### 2014 BIRT (HJ) SCHEDULE B

**COMPUTATION OF TAX ON NET INCOME (METHOD II)**

If an amount on the lines below indicate a loss, darken the circle.

1. Net Income (Loss) as properly reported to the Federal Government........................1.

2. **ADJUSTMENTS** (Per BIRT Reg. 404 and Public Law 82-272)
   - (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)........................................2a.
   - (b) Net Income (Loss) from certain port related activities. (Reg. 302 (T))........... 2b.
   - (c) Net Income (Loss) from specific PUC and ICC business activities. (Reg. 101 (D)(3))................................................................. 2c.
   - (d) Net Income (Loss) from Public Law 86-272 activities........................................2d.
   - (e) 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 and/or BIRT Regulation §404 (B)(5) adjustments (Reg. 302 (O))................................. 2e.
   - (f) Line 1 minus Lines 2a through 2e....................................................................... 2f.
   - (g) All other receipts from other corporations of the same affiliated group. (Reg. 302 (N)).......................................................... 2g.
   - (h) Gross Receipts per BIRT Regulation §404 (B)(5)(e).......................................... 2h.
   - (i) Divide Line 2g by Line 2h and enter the result here as a decimal....................... 2i.
   - (j) Multiply Line 2f by Line 2i and enter the result here........................................... 2j.
   - (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........................................ 2k.

3. **ADJUSTED NET INCOME (LOSS)** [Line 2f minus (Line 2j plus 2k)]...................... 3.

4. Total Nonbusiness Income (Loss)............................................................................ 4.

5. Income (Loss) to be apportioned (Line 3 minus Line 4)............................................ 5.

6. Average of Apportionment Factors from Schedule H-2 or C-1, Line 12..................... 6.

7. Income (Loss) apportioned to Philadelphia (Line 5 times Line 6)................................. 7.

8. Nonbusiness Income (Loss) allocated to Philadelphia.............................................. 8.


11. Loss Carry Forward, if any...................................................................................... 11.


13. **TAX DUE** (Line 12 times .0643) If Line 12 is a loss, enter zero......................... 13.

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**Taxpayers registered under the PA Securities Act of 1972 enter the amount of Line 13 onto Schedule H, Line 15.**

"Regulated Industry" taxpayers enter the amount of Line 13 onto Schedule J, Line 1.

**All other taxpayers enter the amount of Line 13 on the Summary Page, Line 1 of the 2014 BIRT return.**

In addition, unincorporated taxpayers also enter the amount of Line 12 onto Schedule K (Supplemental), Line 1.
SCHEDULE A - COMPUTATION OF TAX ON NET INCOME (METHOD I)

To be used by taxpayers electing to report net income from the operation of a business in accordance with their accounting system, rather than as reported to and ascertained by the Federal Government. **If an amount on the lines below indicate a loss, darken the circle.**

1. Net Income (Loss) per accounting system used plus income taxes deducted in arriving at Net Income, less total nonbusiness income......................................................... 1.  0 0
2. Net Income (Loss) from certain port related activities......................................................... 2.  0 0
3. Net Income (Loss) from specific PUC and ICC business activities...................................... 3.  0 0
4. Net Income (Loss) from Public Law 86-272 activities......................................................... 4.  0 0
5. Income (Loss) to be apportioned (Line 1 minus Lines 2, 3 and 4).................................... 5.  0 0
6. Average of Apportionment Factors from Schedule H-2 or C-1, Line 12............................. 6.
7. Income (Loss) apportioned to Philadelphia (Line 5 times Line 6)......................................... 7.  0 0
8. Nonbusiness Income (Loss) allocated to Philadelphia....................................................... 8.  0 0
9. Current year Income (Loss) (Line 7 plus Line 8)................................................................. 9.  0 0
10. Statutory Net Income Deduction from Worksheet S, Line S5............................................ 10.  0 0
11. Loss Carry Forward, if any............................................................................................... 11.  0 0
12. Taxable Income (Loss). Line 9 minus Line 10 minus Line 11............................................. 12.  0 0
13. TAX DUE (Line 12 times .0643) If Line 12 is a loss, enter zero........................................... 13.  0 0

Taxpayers registered under the PA Securities Act of 1972 enter the amount of Line 13 onto Schedule H, Line 15. "Regulated Industry" taxpayers enter the amount of Line 13 onto Schedule J, Line 1. All other taxpayers enter the amount of Line 13 on the Summary Page, Line 1 of the 2014 BIRT return. In addition, unincorporated taxpayers also enter the amount of Line 13 onto Schedule K (Supplemental), Line 1, below.

