PA P-S KOZ (10-12)

PA KOZ
KEYSTONE OPPORTUNITY ZONE
COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF REVENUE

START → 20___

SCHEDULE P-S KOZ

FEIN 9 DIGIT - NO DASH

REVENUE ID (PA S CORP)

CALCULATION OF PA KEYSTONE OPPORTUNITY ZONE (KOZ) AND STRATEGIC DEVELOPMENT AREA (SDA)-EXEMPT INCOME FOR PARTNERS AND SHAREHOLDERS

Partnership/PA S Corporation Name _____

☐ **KOZ EXEMPTION OF INCOME CALCULATION** ☐ **SDA EXEMPTION OF INCOME CALCULATION**

NOTE: Check the appropriate box for the type of income exemption. The SDA-exempt income calculation is the same as the KOZ-exempt income calculation unless otherwise indicated in the instructions. An SDA entity should substitute SDA whenever/wherever KOZ is referenced in these instructions for the calculation of its exempt income, unless separate SDA instructions are included. Additionally, all references to Keystone Opportunity Zones (KOZ) in this document encompass and are synonymous with Keystone Opportunity Expansion Zones (KOEZ), Keystone Opportunity Improvement Zones (KOIZ) and Additional Keystone Opportunity Expansion Zones (AKOEZ). Unless otherwise noted in these instructions, all singular references to KOZ include KOEZ, KOIZ and AKOEZ.

Generally, partners and shareholders do not claim exemptions for the partnership's or PA S corporation's KOZ source income on individual income tax returns. Exceptions may apply if a partner or shareholder is a resident of a KOZ, in which case the individual should call 717-787-1064 to inquire about Schedule KOZ Supplemental Instructions. The partnership or PA S corporation (entity) must use Schedule P-S KOZ to calculate KOZ-exempt income. The entity then excludes each partner or shareholder's (owner's) share of the KOZ-exempt income from the income reported on each owner's PA Schedule RK-1 or NRK-1.

Enter the classified income from the PA-20S/PA-65 information return in Column A. Enter the KOZ-exempt income in Column B. Use the appropriate instructions and worksheets on the following pages to determine KOZ-exempt income in each PA class of income. Subtract Column B from Column A for each line and enter the amounts in Column C.

For Column D, carry over the amounts from Column C that are taxable to PA resident owners. For Column E, carry over the amounts from Column C that are taxable to nonresident owners.

Attach the completed PA Schedule P-S KOZ (with supporting worksheets) to the entity's PA 20-S/PA-65 Information Return.

IMPORTANT: If the entity does not have nonresident owners, completion of Lines 2, 6, 8, 10, 12 and 15 is not required, nor are corresponding worksheets.

	Column A PA-Reportable Income	Column B KOZ/SDA-Exempt Income	Column C PA-Taxable Income (Col. A – Col. B)	Column D PA Resident Owner Taxable Income	Column E PA Nonresident Owner Taxable Income
Line 1 – Total Adjusted Business Income or Loss from the Operation of a Business, Profession or Farm					
Line 2 – Total Adjusted/Apportioned Net Operating Income or Loss					
Line 3 – PA Taxable Interest Income					
Line 4 – PA Taxable Dividend Income					
Line 5 – Net Gain or Loss from the Sale, Exchange or Disposition of Property					
Line 6 – Allocable Net Gain or Loss from the Sale, Exchange or Disposition of Tangible Personal or Real Property					
Line 7 – Net Income or Loss from Rents, Royalties, Patents and Copyrights					
Line 8 – Allocable Net Income from Rents, Royalties, Patents and Copyrights in PA					
Line 9 – Estate or Trust Income					
Line 10 – Allocable Estate or Trust Income					
Line 11 – Gambling and Lottery Winnings					
Line 12 – Allocable Gambling and Lottery Winnings					
Line 13 – Guaranteed Payments for Capital or Other Services					
Line 14 – All Other Guaranteed Payments for Services Rendered (Resident Partners)					
Line 15 – Allocable All Other Guaranteed Payments for Services Rendered (Nonresident Partners)					
Line 16 – Distributions of Cash, Marketable Securities and Property					

DO NOT ENTER AMOUNTS IN SHADED AREAS.

Reset Entire Form

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COLUMN A INSTRUCTIONS

Line 1. Total Adjusted Business Income or Loss from the Operation of a Business, Profession or Farm – Enter the amount from Line 1e on Form PA-20S/PA-65.

Line 2. Total Adjusted/Apportioned Net Operating Income or Loss – Enter the amount from Line 2h on Form PA-20S/PA-65.

Line 3. PA Taxable Interest Income – Enter the amount from Line 3 on Form PA-20S/PA-65.

Line 4. PA Taxable Dividend Income – Enter the amount from Line 4 on Form PA-20S/PA-65.

Line 5. Net Gain or Loss from the Sale, Exchange or Disposition of Property – Add the amounts from Lines 5a and 5b on Form PA-20S/PA-65 and enter the total here.

Line 6. Allocable Net Gain or Loss from the Sale, Exchange or Disposition of Tangible Personal or Real Property – Enter the amount from Part I, Line 18 on PA-20S/PA-65 Schedule DI.

Line 7. Net Income or Loss from Rents, Royalties, Patents and Copyrights – Add the amounts from Lines 6a and 6b on Form PA-20S/PA-65 and enter the total here.

Line 8. Allocable Net Income from Rents, Royalties, Patents and Copyrights in PA – Enter the amount from Line 6b on Form PA-20S/PA-65.

Line 9. Estate or Trust Income – Add the amounts from Lines 7a and 7b on Form PA-20S/PA-65 and enter the total here.

Line 10. Allocable Estate and Trust Income – Enter the amount from Line 7b on Form PA-20S/PA-65.

Line 11. Gambling and Lottery Winnings – Add the amounts from Lines 8a and 8b on Form PA-20S/PA-65 and enter the total here.

Line 12. Allocable Gambling and Lottery Winnings – Enter the amount from Line 8b on Form PA-20S/PA-65.

Line 13. Guaranteed Payments for Capital or Other Services – Enter the amount from Line 16 of PA-20S/PA-65.

Line 14. All Other Guaranteed Payments for Services Rendered (Resident Partners) – Enter the amount from Line 17 of PA-20S/PA-65.

Line 15. Allocable All Other Guaranteed Payments for Services Rendered (Nonresident Partners) – Enter the total amount of the nonresident partners guaranteed payments included in Line 17 of the PA-20S/PA-65.

