

2014 Kentucky Tax Update

UK Tax Seminars
Kentucky Department of Revenue

Internal Revenue Code Update

- House Bill 445
- IRC as of December 31, 2013
- Impact on Individual Income Taxes

Internal Revenue Code Update

○ Depreciation

- An exception
- IRC Sections 168 and 179 as of 12/31/2001

○ Education Credits

- American Opportunity Credit
- Lifetime Learning Credit

○ Mortgage Debt Forgiveness

- No longer an addition on Schedule M

8863-K
42A740-S24

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9/5/14

2014

Department of Revenue

➤ Attach to Form 740 or Form 740-NP.

KENTUCKY
EDUCATION TUITION TAX CREDIT

Enter name(s) as shown on Form 740 or Form 740-NP, page 1.

Your Social Security Number

Caution: You cannot take the 2014 Kentucky Education Tuition Tax Credit if you are not eligible for the Federal Education Credits. You must attach the federal Form 8863.

Carryforward Information: If you have an unused credit from prior year(s), complete Page 2, Part V to determine your carryforward amount. You must have completed Form 8863-K in prior years to claim any allowable unused credit carryforward.

PART I—Qualifications

	Yes	No
• Are all expenses claimed on this form from an eligible educational institution located within the Commonwealth of Kentucky (Kentucky institution)?		
• Are all of the expenses claimed on this form for undergraduate studies?		
• Is your Kentucky filing status single; married filing separately on a combined return; or married filing a joint return?		

If you answered "No" to any of these questions above, **STOP**; you do not qualify for this credit. If you answered "Yes" to all questions above, go to Part II.

PART II—American Opportunity Credit (List only expenses for undergraduate studies from Kentucky institutions)

1.	(c) Qualified Expenses (see instructions). Do not enter more than \$4,000 for each student.	(d) Subtract \$2,000 from column (c); if zero or less enter -0-	(e) Multiply column (d) by 25% (.25)	(f) If column (d) is zero enter the amount from column (c); otherwise, add \$2,000 to column (e) and enter result
(a) Student Name SSN				
	\$	\$	\$	\$
(b) Institution Name and Address				
(a) Student Name SSN				
	\$	\$	\$	\$
(b) Institution Name and Address				
2. Add the amounts on line 1, column (f)				2
3. Enter the decimal amount from line 6 of the federal Form 8863. If this line is blank, enter -0- and go to line 4; you cannot take any American Opportunity Credit				3
4. Tentative American Opportunity Credit. Multiply line 2 by line 3 and enter here (Note: The result on line 4 cannot exceed the amount of the federal Form 8863, line 7). If you are taking the Lifetime Learning Credit for another student, complete Part III; otherwise, enter amount from line 4 on line 11				4

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PART III – Lifetime Learning Credit (List only expenses for undergraduate studies from Kentucky institutions)

5.	(a) Student Name	(b) Student SSN	(c) Name and Address of Kentucky Institution	(d) Qualified Expenses (See instructions)
6.	Add the amounts on line 5, column (d) and enter total here.....			6
7.	Enter the smaller of line 6 or \$10,000			7
8.	Multiply line 7 by 20% (.20) and enter here.....			8
9.	Enter the decimal amount from line 17 of the federal Form 8863. If this line is blank, enter -0- and go to line 10; you cannot take any Lifetime Learning Credit			9
10.	Tentative Lifetime Learning Credit. Multiply line 8 by line 9 and enter here (Note: The result on line 10 cannot exceed the amount of the federal Form 8863, line 18)			10
11.	Add lines 4 and 10. This is your total of the tentative Kentucky Education Tuition Tax Credits			11

PART IV – Allowable Education Credits

12.	Multiply the amount on line 11 by 25% (.25) and enter total here	12
13.	Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22	13
14.	Enter amount from Part V, line 34. If Part V, line 34 is blank, enter -0-.....	14
15.	Subtract line 14 from line 13.....	15
16.	Enter the smaller of line 15 or line 12	16
17.	Add lines 14 and 16. Enter here and on Form 740 or Form 740-NP, line 23. This is your allowable 2014 Kentucky Education Tuition Tax Credit	17
18.	If line 15 is smaller than line 12, subtract line 15 from line 12. This is the amount of unused credit carryforward from 2014 to 2015. Enter here and on the 2014 Carryforward Worksheet, Line E, provided below	18