SCHEDULE J - COMPUTATION OF THE MAXIMUM BUSINESS INCOME AND RECEIPTS TAX FOR "REGULATED INDUSTRY" TAXPAYERS

1. Enter the amount of tax from Schedule A, Line 13 or Schedule B, Line 13.......................... 1.  0 0
2. Enter the amount of tax from Schedule D, Line 12 of the 2014 BIRT return......................... 2.  0 0
3. Enter the amount of tax from Schedule H, Line 11............................................................ 3.  0 0
4. Total of Lines 2 and 3......................................................................................................... 4.  0 0
5. Enter here and on the Summary Page, Line 2 of the 2014 BIRT return the LESSER of the tax shown on Line 1 or Line 4 of this schedule......................................................... 5.  0 0

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

SCHEDULE K - (SUPPLEMENTAL) COMPUTATION OF THE 2014 BUSINESS INCOME & RECEIPTS TAX CREDIT FOR PERSONS SUBJECT TO THE 2014 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 from Schedule A, Line 13 or Schedule B, Line 13.......................... 1.  0 0

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

2. If the amount of tax shown on Schedule H, Line 25 is the SAME as the amount shown on Schedule H, Line 17, enter the amount of tax shown on Schedule H, Line 15. IF the amount of tax shown on Schedule H, Line 25 is the SAME as the amount of tax shown on Schedule H, Line 22, the SAME as the amount of tax shown on Schedule H, Line 23, then enter the amount of tax shown on Schedule H, Line 22. OTHERWISE, enter "zero" and do not complete the rest of this schedule......................................................... 2.  0 0

"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.  0 0

COMPUTATION OF TAX CREDIT

4. Enter 60% of the amount of tax shown on Line 1, 2, or 3, whichever is applicable and read the instructions below. 4.  0 0

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 2014 NET PROFITS TAX RETURN.

OTHER PARTNERSHIPS, JOINT VENTURES, ASSOCIATIONS AND INDIVIDUALS: REFER TO SCHEDULE E OF THE 2014 NET PROFITS TAX RETURN AND SEE LINE 1C OR 1E, WHICHEVER IS APPLICABLE.
**2014 BIRT (HJ) SCHEDULE H**

**COMPUTATION OF TAX ON GROSS RECEIPTS.**

**ACCOUNT NUMBER:**

**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 & Mutual Thrift Institutions);**
3. **OTHER FINANCIAL BUSINESSES.**

1. Gross Receipts from sales of Stocks, Bonds, Securities, Options, etc. ............................... 1. 0 0
2. Cost of Property sold ............................................................................................................. 2. 0 0
3. Gross Profit (Line 1 minus Line 2. If a loss, enter "0") ........................................................... 3. 0 0
4. Other Gross Receipts ............................................................................................................ 4. 0 0
5. Total of Line 3 plus Line 4 .................................................................................................... 5. 0 0

**EXCLUSIONS:**

6a. Dividends, Interest, and Royalties received from other corporations of the same affiliated group. (Reg. 302 (O)) ........... 6a. 0 0
6b. 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 (O)) 6b. 0 0
6c. All other receipts from other corporations of the same affiliated group ......................... 6c. 0 0
6d. Interest received from transactions made with persons resident or having their principal place of business outside Philadelphia ......................... 6d. 0 0
6e. Interest received on other transactions to the extent of interest expense attributable to such other transactions ........................................................................................................ 6e. 0 0
6f. 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 ......................... 6f. 0 0
6g. Other exclusions from Schedule D, Lines 5a through 5e ............................................... 6g. 0 0