Line 16. Distributions of Cash, Marketable Securities and Property – Enter the amount from Line 15 or 20 on Form PA-20S/PA-65 for partnership and S corporations, respectively.

COLUMN B INSTRUCTIONS

Line 1. Total Adjusted Business Income or Loss from the Operation of a Business, Profession or Farm – Determine the amount of income exempt from taxation. If an entity realizes a net loss, do not calculate KOZ-exempt income. Enter a zero in Column B, Line 1. If the entity has no guaranteed payments reportable in Column A, Lines 14 and 15, proceed to the instructions for Column B, Line 2. Partnerships with guaranteed payments may be required to complete Worksheet 1. See the instructions for Column B, Lines 14 and 15, for additional information.

Also determine if the entity operates wholly within a KOZ, wholly outside a KOZ or partly within a KOZ. In addition, determine if the entity's business income is derived only from sources inside PA or from sources inside and outside PA. If the entity owned and operated a qualified business profession or farm inside a KOZ, you must apply the rules under sections A, B or C below to determine the portion of the business operation inside the KOZ and to calculate the KOZ-exempt income.

A. Operation Wholly Inside a KOZ. If the operation of a qualified business is wholly inside the KOZ, the entity allocates its net profit or loss exclusively to the KOZ. The operation of a business is wholly inside the KOZ if during the entire taxable year:

1. The entity or its representative maintained or operated inside the KOZ an office, shop, store, warehouse, factory, agency or commercial establishment where it systematically and regularly conducted or managed such business; and
2. The entity or its representative did not maintain or operate outside the KOZ any office, shop, store, warehouse, factory, agency or commercial establishment where it systematically and regularly conducted or managed such business. The entity or its representative also did not: employ individuals who solicited sales outside the KOZ; make installations of or repairs to the products sold outside the KOZ; repair, improve or service real or personal property of the customer at a location outside the KOZ; or provide services to a customer or client when the income-producing activity was performed outside the KOZ.

For a qualified business wholly operated inside a KOZ that has no taxable income from other entities (Line 1b of Form PA-20S/PA-65 is blank), all of the PA-reportable business income is KOZ-exempt income. Enter the amount from Column A, Line 1 in Column B, Line 1. The entity must also complete Worksheet 1 to calculate the exempt business income under KOZ law.

If the entity receives business income from other entities, do not include the income from other entities in the amount shown in Column B, Line 1. In such cases, a partnership enters in Column B, Line 1 the amount from Line 1a of Form PA-20S/PA-65, and a PA S corporation enters in Column B, Line 1 the amount from Line 1e of Form PA-20S/PA-65, less the amount from Line 1b of Form PA-20S/PA-65.

B. Operation Wholly Outside a KOZ. If the operation of the business is wholly outside a KOZ, the entity cannot allocate or apportion to the KOZ any item of revenue, loss, cost or expense it derives or incurs. The operation of a business is wholly outside a KOZ if during the taxable year the entity is not a qualified business, because it does not own or lease an office, shop, store, warehouse, factory, agency or commercial establishment within the geographical boundaries of a KOZ. In this situation, do not enter any amount in Column B, Line 1.

C. Operation Partly Inside a KOZ. An entity that operates a qualified business, profession or farm neither wholly inside nor outside a KOZ is defined as partly inside a KOZ. The entity must then determine if the business income is derived only from sources within PA or derived from sources inside and outside PA. Follow the instructions for determining the sources of income:

1. **Business Income Derived only from Sources Inside PA**. An entity must complete Worksheet 1 to determine the exempt portion of business income under KOZ law. Worksheet 1 uses the apportionment method for determining the exempt business income. Use the instructions for the accompanying Worksheet 1 to calculate the exempt net profits under the KOZ law.
2. **Business Income Derived from Sources Both Inside and Outside PA**. An entity receiving income from sources inside and outside PA must complete PA-20S/PA-65 Schedule H to apportion its income to PA before determining the amount of business income derived from sources inside PA. Use the apportioned PA-source income from PA-20S/PA-65 Schedule H in conjunction with Worksheet 1 to determine the exempt portion of the business income under KOZ law. Enter the income amount from Line 7 of PA-20S/PA-65 Schedule H on Line 6 of Worksheet 1.

Use the instructions for the accompanying Worksheet 1 to calculate the exempt net profits under the KOZ law. Include PA-20S/PA-65 Schedule H along with the PA Schedule P-S KOZ.

NOTE: Separate accounting may only be used upon written request to and approval by the PA Department of Revenue.

Line instructions for Worksheet 1

Line 1. Property Factor. The property factor is a fraction determined by dividing the average historical cost of property located inside the KOZ by the average historical cost of property located inside all of PA. In Box i, enter the average value of the entity's real and tangible personal property owned or rented by and used in PA during the tax period. In Box ii, enter the average value of the entity's real and tangible personal property owned or rented by and used inside the KOZ during the tax period. Rental property is valued by multiplying the gross rents paid during the taxable year by 8. Divide the amount in Box ii by the amount in Box i and enter the result in Box iii. Calculate the factor to six decimal places.

Line 2. Payroll Factor. The payroll factor is a fraction determined by dividing the amount of payroll inside the KOZ by the amount of payroll in all of PA. In Box i, enter the total compensation paid in PA during the tax period by the entity. In Box ii, enter the total compensation paid in the KOZ during the tax period by the entity. Compensation is paid in a KOZ if:

- **a**. The person's service is performed entirely inside the KOZ;
- **b**. The person's service is performed inside and outside the KOZ but the service performed outside the KOZ is incidental to the service inside the KOZ;
- **c**. Some of the service is performed inside the KOZ and the base of operations or, if there is no base of operations, the place from which the service is directed or controlled is inside the KOZ; or
- **d**. Some of the service is performed inside the KOZ and the base of operations from which service is directed or controlled is not in any location in which some part of the service is performed but the person's residence is inside the KOZ.

Divide the amount in Box ii by the amount in Box i and enter the result in Box iii. Calculate the factor to six decimal places.

Line 3. Sales Factor.
NOTE: As a result of Act 79 of 2008, the sales factor is not required to be calculated for KOZ, KOEZ, KIZ or AKOEZ entities for tax years beginning after Dec. 31, 2008. Worksheet 1, Line 3 should be left blank for all such entities. Amended returns for tax years ending on or before Dec. 31, 2008, must include this factor. The sales factor must be calculated for SDA entities only.

