# 2012 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**

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)
   - (b) Net Income (Loss) from certain port related activities. (Reg. 302 (19))
   - (c) Net Income (Loss) from specific PUC and ICC business activities. (Reg. 101 (d))
   - (d) Net Income (Loss) from Public Law 86-272 activities
   - (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 (G) adjustments (Reg. 302 (14))
   - (f) Line 1 minus Lines 2a through 2e
   - (g) All other receipts from other corporations of the same affiliated group. (Reg. 302 (14))
   - (h) Gross Receipts per BIRT Regulation §404(2)(E)(V)
   - (i) Divide Line 2g by Line 2h and enter the result here as a decimal
   - (j) Multiply Line 2f by Line 2i and enter the result here
   - (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

3. **Adjusted Net Income (Loss)** (Line 2f minus (Line 2j plus 2k))

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

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

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

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

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

9. **Current year Income (Loss)** (Line 7 plus Line 8)

10. **Loss Carry Forward, if any**

11. **Taxable Income (Loss)** (Line 9 minus Line 10)

12. **TAX DUE** (Line 11 times .0645) If Line 11 is a loss, enter zero

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**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 2012 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. **Loss Carry Forward, if any**. ................................................................. 10.  0 0
11. **Taxable Income (Loss)** (Line 9 minus Line 10). .............................................. 11.  0 0
12. **TAX DUE** (Line 11 times .0645)  If Line 11 is a loss, enter zero. ....................... 12.  0 0

### COMPUTATION OF THE MAXIMUM BUSINESS INCOME AND RECEIPTS TAX FOR "REGULATED INDUSTRY" TAXPAYERS

1. Enter the amount of tax from Schedule A, Line 12 or Schedule B, Line 12. ............. 1.  0 0
2. Enter the amount of tax from Schedule D, Line 11 of the 2012 BIRT return. .............. 2.  0 0
3. Enter the amount of tax from Schedule H, Line 9. ............................................. 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 2012 BIRT return the **LESSER** of the tax shown on Line 1 or Line 4 of this schedule. ............................. 5.  0 0

### COMPUTATION OF THE 2012 BUSINESS INCOME & RECEIPTS TAX CREDIT FOR PERSONS SUBJECT TO THE 2012 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 12 or Schedule B, Line 12. ............. 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 23 is the SAME as the amount shown on Schedule H, Line 15, enter the amount of tax shown on Schedule H, Line 13. 2.  0 0
3. **"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

### OTHER PARTNERSHIPS, JOINT VENTURES, ASSOCIATIONS AND INDIVIDUALS: REFER TO SCHEDULE E OF THE 2012 NET PROFITS TAX RETURN AND SEE LINE 1C OR 1E, WHICHEVER IS APPLICABLE.
2012 BIRT (HJ) SCHEDULE H

COMPUTATION OF TAX ON GROSS RECEIPTS.

<table>
<thead>
<tr>
<th>ACCOUNT NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXX XX XX XX</td>
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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. Enter the amount from Line 8, above. 0 0

2. Cost of Property sold. Enter the amount from Line 12, above. 0 0

3. Gross Profit (Line 1 minus Line 2). If a loss, enter "0". 0 0

4. Other Gross Receipts. Enter the amount from Line 13 and Line 14 above. 0 0

5. Total of Line 3 plus Line 4. 0 0

6a. Dividends, Interest, and Royalties received from other corporations of the same affiliated group. Enter the amount from Line 12, above. 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. Enter the amount from Line 12, above. 0 0

6c. All other receipts from other corporations of the same affiliated group. Enter the amount from Line 12, above. 0 0

6d. Interest received from transactions made with persons resident or having their principal place of business outside Philadelphia. Enter the amount from Line 12, above. 0 0

6e. Interest received on other transactions to the extent of interest expense attributable to such other transactions. Enter the amount from Line 12, above. 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 for persons resident or having their principal place of business outside Philadelphia. Enter the amount from Line 12, above. 0 0

7. TOTAL EXCLUSIONS (Add Lines 6a through 6f) 0 0

8. Line 5 minus Line 7. 0 0

9. TAX ON THE AMOUNT OF LINE 8. (Line 8 times .0001415. If Line 8 is a loss, enter "0"). Enter the taxable amount on Schedule J, Line 3 and do not complete the rest of this schedule. 0 0

“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. Taxpayers registered under the PA Securities Act of 1972 must complete Lines 10 through 23 of this schedule.

10. Enter the amount from Line 8, above. 0 0

11. ADD the amounts received from commissions, brokerage fees and other similar charges excluded on Line 6f which are attributable to services performed within Philadelphia. 0 0

12. Line 10 plus Line 11. 0 0

13. Enter the amount of tax shown on Schedule A, Line 12 or Schedule B, Line 12. 0 0

14. Enter the amount of tax shown on Line 9, above. 0 0

15. Enter the total of Line 13 and Line 14 above. 0 0

16. Enter the amount from Line 12, above. 0 0

17. Tax due on the amount of Line 16 times .0046. (If Line 16 is a loss, enter "0"). 0 0

18. Tax due on the amount of Line 16 times .0023. (If Line 16 is a loss enter "0"). 0 0

19a. TAXPAYERS WHO ELECTED TO USE METHOD I FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule A, Line 11. 0 0

19b. TAXPAYERS WHO ELECTED TO USE METHOD II FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule H-1, Line 10. 0 0

20. Tax Due on the amount of Line 19a or 19b times .023. (If Line 19 is a loss, enter "0"). 0 0

21. Enter the LESSER OF Line 18 or Line 20. 0 0

22. Enter the total of Line 17 plus Line 21. 0 0

23. TAX DUE. ENTER HERE AND ON THE SUMMARY PAGE, LINE 2 OF THE 2012 BIRT RETURN THE GREATER OF THE TAX SHOWN ON LINE 15 OR LINE 22. 0 0

UNINCORPORATED REGULATED INDUSTRIES SEE SCHEDULE K (SUPPLEMENTAL), LINE 2 FOR ADDITIONAL INSTRUCTIONS.
**SCHEDULE H-1**

ALTERNATE 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 times Line 5)............................... 6.  
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 Property Used in Business:

2. Land and Buildings Owned (at average original cost)............................................. 8b.  
3. Machinery and Equipment Owned (at average original cost)................................. 8c.  
4. Other Tangible Assets Owned (at average original cost)............................................ 8d.  
5. Rented Property (at 8 times the net annual rental).................................................... 9a.  
6. Total average value of Property used WITHIN PHILADELPHIA.................. 9b.  
7. Total average value of Property used EVERYWHERE.............................................. 9c.  

Computation of Apportionment Factors:

8b. Total Average Value of Property Everywhere from Column B, Line 7 above....... 10b.  
8c. Philadelphia Property Factor (Line 8a divided by 8b).................................................... 10c.  
9a. Philadelphia Payroll............................................................................................................. 10d.  
9b. Payroll Everywhere........................................................................................................... 11.  
9c. Philadelphia Payroll Factor (Line 9a divided by 9b)....................................................... 12.  
10c. Philadelphia Receipts Factor (Line 10a divided by 10b)................................................... 3.  
10d. Repeat Line 10c.................................................................................................................. 4.  
11. TOTAL FACTORS (Total of Lines 8c, 9c, 10c and 10d)................................. 5.  
12. AVERAGE OF FACTORS (Line 11 divided by applicable number of factors, as explained below)............... 6.  

**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 2012 Business Income and Receipts Tax receipts factor is included twice.