

Computation of Interest and Penalty:

| Month After Due Date | Returns Filed After Due Date | Int. | Pen. | Comb. I & P | Cum. I & P |
|----------------------|------------------------------|------|------|-------------|------------|
| 1st | 4/16/99 thru 5/15/99 | 1% | 1% | 2% | 2% |
| 2nd | 5/16/99 thru 6/15/99 | 1% | 1% | 2% | 4% |
| 3rd | 6/16/99 thru 7/15/99 | 1% | 1% | 2% | 6% |
| 4th | 7/16/99 thru 8/15/99 | 1% | 2% | 3% | 9% |
| 5th | 8/16/99 thru 9/15/99 | 1% | 2% | 3% | 12% |
| 6th | 9/16/99 thru 10/15/99 | 1% | 2% | 3% | 15% |
| 7th | 10/16/99 thru 11/15/99 | 1% | 3% | 4% | 19% |
| 8th | 11/16/99 thru 12/15/99 | 1% | 3% | 4% | 23% |
| 9th | 12/16/99 thru 1/15/00 | 1% | 3% | 4% | 27% |
| 10th | 1/16/00 thru 2/15/00 | 1% | 4% | 5% | 32% |
| 11th | 2/16/00 thru 3/15/00 | 1% | 4% | 5% | 37% |
| 12th | 3/16/00 thru 4/15/00 | 1% | 4% | 5% | 42% |

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

Please 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.

Instructions for 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 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, 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, Must I still file this Net Profits Tax return?
- A:** Yes. You must file page 1 of this booklet and indicate that you are out of business. If you begin a business again, you should reinstate your account.
- 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:** Yes. The extension coupon should be filed, even if no tax may be due, to prevent receiving a non-filer notice that may be sent prior to the end of the extension period.
- 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.