The sales factor is a fraction determined by dividing the amount of sales inside the SDA by the amount of sales in all of PA. Enter in Box i, the total sales of the entity in PA during the tax period. Enter in Box ii, the total sales of the entity inside the SDA during the tax period. Sales inside an SDA include sales of tangible personal property and other property if:

- **a.** The sales of tangible personal property are delivered to a purchaser inside the SDA regardless of the F.O.B. point or other conditions of sale;
- **b.** The sales of property other than sales of tangible personal property are from an income-producing activity performed inside the SDA; or
- **c.** The sales of property other than sales of tangible personal property are from an income-producing activity performed inside and outside the SDA and a greater proportion of the income-producing activity is performed inside the SDA than in any other location, based upon costs of performance.

Divide the amount in Box ii by the amount in Box i and enter the result in Box iii. Calculate the factor to six decimal places.

Lines 4, 5, 6 and 7. See the instructions on Worksheet 1.

WORKSHEET 1 (for Column B, Line 1)
QUALIFIED BUSINESS, PROFESSION OR FARM

Factors	i Inside Pennsylvania	ii Inside KOZ/SDA	iii Apportionment Factors (ii divided by i)
1. Enter the average value of real and tangible personal property.			___ . ___ ___ ___ ___ ___ ___
2. Enter the amount of wages, salaries and compensation paid.			___ . ___ ___ ___ ___ ___ ___
3. Enter the amount of sales. (SDA only)			___ . ___ ___ ___ ___ ___ ___
4. TOTAL - Add the decimals from 1, 2 and 3 in Box iii.			___ . ___ ___ ___ ___ ___ ___
5. Apportionment Factor - Divide Line 4 by 3 if all three factors apply; by 2 if only two factors apply; or by 1 if only one factor applies. Express in a decimal.			___ . ___ ___ ___ ___ ___ ___
6. For partnerships, enter net profits from Line 1a of PA-20S/PA-65 or Line 7 of PA-20S/PA-65 Schedule H (if required to apportion to PA). For PA S corporations, enter net profits from Line 1e of PA-20S/PA-65 less Line 1b of PA-20S/PA-65, or Line 7 of PA-20S/PA-65 Schedule H less Line 1b of PA-20S/PA-65 (if required to apportion to PA).			
7. Exempt KOZ/SDA Business Income. Multiply Line 6 by Line 5. Enter this amount on Column B, Line 1 of this schedule.			

Line 2. Apportioned Net Qualified Business Income or Loss. Determine income attributable to PA sources and exempt from taxation. If the entity realized a net loss in Column A, Line 1, and Column A, Line 2, or if the entity has no nonresident owners, the entity does not need to calculate KOZ-exempt income from PA sources and may enter zeros on Line 2 for Columns B, C and E. If the entity realized a net profit, enter the amount from Column B, Line 1 of this schedule in Column B, Line 2.

NOTE: Separate accounting may only be used upon written request to and approval by the PA Department of Revenue.

Line 3. PA Taxable Interest Income. Under the provisions of KOZ law, interest is exempt for PA personal income tax only if received by a resident of a KOZ. Do not enter any amount in Column B, Line 3. The KOZ resident owner claims an exemption for this income upon filing a PA individual income tax return (PA-40 KOZ).

Line 4. PA Taxable Dividend Income. Under the provisions of KOZ law, dividends are exempt from PA personal income tax only if received by a resident of a KOZ. Do not enter any amount in Column B, Line 4. The KOZ resident owner claims an exemption for this income upon filing a PA individual income tax return (PA-40 KOZ).

COLUMN B INSTRUCTIONS (continued)

Line 5. Net Gain or Loss from the Sale, Exchange or Disposition of Property. An entity must determine if the property sold, exchanged or disposed of was tangible personal property, real property or intangible property. Generally, an entity may only exempt income from the sale of tangible personal or real property. However, owners who are residents of a KOZ may also exempt the income from the sale of intangible property. See the rules relating to intangible property below for additional information regarding exemption of gains from intangible property. If an entity realized a net loss in Column A, Line 5, do not calculate KOZ-exempt income. Enter a zero in Column B, Line 5, and proceed to the instructions for Column B, Line 6. If the entity realized a net gain, see the following rules relating to tangible personal or real property and intangible property to determine what portion of the net gains reported during the tax period may be exempted:

Tangible Personal or Real Property. Net gains from the sale, exchange or disposition of tangible personal or real property owned by the entity must be physically located inside a KOZ to be exempt under KOZ law. Whenever an entity makes a sale, exchange or disposition of such property, it must calculate the exempt portion of the gain for the period when the property was owned and located inside a KOZ during the effective date of the KOZ law. If an entity makes a sale, exchange or disposition of such property that straddles a KOZ, include a statement showing the method that reasonably and accurately reflects the value of the property inside and outside the KOZ and provides the amount of gain or loss attributable to the property inside and outside the KOZ. If the entity reported a gain in Column B, Line 5, Worksheet 2 must be completed for each sale of tangible personal or real KOZ property.

Intangible Personal Property. Under the provisions of the KOZ law, only residents of a KOZ are entitled to claim exemptions against net gains (less net losses) from the sale, exchange or disposition of intangible property. Do not exclude gain or loss for this income item when reporting each owner's share of income on Form PA-20S/PA-65 Schedule RK-1. Each owner who satisfies the residency requirements under the KOZ law will be able to claim the exemption for this income upon filing of a PA individual income tax return (PA-40 KOZ). The entity will be required (upon request by a KOZ resident owner) to provide all information necessary for the owner to report the sale and calculate the exempt portion of the net gains from the entity's sale of the intangible property.

WORKSHEET 2 (for Column B, Line 5)
SALE, EXCHANGE OR DISPOSITION OF TANGIBLE PERSONAL OR REAL KOZ PROPERTY
Complete a separate worksheet for each sale.

Description and/or address of the KOZ property sold, including its tax parcel ID number: _____

a. If the property was acquired after 12/31/98 and was located inside the KOZ, after 12/31/00 and was located inside a KOEZ, after 12/31/02 and was located inside a KOIZ, after 12/31/06 and was located inside an SDA or after 12/31/09 and was located inside an AKOEZ for the entire time it was owned, enter the gain or loss here.	a. _____
b. If the property was acquired prior to 1/1/99 (KOZ), 1/1/01 (KOEZ), 1/1/03 (KOIZ), 1/1/07 (SDA) or 1/1/10 (AKOEZ), or if it was located outside of a KOZ/KOEZ/KOIZ/SDA/AKOEZ during the ownership period, follow the steps below.	
1. Enter the number of days the property was owned inside a KOZ since 1/1/99, inside a KOEZ since 1/1/01, inside a KOIZ since 1/1/03, inside an SDA since 1/1/07, or inside an AKOEZ since 1/1/10.	1. _____
2. Enter the total number of days the property was owned.	2. _____
3. Apportionment Factor. Divide Line 1 by Line 2. Calculate the factor to six decimal places.	3. ___ . ___ ___ ___ ___ ___ ___
4. Enter the gain or loss on the sale of the property.	4. _____
5. Multiply Line 4 by Line 3.	5. _____

If the entity sold only one article of KOZ property, enter the amount from this worksheet in Column B, Line 5. If a loss, enter zero in Column B, Line 5.

