

### 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 his/her/their federal income tax return, you are not eligible for Tax Forgiveness unless your parent(s) or guardian(s) are 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 qualify for Tax Forgiveness.

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 eligibility income, include the value of scholarships, fellowships and stipends, such as federal educational grants. Do not include student loans in eligibility income. However, include PA-excludible loan forgiveness provided in exchange for services or a promise to perform services in the future.

If you are a dependent on another person's tax return, you may qualify for Tax Forgiveness if the person(s) who claim(s) you as a dependent would have qualified for Tax Forgiveness in Pennsylvania. Include along with PA Schedule SP a copy of the person or persons' state or federal income tax return(s) and Schedule SP, illustrating dependents and indicating each of the appropriate eligibility income items not included on the state or federal income tax return(s).

### 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). PA/IRS e-file allows the filing of both state and federal returns together or separately, through tax preparers or authorized computer software.

Visit the Revenue e-Services Center at [www.revenue.state.pa.us](http://www.revenue.state.pa.us) to file returns; 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.

### FOR GENERAL TAX QUESTIONS:

Online Customer Service Center  
[www.revenue.state.pa.us](http://www.revenue.state.pa.us)

Taxpayer Service & Information Center  
Personal Taxes: 717.787.8201  
Business Taxes: 717.787.1064  
e-Business Center: 717.783.6277

24-hour FACT & Information Line  
1.888.PATAXES (728.2937)  
Touch-tone service is required.

Forms Ordering Message Service  
1.800.362.2050

Services for Taxpayers with Special Hearing  
and/or Speaking Needs  
1.800.447.3020

[www.revenue.state.pa.us](http://www.revenue.state.pa.us)

## PERSONAL INCOME TAXES FOR COLLEGE STUDENTS



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

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

This brochure provides 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 in Pennsylvania; maintains a home, apartment or other dwelling outside of Pennsylvania; and does not spend more than 30 days a year in Pennsylvania. However, a student is a PA resident if he/she, although not domiciled in Pennsylvania, maintains a permanent residence in Pennsylvania and spends more than 183 days of the year in Pennsylvania.

Generally, students are residents of the state where their parents or guardians reside.

### **What is a reciprocal agreement state?**

Pennsylvania has reciprocal tax 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 subject to employer withholding. These agreements apply to employee compensation only.

### **Pennsylvania Residents Working in other States**

A student, who is a PA resident and earns taxable income while attending college in another state, may have to file a return with the other 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 – including income earned in another state – to Pennsylvania, including interest, dividends, gains and trust income.

If a PA resident pays taxes on his/her income to another state, he/she may claim a resident tax credit by completing PA Schedule G-S or PA Schedule G-L.

If a PA resident attends school and works 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 state tax law. If the student is a resident of both Pennsylvania and the other state – even if the other state 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 income earned in Pennsylvania. If students are residents of reciprocal agreement states, they can ask employers to withhold the home states' income tax from their paychecks.

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

Students should check with their home states to see if they may claim credits for taxes 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 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). The department reviews where a person holds a driver's license, voter registration, bank accounts, etc. to determine a college student's domicile.

### **What is a permanent abode?**

A permanent abode is a house, apartment, dwelling place or other residence 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 employers for defined periods do not qualify as permanent abodes. College dormitories, fraternity and sorority houses and off-campus rentals used for the fixed time during which a student pursues a degree or certificate also do not qualify as permanent abodes.

### **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 a tax return in the other state and request a refund of the income tax paid to that state. You must also file a return in Pennsylvania and pay the tax due to Pennsylvania by April 15th or the next business day if April 15th falls on a Saturday, Sunday or holiday.

### **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 and PA tax withheld on Line 13 of the PA-40. Submit an explanation stating you were a resident of the reciprocal state in the taxable year.

### **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.