

WORKSHEETS A and B
Form NPT
1998

These are worksheets only.
Do not file these worksheets with your return.

INSTRUCTIONS FOR WORKSHEETS A & B

- Line 1:** Enter the net income or loss from the relevant Federal Tax return(s) or if applicable, the Profit and Loss Statement.
- Line 2:** Examples of adjustments (not all-inclusive): Federal Form 1040, Schedule "C" filers - any taxes based on net income which have been deducted in arriving at reported net income, e.g., prior year Net Profits Tax (the Business Privilege Tax is deductible). Federal Form 1065 filers - add back the following: taxes based on net income, capital gains, guaranteed payments to partners, and deduct IRC section 179 expense. Non-residents may deduct an Income Exclusion for P.L. 86-272 activity.
- Line 3:** Other taxable income may include income from the sale of business capital assets, income from estates or trusts, and income from patents and royalties.
- Line 5:** Non-residents of Philadelphia may apportion all or part of their net income to their places of business located outside of Philadelphia. The apportionment is based on a three-factor formula consisting of an average of the property owned, the salaries and wages paid, and the receipts earned during the tax year. Residents of Philadelphia **cannot** apportion their net income. Also include in this line a corporate partner's share of the net income of the partnership, joint venture or association.

For further explanations, please see the Income Tax regulations.

WORKSHEET A: Business Income (Loss) for Residents

1. Net Profit or Loss.....	1.		
2. Federal Form 1065, Schedule K-1 and other adjustments (See Line 2 Instructions)	2.		
3. Other taxable income (See Line 3 Instructions)	3.		
4. Taxable Resident Net Profits (Lines 1+2+3) (enter on Page 1, Line 1)	4.		

WORKSHEET B: Business Income (Loss) for Non-Residents

1. Net Profit or Loss.....	1.		
2. Federal Form 1065, Schedule K-1 and other adjustments (See Line 2 Instructions)	2.		
3. Other taxable income (See Line 3 Instructions).....	3.		
4. Total Net Income or Loss (Lines 1+2+3)	4.		
5. Net Profits allocated/apportioned outside Philadelphia (See Line 5 Instructions)	5.		
6. Taxable Non-residents Net Profits (Line 4 less Line 5) (enter on Page 1, Line 3)	6.		