PART V – Credit Carryforward from Prior Years

19.	Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22	19
20.	Enter your credit carryforward from 2009.....	20
21.	Enter your credit carryforward from 2010	21
22.	Enter your credit carryforward from 2011.....	22
23.	Enter your credit carryforward from 2012	23
24.	Enter your credit carryforward from 2013	24
25.	Add lines 20 through 24 and enter total here	25
26.	Subtract line 20 from line 19. If zero or less, enter -0-.....	26
27.	Enter 2010 credit carryforward to 2015. Subtract line 26 from line 21. If zero or less, enter -0- ...	27
28.	Subtract line 21 from line 26. If zero or less, enter -0-.....	28
29.	Enter 2011 credit carryforward to 2015. Subtract line 28 from line 22. If zero or less, enter -0- ...	29
30.	Subtract line 22 from line 28. If zero or less, enter -0-.....	30
31.	Enter 2012 credit carryforward to 2015. Subtract line 30 from line 23. If zero or less, enter -0- ..	31
32.	Subtract line 23 from line 30. If zero or less, enter -0-.....	32
33.	Enter 2013 credit carryforward to 2015. Subtract line 32 from line 24. If zero or less, enter -0- ...	33
34.	Enter the smaller of line 19 or line 25	34

2014 Carryforward Worksheet

- A. From Part V, Line 27, 2010 to 2015 _____
- B. From Part V, Line 29, 2011 to 2015 _____
- C. From Part V, Line 31, 2012 to 2015 _____
- D. From Part V, Line 33, 2013 to 2015 _____
- E. From Part IV, Line 18, 2014 to 2015 _____

If you have a carryforward of credit, maintain a copy of this worksheet or Form 8863-K for your records. This information will be needed to prepare future returns.

Instructions for Form 8863-K

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8/19/14

Purpose of Form—Use Form 8863-K to calculate and claim your 2014 education tuition tax credits. The education credits are: the American Opportunity Credit and the Lifetime Learning Credit. These credits are based on qualified undergraduate education expenses paid to an eligible postsecondary educational institution located in Kentucky. If you elected to claim the education credit for federal purposes rather than the tuition and fees deduction, you must make that same election for Kentucky purposes.

Part I, Qualifications—All questions in Part I must be answered “Yes” to be eligible to claim the Kentucky education tuition tax credit.

Qualified Education Expenses—See the federal instructions to determine the qualified expenses for the American Opportunity Credit and the Lifetime Learning Credit. The allowable expenses may be different for each credit.

Eligible Educational Institution located in Kentucky—An eligible educational institution is generally any accredited public, nonprofit, or private college, university, vocational school, or other postsecondary institution. The institution must be eligible to participate in a student aid program administered by the Department of Education. The institution must be physically located in Kentucky to qualify.

Part II, American Opportunity Credit—You must enter the student’s name and Social Security number, the name and address of the Kentucky institution, and the qualified expenses. Use the federal instructions to determine if each student meets the qualifications. **For Kentucky, the credit is limited to 25% of the allowable federal credit with a maximum amount allowed of \$625 for each qualifying student.**

Part III, Lifetime Learning Credit—You must enter the student’s name and Social Security number, the name and address of the Kentucky institution, and the qualified expenses. Use the federal instructions to determine if each student meets the qualifications. **For Kentucky, the credit is limited to 25% of the allowable federal credit with a maximum allowed of \$500 per return.**

Part IV, Allowable Education Credits—

Line 12—Multiply Line 11 by 25% (.25). This is your tentative Kentucky allowable credit.

Line 13—Enter the tentative tax from Form 740 or Form 740-NP, page 1, Line 22.

Line 14—Enter the amount from page 2, Part V, Line 34. This is the allowable credit carryforward from prior year(s). If there is no carryforward, enter zero.

Line 15—Subtract Line 14 from Line 13.

Line 16—Enter the smaller of Line 15 or Line 12.

Line 17—Add Lines 14 and 16. Enter here and on Form 740 or Form 740-NP, Line 23. This is your allowable 2014 education credit.

Line 18—If Line 15 is smaller than Line 12, subtract Line 15 from Line 12. This is the amount of unused credit carryforward from 2014 to 2015. Maintain records for following years.

Part V, Credit Carryforward from Prior Years—The Kentucky education tuition tax credit can be carried forward for up to 5 years if unused during the preceding tax year(s). You must have completed Form 8863-K for any prior year(s) in which you are claiming a credit carryforward.

