General Information for RCT-132

NEW FOR 2013

Due to recent legislation, Act 52 of 2013, it was necessary to change the forms for filing Shares and Loans Tax. Please use the appropriate form according to the below descriptions.

- RCT-132 is used to report Pennsylvania Shares and Loans Tax prior to Act 52 of 2013. This form MUST be used by all bank, trust and domestic title insurance companies to report loans tax for year ending Dec. 31, 2012 and prior, and shares tax for Jan. 01, 2013 and prior.
- RCT-132A is used to report Pennsylvania Title Insurance Companies Shares and Loans Tax. This form is ONLY to be used by domestic title insurance companies to report loans tax for year ending Dec. 31, 2013 and shares tax for Jan. 01, 2014.
- RCT-132B is used to report Pennsylvania Bank and Trust Companies Shares and Loans Tax. This form is ONLY to be used by national and state banks and trust companies to report loans tax for year ending Dec. 31, 2013 and shares tax for Jan. 01, 2014.

The electronic funds transfer requirement was reduced from $10,000 to $1,000; all payments of $1,000 or more made after Dec. 31, 2013, must be made electronically.

Taxpayers may request a six month extension to file this report by filing REV-426.

Note: Act 52 of 2013 — which grants an automatic PA extension to file the PA Corporate Tax Report, RCT-101, if the taxpayer has a valid federal extension — DOES NOT apply to this tax.

REMINDER

- **Revenue ID**: A corporation's Revenue ID is 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 continues to transition into an integrated tax system, a 10-digit Revenue ID will be assigned and communicated to each taxpayer. A corporation's seven-digit 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 seven-digit Tax Account ID.
- RCT-132 has been redesigned and is no longer year-specific.
- Line-by-line instructions for RCT-132 are now available.
- RCT-132 is available as a fill-in form on the department's website at **www.revenue.state.pa.us**.
- REV-1175, Schedule AR, (explanation for amending) must be included when filing an amended report.
- One extension coupon (REV-426) will be used for all specialty taxes. The coupon and the tax report (RCT-132) 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-426 extension coupon 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-132, Shares and Loans Tax Report
- Copy of the quarterly Call Report as reported with the appropriate regulatory authorities or quarterly balance sheets (or pro forma) based on generally accepted accounting principles
- Copy of schedules for Goodwill and U.S. Obligations claimed on the tax report
- Schedule of combined shares for institutions that have merged during the tax period
- 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 amountless than 50 cents should be eliminated and an amount of 50 cents or more should be rounded to the next dollar.

Imposition, Base and Rate

Shares tax is imposed at the rate of 1.25 percent on taxable shares of domestic title insurance companies and banks and trust companies located in Pennsylvania and having capital stock.

Loans tax is imposed at the rate of 4 mills on the nominal value of taxable indebtedness. For more information on loans tax, see Title 72 P.S. § 3250-10 to § 3250-15.

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

For loans tax enter month, day and year (MM DD YYYY) for the tax year beginning and year (YY) for the tax year end. For shares tax enter the year (YY) of the spot tax.

Report Due Date

This report is due on March 15th following the Jan. 1 shares reported. If March 15 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 Page1 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 1a, 1b or both. 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 shares and loans tax filing.

Electronic Payment

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

KOZ/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 Employment 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.

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**. The electronic funds transfer requirement was reduced from $10,000 to $1,000; all payments of $1,000 or more made after Dec. 31, 2013, must be made electronically. For more information on electronic payment options, visit **www.etides.state.pa.us**. Payments under $1,000 may be remitted by mail, made payable to the PA Department of Revenue.

Mail payments, extension requests and tax report, RCT-132, 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 RCT-132, 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-132 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 also 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-132 should be completed in the following order:

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

Step 2 - Indicate the type of bank on Page 1- National Bank, State Bank, Trust Company or Title Insurance Company. 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 3, Schedule A, Loans Tax.

Step 5 - Complete Page 4, Schedule B, Calculation of Current Year – Taxable Shares.

Step 6 - Complete Page 5, Schedule C, Apportionment.

Step 7 - Complete Page 2, Calculation of Shares Tax Apportionment (Lines 12 through 22).

Step 8 - Complete Page 2, Calculation of Shares Tax (Lines 1 through 11).
(**NOTE**) If there is a merger of a bank during this tax period, complete Page 3, "Mergers" and attach a schedule showing the combined history of shares and enter in the appropriate lines in the "Calculation of Shares Tax" on Page 2.

Step 9 - Complete Page 1, Tax Liability, Payment and Overpayment section.

