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If I live in Ohio, do I have to pay Pennsylvania state tax on royalties from my gas wells in Pennsylvania?

Jul 30, 2015

(/consumers/ask-a-cpa) I live in Ohio, but I own property in Pennsylvania with gas wells. Do I have to pay Pennsylvania state tax on royalties from my gas wells in Pennsylvania?

Ask a CPA

Yes. Nonresidents are subject to Pennsylvania tax on net income from royalties on property located in Pennsylvania. For the most part, Pennsylvania rules for royalty income and deductions are similar to those of the IRS, except for one major area – percentage depletion is not permitted in Pennsylvania. Also, keep in mind that quarterly tax estimates must be made if you have \$8,000 of taxable income, or penalties and interest may be assessed. You may want to check out my blog post [\(/articles/cpa-now-blog/cpa-now/2015/01/30/tax-issues-for-pennsylvania-gas-leases-and-royalties\)](#) Tax Issues for Pennsylvania Gas Leases and Royalties [\(/articles/cpa-now-blog/cpa-now/2015/01/30/tax-issues-for-pennsylvania-gas-leases-and-royalties\)](#) at [cpanow.picpa.org \(/keep-informed/cpa-now\)](#).

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