

PA-40 Schedule J (06-16)

WHAT'S NEW

Separate filing instructions for PA-40 Schedule J, Income from Estates or Trusts, have been developed by the department.

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use PA-40 Schedule J to report the amount of distributed or distributable estate or trust income reported to the taxpayer or spouse on PA-41 Schedule RK-1, Resident Schedule of Shareholder/Partner/Beneficiary Pass Through Income; PA-41 Schedule NRK-1, Nonresident Schedule of Shareholder/Partner/Beneficiary Pass Through Income; or federal Form 1041 Schedule K-1, Beneficiary's Share of Income, Deductions, Credits, etc.

⚠ IMPORTANT: Nonresident estates and trusts must file a PA-41, Fiduciary Income Tax Return, and provide each resident beneficiary with a PA-41 Schedule RK-1 when income is distributed. Nonresident Estates and Trusts with PA-source income must also file a PA-41 and provide resident and nonresident beneficiaries with a PA-41 Schedule RK-1 or NRK-1. Failure to file the PA-41 will result in a \$250 penalty to the fiduciary of the estate or trust. In addition, the fiduciary of an estate or trust will be subject to a \$250 penalty for each failure to provide PA-41 Schedules RK-1 or NRK-1.

Refer to Chapter 14 of the PA PIT Guide for additional information.

RECORDING DOLLAR AMOUNTS

Show money amounts in whole-dollars only. Eliminate any amount less than \$0.50 and increase any amount that is \$0.50 or more to the next highest dollar.

WHO MUST COMPLETE

PA-40 Schedule J must be completed and included with an originally filed

PA-40, Personal Income Tax Return, if the taxpayer or spouse have any estate or trust income to report.

An amended PA Schedule J must be included with Schedule PA-40X if increases or decreases in income amounts on PA Schedule J are discovered after an original or other amended return is filed with the department. Part III on Page 2 of Schedule PA-40X must be completed to explain any increase or decrease to the amount of income from estates or trusts reported on an amended PA-40, Personal Income Tax Return.

SCHEDULE INSTRUCTIONS

IDENTIFICATION INFORMATION

Name

Enter the name of the taxpayer. If a jointly filed return, enter the name of the primary taxpayer (name shown first on the PA-40, Personal Income Tax Return). Enter the primary taxpayer's name even when only reporting the income from estates or trusts for the spouse on a return filed using the Married, Filing Jointly filing status.

Social Security Number

Enter the Social Security number (SSN) of the taxpayer. Enter the primary taxpayer's SSN also when reporting income from estates or trusts only for the spouse on a return filed using the Married, Filing Jointly filing status.

LINE INSTRUCTIONS

LINE 1

Column (a)

Enter the name of each estate or trust reporting income to the taxpayer or spouse.

Schedule RK-1/NRK-1

Check the box if the income from the estate or trust to the beneficiary is being reported from a PA-41 Schedule RK-1 or PA-41 Schedule NRK-1.

T/S/J

Enter a "T" if the beneficiary is the primary taxpayer (name shown first on the PA-40). Enter an "S" if the beneficiary is the spouse. Enter a "J" if the taxpayer and spouse are joint beneficiaries.

Column (b)

Enter the federal employer identification number (FEIN) of the estate or trust.

Column (c)

Enter the income of the estate or trust as reported on Line 6 of PA-41 Schedule RK-1 or Line 4 of PA-41 Schedule NRK-1. If PA Schedules RK-1 or NRK-1 are not provided use a federal 1041 Schedule K-1. Enter the result from adding the amounts on Lines 1 and 2a to any net combined positive amount for Lines 3 and 4a, plus any positive amounts on Line 5 and/or Line 6, plus any net combined positive amount for Lines 7 and 8.

⚠ CAUTIONS: An estate or trust cannot distribute a loss to a beneficiary. Therefore, all amounts listed in Column (c) must be entered as positive numbers. In addition, the amounts on federal Schedule K-1 may not be correct for PA personal income tax purposes. Contact the fiduciary of the estate or trust to obtain the correct PA income.

LINE 2

Enter the amount of any estate or trust income reported to an S corporation, partnership or limited liability company on: Line 6 of a PA-20S/PA65 Schedule RK-1; Line 4 of any PA-20S/PA-65 Schedule NRK-1; Line 10 of an 1120S Schedule K-1 with estate or trust income as the description or explanation for the line; or Line 11 of a 1065 Schedule K-1 with estate or trust income as the description or explanation for the line.

LINE 3

Add the amounts on Lines 1 and 2 and enter the result on PA-40 Schedule J and on Line 7 of the PA-40, Personal Income Tax Return.