If the entity sold more than one article of real or tangible personal property located in a KOZ, first total the amounts from all Worksheet 2 forms, then enter the net result in Column B, Line 5. If a net loss, enter zero in Column B, Line 5.

NOTE: When reporting the distributive share of income on Form PA-20S/PA-65 Schedule RK-1 for each owner, only exclude the KOZ-exempt income from each particular owner's income if the property was held by the entity during the period of time the owner held an ownership interest in the entity. If the asset sold, disposed of or exchanged was purchased by an entity before the owner held an ownership interest in the entity and the asset sold, disposed of or exchanged was purchased before or after the entity became eligible under the requirements of the KOZ law, the exempt portion of any gain or loss for the owner must be adjusted to reflect only the exemption of the net gain or loss attributable for the owner's period of ownership in the KOZ entity.

A separate Worksheet 2 is required for each property sold located in a KOZ. Enter the amount from Line 5 of Worksheet 2 in Column B, Line 5 of the Schedule P-S KOZ. If more than one Worksheet 2 was completed as a result of more than one property located in a KOZ being sold, add the amounts from each Worksheet 2, Line 5 and enter the amount in Column B, Line 5 of the Schedule P-S KOZ.

Line 6. Allocable Net Gain or Loss from the Sale, Exchange or Disposition of Tangible Personal or Real Property. Determine the net gain or loss attributable to the sale, exchange or disposition of tangible personal or real property from PA sources that is exempt from taxation. If the entity realizes a net loss in Column A, Line 5 and Column A, Line 6, or if the entity has no nonresident owners, the entity does not need to calculate KOZ-exempt income from PA sources and may enter zeros on Line 6 for Columns B, C and E. If the entity has nonresident owners and realizes net gains from the sale, exchange or disposition of tangible personal or real property, enter the amount from Column B, Line 5, of this schedule in Column B, Line 6. If the entity realizes a net loss in Column A, Line 5 but realizes a net gain in Column A, Line 6, calculate the exemption by completing a separate Worksheet 3 for each sale of tangible personal or real KOZ property.

WORKSHEET 3 (for Column B, Line 6)
SALE, EXCHANGE OR DISPOSITION OF TANGIBLE PERSONAL OR REAL KOZ PROPERTY
Complete a separate worksheet for each sale.

Description and/or address of the KOZ property sold, including its tax parcel ID number: _____

a. If the property was acquired after 12/31/98 and was located inside the KOZ, after 12/31/00 and was located inside a KOEZ, after 12/31/02 and was located inside a KOIZ, after 12/31/06 and was located inside an SDA or after 12/31/09 and was located inside an AKOEZ for the entire time it was owned, enter the gain or loss here.	a. _____
b. If the property was acquired prior to 1/1/99 (KOZ), 1/1/01 (KOEZ), 1/1/03 (KOIZ), 1/1/07 (SDA) or 1/1/10 (AKOEZ), or if it was located outside of a KOZ/KOEZ/KOIZ/SDA/AKOEZ during the ownership period, follow the steps below.	
1. Enter the number of days the property was owned inside a KOZ since 1/1/99, inside a KOEZ since 1/1/01, inside a KOIZ since 1/1/03, inside an SDA since 1/1/07 or inside an AKOEZ since 1/1/10.	1. _____
2. Enter the total number of days the property was owned.	2. _____
3. Apportionment Factor. Divide Line 1 by Line 2. Calculate the factor to six decimal places.	3. ___ . ___ ___ ___ ___ ___ ___
4. Enter the gain or loss on the sale of the property.	4. _____
5. Multiply Line 4 by Line 3.	5. _____

If the entity sold only one article of KOZ property, enter the amount from this worksheet in Column B, Line 6. If a loss, enter zero in Column B, Line 6.

If the entity sold more than one article of real or tangible personal property located in a KOZ, first total the amounts from all Worksheet 3 forms, then enter the net result in Column B, Line 6. If a net loss, enter zero in Column B, Line 6.

NOTE: When reporting the distributive share of income on Form PA-20S/PA-65 Schedule RK-1 for each owner, only exclude the KOZ-exempt income from each particular owner's income if the property was held by the entity during the period of time the owner held an ownership interest in the entity. If the asset sold, disposed or exchanged was purchased by an entity before the owner held an ownership interest in the entity and the asset sold, disposed or exchanged was purchased before or after the entity became eligible under the requirements of the KOZ law, the exempt portion of any gain or loss for the owner must be adjusted to reflect only the exemption of the net gain or loss attributable for the owner's period of ownership in the KOZ entity.

A separate Worksheet 3 is required for each property sold located in a KOZ. Enter the amount from Line 5 of Worksheet 3 in Column B, Line 6, of the Schedule P-S KOZ. If more than one Worksheet 2 was completed as a result of more than one property located in a KOZ being sold, add the amounts from each Worksheet 3, Line 5 and enter the amount in Column B, Line 6 of the Schedule P-S KOZ.

Line 7. Real Estate Rents or Tangible Personal Property Rents. Determine real estate rents or tangible personal property rents separate from other rents. An entity may only exempt the income from real estate rents and tangible personal property rents (as further outlined below) of property located or leased for use inside a KOZ. Under KOZ law there is no exemption for income from patents, royalties or copyrights. If an entity realized a net loss in Column A, Line 7, do not calculate KOZ exempt income. Enter a zero in Column B, Line 7, and proceed to the instructions for Column B, Line 8.

Real Estate Rents. Rental income the entity derives from real estate (not employed in the operation of its business) and costs, expenses and liabilities the entity incurs in the production or collection of such rents are allocable to a KOZ only if the rental property is inside a KOZ.