Step 10 - Complete the corporate officer information section, sign and date at the bottom of Page 1.

Step 11 - Complete the preparer information section, sign and date at the bottom of Page 2, if applicable.

Step 12 - Mail the complete report and any supporting schedules to the PA Department of Revenue.

Page 3 – Schedule A - Loans Tax

Question 1 - Foreign Corporations Only. Did this corporation have a fiscal officer resident in Pennsylvania?

- If the answer to Question 1 is "No", stop here; put zero on Line 10, Page 3 and zero on Page 1, Line 1b.
- If the answer to Question 1 is "Yes", complete Questions 2 and 3.

Question 2 - Did this corporation have indebtedness outstanding to individual residents and/or partnerships resident in Pennsylvania?

- If the answer to Question 2 is "No", answer Question 3.
- If the answer to Question 2 is "Yes", complete Columns 4, 5 and 6 in the table under Schedule A and complete Question 3.

Question 3 - Did this corporation have indebtedness outstanding held by a trustee, agent or guardian for a resident individual taxable in its own right or by an executor or administrator of an estate wherein the decedent was a resident of Pennsylvania?

- If the answer to Question 2 and Question 3 is "No", stop here; put zero on Line 10, Page 3 and zero on Page 1, Line 1b.
- If the answer to Question 3 is "Yes", complete Columns 4, 5 and 6 in the table under Schedule A.

If the answer to Question 2 or 3 is "Yes", the taxpayer is required to complete Schedule A. Attach a separate schedule if additional space is needed.

Column 4 - Enter the amount of interest paid on the indebtedness from Question 2 and/or 3 during the tax year reported.

Column 5 - Enter the rate of interest applicable to the indebtedness in Question 2 and/or 3.

Column 6 - Enter the nominal value of taxable indebtedness (divide Column 5 into Column 4). Then total the nominal values of taxable indebtedness and enter the figure in the last space of Column 6 and on Line 7.

Line 7 - Enter the total taxable indebtedness from Schedule A, Column 6.

Line 8 - Tax: Multiply Line 7 by 4 mills (0.004).

Line 9 - Enter the Treasurer's commission. This amount is computed as follows: five percent on first $1,000 of tax or fractional part thereof: one percent on amount of tax over $1,000 but not exceeding $2,000: ½ of one percent on amount of tax over $2,000.

Line 10 - Tax less treasurer's commission: Enter the difference of Line 8 minus Line 9. Carry the tax to RCT-132, Page 1, Line 1b.

Page 4 - Schedule B - Calculation of Current Year Taxable Shares

A. All book values used for this schedule are average book values reflected on quarterly reports of condition filed with the appropriate regulatory authority. If the quarterly total equity-capital and total assets do not match the quarterly balance sheets, provide a schedule reconciling the difference.

B. For title insurance and trust companies that do not file reports of condition, book values are based on average book values as of the end of each calendar quarter under generally accepted accounting principles.

C. A deduction for goodwill recorded as a result of the use of purchase accounting for an acquisition or combination occurring after June 30, 2001, may first be taken on the Jan. 1, 2008, bank shares tax report and subsequent reports. A taxpayer taking a deduction for goodwill must provide a schedule detailing the goodwill listed on the balance sheet of the applicable call report. Include the name of the entity, date of combination and amount of goodwill. Goodwill is a deduction from total equity-capital and total assets.

D. Submit a schedule identifying U.S. obligations by names and amounts claimed for each quarter. Please refer to Corporation Tax Bulletin 94 (Revised) for a list of those obligations which constitute U.S. obligations and non U.S. obligations.

First Quarter
Line 1 - Total Equity–Capital from Balance Sheet (see A or B above)
Line 2 - Total Assets from Balance Sheet (see A or B above)
Line 3 - Goodwill (see C above)
Line 4 - Net Equity (Line 1 minus Line 3)
Line 5 - Net Assets (Line 2 minus Line 3)
Line 6 - U.S. Obligations (see D above)

Second Quarter
Line 7 - Total Equity–Capital from Balance Sheet (see A or B above)
Line 8 - Total Assets from Balance Sheet (see A or B above)
Line 9 - Goodwill (see C above)
Line 10 - Net Equity (Line 7 minus Line 9)
Line 11 - Net Assets (Line 8 minus Line 9)
Line 12 - U.S. Obligations (see D above)

Third Quarter
Line 13 - Total Equity–Capital from Balance Sheet (see A or B above)
Line 14 - Total Assets from Balance Sheet (see A or B above)
Line 15 - Goodwill (see C above)
Line 16 - Net Equity (Line 13 minus Line 15)
Line 17 - Net Assets (Line 14 minus Line 15)
Line 18 - U.S. Obligations (see D above)

