

**PENNSYLVANIA S CORPORATION ELECTION
 AND SHAREHOLDERS' CONSENT**



PA Account ID
Federal ID (EIN)
Pennsylvania S Corporation Election is to be first effective for:
Tax Period beginning: month / day / year
Tax Period ending: month / day / year
Date of Incorporation or Date of First Activity or Date of Issuance of Certificate of Authority.

↑ Please fill in Corporate Name, Address, City, State and Zip Code Above.

Election is for this corporation and its qualified Subchapter S subsidiaries as identified on the attached schedule showing the names and PA Account ID numbers of all subsidiaries.

(A) Name and Address of each shareholder having an interest in the Corporation's stock without regard to the manner in which the stock is owned. If additional space is needed provide a separate sheet and attach to this form. The Department is authorized under federal law, 42 U.S.C. § 405 (c), to use your Social Security number in administering this state tax law. Disclosure of your Social Security number is mandatory and will be used to establish your identity and cross reference with other tax systems.	(B) Social Security Number or Federal Employer Identification number.	(C) Percentage of stock owned.	(D) "We, the undersigned shareholders consent to the election of the corporation to be treated as a PA S Corporation."
Name			Signature/Date
Street City State Zip Code			
Name			Signature/Date
Street City State Zip Code			
Name			Signature/Date
Street City State Zip Code			
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Name			Signature/Date
Street City State Zip Code			
Name			Signature/Date
Street City State Zip Code			
Total = ____100%			

The Corporate statement of election of Pennsylvania S Corporation status must be signed by an authorized officer of the corporation. "The above named corporation hereby elects to be treated as a Pennsylvania S Corporation under Section 307 of the Tax Reform Code of 1971."	NAME OF CORPORATE OFFICER	TELEPHONE NUMBER
	SIGNATURE AND TITLE	
Under penalties of perjury, I declare that I have examined this Pennsylvania S Corporation Election and Shareholders' Consent statement, and to the best of my knowledge and belief it is true, correct and complete.	SOCIAL SECURITY NUMBER	DATE

GENERAL INSTRUCTIONS

ELECTION TO BE TAXED AS A PENNSYLVANIA "S" CORPORATION

The shareholders of a corporation which qualifies as a "small corporation" may elect to be taxed as a Pennsylvania S Corporation. The shareholders' election of Pennsylvania S Corporation status is valid only if all of the shareholders of the corporation sign a consent to the election. If an election is made, each shareholder will be subject to Pennsylvania Personal Income Tax on each shareholder's pro rata share of the S Corporation income, whether distributed or not.

A Pennsylvania S Corporation with taxable income from sources within PA are jointly liable with their nonresident shareholders for payment of tax on such income and are authorized and required to collect such tax from nonresident shareholders and remit the tax to the PA Department of Revenue. To register for estimated Personal Income Tax Withholding, contact the PA Department of Revenue, Bureau of Individual Taxes, Document Control Division, Dept. 280510, Harrisburg, PA 17128-0510.

WHO MAY ELECT

A Pennsylvania S Corporation election may be made by the shareholders of any small corporation that is subject to the Pennsylvania corporate net income tax or that owns one hundred percent (100%) of the stock of a qualified Subchapter S subsidiary that is subject to the Pennsylvania corporate net income tax. A corporation is a small corporation, if it meets the following requirements:

- (1) The corporation has a valid election in effect under Subchapter S of the Internal Revenue Code of 1986 (26 U.S.C.A. §§ 1361-1379) as amended to January 1, 1997.

- (2) The corporation would qualify as a Federal S Corporation under Subchapter S of the Internal Revenue Code of 1986, as amended to January 1, 1997.

FORM AND METHOD OF ELECTION

Except as noted below, a Pennsylvania S Corporation election shall be filed with the PA Department of Revenue on form REV-1640 on or before the 15th day of the third month of the current taxable year to be effective for that year. All of the shareholders of the corporation shall consent to the election by signing either form REV-1640 or a separate statement of consent, which may be attached to the Pennsylvania form.

The corporation shall attach a schedule to the Pennsylvania S Corporation election identifying the name, address, Pennsylvania Corporation Tax box number and federal employer identification number of each qualified Subchapter S subsidiary owned by the corporation.

The Pennsylvania S Corporation election with the federal notice of acceptance shall be filed with the Department by mailing the original executed form REV-1640 to the Department by **CERTIFIED MAIL**. The election shall be deemed filed on the date the envelope transmitting the election is postmarked by the United States Postal Service.

A newly formed corporation may elect Pennsylvania S Corporation tax treatment for its first taxable year in Pennsylvania by filing a Pennsylvania S Corporation election within 75 days of incorporation or date of first activity.

A foreign corporation may elect Pennsylvania S Corporation tax treatment for its first taxable year in Pennsylvania by filing a Pennsylvania S Corporation election with the Department within 75 days of the start of its first taxable year in Pennsylvania. A foreign corporation's first taxable year in Pennsylvania commences on the date the corporation begins doing business in Pennsylvania and becomes subject to the corporate net income tax.

A corporation which has filed a Federal S Corporation election, but has not yet received approval, may still file the Pennsylvania S Corporation election, indicating that federal approval is pending, and shall submit a copy of the federal approval to the Department within 30 days of receipt.

The Pennsylvania S Corporation election must be submitted to:

PA Department of Revenue
Bureau of Corporation Taxes
PA "S" UNIT
Dept. 280705
Harrisburg, PA 17128-0705

QUALIFIED SUBCHAPTER S SUBSIDIARIES

A Pennsylvania S Corporation election filed by the parent Federal S Corporation of a qualified Sub-

chapter S subsidiary shall be effective for the qualified Subchapter S subsidiary. A qualified Subchapter S subsidiary is not required to file a separate Pennsylvania S Corporation election.

A qualified Subchapter S subsidiary is not eligible to elect Pennsylvania S Corporation tax treatment independent of its parent Federal S Corporation. A qualified Subchapter S subsidiary of a Federal S Corporation that does not have a valid Pennsylvania S Corporation election in effect shall not receive Pennsylvania S Corporation tax treatment.

ACKNOWLEDGMENT OF RECEIPT OF ELECTION

Within approximately ninety (90) days from the receipt of this election, the Department of Revenue will issue a confirmation of approval granting Pennsylvania S status. The confirmation will be mailed to the taxpayer. If the confirmation is not received within this time, the taxpayer should call the Bureau of Corporation Taxes at (717) 787-8353 to verify if the election was received. It is the exclusive responsibility of the taxpayer to provide timely proof of mailing, a certified mail receipt.

Pennsylvania S Corporation Tax Report Instructions provide further explanations for the taxation of Pennsylvania S Corporations and their shareholders.

When filing the first tax report that S status is effective, include a copy of the Pennsylvania and federal notice of acceptance letters.