8863-K

42A740-S24

Department of Revenue

Attach to Form 740 or Form 740-NP.



2013

KENTUCKY EDUCATION TUITION TAX CREDIT

Enter name(s) as shown on Form 740 or Form 740-NP, page 1.

Your Social Security Number

If you have a credit carry forward from previous years, see Page 2, Part V.

Caution: Requirements for the 2013 Kentucky Education Tuition Tax Credit are different from the federal education requirements. Please review instructions to determine if you meet the qualifications for this credit.

PART I - Qualifications

- Are all expenses claimed on this form from an eligible educational institution located within the Commonwealth of Kentucky (Kentucky institution)?
Are all of the expenses claimed on this form for undergraduate studies?
Is your Kentucky filing status single; married filing separately on a combined return; or married filing a joint return?

Table with 2 columns: Yes, No. Rows for each qualification question.

If you answered "No" to any of these questions above, STOP, you do not qualify for this credit.

If you answered "Yes" to all questions above, go to Part II.

PART II - Hope Credit (List only expenses from Kentucky institutions.) See Instructions

Form for Hope Credit with columns for Student Name, SSN, Qualified Expenses, and calculations. Includes a summary row for Tentative Hope Credit.

PART III - Lifetime Learning Credit

Form for Lifetime Learning Credit with columns for Student Name, SSN, Name and Address of Kentucky Institution, and Qualified Expenses. Includes summary rows for total and tentative credit.

Note: If you have an unused credit from prior year(s), complete Page 2, Part V to determine your carryforward amount. You must have completed Form 8863-K in prior years to claim any allowable unused credit carryforward.



PART IV—Allowable Education Credits

8. Enter tentative Kentucky Education Credits from page 1, line 7	8	
9. Enter: \$127,000 if married filing jointly or married filing separately on a combined return; \$63,000 if single	9	
10. Enter the amount from Form 1040, line 37, or Form 1040A, line 21	10	
11. Subtract line 10 from line 9. If zero or less, STOP; you cannot take any education credits for Kentucky.....	11	
12. Enter \$20,000 if married filing jointly or married filing separately on a combined return; \$10,000 if single	12	
13. If line 11 is equal to or more than line 12, enter the amount from line 8 on line 14 and go to line 15. If line 11 is less than line 12, divide line 11 by line 12. Enter the result as a decimal (rounded to at least three places).....	13	X .
14. Multiply line 8 by the decimal amount on line 13 and enter here.....	14	
15. Multiply the amount on line 14 by 25% (.25) and enter total here	15	
16. Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22.....	16	
17. Enter amount from Part V, line 37. If Part V, line 37 is blank, enter -0-.....	17	
18. Subtract line 17 from line 16	18	
19. Enter the smaller of line 18 or line 15.....	19	
20. Add lines 17 and 19. Enter here and on Form 740 or Form 740-NP, line 23. This is your allowable 2013 education credit.....	20	
21. If line 18 is smaller than line 15, subtract line 18 from line 15. This is the amount of unused credit carryforward from 2013 to 2014 . Enter here and on the 2013 Carryforward Worksheet, Line E, provided below	21	

PART V—Credit Carryforward from Prior Years

22. Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22.....	22	
23. Enter your credit carryforward from 2008.....	23	
24. Enter your credit carryforward from 2009.....	24	
25. Enter your credit carryforward from 2010.....	25	
26. Enter your credit carryforward from 2011.....	26	
27. Enter your credit carryforward from 2012.....	27	
28. Add lines 23 through 27 and enter total here	28	
29. Subtract line 23 from line 22. If zero or less, enter -0-.....	29	
30. Enter 2009 credit carryforward to 2014. Subtract line 29 from line 24. If zero or less, enter -0-..	30	
31. Subtract line 24 from line 29. If zero or less, enter -0-.....	31	
32. Enter 2010 credit carryforward to 2014. Subtract line 31 from line 25. If zero or less, enter -0-..	32	
33. Subtract line 25 from line 31. If zero or less, enter -0-.....	33	
34. Enter 2011 credit carryforward to 2014. Subtract line 33 from line 26. If zero or less, enter -0-..	34	
35. Subtract line 26 from line 33. If zero or less, enter -0-.....	35	
36. Enter 2012 credit carryforward to 2014. Subtract line 35 from line 27. If zero or less, enter -0-..	36	
37. Enter the smaller of line 22 or line 28.....	37	

2013 Carryforward Worksheet

- A. From Part V, Line 30, 2009 to 2014 _____
- B. From Part V, Line 32, 2010 to 2014 _____
- C. From Part V, Line 34, 2011 to 2014 _____
- D. From Part V, Line 36, 2012 to 2014 _____
- E. From Part IV, Line 21, 2013 to 2014 _____

If you have a carryforward of credit, maintain a copy of this worksheet or Form 8863-K for your records. This information will be needed to prepare future returns.

