2007 BPT (HJ) SCHEDULES H-1 and H-2

ACCOUNT NUMBER

SCHEDULE H-1 ALTERNATIVE COMPUTATION OF NET INCOME FOR TAXPAYERS REGISTERED UNDER THE PENNSYLVANIA SECURITIES ACT OF 1972 WHO HAVE ELECTED TO USE METHOD II TO REPORT NET INCOME.

1. Enter the adjusted net income (loss) reported on Schedule B, Line 3	1.
1A. Enter the amount shown on Schedule B, Line 2k	1A.
2. Line 1 plus Line 1A	2.
3. Total Non-business Income (loss)	3.
4. Income (loss) to be apportioned (Line 2 less Line 3)	4.
5. Apportionment Percentage from Schedule H-2, Line 12	5.
6. Income (loss) to be apportioned to Philadelphia (Line 4 x Line 5)	6.
7. Non-business Income (loss) allocated to Philadelphia	7.
8. Current year INCOME (loss) (Line 6 plus Line 7)	8.
9. Loss Carry Forward (§411) from the 2006 BPT, Schedule H-1, Line 10, if any	9.
10. NET INCOME (loss) (Line 8 less Line 9) Enter here and on Schedule H, Line 19B	10.

SCHEDULE H-2 COMPUTATION OF APPORTIONMENT FACTORS TO BE APPLIED TO APPORTIONABLE NET INCOME.

Calculation of Average Values of Real and Tangible Personal Property Employed in Business:

		COLUMN 8A WITHIN PHILADELPHIA	COLUMN 8B TOTAL EVERYWHERE
1. Inventories of Raw Materials, Work in Process and Finished Goods	1.		
2. Land & Building Owned (At original cost)	2.		
3. Machinery & Equipment Owned (At original cost)	3.		
4. Other Tangible Assets Owned (At original cost)	4.		
5. Rented Property (At 8 times the net annual rental)	5.		
6. Total average value of Property used **WITHIN PHILADELPHIA**	6.		XXXXXXXXXX
7. Total average value of Property used **EVERYWHERE**	7.	XXXXXXXXXX	

Computation of Apportionment Factors:

8A. Total Average Value of Philadelphia Property from Column 8A, Line 6 above	8A.
8B. Total Average Value of Property Everywhere from Column 8B, Line 7 above	8B.
8C. Philadelphia Property Factor (Line 8A divided by 8B)	8C.
9A. Philadelphia Payroll	9A.
9B. Payroll Everywhere	9B.
9C. Philadelphia Payroll Factor (Line 9A divided by 9B)	9C.
10A. Philadelphia Receipts	10A.
10B. Gross Receipts Everywhere	10B.
10C. Philadelphia Receipts Factor (Line 10A divided by 10B)	10C.
10D. Repeat Line 10C	10D.
11. TOTAL FACTORS (Total of Lines 8C, 9C, 10C and 10D)	11.
12. AVERAGE OF FACTORS (Line 11 divided by applicable number of factors, as explained below)	12.

ENTER THIS AVERAGE ON SCHEDULE A, PAGE 2, LINE 6 OR SCHEDULE B, PAGE 1, LINE 6.

Important Note: You must complete Line A and Line B for all factors used. For taxpayers who apportion their Net Income in and out of Philadelphia, the 2007 Business Privilege Tax receipts factor is included twice.

2007 BPT (HJ) SCHEDULE H

ACCOUNT NUMBER

PART 2. COMPUTATION OF TAX ON GROSS RECEIPTS.

COMPUTATION OF TAX ON GROSS RECEIPTS FOR: (1) TAXPAYERS REGISTERED UNDER THE PENNSYLVANIA SECURITIES ACT OF 1972; (2) PERSONS SUBJECT TO A TAX IMPOSED PURSUANT TO ARTICLE VII, VIII, IX OR XV OF THE TAX REFORM CODE OF 1971 (Banks, Title Insurance Companies, Trust Companies, Insurance Companies & Mutual Thrift Institutions); (3) OTHER FINANCIAL BUSINESSES.

