

My parents live in another state and since I left for school I have only been back to visit on the holidays. I have a job in Pennsylvania to help support myself while I am in school. How and where do I file my state income tax return?

Unless a student considers Pennsylvania to be his/her new home, is supporting himself/herself, and has established a permanent abode in Pennsylvania, the student is considered a nonresident. The student should file as a resident in the state where his/her parent(s) live, and file a tax return in Pennsylvania as a nonresident.

As a college student, can I qualify for Pennsylvania's Tax Forgiveness Program?

If your parent(s) or guardian(s) claim you as a dependent on their federal income tax return, you are not eligible for Tax Forgiveness unless your parent(s) or guardian(s) is eligible to claim Tax Forgiveness. If they are eligible, then you may also be eligible to claim Tax Forgiveness.

If you are not a dependent on anyone's federal return, you may apply for Tax Forgiveness if you qualify.

For a nonresident to qualify for Tax Forgiveness, he/she must report all income including the total income earned or received from outside of Pennsylvania.

When calculating your eligibility income, you also must include the value of scholarships, fellowships, and stipends that you receive, such as federal educational grants. Do not include student loans in eligibility income. However, include PA excludible loan forgiveness provided to you in exchange for your services or your promise to perform services in the future.

Are scholarships, fellowships or stipends taxable for PA Personal Income Tax purposes?

Generally, a scholarship or fellowship award made on the basis of need or academic achievement is not taxable if awarded to encourage or allow the recipient to further his or her educational development.

The award is taxable as compensation if given for past or present services or in expectation of future employment. For example, stipends paid to medical students for internships and residencies approved by the American Medical Association are taxable.

What is the best way to file my PA Personal Income Tax return?



The Department offers two free electronic tax filing options: TeleFile (over the telephone) and pa.direct.file (over the Internet). Also available is PA/IRS e-file (through tax preparers or authorized computer software) that allows the filing of both state and federal returns together or separately.

Visit the Revenue e-Services Center on the Department's Web site at www.revenue.state.pa.us to file returns using pa.direct.file; make payments, including estimated payments; check the status of a return or refund; update information; pay any tax due by credit card; and access the Online Customer Service Center.



Online Customer Service Center
www.revenue.state.pa.us

Taxpayer Service & Information Center
(717) 787-8201

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Personal Income Taxes For College Students

When it's time to pay PA income taxes, college students who are from Pennsylvania but attend school in another state may not know where to file.

Additionally, students who are from other states, but attend college in Pennsylvania, have tax filing responsibilities. In fact, students may have to file income tax returns in two states.

This brochure is intended to provide assistance in filing Personal Income Taxes in Pennsylvania.



Who is subject to PA Personal Income Tax?

Any individual who receives more than \$33 (\$1 of tax) of PA taxable income must file a PA tax return.

An individual can be subject to PA Personal Income Tax in two ways: as a PA resident or as a nonresident. If a student is a PA resident, he/she is subject to tax on all his/her income, and must file a state income tax return. A student is a PA resident if he/she is domiciled in Pennsylvania. A student is not a PA resident if he/she maintains no permanent residence (place of abode) in Pennsylvania, maintains a home, apartment or other dwelling outside of Pennsylvania and does not spend more than 30 days of the tax year in Pennsylvania. However, a student is a PA resident if he/she, although not domiciled in Pennsylvania, maintains a permanent residence (place of abode) in Pennsylvania and spends more than 183 days of the tax year in Pennsylvania.

Generally, students are residents of the state where their parent(s) or guardian(s) reside.

Pennsylvania Residents Working in other States

A student, who is a PA resident, earning taxable income while attending college in another state may have to file a return with that state as a nonresident. He/she must also file a return with Pennsylvania as a resident.

A PA resident is responsible for reporting his/her income – even the income earned in another state – to Pennsylvania, along with any other income received during the taxable year, such as interest, dividends, gains, and trust income.

If a PA resident pays taxes on his/her earned income to another state, he/she may claim a Resident Tax Credit by completing PA Schedule G.

If a PA resident is going to school and working in a reciprocal agreement state – Indiana, Maryland, New Jersey, Ohio, Virginia, or West Virginia – he/she should review the other state's residency requirements to determine whether attending college in that state

makes him/her a resident under that state's tax law. If the student is a resident of both Pennsylvania and the other state, even if it is not one of the reciprocal agreement states, the student will be entitled to a Resident Tax Credit on his/her PA return for the income tax imposed by the other state. If the student is a nonresident of the other state, and the other state does not have an income tax, he/she should ask the employer to withhold PA Personal Income Tax from his/her paycheck.

Nonresidents Working in Pennsylvania

Nonresident students working in Pennsylvania are required to pay taxes on their income earned in Pennsylvania. If students are residents of a reciprocal agreement state, they can ask their employer to withhold their home state's income tax from their paycheck.

If the student is a resident of a state that is not a reciprocal agreement state, he/she should report the income earned while in Pennsylvania by filing a PA-40 tax return and filling in the oval for Nonresident.

Students should check with their home state to see if they are allowed to claim credits for the taxes they paid in Pennsylvania.

What is a domicile?

Domicile refers to the place where a taxpayer maintains his or her permanent abode, and is the place where he or she intends to return whenever absent. A person may only have one place of domicile at a time.

In order to change a domicile, a student must show: 1) physical presence at a new residence; 2) the intent to make the new residence the principal living place; and 3) that he/she supports himself/herself and is independent of his/her parent(s) or guardian(s). Some objective factors the Department reviews to determine a college student's domicile are: the state where the person holds a driver's license, voter registration, bank accounts, etc.

What is a permanent abode?

A permanent abode is a house, apartment, dwelling place, or other residence that is maintained as a household for an indefinite period, whether the occupants own it or not. An abode is not permanent if it is occupied only during a fixed or limited period of time for a particular purpose. Barracks, bachelor officer's quarters, quarters on ships, and other living accommodations provided by an employer for a definite period do not qualify as permanent abodes. College dormitories, fraternity and sorority houses, and off-campus rentals also do not qualify as permanent abodes used for the fixed time during which a student pursues a degree or certificate.

What is a reciprocal agreement state?

Pennsylvania has reciprocal agreements with Indiana, Maryland, New Jersey, Ohio, Virginia, and West Virginia. Under these agreements, one state will not tax the other state's residents on employee compensation that is subject to employer withholding. These agreements apply to employee compensation only.

What should I do if I am a Pennsylvania resident and worked in a reciprocal agreement state, but my employer took out the wrong income tax?

You must file for a refund from that state and pay the amount of tax due to Pennsylvania by the due date.

What should I do if I am a resident of a reciprocal agreement state working in Pennsylvania and my employer took out PA income tax?

You may request a refund of the PA tax your employer withheld. Report zero taxable compensation on Line 1a of the PA-40 and the PA tax withheld on Line 13 of the PA-40. Submit an explanation stating that you were a resident of the reciprocal state in the taxable year.