Fourth Quarter
Line 19 - Total Equity–Capital from Balance Sheet (see A or B above)
Line 20 - Total Assets from Balance Sheet (see A or B above)
Line 21 - Goodwill (see C above)
Line 22 - Net Equity (Line 19 minus Line 21)
Line 23 - Net Assets (Line 20 minus Line 21)
Line 24 - U.S. Obligations (see D above)

CALCULATION
Line 25 - Number of Quarters in Existence for Current Tax Year
Line 26 - Average Net Equity [(Line 4 plus 10 plus 16 plus 22) divided by Line 25]
Line 27 - Average of U.S. Obligations [(Line 6 plus 12 plus 18 plus 24) divided by Line 25]
Line 28 - Average Value of Net Assets [(Line 5 plus 11 plus 17 plus 23) divided by Line 25]
Line 29 - Divide Line 27 by Line 28. Carry to 6 decimal places.
Line 30 - Deduction for U.S. Obligations (Multiply Line 26 by Line 29.)
Line 31 - Current Year Value of Shares (Subtract Line 30 from Line 26.) Carry the amount to Page 2, Line 1.

FINANCIAL INSTITUTION SHARES TAX
INSTRUCTIONS FOR APPORTIONMENT

Page 5 - Schedule C

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 a combination of payroll, receipts and average deposits.

Payroll Factor

Line 1 - The numerator is total wages paid in Pennsylvania and the denominator 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 is total receipts in Pennsylvania and the denominator 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 and fees (such as 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 card holder 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 the total receipts for Columns A and B (sum of Lines 2 through 10).

Deposits Factor

Line 12 through Line 17 - The numerator is the average value of deposits in Pennsylvania during the taxable year, and the denominator 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 2 - Calculation of Shares Tax Apportionment

Line 12 - Payroll Inside PA (from Page 5, Schedule C, Line 1a)
Line 13 - Total Payroll (from Page 5, Schedule C, Line 1b)
Line 14 - Payroll Factor (Line 12 divided by Line 13); carry to six decimal places.
Line 15 - Receipts Inside PA (from Page 5, Schedule C, Line 11a)
Line 16 - Total Receipts (from Page 5, Schedule C, Line 11b)
Line 17 - Receipts Factor (Line 15 divided by Line 16); carry to six decimal places.
Line 18 - Average Deposits Inside PA (from Page 5, Schedule C, Line 17a)
Line 19 - Average Total Deposits (from Page 5, Schedule C, Line 17b)
Line 20 - Deposits Factor (Line 18 divided by Line 19); carry to six decimal places.
Line 21 - Total of Proportions (Line 14, plus Line 17, plus Line 20)
Line 22 - Apportionment Factor, if all three above factors apply, divide Line 21 by 3. If only two of the above factors apply, divide by 2. If only one of the above factors applies, divide by 1. Carry to six decimal places. Enter this decimal on Line 22 and on Page 2, Line 9.

Page 2 - Calculation of Shares Tax

Taxable shares equal the total shares for the current year plus each of the preceding five years, divided by 6. An entity in existence fewer than six years must total the shares for each of the years in existence and divide by that number of years. A partial year of existence is considered a full year. The value of shares for a partial year is determined by adding the book values for each report of condition filed or calendar quarter in existence and dividing the sum by the number of reports or quarters.

Line 1 - Current Year Value of Shares (from Page 4, Schedule B, Line 31)
Line 2 - First Prior Year Value of Shares
Line 3 - Second Prior Year Value of Shares
Line 4 - Third Prior Year Value of Shares
Line 5 - Fourth Prior Year Value of Shares
Line 6 - Fifth Prior Year Value of Shares
Line 7 - Sum of Value of Shares (total of Line 1 through Line 6)
Line 8 - Taxable Shares (Line 7 divided by 6 or the number of years in existence, if less than 6)
Line 9 - Shares Tax Apportionment (from Line 22); carry to six decimal places.
Line 10 - Total Amount of Shares Subject to Tax (Line 8 times Line 9)
Line 11 - Tax (Multiply Line 10 by 1.25 percent (0.0125). Carry the tax to RCT-132 Page 1, Line 1a.

If the taxpayer is the survivor of a merger of one or more institutions, the History of Shares would include the sum of the prior year value of shares of each institution. Institution has been defined as a bank operating as such and having capital stock which is located within this commonwealth. Therefore, a merger involving a non-PA bank, either as the merged company or the survivor, would not use the combined history of shares.