

## Computation of Interest and Penalty:

Month After Due Date	Returns Filed After Due Date	Int.	Pen.	Comb. I & P	Cum. I & P
1st	4/18/00 thru 5/15/00	1%	1%	2%	2%
2nd	5/16/00 thru 6/15/00	1%	1%	2%	4%
3rd	6/16/00 thru 7/15/00	1%	1%	2%	6%
4th	7/16/00 thru 8/15/00	1%	2%	3%	9%
5th	8/16/00 thru 9/15/00	1%	2%	3%	12%
6th	9/16/00 thru 10/15/00	1%	2%	3%	15%
7th	10/16/00 thru 11/15/00	1%	3%	4%	19%
8th	11/16/00 thru 12/15/00	1%	3%	4%	23%
9th	12/16/00 thru 1/15/01	1%	3%	4%	27%
10th	1/16/01 thru 2/15/01	1%	4%	5%	32%
11th	2/16/01 thru 3/15/01	1%	4%	5%	37%
12th	3/16/01 thru 4/15/01	1%	4%	5%	42%

For each additional month or fraction thereof, add 1% for interest and 1¼% for penalty.

**Note:** Payments made with returns filed after the due date that **do not** include applicable interest and penalty will be automatically pro-rated between principal, interest and penalty. You will be subsequently billed for the remaining tax balance and associated interest and penalty.

## Illustration for Reporting Losses on Page 1, Line 1 and Line 3:

This form will be optically scanned. If an amount on line 1 or line 3 is a "loss", place an "X" in the adjacent blocks provided; **DO NOT** use brackets, minus signs, or the word "LOSS".

Illustration:

Given that line 1 is a \$100 loss and line 3 is a \$200 loss....

A. Correct presentation:

Line 1	<input checked="" type="checkbox"/>	100.00
Line 2		0.00
Line 3	<input checked="" type="checkbox"/>	200.00
Line 4		0.00

B. Incorrect presentation:

Line 1	<input type="checkbox"/>	(100)	-100	"LOSS"
Line 3	<input type="checkbox"/>	(200)	-200	"LOSS"

## Instructions for Remitting Estimated Payments on Page 1, line 11:

This line is not used to remit estimated payments. All estimated payments, if required, are remitted on separate estimated tax payment coupons. Ongoing businesses must fulfill the following year's estimated Net Profits Tax liability (amount on line 11) before any refunds can be issued. For ongoing businesses, if line 11 is greater than line 10, then lines 12a, 12b and 12c cannot be used.

## Frequently Asked Questions

- Q:** If I have incurred an overall loss, must I file a Net Profits Tax Return?
- A:** Yes. A return must be filed even if an overall loss is incurred. If no return is filed, non-filer penalties could be imposed.
- Q:** Can I send one check for the Net Profits Tax, Business Privilege Tax and estimated Net Profits Tax returns?
- A:** Yes, Write your account number on the check and include the appropriate coupon(s) in the postage paid envelope provided in your tax package.
- Q:** What is the Business Privilege Tax (BPT) Credit?
- A:** Taxpayers who file and pay the Business Privilege Tax are entitled to take a credit against their Net Profits Tax liability, of an amount equal to 60% of the Business Privilege Tax paid on Net Income. This credit, however, may not exceed the amount of the Net Profits Tax liability (See page 4, Worksheet K, to compute this credit.)
- Q:** I maintain a Business Privilege License but I do not actively engage in business. Do I need to file anything?
- A:** You must complete the Change Form in this booklet and indicate that you are not in business. Do not file the Business Privilege or Net Profits Tax returns. If you begin a business again with the same federal identification or social security number, you should reinstate your Philadelphia tax account number. In this case, you will not have to pay for an additional Business Privilege License.
- Q:** I have filed for a federal automatic extension but I do not believe I will owe any Net Profits Tax. Should I still file an extension coupon?
- A:** Only file the extension coupon when a tax payment is due.
- Q:** Can I pay electronically?
- A:** Yes. ACH Credits and ACH Debits are now being accepted. To register for this program, call the Electronic Filing Unit at 215-686-6519.