1. Gross Receipts From Sales of Stock, Bonds, Securities, Options, etc. ..... 1. ___,___,___,___.00
2. Cost of Property sold. ..... 2. ___,___,___,___.00
3. GROSS PROFIT (Line 1 less Line 2. If a Loss, enter "zero"). ..... 3. ___,___,___,___.00
4. Other Gross Receipts ..... 4. ___,___,___,___.00
5. Total of Line 3 plus Line 4 ..... 5. ___,___,___,___.00
6. EXCLUSIONS:
   a. Dividends Interest and Royalties received from other corporations of the same affiliated group (Reg. 302 (14)). ..... a. ___,___,___,___.00
   b. Receipts by corporations of dividends, interest and royalties received from other corporations in the same affiliated group and/or from other corporations of which the receiving corporation owns at least 20% of the stock (Reg. 302 (14)). ..... b. ___,___,___,___.00
   c. All other receipts from other corporations of the same affiliated group ..... c. ___,___,___,___.00
   d. Interest received from transactions made with persons resident or having their principal place of business outside Philadelphia ..... d. ___,___,___,___.00
   e. Interest received on other transactions to the extent of interest expense attributable to such other transaction ..... e. ___,___,___,___.00
   f. TAXPAYERS REGISTERED UNDER THE PA SECURITIES ACT OF 1972 ONLY: enter the amounts received from commissions, brokerage fees and other similar charges on account of transactions affected for persons resident or having their principal place of business outside Philadelphia ..... f. ___,___,___,___.00
   g. Other Exclusions from Schedule D, Lines 4a through 4e ..... g. ___,___,___,___.00
7. TOTAL EXCLUSIONS (Total of Lines 6a through 6g). ..... 7. ___,___,___,___.00
8. Line 5 less Line 7 ..... 8. ___,___,___,___.00
9. TAX ON THE AMOUNT OF LINE 8 AT .00154 (If Line 8 is a loss, enter zero). ..... 9. ___,___,___,___.00

- "Regulated Industries" as defined in §101(y), enter the amount of line 9 onto Schedule J, Line 3 and do not complete the rest of this Schedule.
- "Other Financial Businesses" enter the amount of Line 9 on the Summary Page, Line 2 of the 2007 BPT return and do not complete the rest of this Schedule.
- Taxpayers registered under the PA Securities Act of 1972 must complete lines 10 through 23 of this Schedule.

10. Enter the amount of Line 8, above. ..... 10. ___,___,___,___.00
11. ADD the amounts received from commissions, brokerage fees and other similar charges excluded on Line 6f which are attrributable to services performed within Philadelphia. ..... 11. ___,___,___,___.00
12. Line 10 plus Line 11. ..... 12. ___,___,___,___.00
13. Enter the amount of tax shown on Schedule A, Line 12 or Schedule B, Line 12. ..... 13. ___,___,___,___.00
14. Enter the amount of tax shown on Line 9, above. ..... 14. ___,___,___,___.00
15. Enter the total of Line 13 and Line 14. ..... 15. ___,___,___,___.00
16. Enter the amount from Line 12, above. ..... 16. ___,___,___,___.00
17. Tax due on the amount of Line 16 at .0046 (If Line 16 is a loss, enter zero). ..... 17. ___,___,___,___.00
18. Tax due on the amount of Line 16 at .0023 (If Line 16 is a loss, enter zero). ..... 18. ___,___,___,___.00

19a. TAXPAYERS WHO HAVE ELECTED TO USE METHOD I FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule A, Line 11. ..... 19a. ___,___,___,___.00

19b. TAXPAYERS WHO HAVE ELECTED TO USE METHOD II FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule H-1, Line 10. ..... 19b. ___,___,___,___.00

20. Tax Due on the amount of Line 19a or Line 19b at .023 (If Line 19 is a loss, enter "0"). ..... 20. ___,___,___,___.00
21. Enter the LESSER of Line 18 or Line 20. ..... 21. ___,___,___,___.00
22. Enter the total of Line 17 plus Line 21. ..... 22. ___,___,___,___.00
23. **TAX DUE. ENTER HERE AND ON THE SUMMARY PAGE, LINE 2 OF THE 2007 BPT RETURN THE GREATER OF THE TAX SHOWN ON LINE 15 OR LINE 22.** ..... 23. ___,___,___,___.00

UNINCORPORATED REGULATED INDUSTRIES SEE SCHEDULE K (SUPPLEMENTAL), LINE 2 FOR ADDITIONAL INSTRUCTIONS.

