

2021 BIRT (HJ) - Schedule B

Computation of Tax on Net Income (Method II)

Philadelphia Tax Identification Number

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→→ 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.	<input type="radio"/>		,		,		,		.	0	0
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.			,		,		,		.	0	0
(b) Net Income (Loss) from certain port related activities. (Reg. 302 (T)).....	2b.	<input type="radio"/>		,		,		,		.	0	0
(c) Net Income (Loss) from specific PUC and ICC business activities. (Reg. 101 (D)(3)).....	2c.	<input type="radio"/>		,		,		,		.	0	0
(d) Net Income (Loss) from Public Law 86-272 activities.....	2d.	<input type="radio"/>		,		,		,		.	0	0
(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.			,		,		,		.	0	0
(f) Line 1 minus Lines 2a through 2e.....	2f.	<input type="radio"/>		,		,		,		.	0	0
(g) All other receipts from other corporations of the same affiliated group. (Reg. 302 (N)).....	2g.			,		,		,		.	0	0
(h) Gross Receipts per BIRT Regulation §404 (B)(5)(e).....	2h.			,		,		,		.	0	0
(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.	<input type="radio"/>		,		,		,		.	0	0
(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.	<input type="radio"/>		,		,		,		.	0	0
3. ADJUSTED NET INCOME (LOSS) [Line 2f minus (Line 2j plus 2k)].....	3.	<input type="radio"/>		,		,		,		.	0	0
4. Total Nonbusiness Income (Loss).....	4.	<input type="radio"/>		,		,		,		.	0	0
5. Income (Loss) to be apportioned (Line 3 minus Line 4).....	5.	<input type="radio"/>		,		,		,		.	0	0
6. Average of Apportionment Factors from Schedule H-2 or C-1, Line 3.....	6.			.								
7. Income (Loss) apportioned to Philadelphia (Line 5 times Line 6).....	7.	<input type="radio"/>		,		,		,		.	0	0
8. Nonbusiness Income (Loss) allocated to Philadelphia.....	8.	<input type="radio"/>		,		,		,		.	0	0
9. Current year Income (Loss) (Line 7 plus Line 8).....	9.	<input type="radio"/>		,		,		,		.	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.	<input type="radio"/>		,		,		,		.	0	0
13. TAX DUE (Line 12 times .0620) 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 2021 BIRT return. In addition, unincorporated taxpayers also enter the amount of Line 12 onto Schedule K (Supplemental), Line 1.



2021 BIRT (HJ) - Schedule A, J and K

Philadelphia Tax Identification Number grid

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.

Schedule A form with 15 numbered lines for net income calculation, including radio buttons and input boxes.

Taxpayers registered under the PA Securities Act of 1972 enter the amount of Line 15 onto Schedule H, Line 15. "Regulated Industry" taxpayers enter the amount of Line 15 onto Schedule J, Line 1. All other taxpayers enter the amount of Line 15 on the Summary Page, Line 1 of the 2021 BIRT return. In addition, unincorporated taxpayers also enter the amount of Line 15 onto Schedule K (Supplemental), Line 1, below.

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

Schedule J form with 5 numbered lines for maximum business income and receipts tax calculation.

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

SCHEDULE K - (SUPPLEMENTAL) COMPUTATION OF THE 2021 BUSINESS INCOME & RECEIPTS TAX CREDIT FOR PERSONS SUBJECT TO THE 2021 NET PROFITS TAX. CORPORATIONS DO NOT FILE THIS SCHEDULE.

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

Line 1 of Schedule K form: Enter the amount of tax from Schedule A, Line 15 or Schedule B, Line 13.

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

Line 2 of Schedule K form: 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 24, PROVIDED THAT the amount of tax shown on Schedule H, Line 22 is 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.

"Regulated Industry" Taxpayers:

Line 3 of Schedule K form: 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.

COMPUTATION OF TAX CREDIT

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

Partnerships, Joint Ventures and Associations which are composed of one or more Corporate Partners, Corporate Joint Ventures or Corporate Associates:

Refer to Worksheet D of the 2021 Net Profits Tax Return.

Other Partnerships, Joint Ventures, Associations and Individuals: Refer to Worksheet E of the 2021 Net Profits Tax Return.



2021 BIRT (HJ) - Schedule H
COMPUTATION OF TAX ON GROSS RECEIPTS.

Grid for Philadelphia Tax Identification 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.
2. Cost of Property sold
3. Gross Profit (Line 1 minus Line 2. If a loss, enter "0")
4. Other Gross Receipts
5. Total of Line 3 plus Line 4

EXCLUSIONS:

- 6a. Dividends, Interest, and Royalties received from other corporations of the same affiliated group.
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.
6c. All other receipts from other corporations of the same affiliated group.
6d. Interest received from transactions made with persons resident or having their principal place of business outside Philadelphia.
6e. Interest received on other transactions to the extent of interest expense attributable to such other transactions.
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.
6g. Other exclusions from Schedule D, Lines 5a through 5d.
7. TOTAL EXCLUSIONS (Add Lines 6a through 6g)
8. Net Taxable Receipts before Statutory Exclusion (Line 5 minus Line 7)
9. Statutory Exclusion (Lower of Line 8 or \$100,000)
10. Net Taxable Receipts after Statutory Exclusion (Line 8 minus Line 9)
11. Tax on the amount of Line 10 (Line 10 times .001415. If Line 10 is a loss, enter "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 11 on the Summary Page, Line 2 of the 2021 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.



2021 BIRT (HJ) - Schedule H (continued)

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COMPUTATION OF TAX ON GROSS RECEIPTS.