Tangible Personal Property Rents. The entity apportions the rental income it derives from tangible personal property (not employed in its business) to a KOZ only for the periods the lessee used the tangible personal property inside a KOZ. Costs, expenses and liabilities the entity incurs in the production or collection of such rents are allocable to a KOZ only if the rental property is inside a KOZ.

If the entity receives rents from real estate or tangible personal property that straddles a KOZ, include a statement showing the method that reasonably and accurately reflects the value of the property inside and outside the KOZ and provides the amount of rental income or loss attributable to the property inside and outside the KOZ.

If the entity derives net rental income from real estate or tangible personal property located inside a KOZ during the tax period, complete Worksheet 4. If the entity derives income from renting tangible personal property leased for use inside and outside a KOZ during the tax period, it can only claim an exemption for the net rents attributable to the time the property was leased and used inside a KOZ. A separate Worksheet 4 is required for each property and each type of property. Enter the amount from Line 1 or Line 2e of Worksheet 4 in Column B, Line 7 of Schedule P-S KOZ. If more than one Worksheet 4 was completed as a result of more than one property being located within a KOZ or leased for use in a KOZ, add the amounts from each Worksheet 4, Line 1 and/or Line 2e and enter the amount in Column B, Line 7 of Schedule P-S KOZ.

WORKSHEET 4 (for Column B, Line 7)
RENTAL OF REAL OR TANGIBLE PERSONAL KOZ PROPERTY
Complete a separate worksheet for each rental property.

Description and/or address of the KOZ rental property: _____

Real Property

1. Net rental income or loss from real property inside a KOZ. 1. _____

Tangible Personal Property

2a. Net rental income or loss from tangible personal property rented inside a KOZ. 2a. _____

2b. Days during taxable year tangible personal property was rented inside a KOZ. 2b. _____

2c. Total days rented during the taxable year. 2c. _____

2d. Apportionment Factor. Divide Line 2b by Line 2c. Calculate the factor to six decimal places 2d. ___ . ___ ___ ___ ___ ___ ___

2e. Multiply Line 2a by Line 2d for the tangible personal property rented during the taxable year. 2e. _____

If the entity derived rental income from only one KOZ property, enter this amount in Column B, Line 7. If a loss, enter zero in Column B, Line 7.

If the entity derived rental income from multiple KOZ properties, first total the amounts from all Worksheet 4 forms, then enter the net result in Column B, Line 7. If a loss, enter zero in Column B, Line 7.

Line 8. Allocable Real Estate Rents or Tangible Personal Property Rents. Determine the real estate rents or tangible personal property rents attributable to PA sources. Under KOZ law, there is no exemption for income from patents, royalties or copyrights. If the entity realizes a net loss in Column A, Line 7 and Column A, Line 8, or if the entity has no nonresident owners, the entity does not need to calculate KOZ-exempt income from PA sources and may enter zeros on Line 8 for Columns B, C and E. If the entity realizes net income in Column A, Line 7 and Column A, Line 8, enter the amount from Column B, Line 7, in Column B, Line 8. If an entity realizes a net loss in Column A, Line 7 but realizes net income in Column A, Line 8, calculate the exempt income by completing a separate Worksheet 5 for each rental property. See the instructions for Column B, Line 7 for further information.

WORKSHEET 5 (for Column B, Line 8)
RENTAL OF REAL OR TANGIBLE PERSONAL KOZ PROPERTY
Complete a separate worksheet for each rental property.

Description and/or address of the KOZ rental property: _____

Real Property

1. Net rental income or loss from real property inside a KOZ. 1. _____

Tangible Personal Property

2a. Net rental income or loss from tangible personal property rented inside a KOZ. 2a. _____

2b. Days during taxable year tangible personal property was rented inside a KOZ. 2b. _____

2c. Total days rented during the taxable year. 2c. _____

2d. Apportionment Factor. Divide Line 2b by Line 2c. Calculate the factor to six decimal places 2d. ___ . ___ ___ ___ ___ ___ ___

2e. Multiply Line 2a by Line 2d for the tangible personal property rented during the taxable year. 2e. _____

If the entity derived rental income from only one KOZ property, enter this amount in Column B, Line 8. If a loss, enter zero in Column B, Line 8.

If the entity derived rental income from multiple KOZ properties, first total the amounts from all Worksheet 5 forms, then enter the net result in Column B, Line 8. If a loss, enter zero in Column B, Line 8.

Line 9. Estate or Trust Income. Under KOZ law, estate or trust income is only exempt from PA personal income tax when distributed to a resident of a KOZ. Do not enter any amount on Column B, Line 9. The KOZ resident owner claims the exemption for this income upon filing a PA individual income tax return (PA-40 KOZ).

Line 10. Allocable Estate or Trust Income. Under KOZ law, estate or trust income is only exempt from PA personal income tax when distributed or credited to a resident of a KOZ. Do not enter any amount in Column B, Line 10.

Line 11. Gambling and Lottery Winnings. Gambling and Lottery winnings are not exempt for any taxpayers under KOZ law. Do not enter any amount in Column B, Line 11. Report each resident owner's distributive share of this income on Form PA-20S/PA-65 Schedule RK-1 without any deductions. Do not enter any amount in Column B, Line 11. Report each resident owner's distributive share of this income on Form PA-20S/PA-65 Schedule RK-1 without any deductions.

Line 12. Allocable Gambling and Lottery Winnings. Gambling and Lottery winnings are not exempt for any taxpayers under KOZ

law. Do not enter any amount in Column B, Line 12. Report each nonresident owner's distributive share of this income on Form PA-20S/PA-65 Schedule NRK-1 without any deductions.

Line 13. Guaranteed Payments for Capital or Other Services. Guaranteed payments for return of capital or for any other services are generally not taxable for PA personal income tax purposes. Each partner should determine separately if any guaranteed payments for return of capital exceed the partner's basis in the partnership by completing REV-999 PT. Any payment determined to be in excess of basis (taxable) for PA personal income tax purposes on REV-999 PT is considered the sale of an intangible asset by the partner. A partner who satisfies the residency requirements under KOZ law will be able to claim the exemption for this income based upon the ownership period of the partnership upon the filing a PA individual tax return (PA-40 KOZ). Do not enter any amount in Column B, Line 13.