2007 BPT (HJ) SCHEDULES A, J and K

ACCOUNT NUMBER

SCHEDULE A - COMPUTATION OF TAX ON NET INCOME (METHOD I)

To be used by taxpayers who elect to report net income from the operation of a business IN ACCCORDANCE WITH THEIR ACCOUNTING SYSTEM rather than as reported to and ascertained by the Federal Government. **Reminder** - You must use the same method (METHOD I or METHOD II) that you elected on the first Business Privilege Tax Return filed.

Darken circle to indicate a net loss.

1. Net Income (Loss) per accounting system used plus Income taxes deducted in arriving at Net Income, less total non-business income.....1.
2. Net Income (Loss) from Certain Port Related activities (Reg. 302 (19)).....2.
3. Net Income (Loss) from Specific PUC and ICC Business Activities (Reg. 101 (d) & 302 (19)).....3.
4. Net Income (Loss) from Public Law 86-272 activities.....4.
5. Income (Loss) to be apportioned. (Line 1 minus Lines 2, 3 and 4).....5.
6. Average of Apportionment Factors (From Schedule H-2, Line 12) If entire business is conducted within Philadelphia, enter 100%.....6.
7. Income (loss) apportioned to Philadelphia (Line 5 x Line 6.).....7.
8. Non-business Income (loss) allocated to Philadelphia.....8.
9. Current Year INCOME (LOSS) (Line 7 plus Line 8.).....9.
10. Loss Carry Forward from the 2006 BPT, Schedule A, Line 11 if any.....10.
11. Taxable Income (loss) (Line 9 less Line 10).....11.
12. TAX DUE (Line 11 X .065.) If Line 7 is a loss, enter zero.....12.

- **Taxpayers registered under the PA Securities Act of 1972 enter the amount of Line 12 on Schedule H, Line 13.**
- **"Regulated Industry" taxpayers enter the amount of Line 12 on Schedule J, Line 1.**
- **All other taxpayers enter the amount of Line 12 on the Summary Page, Line 1 of the 2007 BPT return. In addition, unincorporated taxpayers also enter the amount of Line 12 onto Schedule K (Supplemental), Line 1, below.**

SCHEDULE J COMPUTATION OF THE MAXIMUM BUSINESS PRIVILEGE TAX FOR "REGULATED INDUSTRY" TAXPAYERS

1. Enter the amount of tax from Schedule A, Line 12 or Schedule B, Line 12.....1.
2. Enter the amount of tax from Schedule D, Line 11 of the 2007 BPT return.....2.
3. Enter the amount of tax from Schedule H, Line 9.....3.
4. Total of Lines 2 and 3.....4.
5. Enter here and on the Summary Page, Line 2 of the 2007 BPT return, the **LESSER** of the tax shown on Line 1 or Line 4 of this Schedule.....5.

UNINCORPORATED TAXPAYERS SEE SCHEDULE K (SUPPLEMENTAL), LINE 3 FOR ADDITIONAL INSTRUCTIONS.

SCHEDULE K (SUPPLEMENTAL) COMPUTATION OF THE 2007 BUSINESS PRIVILEGE TAX CREDIT FOR PERSONS SUBJECT TO THE 2007 PHILADELPHIA NET PROFITS TAX. CORPORATIONS -- DO NOT FILE THIS SCHEDULE.

TAXPAYERS who are NOT Regulated Industries NOR registered under the PA Securities Act of 1972:

1. Enter the amount of tax shown on Schedule A, Line 12 or Schedule B, Line 12.....1.

Taxpayers registered under the Pennsylvania Securities Act of 1972:

2. If the amount of tax shown on Schedule H, Line 23 is the SAME as the amount of tax shown on Schedule H, Line 15, enter the amount of tax shown on Schedule H, Line 13. If the amount of tax shown on Schedule H, Line 23 is the SAME as the amount of tax shown on Schedule H, Line 22, PROVIDED THAT the amount of tax shown on Schedule H, Line 20 is the SAME as the amount of tax shown on Schedule H, Line 21, then enter the amount of tax shown on Schedule H, Line 20. OTHERWISE, enter "zero" and do not complete the rest of this Schedule.....2.