7. TOTAL EXCLUSIONS (Add Lines 6a through 6g) ................................................................. 7. 0 0
8. Net Taxable Receipts before Statutory Exclusion (Line 5 minus Line 7) ......................... 8. 0 0
9. Statutory Exclusion (Lower of Line 8 or $50,000) ................................................................. 9. 0 0
10. Net Taxable Receipts after Statutory Exclusion (Line 8 minus Line 9) .......................... 10. 0 0
11. Tax on the amount of Line 10 (Line 10 times .001415. If Line 10 is a loss, enter "0"). ........................................ 11. 0 0

"Regulated Industries" as defined in §101(y), enter the amount of Line 11 onto Schedule J, Line 3. 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 2014 BIRT return. Do not complete the rest of this schedule.

Taxpayers registered under the PA Securities Act of 1972 must complete Lines 12 through 25 of this schedule on the next page.
### 2014 BIRT (HJ) SCHEDULE H (continued)

**COMPUTATION OF TAX ON GROSS RECEIPTS.**

<table>
<thead>
<tr>
<th>Step</th>
<th>Formula/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>Enter the amount from Schedule H, Page 3, Line 10.</td>
</tr>
<tr>
<td>13.</td>
<td>ADD the amounts received from commissions, brokerage fees and other similar charges excluded on Line 6f which are attributable to services performed within Philadelphia.</td>
</tr>
<tr>
<td>15.</td>
<td>Enter the amount of tax shown on Schedule A, Line 13 or Schedule B, Line 13.</td>
</tr>
<tr>
<td>16.</td>
<td>Enter the amount of tax shown on Line 11, above.</td>
</tr>
<tr>
<td>17.</td>
<td>Enter the total of Line 15 and Line 16, above.</td>
</tr>
<tr>
<td>18.</td>
<td>Enter the amount from Line 14, above.</td>
</tr>
<tr>
<td>19.</td>
<td>Tax due on the amount of Line 18 times .0046. (If Line 18 is a loss, enter &quot;0&quot;).</td>
</tr>
<tr>
<td>20.</td>
<td>Tax due on the amount of Line 18 times .0023. (If Line 18 is a loss, enter &quot;0&quot;).</td>
</tr>
<tr>
<td>21a.</td>
<td>TAXPAYERS WHO ELECTED TO USE METHOD I FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule A, Line 12.</td>
</tr>
<tr>
<td>21b.</td>
<td>TAXPAYERS WHO ELECTED TO USE METHOD II FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule H-1, Line 11.</td>
</tr>
<tr>
<td>22.</td>
<td>Tax Due on the amount of Line 21a or 21b times .023. (If Line 21 is a loss, enter &quot;0&quot;).</td>
</tr>
<tr>
<td>23.</td>
<td>Enter the LESSER of Line 20 or Line 22.</td>
</tr>
<tr>
<td>24.</td>
<td>Enter the total of Line 19 plus Line 23.</td>
</tr>
</tbody>
</table>

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

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### WORKSHEET S

Use to calculate Statutory Net Income Deduction

<table>
<thead>
<tr>
<th>Step</th>
<th>Formula/Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1.</td>
<td>Enter the lower of Schedule H, Line 8 or $50,000.</td>
</tr>
<tr>
<td>S2.</td>
<td>Enter Current Year Income from Line 9 of Schedule A or Schedule B. If loss, enter zero.</td>
</tr>
<tr>
<td>S3.</td>
<td>Enter Net Taxable Receipts from Schedule H, Line 8.</td>
</tr>
<tr>
<td>S4.</td>
<td>Divide Line S2 by Line S3. (Cannot be greater than 1.0000).</td>
</tr>
<tr>
<td>S5.</td>
<td>Statutory Net Income Deduction (Line S1 times Line S4. Cannot exceed $50,000).</td>
</tr>
</tbody>
</table>

Enter the amount from Line S5 on Line 10 of Schedule A or Schedule B and if applicable, Line 9 of Schedule H-1.
Important Note: You must complete Lines A and B for all factors used. For taxpayers who apportion their Net Income in and out of Philadelphia, the 2014 Business Income and Receipts Tax receipts factor is included twice.