Lines 14 and 15. All Other Guaranteed Payments for Services Rendered - Resident and Nonresident Partners. When determining what guaranteed payments are exempt from taxation for a KOZ-based partnership entity, there are four issues the entity must resolve. First, the entity must determine if Worksheet 6 and/or Worksheet 7 must be completed based upon whether the entity has income from the operation of a business located wholly within a KOZ, wholly outside a KOZ or partly within a KOZ. If the entity is wholly within a KOZ or partly within a KOZ, the entity must complete Worksheet 6 and/or Worksheet 7. If the entity operates wholly outside a KOZ, there is no exemption of guaranteed payments by the partnership, and Worksheets 6 and 7 need not be completed. The entity must also classify the guaranteed payments as business or rental income. The entity must then determine separately for each partner if net income will be greater than zero when combining the amount of each partner's guaranteed payments with the business partner's income or loss from the operation of a business, profession or farm or the rental income or loss from rents, royalties, patents and copyrights for each partner. For each partner whose income is greater than zero, the guaranteed payments are then reduced by the KOZ-exempt portion of the income. Use Worksheet 6 to calculate the exemption for partnerships with resident partners. Use Worksheet 7 to calculate the exemption for partnerships with nonresident partners. Use both worksheets when a partnership has both resident and nonresident partners.

WORKSHEET 6 (for Column B, Line 14)
ALLOCABLE ALL OTHER GUARANTEED PAYMENTS FOR SERVICES RENDERED (Resident Partners)
Complete a separate column for each resident partner. Include additional worksheets if necessary.

Partner	A	B	C	Totals
Income Tests:				
1. Amount of resident partner's share of income (loss) from Schedule P-S KOZ, Column A, Line 1.				
2. Amount of resident partner's portion of Schedule P-S KOZ, Column A, Line 14 classified as business income.				
3. Add Lines 1 and 2. See instructions.				
4. Amount of resident partner's share of income (loss) from Schedule P-S KOZ, Column A, Line 7.				
5. Amount of resident partner's portion of Schedule P-S KOZ, Column A, Line 14 classified as rental income.				
6. Add Lines 4 and 5. See instructions.				
Guaranteed Payment Type:				
Business Income:				
7. Amount of resident partner's portion of Schedule P-S KOZ, Column A, Line 14 classified as business income.				
8. PA apportionment factor from Line 5 of PA Schedule H.	____ . ____	____	____	____ ____ ____
9. PA KOZ apportionment factor from Line 4 of Worksheet 1.	____ . ____	____	____	____ ____ ____
10. Multiply Line 7 by Line 8, and the result by Line 9, and enter result.				
Rental Income:				
11. Amount of resident partner's portion of Schedule P-S KOZ, Column A, Line 14 classified as real estate rents from property located inside a KOZ.				
12. Amount of resident partner's portion of Schedule P-S KOZ, Column A, Line 14 classified as tangible personal property rents.				
13. PA KOZ apportionment factor from Line 2d of Worksheet 4.	____ . ____	____	____	____ ____ ____
14. Multiply Line 12 by Line 13 and enter result.				
15. Total Exempt Guaranteed Payments by Partner - Add Lines 10, 11 and 14 for each resident partner.				
16. Add Lines 2 and 5 and subtract Line 15. Enter the result here and on each resident partner's Schedule RK-1.				
17. Total Exempt Guaranteed Payments - add the amounts in the Totals Column for Lines 10, 11 and 14. Enter the result here and in Column B, Line 14 of Schedule P-S KOZ.				

COLUMN B INSTRUCTIONS (continued)

IMPORTANT: For Worksheets 6 and 7, the Income Tests Sections must be completed by all partnerships with guaranteed payments regardless of whether or not any of the guaranteed payments are exempt from taxation as determined by the worksheets.

Classifying Guaranteed Payments as Business or Rental Income. Partnerships that have guaranteed payments paid to partners will classify the income as net income or loss from the operation of a business, profession or farm or net income or loss from rents, royalties, patents and copyrights depending upon what type of income the partnership reports. Partnerships reporting both types of income must classify the guaranteed payments according to whether the services provided were related to the operation of a business or related to services provided for the rental property or both. If the guaranteed payments are classified as both business income and rental income, complete all lines of the Income Tests Sections on Worksheet 6 and Worksheet 7 (if applicable). If the guaranteed payments are classified only as business income or only as rental income, complete the appropriate lines for the appropriate classes of income in the Income Tests Sections and enter zeros on the lines for other class of income in the Income Tests sections.

Worksheet 6 Instructions

Line 1. For each resident partner, enter the partner's share of income or loss from Schedule P-S KOZ, Column A, Line 1.

NOTE: Multiple copies of Worksheet 6 may be required for entities with more than three partners. Complete additional Worksheets 6 for entities with more than three partners and include the totals for all partners in the entity on the first Worksheet 6 only.

Line 2. Enter the amount of each resident partner's portion of guaranteed payments from Schedule P-S KOZ, Column A, Line 14 classified as business income.

Line 3. Add Lines 1 and 2 for each resident partner. If the result is zero or less for any partner, enter a zero on Line 10 for that partner. Complete Lines 7 through 10 as required for any partner with a result greater than zero.

Line 4. For each resident partner, enter the partner's share of income or loss from Schedule P-S KOZ, Column A, Line 7.

Line 5. Enter the amount of each resident partner's portion of guaranteed payments from Schedule P-S KOZ, Column A, Line 14 classified as rental income.

Line 6. Add Lines 4 and 5 for each resident partner. If the result is zero or less for any partner, enter a zero on Lines 11 and 14 for that partner. Complete Lines 11 through 14 as required for any partner with a result greater than zero.

NOTE: If Line 3 shows zero or less total income for the business class of income, there is no exempt portion of the guaranteed payments classified as business income. Likewise, if Line 6 shows zero or less income for the rental class of income, there is no exempt portion of the guaranteed payments classified as rental income.

Line 7. If the entity reports its guaranteed payments as business income, enter the amount of each resident partner's portion of Schedule P-S KOZ, Column A, Line 14 guaranteed payments classified as business income where Line 3 is greater than zero.

Line 8. Enter the PA apportionment factor from PA Schedule H, Line 5 for each partner with an amount on Line 7. If the entity operates wholly within Pennsylvania, enter 1.0 on Line 8.

Line 9. Enter the KOZ apportionment factor from Line 4 of Worksheet 1 for each partner with an amount on Line 7. If the entity's PA operations are wholly within a KOZ, enter 1.0 on Line 9.

Line 10. For each partner with an amount on Line 7, multiply Line 7 by the factor on Line 8, and the result by the factor on Line 9. This is the amount of guaranteed payments attributable to a partner from the operation of business, profession or farm located within a KOZ. Add the amounts for each partner with an amount on Line 10 and enter the result in the Totals Column.

