

PA SCHEDULE C-F
PA-40 Schedule C-F
(09-08) (I) 2008

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Adjusting Taxable Income for Pennsylvania Income Tax Purposes

Name of business owner, Business Name, Business Address, Telephone Number, Social Security Number, EIN, PA Sales Tax License Number

General Information: Pennsylvania Personal Income Tax law and the Internal Revenue Code contain many differences that affect the amount of your reportable income.

1. Gross Income from Federal Schedule C or Federal Schedule F. 2. Total Expenses from Federal Schedule C or Federal Schedule F. 3. Net Profit/Loss from Federal Schedule C or Federal Schedule F. 4. Advance receipts for goods and services that you did not report for federal purposes. 5. Working capital interest and dividend income that you reported on another federal schedule. 6. Gains from sales of business assets that you reported on a federal schedule. 7. Gains from like-kind exchanges that you did not report for federal purposes. 8. Gains on involuntary conversions (IRC Section 1033). 9. Gains from sales of business property where PA basis is different than federal basis. 10. Income taxes you paid that you deducted for federal purposes. 11. Bonus depreciation. PA law does not allow any federal bonus depreciation. See the instructions. 12. Other depreciation expenses deducted for federal purposes that PA does not allow. 13. Income from cancellation of debt that PA treats differently from federal rules. 14. Increases in income resulting from spread associated with IRC Section 481(a) adjustments. 15. Income from obligations of other states and organizations that is exempt for federal purposes, but not exempt for PA purposes. 16. Payments for owner pension, profit-sharing or deferred income plans. 17. Percentage depletion. 18. Direct expensing of amortization for federal purposes. 19. Other increases for PA income tax purposes - itemize. 20. Total Adjusted PA Income. Add Lines 3 through 19. 21. Decreases for PA income tax purposes - itemize. 22. Net PA Taxable Income/Loss from the Operation of a Business, Profession, or Farm. Subtract Line 21 from Line 20. Include on Line 4 of your PA-40.