"Regulated Industry" Taxpayers:

3. If the amount of tax shown on Schedule J, Line 5 is the SAME as the amount of tax shown on Schedule J, Line 1, enter the amount of tax shown on Schedule J, Line 1. OTHERWISE, enter "zero" and do not complete the rest of this Schedule.....3.

COMPUTATION OF TAX CREDIT

4. Enter 60% of the amount of tax shown on Line 1, 2 or 3, whichever is applicable, and read instructions below.....4.

- **PARTNERSHIPS, JOINT VENTURES AND ASSOCIATIONS WHICH ARE COMPOSED OF ONE OR MORE CORPORATE PARTNERS, CORPORATE JOINT VENTURES OR CORPORATE ASSOCIATES: REFER TO SCHEDULE D OF THE 2007 NET PROFITS TAX RETURN.**
- **OTHER PARTNERSHIPS, JOINT VENTURES ASSOCIATIONS AND INDIVIDUALS: REFER TO SCHEDULE E OF THE 2007 NET PROFITS TAX RETURN AND SEE LINE 1C OR 1E, WHICHEVER IS APPLICABLE.**

2007 BPT (HJ) SCHEDULE B

ACCOUNT NUMBER

Always enter your account number

PART 1. COMPUTATION OF TAX ON NET INCOME (METHOD II)

For complete Business Privilege Tax Regulations go to www.phila.gov/revenue.

Darken circle to indicate a net loss.

1. Net Income (loss) as properly reported to the Federal Government	1.	○
2. ADJUSTMENTS (Per BPT Reg. 404 and Public Law 80-272)		
(a) Income, net of interest expense attributable to direct obligations of the Federal Government, Pennsylvania or the political subdivisions of Pennsylvania. (If less than zero, enter zero on this line.)	a.	
(b) Net income (loss) from Certain Port Related Activity (Reg. 302 (19))	b.	○
(c) Net income (loss) from Specific PUC and ICC Business activities (Reg. 101 (d) & 302 (19))	c.	○
(d) Net income (loss) from Public Law 86-272 activities	d.	○
(e) Receipts by corportations of dividends, interest and royalties received from other corporations in the same affiliated group and/or from other corporations of which the receiving corporation owns at least 20% of the stock and/or BPT Regulation §404(G) adjustments (Reg. 302 (14))	e.	
(f) Line 1 minus Line 2 (a through e)	f.	○
(g) All other receipts from other corporations of the same affiliated group (Reg. 302 (14))	g.	
(h) Gross receipts (See BPT Regulation §404(2)(E)(V))	h.	
(i) Divide Line 2g by Line 2h and enter the result here as a decimal	i.	
(j) Multiply Line f by Line i and enter here	j.	○
(k) All other net income (loss) of taxpayers registered under the PA Securities Act of 1972 EXCEPT for net income from transactions effected for persons residing or having their principal place of business within Philadelphia	k.	○
3. ADJUSTED NET INCOME (LOSS) (Line 2f minus Line 2j plus 2k)	3.	○
4. Total Non-business Income (loss)	4.	○
5. Income (loss) to be apportioned (Line 3 less Line 4.)	5.	○
6. Average of Apportionment Factors (from Schedule H-2, Line 12) If entire business is conducted within Philadelphia, Enter 100%	6.	
7. Income (loss) apportioned to Philadelphia (Line 5 X Line 6)	7.	○
8. Nonbusiness income (loss) allocated to Philadelphia	8.	○
9. Current year income (loss) (Line 7 plus Line 8.)	9.	○
10. Loss Carry Forward (§411) from the 2006 BPT, Schedule B, Line 11, if any	10.	
11. Taxable Income (Loss). Line 9 less Line 10	11.	○
12. TAX DUE (.065 times Line 11.) If Line 11 is a loss, enter zero	12.	

- **Taxpayers registered under the PA Securities Act of 1972 enter the amount of Line 12 onto Schedule H, Line 13.**
- **"Regulated Industry" taxpayers enter the amount of Line 12 onto Schedule J, Line 1.**
- **All other taxpayers enter the amount of Line 12 on the Summary Page, Line 1 of the 2007 BPT return. In addition, unincorporated taxpayers also enter the amount of Line 12 onto Schedule K (Supplemental), Line 1.**