at **www.etides.state.pa.us**. For additional information and assistance with electronic payments and extensions, call 717-705-6225 (Option 5, then Option 2).
- To confirm account payments, call 1-888-PATAXES (1-888-728-2937).
- If you have questions regarding payments or refunds, call the Accounting Division at 717-705-6225 (Option 5, then Option 1 or 3).
- Requests for transfer of credit may be faxed to the Accounting Division at 717-705-6227.
- If you have questions regarding extensions, call the Extension Unit at 717-787-2632. Requests can be faxed to 717-346-1958.
- If you have questions regarding tax settlements, assessments, tax determinations or filing requirements, call the Specialty Tax Unit at 717-783-6031 (Option 7, then Option 2).
- If you have general business tax questions, call 717-787-1064.

**RCT-143 should be completed in the following order:**

**Step 1** - Complete the taxpayer information section and any applicable questions at the top of Page 1.

**Step 2** - Indicate the type bank on Page 1 - State Savings & Loan or Savings Bank or Federal Savings & Loan or Savings Bank. This must match the company's registration with PA Department of Banking. This information is required.

**Step 3** - Enter the Revenue ID number and other taxpayer information in the designated fields at the top of each page.

**Step 4** - Complete Page 2, Lines 1 through 4 (Income and Deductions).

**Step 5** - Complete Page 3, Schedule B (Interest Expense).

**Step 6** - Complete Page 4, Schedule D (Apportionment).

**Step 7** - Complete Page 3, Schedule C (Apportionment Summary).

**Step 8** - Complete Page 2, Lines 5 through 10 (Additions and Apportioned Income).

**Step 9** - Complete Page 3, Schedule A (Net Loss Carry Forward).

**Step 10** - Complete Page 2, Lines 11 through 13. (Calculate Tax).

**Step 11** - Complete Page 1, Tax Liability, Payment and Overpayment sections.

**Step 12** - Complete the corporate officer information section, sign and date at the bottom of Page 1.

**Step 13** - Complete the preparer information section, sign and date at the bottom of Page 2, if applicable.

**Step 14** - Mail the completed report and any supporting schedules to the PA Department of Revenue.

**Page 2 - Calculation of Net Income and Deductions**

**Line 1 - Income from Financial Statements**

Enter the net income or loss reported on the Income Statement or Report of Condition.

**Line 2 - Interest from U.S. Obligations**

Enter the interest from U.S. obligations. Provide a schedule identifying the name, Committee on Uniform Securities Identification Procedures (CUSIP) number and interest amount for each U.S. obligation.

For more information on the CUSIP number refer to the SEC website at **www.sec.gov** or the CUSIP Global Services website at **www.cusip.com**.

**Line 3 - Interest from PA Obligations**

Enter the interest from PA obligations. Provide a schedule identifying the name, CUSIP number and interest amount for each PA obligation.

**Line 4 - Total Deductions**

Enter the sum of Lines 2 and 3. This is the tax-exempt income. Carry the figure to Page 3, Schedule B, Line 1.

**Page 3 - Schedule B - Interest Expense Allocable to Tax-Exempt Income**

**Line 1 - Total Tax-Exempt Income**

Enter the total from Page 2, Line 4.

**Line 2 - Total Interest Income for Year**

Enter the total interest income. A detailed schedule must be provided.

**Line 3**

Enter the product of Line 1 divided by Line 2. Carry to six decimal places.

**Line 4 - Total Interest Expense**

Enter the total interest expense. A detailed schedule must be provided.

**Line 5 - Interest Expense Allocable to Tax-Exempt Income**

Multiply Line 3 by Line 4. Carry the figure to Page 2, Line 5.

**Page 4 - Schedule D - Apportionment**

**Who may apportion?**

A financial institution may apportion its taxable shares or net income if the institution is or could be subject to tax in another state based on or measured by net worth, gross receipts, net income or another similar base of taxation.

**How is the apportionment fraction calculated?**

The apportionment percentage is an average of payroll, receipts and deposits.

**Payroll Factor**

**Line 1** - The numerator (a) is total wages paid in Pennsylvania and the denominator (b) is the total wages paid in all states. Wages are paid in a state if paid to an employee having regular presence therein.

**Receipts Factor** - The numerator (a) is total receipts in Pennsylvania and the denominator (b) is the total receipts in all states. Receipts do not include principal repayments on loans or credit, or travel or entertainment cards. Receipts from the sale or disposition of property include only the net gain from the sale.

**Determine the location of receipts as follows:**

**Line 2** - Receipts from loans are located at the place of origin. Receipts from loans primarily secured by real property are assigned to the state in which the predominant portion of such property is located, if the institution has an office in that state at which application, negotiation, approval or administrative responsibility occurs. Receipts from all other loans are assigned to the state of residency or commercial domicile of the borrower, if the institution has an office in that state at which application, negotiation, approval or administrative responsibility occurs. Otherwise, receipts from loans are assigned to the state where the office is located that treats the loan as an asset on its books or records.

**Line 3** - A receipt from performance of services is located in the state where the services are performed. If services are performed in more than one state, the receipts located in each state must be measured by the ratio of time spent performing such services in one state to the total time spent performing services in all states. The time spent performing services in a state is the time spent by employees having a regular presence in the state performing such services.

**Line 4** - Receipts from lease transactions are located in the state where the leased property is located.

**Line 5** - Interest or service charges – excluding merchant discounts from credit, travel and entertainment card receivables and credit card holders' fees – are located in the state where the credit card holder resides. If the taxpayer is a corporation maintaining a commercial domicile, such charges are in the state of the card holder's commercial domicile. Otherwise, receipts are located in the state where the institution maintains an office that treats such receivables as assets on its books or records.