Instructions for Form 8863-K

Purpose of Form—Use Form 8863-K to calculate and claim your education credits. The education credits are: the Hope Credit and the Lifetime Learning Credit. These credits are based on qualified education expenses paid to an eligible postsecondary educational institution located in Kentucky. If you elected to claim the education credit for federal purposes rather than the tuition and fees deduction, you must make that same election for Kentucky purposes.

Caution: Requirements for the 2013 Kentucky Education Tuition Tax Credit are different from the federal education requirements due to Kentucky not adopting the American Recovery and Reinvestment Act of 2009.

Qualified Education Expenses—Generally, qualified education expenses are amounts paid in 2013 for tuition and fees required for the student's enrollment or attendance at an eligible educational institution. It does not matter whether the expenses were paid in cash, by check, by credit card, or with borrowed funds.

Eligible Educational Institution located in Kentucky—An eligible educational institution is generally any accredited public, nonprofit, or private college, university, vocational school, or other postsecondary institution. Also, the institution must be eligible to participate in a student aid program administered by the Department of Education. The institution must also be physically located in Kentucky to qualify.

Part I, Qualifications—All questions in Part I must be answered yes to be eligible for the Kentucky Education Tuition Tax Credit.

Part II, Hope Credit—You may be able to take a credit of up to 25% of \$1,800 for qualified education expenses paid for each student who qualifies for the Hope Credit. The Hope Credit equals 100% of the first \$1,200 and 50% of the next \$1,200 of qualified expenses paid for each eligible student. For Kentucky, the credit is then limited to 25% for a maximum amount allowed of \$450 for each student who qualified. You can take the Hope Credit for a student if all of the following apply.

- As of the beginning of 2013, the student had not completed the first 2 years of postsecondary education (generally, the freshman and sophomore years of college), as determined by the eligible educational institution. For this purpose, do not include academic credit awarded solely because of the student's performance on proficiency exams.
- The student was enrolled in 2013 in a program that leads to a degree, certificate, or other recognized educational credential.
- The student was taking at least one-half the normal full-time workload for his or her course of study for at least one academic period beginning in 2013.
- The Hope Credit was not claimed for that student's expenses in more than one prior tax year.
- The student has not been convicted of a felony for possessing or distributing a controlled substance.

Note: If a student does not meet all of the above qualifications, you may be able to take the Lifetime Learning Credit for part or all of the student's qualified education expenses.

Line 1, Columns A and B—Enter student's name, Social Security number and the name and address of qualified Kentucky institution.

Line 1, Column C—Enter qualified expenses; do not enter more than \$2,400 for each student.

Line 1, Column D—Enter the amount from Column C or \$1,200, whichever is smaller.

Line 1, Column E—Add Column C and Column D.

Line 1, Column F—Enter one-half of the amount in Column E.

Line 2—Add all amounts in Column F for all students to compute your tentative Hope credit. If you have expenses for more than two students, attach a list to Form 8863-K and list the total for all students on Line 2. If you are taking the Lifetime Learning Credit for another student, go to Part III; otherwise go to Part IV.

Part III—Lifetime Learning Credit—You may be able to take 25% of the Lifetime Learning Credit that equals 20% of qualified expenses paid, up to a maximum of \$10,000 of qualified expenses per return. The maximum amount of Lifetime Learning Credit you can claim on your tax return for the tax year is \$2,000. For Kentucky, the Lifetime Learning Credit is then limited to 25% of the \$2,000 for a maximum allowed of \$500 per return.

Line 3, Column A–D—Enter student's name, Social Security number, name and address of qualified Kentucky institution and amount of qualified expenses.

Line 4—Add all amounts in Column D for all students.

Line 5—Enter the smaller of Line 4 or \$10,000.

Line 6—Multiply Line 5 by 20%. Do not enter more than \$2,000. This is your tentative Lifetime Learning Credit.

Line 7—Add Line 2 (tentative Hope Credit) and Line 6 (tentative Lifetime Learning Credit) to get your tentative Kentucky Education Credits. Enter the amount on Line 7 and on page 2, Line 8.