Pennsylvania Department of Revenue **2016**
Instructions for PA-40 Schedule T
Gambling and Lottery Winnings

PA-40 Schedule T (11-16)

WHAT'S NEW

Separate filing instructions for PA-40 Schedule T, Gambling and Lottery Winnings, have been developed by the department.

As a result of Act 84 of 2016, Pennsylvania-taxable gambling and lottery winnings now includes cash prize payments from the Pennsylvania Lottery. All cash prize payments paid on or after Jan. 1, 2016 by the Pennsylvania Lottery must be reported on PA-40 Schedule T. PA personal income tax withholding (included in Box 15 of federal Form W-2G, Certain Gambling Winnings, on prize payments made after July 12, 2016) should also be reported on Line 7 of PA-40 Schedule T.

 **IMPORTANT:** Cash prize payments also include the total of any federal and state tax withholding, sales tax payments or other fees paid by the Pennsylvania Lottery on behalf of a noncash prize winner that are included in the overall value of a noncash prize.

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use PA-40 Schedule T to report gambling and lottery winnings as well as the costs for any gambling and lottery wagering of the taxpayer and/or spouse.

Gambling and lottery winnings from any source, except noncash prizes from playing the Pennsylvania Lottery, must be reported. Pennsylvania residents must include all gambling and lottery winnings from all sources except non-cash winnings from the Pennsylvania Lottery. Nonresidents must include all gambling and lottery winnings from Pennsylvania sources except noncash winnings from the Pennsylvania Lottery. See the PA-40IN, Personal Income Tax Return instructions booklet for additional information.

RECORDING DOLLAR AMOUNTS

Show money amounts in whole-dollars only. Eliminate any amount less than \$0.50 and increase any amount that is \$0.50 or more to the next highest dollar.

WHO MUST COMPLETE

PA-40 Schedule T must be completed and included with an originally filed PA-40, Personal Income Tax Return, if the taxpayer and/or spouse had income and/or losses from gambling and/or lottery wagering that is reported on Line 8 of the PA-40, Personal Income Tax Return.

An amended PA Schedule T must be included with Schedule PA-40X if increases or decreases in income or cost of tickets, bets or wagering amounts on PA Schedule T are discovered after an original or other amended return is filed with the department. Part III on Page 2 of Schedule PA-40X must be completed to explain any increase or decrease to the amount of gambling and lottery winnings reported on an amended PA-40, Personal Income Tax Return.

SCHEDULE INSTRUCTIONS

IDENTIFICATION INFORMATION Name

Enter the name of the taxpayer. If a jointly filed return, enter the name of the primary taxpayer (name shown first on the PA-40, Personal Income Tax Return). Enter the primary taxpayer's name even when only reporting the gambling and lottery winnings for the spouse on a return filed using the Married, Filing Jointly filing status.

Social Security Number

Enter the Social Security number (SSN) of the taxpayer. Enter the primary taxpayer's SSN also when reporting only the gambling and lottery winnings for the spouse on a return filed using the Married, Filing Jointly filing status.

LINE INSTRUCTIONS

LINE 1

Columns (a) and (b)

Enter the total amount of gambling or lottery winnings reported on federal Forms W-2G for the taxpayer and/or spouse in the appropriate column.

LINE 2

Columns (a) and (b)

Enter the amount of all other winnings from gambling, betting and lottery activities. Include the amount of cash winnings as well as the fair market value or stated value of any property, trips, services, etc. won in any contest, game show, drawing, raffle or other similar event.

LINE 3


Columns (a) and (b)

Add the amounts for Lines 1 and 2 for both columns and enter the totals.

LINE 4

Columns (a) and (b)

Enter the total cost for tickets, bets and other wagering.

 **CAUTIONS:** Do not include any expenses (travel, meals, programs, tip sheets, etc.) incurred to play a game of chance. Costs of tickets for any game sponsored by or supporting the Pennsylvania Lottery purchased prior to Jan. 1, 2016 are not permitted to be included in this amount.

TIP Taxpayers must be able to document all ticket costs, bets and other wagering. Keep records, receipts, and any other documentation supporting these costs.

LINE 5

Columns (a) and (b)

Subtract Line 4 from Line 3 for both columns and enter the results.

LINE 6

Add only positive amounts or winnings from Columns (a) and/or (b) for Line 5

and enter the total here and on Line 8 of the PA-40, Personal Income Tax Return.

TIP If there are no net winnings, enter a zero here and on Line 8 of the PA-40, Personal Income Tax Return.

LINE 7

Enter the total amount of PA tax withheld from federal Forms W-2G. Enter here and include the amount of the withholding in the amount reported on Line 13 of the PA-40, Personal Income Tax Return.

IMPORTANT: A copy of federal Form(s) W-2G reporting withholding must be included with the PA-40, Personal Income Tax Return.