12. Enter the amount from Schedule H, Page 3, Line 10.....	12.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
13. ADD the amounts received from commissions, brokerage fees and other similar charges excluded on Line 6f which are attributable to services performed within Philadelphia.....	13.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
14. Line 12 plus Line 13.....	14.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
15. Enter the amount of tax shown on Schedule A, Line 15 or Schedule B, Line 13.....	15.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
16. Enter the amount of tax shown on Line 11, above.....	16.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
17. Enter the total of Line 15 and Line 16, above.....	17.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
18. Enter the amount from Line 14, above.....	18.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
19. Tax due on the amount of Line 18 times .0046. (If Line 18 is a loss, enter "0").....	19.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
20. Tax due on the amount of Line 18 times .0023. (If Line 18 is a loss, enter "0").....	20.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
21a. TAXPAYERS WHO ELECTED TO USE METHOD I FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule A, Line 14.....	21a.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
21b. TAXPAYERS WHO ELECTED TO USE METHOD II FOR REPORTING NET INCOME, enter the Net Income (Loss) shown on Schedule H-1, Line 11.....	21b.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
22. Tax Due on the amount of Line 21a or 21b times .023. (If Line 21 is a loss, enter "0").....	22.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
23. Enter the LESSER of Line 20 or Line 22.....	23.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
24. Enter the total of Line 19 plus Line 23.....	24.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
25. TAX DUE. ENTER HERE AND ON THE SUMMARY PAGE, LINE 2 OF THE 2021 BIRT RETURN THE GREATER OF THE TAX SHOWN ON LINE 17 OR LINE 24.....	25.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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

WORKSHEET S

Use to calculate Statutory Net Income Deduction

S1. Enter the lower of Schedule H, Line 8 or \$100,000.....	S1.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
S2. Enter Current Year Income from Schedule A, Line 11 or Schedule B, Line 9. If loss, enter zero.....	S2.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
S3. Enter Net Taxable Receipts from Schedule H, Line 8.....	S3.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
S4. Divide Line S2 by Line S3. (Cannot be greater than 1.0000).....	S4.				<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
S5. Statutory Net Income Deduction (Line S1 times Line S4. Cannot exceed \$100,000).....	S5.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Enter the amount from Line S5 on Schedule A, Line 12 or Schedule B, Line 10 and if applicable, Line 9 of Schedule H-1.



2021 BIRT (HJ) - Schedule H-1 and H-2

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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

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

1. Enter the adjusted net income (loss) reported on Schedule B, Line 3.....	1.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
1a. Enter the amount shown on Schedule B, Line 2k.....	1a.		<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
2. Line 1 plus Line 1a.....	2.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
3. Total non-business income (loss).....	3.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
4. Income (loss) to be apportioned (Line 2 less Line 3).....	4.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
5. Apportionment percentage from Schedule H-2, Line 3.....	5.				.						
6. Income (loss) to be apportioned to Philadelphia (Line 4 times Line 5).....	6.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
7. Non-business Income (loss) allocated to Philadelphia.....	7.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
8. Current year Income (loss) (Line 6 plus Line 7).....	8.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
9. Statutory Net Income Deduction from Worksheet S, Line S5.....	9.		<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
10. Loss Carry Forward, if any.....	10.		<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
11. NET INCOME (Loss) (Line 8 minus Line 9 minus Line 10) Enter here and on Schedule H, Line 21B.....	11.	<input type="radio"/>	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>

SCHEDULE H-2 COMPUTATION OF APPORTIONMENT FACTORS TO BE APPLIED TO APPORTIONABLE NET INCOME.

For business conducted in and out of Philadelphia

The Department has adopted a **Single Sales/Receipts Factor Apportionment** methodology for BIRT. The Property and Payroll Factors are **no longer used** in the calculation of the Philadelphia Apportionment percentage. The Single Sales/Receipts Factor Apportionment percentage is the ratio of **Philadelphia Sales/Receipts** to **Total Sales/Receipts everywhere**.

The **sourcing** of sales/receipts is the **same as it has been** in prior years. *Receipts* and *Taxable Receipts* are defined at *Philadelphia Code § 19-2601* and explained in Article III of the BIRT Regulations.

www.phila.gov/revenue/birt-regs

Taxpayers registered under the Pennsylvania Securities Act of 1972 - If Net Income Method II (i.e. as reported to the Federal government) is elected, refer to Business Income and Receipts Tax Regulations Section 409 found on our website at the link noted above.

Persons who are subject to a tax pursuant to Articles VII (Bank Shares Tax), VIII (Title Insurance and Trust Companies Share Tax), IX (Insurance Premiums Tax) or XV (Mutual Thrift Institutions Tax) of the Tax Reform Code of 1971 and Private Banks. Refer to Business Income and Receipts Tax Regulations Section 410 found on our website at the link noted above

COMPUTATION OF APPORTIONMENT FACTOR TO BE APPLIED TO APPORTIONABLE NET INCOME. YOU MUST COMPLETE SCHEDULE C-1 IF YOU ARE APPORTIONING YOUR INCOME. FAILURE TO INCLUDE THIS SCHEDULE WITH YOUR RETURN MAY RESULT IN THE DISALLOWANCE OF YOUR APPORTIONMENT AND YOU MAY BE BILLED.

1. Philadelphia Sales/Receipts.....	1.	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
2. Gross Sales/Receipts Everywhere.....	2.	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	,	<input type="text"/>	.	<input type="text"/>
3. Single Sales/Receipts Factor Apportionment Percentage (Line 1 divided by 2).....	3.		.							

ENTER THE PHILADELPHIA RECEIPTS FACTOR APPORTIONMENT PERCENTAGE ON SCHEDULE A, LINE 8 **OR** SCHEDULE B, LINE 6.