Line 11. If the entity reports its guaranteed payments as rental income and the rental property is real estate, enter the amount of Schedule P-S KOZ, Column A, Line 14 guaranteed payments attributable to any KOZ-exempt rental income reported on Schedule P-S KOZ, Column A, Line 7, where Line 6 for a partner is greater than zero. If the entity has more than one real estate property and some properties are located inside the KOZ and some properties are located outside the KOZ, the guaranteed payments must be prorated based upon the gross rents of the properties unless the guaranteed payments are specifically associated with or attributable to the real estate properties located in the KOZ. Enter only the KOZ-exempt portion of the guaranteed payments. Add the amounts for each partner with an amount on Line 11 and enter the result in the Totals Column.

Line 12. If the entity reports its guaranteed payments as rental income and the rental property is tangible personal property, enter the amount of Schedule P-S KOZ, Column A, Line 14 guaranteed payments attributable to the KOZ-exempt exempt tangible personal property reported Schedule P-S KOZ, Column A, Line 7, where Line 6 for a partner is greater than zero. If the entity has more than one item of tangible personal property, and some properties are located and used inside the KOZ and some properties are located or used outside the KOZ, the guaranteed payments must be prorated based upon the gross rents of the properties unless the guaranteed payments are specifically associated with or attributable to the specific items of tangible personal property located and used inside the KOZ. Enter only the KOZ-exempt portion of the guaranteed payments for a single property. Complete a separate Worksheet 6 for each property.

Line 13. Enter the PA KOZ apportionment factor from Line 2d of Worksheet 4 for each partner with an amount on Line 12. Complete a separate Worksheet 6 for each property.

Line 14. Multiply Line 12 by Line 13 for each partner with an amount on Line 10 greater than zero and enter the result here. Add the amounts for each partner with an amount on Line 14 and enter the result in the Totals Column.

Line 15. Add the amounts on Lines 10, 11 and 14 for each resident partner.

Line 16. Add the amounts on Lines 2 and 5, subtract Line 15 and enter the result here. Report the result on each partner's Schedule RK-1. If multiple Worksheets 6 were completed, add the amounts from any other Worksheets 6 for each partner and then subtract the result from the resident partner's total guaranteed payments before reporting the result on the resident partner's Schedule RK-1 from the partnership entity. Add the amounts for each resident partner and enter the total in the Totals Column. This amount should also be reported on Schedule P-S KOZ, Column D, Line 14.

Line 17. Add the amounts in the Total Column for Lines 10, 11 and 14. Enter the result here and on Schedule P-S KOZ, Column B, Line 14. If multiple Worksheets 6 were completed, add the amounts from any other Worksheets 6 for each line 17 before reporting the result on Schedule P-S KOZ, Column B, Line 14.

WORKSHEET 7 (for Column B, Line 15)
ALLOCABLE ALL OTHER GUARANTEED PAYMENTS FOR SERVICES RENDERED (Nonresident Partners)
Complete a separate column for each resident partner. Include additional worksheets if necessary.

Partner	A	B	C	Totals
Income Tests:				
1. Amount of nonresident partner's share of income (loss) from Schedule P-S KOZ, Column A, Line 2.				
2. Amount of nonresident partner's portion of Schedule P-S KOZ, Column A, Line 15 classified as business income.				
3. PA apportionment factor from Line 5 of PA Schedule H.	____ . ____	____	____	____ ____ ____
4. Multiply Line 2 by Line 3 and enter result.				
5. Add Lines 1 and 4. See instructions.				
6. Amount of nonresident partner's share of income (loss) from Schedule P-S KOZ, Column A, Line 8.				
7. Amount of nonresident partner's portion of Schedule P-S KOZ, Column A, Line 15 classified as rental income from PA properties.				
8. Add Lines 6 and 7. See instructions.				
Guaranteed Payment Type:				
Business Income:				
9. Amount of nonresident partner's portion of Schedule P-S KOZ, Column A, Line 15 classified as business income.				
10. PA apportionment factor from Line 5 of PA Schedule H.	____ . ____	____	____	____ ____ ____
11. PA KOZ apportionment factor from Line 4 of Worksheet 1.	____ . ____	____	____	____ ____ ____
12. Multiply Line 9 by Line 10, and the result by Line 11, and enter result.				
Rental Income:				
13. Amount of nonresident partner's portion of Schedule P-S KOZ, Column A, Line 15 classified as real estate rents from property located inside a KOZ.				
14. Amount of nonresident partner's portion of Schedule P-S KOZ, Column A, Line 15 classified as tangible personal property rents.				
15. PA KOZ apportionment factor from Line 2d of Worksheet 5.	____ . ____	____	____	____ ____ ____
16. Multiply Line 14 by Line 15 and enter result.				
17. Total Exempt Guaranteed Payments by Partner - Add Lines 12, 13 and 16 for each nonresident partner.				
18. Add Lines 4 and 7 and subtract Line 17. Enter the result here and on each nonresident partner's Schedule NRK-1.				
19. Total Exempt Guaranteed Payments - add the amounts in the Totals Column for Lines 12, 13 and 16. Enter the result here and in Column B, Line 15 of Schedule P-S KOZ.				

Worksheet 7 Instructions

Line 1. For each nonresident partner, enter the partner's share of income or loss from Schedule P-S KOZ, Column A, Line 2.

Line 2. Enter the amount of each nonresident partner's share of the guaranteed payments included in Schedule P-S KOZ, Column A, Line 15 classified as business income.

Line 3. Enter the PA apportionment factor from Line 5 of PA Schedule H.

Line 4. Multiply Lines 2 and 3 and enter result here.

Line 5. Add Lines 1 and 4 for each nonresident partner. If the result is zero or less for any partner, enter a zero on Line 12 for that partner. Complete Lines 9 through 12 for any partner with a result greater than zero. If the result for Line 5 is greater than zero, Worksheet 1 must be completed.

Line 6. For each nonresident partner, enter the partner's share of income or loss from Schedule P-S KOZ, Column A, Line 8.

Line 7. Enter the amount of each nonresident partner's share of the guaranteed payments included in Schedule P-S KOZ, Column A, Line 15 attributable only to rental property located inside Pennsylvania.

Line 8. Add Lines 6 and 7 for each nonresident partner. If the result is zero or less for any partner, enter zeros on Lines 13 and 16. Complete Lines 13 through 16 for any partner with a result greater than zero. If the result is greater than zero for any partner, Worksheet 1 must be completed

NOTE: If Line 5 shows zero or less total income for the business class of income, there is no exempt portion of the guaranteed payments classified as business income. Likewise, if Line 8 shows zero or less income for the rental class of income, there is no exempt portion of the guaranteed payments classified as rental income. Additionally, if the Line 5 result for any nonresident partner is greater than zero, Worksheet 1 must be completed.

