

PA SCHEDULE SP - 2023
Special Tax Forgiveness
PA-40 SP (04-23)
PA Department of Revenue

Eligibility Questions

- 1. Are you a dependent on another taxpayer's (parent, guardian, step-parent, etc.) federal tax return?
- 2. If you answered "Yes" above, does the taxpayer on whose return you are a dependent qualify for tax forgiveness?

IMPORTANT: If you answered "No" to Question 1, please proceed with completing Schedule SP.

If you answered "Yes" to Question 1, you must also have answered "Yes" to Question 2 to be eligible for tax forgiveness and complete Line 1b. or Line 3c. from Section I below.

SECTION I – FILING STATUS FOR TAX FORGIVENESS

- 1. Unmarried - use **Column A** to calculate your **Eligibility Income**. Enter "01" for Unmarried on Line 19a of the PA-40. Enter a Y in the space that describes your situation:
 - a. Single. Unmarried/divorced on Dec. 31, 2023
 - b. Single and claimed as a dependent on another person's PA Schedule SP. Enter the other person's:

- 2. Separated – use **Column A** to calculate your **Eligibility Income**. Enter a "Y" in this space only if (a) you are separated pursuant to a written agreement or (b) you were married, but separated and lived apart for the last six months of the year. Enter a "01" in the space for Unmarried on Line 19a of the PA-40.
- 3. Married - Enter "02" for Married on Line 19a of your PA-40. Enter your spouse's name and SSN above. Enter a "Y" in the space that describes your situation:
 - a. Married and claiming Tax Forgiveness together with my spouse. Use **Column A** to calculate **Eligibility Income**.
 - b. Married and filing separate PA tax returns.
Certification. Enter a "Y" in this space certifying that you and your spouse are submitting the same information on each PA Schedule SP. Use **Columns B and C** to calculate your **Eligibility Income**.
 - c. Married with a spouse who is a dependent on another person's PA Schedule SP or federal income tax return. Use **Columns B and C** to calculate **Eligibility Income**. Enter the other person's:

 - d. Separated and lived apart from my spouse but for less than the last six months of the year. Use **Columns B and C** to calculate **Eligibility Income**. Enter your spouse's name and SSN above.
- 4. Deceased - use **Column A** to calculate your **Eligibility Income**. Enter "03" for Deceased on Line 19a of the PA-40. You must annualize the decedent's income (see the instructions) and briefly describe your method:

SECTION II – DEPENDENT CHILDREN

Provide all the information for each dependent child. If more than nine dependent children, submit additional schedules as needed.

1.	DEPENDENT'S NAME	AGE	RELATIONSHIP	SOCIAL SECURITY NO.
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2. Number of dependent children. Enter on Line 19b of your PA-40.

Important: Only claim the child or children that you claimed as your dependent(s) on your 2023 Federal Income Tax return.



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SECTION III – ELIGIBILITY INCOME

Married taxpayers filing jointly use **Column A** and **Eligibility Income Table 2**.
 Single filers, qualifying separated filers, and if filing for a decedent use
Column A and **Eligibility Income Table 1**.

Married taxpayers filing separately, and taxpayers separated
 but not for the last six months of the year use
Columns B and C, and **Eligibility Income Table 2**.

Column A Unmarried or Married Filing Jointly	The Eligibility Income Tables are on page 39 of the PA-40 booklet.	Column B Taxpayer	Column C Spouse
1.	PA taxable income from Line 9 of your PA-40	1.	
2.	Nontaxable interest, dividends and gains and/or annualized income	2.	
3.	Alimony	3.	
4.	Insurance proceeds and inheritances	4.	
5.	Gifts, awards and prizes	5.	
6.	Non-PA income - part-year residents and nonresidents	6.	
7.	Nontaxable military income – Do not include combat pay	7.	
8.	Gain excluded from the sale of a residence	8.	
9.	Nontaxable educational assistance	9.	
10.	Foster care and cash received for personal purposes	10.	
11.	←Total Eligibility Income for Column A		
Total Eligibility Income for Columns B and C – add Lines 1 through 10 for each spouse and enter the total → 11.			

SECTION IV – CALCULATING YOUR TAX FORGIVENESS CREDIT

12.	PA Tax Liability from your PA-40, Line 12 (if amended return, see instructions)	12.
13.	Less Resident Credit from your PA-40, Line 22	13.
14.	Net PA Tax Liability. Subtract Line 13 from Line 12	14.
15.	Percentage of Tax Forgiveness entered as a decimal from the Eligibility Income Table using your dependents from Section II and your Total Eligibility Income from Line 11	15.
16.	Tax Forgiveness Credit . Multiply Line 14 by the decimal on Line 15.	16.