Part IV—Allowable Education Credits—

Line 9 – Line 13—You cannot take any Kentucky Education Credits if your federal adjusted gross income (federal Form 1040, Line 37 or 1040A, Line 21) exceeds \$127,000 if married, filing jointly or married, filing separately on a combined return (\$63,000 if single). **If you are filing a separate return, you do not qualify for this credit.** If your income is greater than \$100,000, you may only be entitled to a portion of the credits, if any. Proceed to Line 14 if your income is less than \$100,000.

Line 14—Enter the amount from Line 8 if your credit was not limited based on income. If the credit was limited based on income, multiply the amount on Line 8 by the decimal amount on Line 13.

Line 15—Multiply Line 14 by 25% (.25). This is your tentative Kentucky allowable credit.

Line 16—Enter the tentative tax from Form 740 or Form 740-NP, page 1, Line 22.

Line 17—Enter the amount from page 2, Part V, Line 37. This is the allowable credit carryforward from prior year(s). If there is no carryforward, enter zero.

Line 18—Subtract Line 17 from Line 16.

Line 19—Enter the smaller of Line 18 or Line 15.

Line 20—Add Lines 17 and 19. Enter here and on Form 740 or Form 740-NP, Line 23. This is your allowable 2013 education credit.

Line 21—If Line 18 is smaller than Line 15, subtract Line 18 from Line 15. This is the amount of unused credit carryforward from 2013 to 2014. Maintain records for following years.

Part V, Credit Carryforward from Prior Years—The Kentucky Education Tuition Tax credit can be carried forward for up to 5 years if unused during the preceding tax year(s). You must have completed Form 8863-K for any prior year in which you are claiming a credit carryforward.

Internal Revenue Code Update

○ Schedule A

- Itemized deduction limitation amounts
 - \$181,150 (\$90,575 MFS)
- Medical and dental expenses
 - Over and above 10%
 - 65 and older – over and above 7.5%
- Casualty and theft losses
 - Elimination of 10% deduction limitation

SCHEDULE A

Form 740
42A740-A

Department of Revenue



KENTUCKY ITEMIZED DEDUCTIONS

➤ See instructions.
➤ Attach to Form 740.

2014

Enter name(s) as shown on Form 740, page 1.

Your Social Security Number

Do not include expenses reimbursed or paid by others.					
Medical and Dental Expenses	1. Medical and dental expenses.....	1			
	2. Enter combined totals from Form 740, line 9.....	2			
	3. Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1950, multiply line 2 by 7.5% (.075) instead.....	3			
	4. Total medical and dental. Subtract line 3 from line 1. If zero or less, enter -0-.....	➤ 4			00
Taxes <i>Note: Sales and use taxes and now motor vehicle taxes are not deductible.</i>	5. Local income taxes (do not include state income tax).....	5			
	6. Real estate taxes.....	6			
	7. Personal property taxes.....	7			
	8. Other taxes (list) _____	8			
	9. Total taxes. Add lines 5 through 8. Enter here.....	➤ 9			00
Interest Expense <i>Note: Personal interest is not deductible.</i>	10. Home mortgage interest and points reported to you on federal Form 1098.....	10			
	11. Home mortgage interest not reported to you on federal Form 1098 (if paid to an individual, show that person's name, identifying number and address) _____	11			
	<i>See instructions for lines 12 and 13.</i>				
	12. Points not reported to you on federal Form 1098.....	12			
	13. Qualified mortgage insurance premiums.....	13			
	14. Investment interest (attach federal Form 4952 if required).....	14			
15. Total interest. Add lines 10 through 14. Enter here.....	➤ 15			00	
Contributions <i>Note: For any contribution of \$250 or more, see instructions.</i>	16. Contributions by cash or check.....	16			
	17. Other than cash or check (attach federal Form 8283 if over \$500).....	17			
	18. Artistic charitable contributions deduction (attach copy of appraisal).....	18			
	19. Carryover from prior year.....	19			
	20. Total contributions. Add lines 16 through 19. Enter here.....	➤ 20			00
Casualty and Theft Losses	21. Enter amount from attached federal Form 4684, Section A, line 16.....	➤ 21			00
Job Expenses and Most Other Miscellaneous Deductions	22. Unreimbursed employee expenses—job travel, union dues, job education, etc. (attach Form 2106 or 2106-EZ if applicable) list.....	22			
	23. Tax preparation fees.....	23			
	24. Other (investment, safe deposit box, etc.) list _____	24			
	25. Add the amounts on lines 22, 23 and 24. Enter here.....	25			
	26. Enter 2% (.02) of the combined totals from Form 740, line 9.....	26			
	27. Total. Subtract line 26 from line 25. If zero or less, enter -0-.....	➤ 27			00
Other Miscellaneous Deductions	28. Other (see instructions).....	➤ 28			00
Total Itemized Deductions	29. Add lines 4, 9, 15, 20, 21, 27 and 28. Enter here.....	➤ 29			00

