

PA Schedule C
Profit or Loss From
Business or Profession
(SOLE PROPRIETORSHIP)
PA- 40C (09-12) (FI)
PA DEPARTMENT OF REVENUE

1203110059

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Include with Form PA-40, PA-20S/PA-65 or PA-41

OFFICIAL USE ONLY

Name of owner shown as on PA tax return:		Owner's Social Security number
A. Main business activity ▶	Product or service ▶	
B. Business name ▶	C. Federal Employer Identification Number	
D Business address (number and street)		
City	State	and ZIP Code ▶

- E. Method(s) used to value closing inventory. Fill in the appropriate oval:
(1) Cost (2) Lower of cost or market
(3) Other (if other, attach explanation)

Sales Tax License Number (if applicable)

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- F. Accounting method. Fill in the appropriate oval:

(1) Cash (2) Accrual (3) Other (specify) ▶

Yes	No

Federal NAICS Code

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- G. Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If "Yes," submit explanation.

- H. Did you deduct expenses for an office in your home?

- I. If the business is out of existence, fill in this oval.

PART I Income

1. a. Gross receipts or sales	1a.		
b. Returns and allowances	1b.		
c. Balance (subtract Line 1b from Line 1a)	1c.		
2. Cost of goods sold and/or operations (Schedule C-1, Line 8)	2.		
3. Gross profit (subtract Line 2 from Line 1c)	3.		
4. Other Income (submit statement). Include interest from accounts receivable, business checking accounts and other business accounts. Also include sales of operational assets. See Instructions Booklet.	4.		
5. Total income (add Lines 3 and 4)	5.		

PART II Deductions

6. Advertising		28. Supplies (not included on Schedule C-1)	
7. Amortization		29. Taxes	
8. Bad debts from sales or services		30. Telephone	
9. Bank charges		31. Travel and entertainment	
10. Car and truck expenses		32. Utilities	
11. Commissions		33. Wages	
12. Cost depletion but not percentage depletion		34. Other expenses (specify):	
13. a. Regular depreciation		a.	
13. b. Section 179 expense		b.	
14. Dues and publications		c.	
15. Employee benefit programs other than on Line 23		d.	
16. Freight (not included on Schedule C-1)		e.	
17. Insurance		f.	
18. Interest on business indebtedness		g.	
19. Laundry and cleaning		h.	
20. Legal and professional services		i.	
21. Management fees		j.	
22. Office supplies		k.	
23. Pension and profit-sharing plans for employees		34. Total other expenses	
24. Postage		35. Total expenses. (add Lines 6 through 34)	
25. Rent on business property		36. Reduce expenses by the total business credits claimed (for example, Employment Incentive Payments Credit) on your PA-40.	
26. Repair			
27. Subcontractor fees			

37. Total adjusted expenses (subtract Line 36 from Line 35). 37.

38. Net profit or loss (subtract Line 37 from Line 5). If a net loss, fill in the oval. Enter the result on your PA tax return. Loss 38.

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SIDE 1

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Name of owner as shown on PA tax return:

Social Security Number

SCHEDULE C-1 - Cost of Goods Sold and/or Operations

1. Inventory at beginning of year (if different from last year's closing inventory, include explanation)	1.	
2. a. Purchases	2a.	
b. Cost of items with drawn for personal use	2b.	
c. Balance (subtract Line 2b from Line 2a)	2c.	
3. Cost of labor (do not include salary paid to yourself or subcontractor fees)	3.	
4. Materials and supplies	4.	
5. Other costs (include schedule)	5.	
6. Add Lines 1, 2c, 3, 4 and 5	6.	
7. Inventory at end of year	7.	
8. Cost of goods sold and/or operations (subtract Line 7 from Line 6) Enter here and on Part I, Line 2	8.	

SCHEDULEC- 2 - Depreciation

PA PIT law does not permit the bonus depreciation elections added to the Internal Revenue Code (IRC) in 2002, 2003, 2008 and 2009. PA PIT law limits IRC Section 179 current expensing to the expensing allowed at the time you placed the asset into service or in effect under the IRC of 1986 as amended Jan.1, 1997. For each asset, you must also report straight-line depreciation, unless not using an optional accelerated depreciation method. You need straight-line depreciation to take advantage of Pennsylvania's Tax Benefit Rule when you sell the asset. See the PA PIT Guide for the Tax Benefit Rule.

1. Total Section 179 depreciation (donotin clude in items below)	1.					
2. Less: Section 179 depreciation included in Schedule C-1	2.					
3. Balance (subtract Line 2 from Line 1). Enter here and on Part II, Line 13b	3.					
Description of property (a)	Date acquired (b)	Cost or other basis (c)	Depreciation allowed or allowable in prior years (d)	Method of calculating depreciation (e)	Life or rate (f)	Depreciation for this year (g)
4. Other depreciation:						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
5. Totals (add all Line 4 amounts)					5.	
6. Any depreciation included in Schedule C-1					6.	
7. Balance (subtract Line 6 from Line 5). Enter here and on Part II, Line 13a.					7.	