For each line, Lines 1 through 8, add the amounts from each partner reporting an amount on a line and enter the result in the Totals Column. If a partnership has multiple Worksheets 7, enter total amounts in the Totals Column on the first Worksheet 7 only.

Line 9. If the entity reports its guaranteed payments as business income, enter the amount of each nonresident partner's portion of Schedule P-S KOZ, Column A, Line 15 guaranteed payments classified as business income, where Line 5 is greater than zero.

Line 10. Enter the PA apportionment factor from PA Schedule H, Line 5 for each partner with an amount on Line 9. If the entity operates wholly within Pennsylvania, enter 1.0 on Line 10.

Line 11. Enter the KOZ apportionment factor from Line 4 of Worksheet 1 for each partner with an amount on Line 10. If the entity's PA operations are wholly within a KOZ, enter 1.0 on Line 11.

Line 12. For each partner with an amount on Line 9, multiply Line 9 by the factor on Line 10, and the result by the factor on Line 11. This is the amount of guaranteed payments attributable to a partner from the operation of business, profession or farm located within a KOZ. Add the amounts for each partner with an amount on Line 12 and enter the result in the Totals Column.

Line 13. If the entity reports its guaranteed payments as rental income and the rental property is real estate, enter the amount of Schedule P-S KOZ, Column A, Line 15 guaranteed payments attributable to any KOZ-exempt rental income reported on Schedule P-S KOZ, Column A, Line 8, where Line 8 of Worksheet 7 for a partner is greater than zero. If the entity has more than one real estate property and some properties are located inside the KOZ and some properties are located outside the KOZ, the guaranteed payments must be prorated based upon the gross rents of the properties unless the guaranteed payments are specifically associated with or attributable to the real estate properties located in the KOZ. Enter only the KOZ-exempt portion of the guaranteed payments. Add the amounts for each partner with an amount on Line 13 and enter the result in the Totals Column.

Line 14. If the entity reports its guaranteed payments as rental income and the rental property is tangible personal property, enter the amount of Schedule P-S KOZ, Column A, Line 15 guaranteed payments attributable to the KOZ-exempt exempt tangible personal property reported Schedule P-S KOZ, Column A, Line 8, where Line 8 of Worksheet 7 for a partner is greater than zero. If the entity has more than one item of tangible personal property and some properties are located and used inside the KOZ and some properties are located or used outside the KOZ, the guaranteed payments must be prorated based upon the gross rents of the properties unless the guaranteed payments are specifically associated with or attributable to the specific items of tangible personal property located and used inside the KOZ. Enter only the KOZ-exempt portion of the guaranteed payments for a single property. Complete a separate Worksheet 7 for each property.

Line 15. Enter the PA KOZ apportionment factor from Line 2d of Worksheet 5 for each partner with an amount on Line 14. Complete a separate Worksheet 7 for each property.

Line 16. Multiply Line 14 by Line 15 for each partner with an amount on Line 15 and enter the result here. Add the amounts for each partner with an amount on Line 16 and enter the result in the Totals Column.

Line 17. Add the amounts on Lines 12, 13 and 16 for each nonresident partner.

Line 18. Add Lines 4 and 7 and subtract Line 17 from the result. Enter the result here and on Schedule NRK-1 for each nonresident partner. Add the amounts for each nonresident partner and enter the total in the Totals Column. This amount should also be reported on Schedule P-S KOZ, Column E, Line 15.

Line 19. Add the amounts in the Total Column for Lines 12, 13 and 16. Enter the result here and on Schedule P-S KOZ, Column B, Line 15. If multiple Worksheets 7 were completed, add the amounts from any other Worksheets 7 for each line before reporting the result on Schedule P-S KOZ, Column B, Line 15.

Column B Instructions

Line 16. Distributions of Cash, Marketable Securities and Property. Do not enter any amount in Column B, Line 16. The KOZ resident owner is required to determine any income and exemption for this income on the filing of a PA individual income tax return (PA-40 KOZ).

Column C Instructions

Subtract the amount in Column B for Lines 1, 2, 5, 6, 7, 8, 14 and 15 from the amounts in Column A for the same lines and enter the results in Column C. For Lines 3, 4, 9, 10, 11, 12, 13 and 16, enter the amounts in Column A in Column C.

Column D Instructions

To determine the amount taxable in total to PA resident owners, carry over the amounts in Column C to the non-shaded blocks in Column D (shaded blocks are not applicable to PA resident owners). For Lines 1, 3, 4, 5, 7, 9 and 11, use the amounts in Column D to multiply by each owner's percentage of ownership or distributive income percentage to determine the distributive income to report on the Form PA-20S/PA-65 Schedule(s) RK-1 of each resident owner. For Line 13, use the amount attributable to each resident partner to report the amount on the Form PA-20S/PA-65 Schedule(s) RK-1 of each resident partner. For Line 14, enter the amount from the Totals Column for Line 16 of Worksheet 6.

Column E Instructions

To determine the amount taxable to nonresident owners, carry over the amounts in Column C as appropriate to the non-shaded blocks in Column E (shaded blocks are not applicable to nonresident owners). For Lines 2, 6, 8, 10 and 12, use the amounts in column E to multiply by each owner's percentage of ownership or distributive income percentage to determine the distributive income to report on the Form PA-20S/PA-65 Schedule(s) NRK-1 of each nonresident owner. For Line 13, use the amount attributable to each nonresident partner. For Line 15, enter the amount from the Totals Column for Line 18 of Worksheet 7.

Special Help

Obtain additional information or instructions regarding the filing of PA Schedule P-S KOZ by calling the Taxpayer Service and Information Center at 717-787-1064 (business taxes) or 717-787-8201 (individual taxes). You may order forms by calling 1-800-362-2050.

Mailing Instructions

Mail the Completed PA Schedule P-S KOZ, all related worksheets and other required documents along with the PA-20S/PA-65 PA S Corporation/Partnership Information Return to the address provided in the Form PA-20S/PA-65 PA S Corporation/Partnership Information Return instructions. A PA-20S/PA-65 PA S Corporation/Partnership Information Return should be assembled such that the PA Schedule P-S KOZ and related documents are included immediately after Pages 1 through 3 of the information return.