

PA SCHEDULE E

Rents and Royalty
Income (Loss) (I)
PA-40 Schedule E (09-06)

2006

OFFICIAL USE ONLY

If you need more space, you may photocopy.

Name shown first on the PA-40 (even if filing jointly) Social Security Number (shown first)

See the instructions. Report the income and expenses for the use of your personal property by others. Also, report the income you received for the extraction of oil, gas, and other minerals from your property, and the use of your patents and copyrights.

Part A. Property Description:

Show the address and kind of each rental real estate property, and/or each source of royalty income.

Table with 3 columns: Kind of Property, For Profit Property, Address. Rows A, B, C.

Part B. Identify the property from Part A and indicate if the owner is the taxpayer (T = the name shown first on the PA-40) or the spouse (S) or if jointly owned (J)
Important: Spouses may not offset income and losses.

Table for Part B with columns: Property A, Property B, Property C. Each column has sub-columns T, S, J with radio buttons.

Table for Income and Expenses. Rows include: 1. Rent received, 2. Royalties received, 3. Advertising, 4. Automobile and travel, 5. Cleaning and maintenance, 6. Commissions, 7. Insurance, 8. Legal and professional fees, 9. Management fees, 10. Mortgage interest, 11. Other interest, 12. Repairs, 13. Supplies, 14. Taxes - not based on net income, 15. Utilities, 16. Depreciation expense.

Important: PA law does not permit any federal bonus depreciation. PA law limits the IRC Section 179 expensing to \$25,000. See the instructions.

Table for Line 17: Other expenses (itemize). Rows for itemizing expenses.

Table for Line 18: Total Expenses - Add Lines 3 through 17. Line 19: Income - Subtract Line 18 from Line 1 or 2. Line 20: Loss - Subtract Line 1 or 2 from Line 18.

Table for Lines 21-23: 21. Net Income or Loss (Total Lines 19 and 20). 22. Rent or royalty income (loss) from PA S corporation(s), and partnerships from your PA Schedule(s) RK-1 or NRK-1. 23. Net Rent and Royalty Income (Loss). Add Lines 21 and 22.