**Line 6** - Interest, dividends and net gains from the sale or disposition of intangibles, excluding receipts described elsewhere in this section, are located in the state where the institution maintains an office that treats such intangibles as assets on its books or records.

**Line 7** - Traveler's checks and money order fees or charges are located in the state where the traveler's checks or money orders are issued.

**Line 8** - Receipts from sales of tangible property are located in the state where the property is delivered or shipped, regardless of the free on board (FOB) point or other condition of sale.

**Line 9** - Receipts from the issuance of title insurance are located in the state where the insured property is located.

**Line 10** - All receipts not specifically addressed above are located in the state where the greatest portion of income-producing activity is performed, based on costs of performance.

**Line 11** - Enter total receipts (sum of Lines 2 through 10, Columns a and b).

**Deposits Factor**

**Line 12 through Line 17** - The numerator (a) is the average value of deposits in Pennsylvania during the taxable year, and the denominator (b) is the average value of total deposits during the taxable year. The average value of deposits is to be calculated on a quarterly basis. Deposits are located in the state where the institution maintains an office that treats the deposits as a liability on its books or records. A deposit is considered properly treated as a liability on the books or records of the office with which it has a greater portion of contact. In determining whether a deposit has a greater portion of contact with a particular office, consideration is given to the following:

- Whether the deposit account was opened at or transferred to that office by or at the direction of the depositor, regardless of where subsequent deposits or withdrawals are made
- Whether employees regularly connected with that office are primarily responsible for servicing the depositor's general banking and other financial needs
- Whether the deposit was solicited by an employee regularly connected with that office, regardless of where such deposit was actually solicited
- Whether the terms governing the deposit were negotiated by employees regularly connected with that office, regardless of where the negotiations were actually conducted
- Whether essential records relating to the deposit are kept at that office and whether the deposit is serviced at that office.

**Page 3 – Schedule C - Apportionment Summary**

Calculation of Net Income Tax Apportionment

**Line 6 - Payroll Inside PA**

Enter the figure from Page 4, Schedule D, Line 1a.

**Line 7 - Total Payroll**

Enter the figure from Page 4, Schedule D, Line 1b.

**Line 8 - Payroll Factor**

Enter the product of Line 6 divided by Line 7. Carry to six decimal places.

**Line 9 - Receipts Inside PA**

Enter the figure from Page 4, Schedule D, Line 11a.

**Line 10 - Total Receipts**

Enter the figure from Page 4, Schedule D, Line 11b.

**Line 11 - Receipts Factor**

Enter the product of Line 9 divided by Line 10. Carry to six decimal places.

**Line 12 - Average Deposits Inside PA**

Enter the figure from Page 4, Schedule D, Line 17a.

**Line 13 - Average Total Deposits**

Enter the figure from Page 4, Schedule D, Line 17b.

**Line 14 - Deposits Factor**

Enter the product of Line 12 divided by Line 13. Carry to six decimal places.

**Line 15 - Total of Proportions**

Enter the total of Lines 8, 11 and 14. Carry to six decimal places.

**Line 16 - Apportionment Factor**

The apportionment factor is defined by the number of factors present. A factor is ignored if both the numerator and denominator are zero. Divide Line 15 by 3 if all three proportions apply, divide by 2 if only two proportions apply or divide by 1 if only one proportion applies. Carry to six decimal places. Carry the figure to Page 2, Line 9.

**Page 2 - Calculation of Additions and Apportioned Income**

**Line 5 - Interest Expense Allocable to Tax-Exempt Income**

Enter the figure from Page 3, Schedule B, Line 5.

**Line 6 - Employment Incentive Payment Credit**

Enter the amount of credit earned.

**Line 7 - Total Additions**

Enter the total of Lines 5 and 6.

**Line 8 - Income to be Apportioned to PA**

Enter the total of Line 1 minus Line 4 plus Line 7.

**Line 9 - Apportionment**

Enter the apportionment factor from Page 3, Schedule C, Line 16. Carry to six decimal places.

**Line 10 - Income Apportioned to PA**

Multiply Line 8 by Line 9. If negative, this will be your net loss carry forward for the current tax period. Enter the applicable information on Page 3, Schedule A and enter zeros on Lines 11, 12 and 13. If positive, continue completing Lines 11, 12 and 13.

**Line 11 - Net Loss Deduction**

Enter the figure from Page 3, Schedule A, Total Column D.

**Line 12 - Taxable Income**

Enter the difference of Line 10 minus Line 11. This amount cannot be a negative number.

**Line 13 - Tax**

Multiply Line 12 by 0.115. Carry to RCT-143 Page 1, Line 1.

**Page 3 - Schedule A - Net Loss Carry Forward**

The net loss generated in a given period may only be carried forward three consecutive tax periods. Enter the net losses from the preceding three tax periods, starting with the earliest period. If a negative figure was calculated on Page 2, Line 10, also enter the current period net loss.

**Column A** - Enter the tax period beginning.

**Column B** - Enter the tax period ending.

**Column C** - Enter the net loss carry forward.

**Column D** - If a positive figure is calculated on Page 2, Line 10 for the current tax period, enter the amount to be used as a net loss deduction to offset income. The total amount to deduct should not exceed the amount reported on Page 2, Line 10.

**Column E** - Enter the difference of Column C minus Column D. The final three tax periods is the net loss carry forward for the next tax period.