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★ If single or married filing jointly and your income for Form 740, line 9, column B does not exceed \$181,150, enter total itemized deductions on Form 740, line 10, column B.
★ All others go to page 2.



If the combined totals on Form 740, line 9, exceeds \$181,150 (\$90,575 if married filing separately on a combined return or separate returns), skip Part I and complete Part II.

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PART I—DIVIDING DEDUCTIONS BETWEEN SPOUSES

Use this schedule if married filing separately on a combined return.

1. Total itemized deductions from page 1, line 29..... _____
2. Percent of income (Form 740, line 9, Column A) to total income (Form 740, total of line 9, Columns A and B)..... _____ %
3. Percent of income (Form 740, line 9, Column B) to total income (Form 740, total of line 9, Columns A and B)..... _____ %
4. Percent on line 2 times total deductions entered on line 1 (enter here and on Form 740, line 10, Column A)..... _____
5. Percent on line 3 times total deductions entered on line 1 (enter here and on Form 740, line 10, Column B)..... _____

PART II—ITEMIZED DEDUCTIONS LIMITATION SCHEDULE

Use this schedule if the adjusted gross income on Form 740, line 9, exceeds \$181,150 (\$90,575 if married filing separately on a combined return or separate returns).

	A. Spouse	B. Yourself (or Joint)
<p>• If married filing separately on a combined return, enter in Column A the percent of income (Form 740, line 9, Column A) to total income (Form 740, total of line 9, Columns A and B); enter in Column B the percent of income (Form 740, line 9, Column B) to total income (Form 740, total of line 9, Columns A and B).</p> <p>• If single, married filing a joint return or married filing separate returns, enter 100% in Column B.</p>	_____ %	_____ %
1. Multiply the amount on Schedule A, line 29, by the percent of income shown in Columns A and/or B.....	1. _____	1. _____
2. Add the amounts on Schedule A, lines 4, 14 and 21, plus any gambling losses included on line 28 and multiply by the percent of income shown in Columns A and/or B.....	2. _____	2. _____
<i>Note: Be sure your total gambling losses are clearly identified on line 28.</i>		
3. Subtract the amount on line 2 from the amount on line 1. If the result is zero or less, enter -0-.....	3. _____	3. _____
4. Multiply the amount on line 3 above by 80% (.80).....	4. _____	4. _____
5. Enter the amount from Form 740, line 9.....	5. _____	5. _____
6. Enter \$181,150 (\$90,575 if married filing separately on a combined return or separate returns).....	6. _____	6. _____
7. Subtract the amount on line 6 from the amount on line 5. If the result is zero or less, enter -0-.....	7. _____	7. _____
8. Multiply the amount on line 7 above by 3% (.03).....	8. _____	8. _____
9. Compare the amounts on lines 4 and 8 above. Enter the smaller of the two amounts here.....	9. _____	9. _____
10. Total itemized deductions. Subtract the amount on line 9 from the amount on line 1. Enter the result here and on Form 740, line 10.....	10. _____	10. _____

Collections

○ New collections system

- Computer Assisted Collection System for Government (CACS-G)
 - Increased automation
 - Scoring system for cases
 - Greater accuracy in identifying responsible parties
- Benefits to taxpayers
 - More accurate information
 - More timely communication
 - Ability to set up pay agreements online

New Procedure with KBTA

○ Cases

- Pikeville RV Sales, Inc. v. Dept. of Revenue
- Freibert Forest Products, Inc. v. Nelson County Property Valuation Administrator

○ Effective August 28, 2013

- KBTA “will dismiss on its own initiative any petition of appeal filed by a non-lawyer on behalf of a legal entity.”

○ Corporations and Individuals

- Individuals may still represent themselves

Pikeville RV Sales, Inc. v. Dept. of Revenue, K13-R-16 (Ky. Bd. Tax App. August 28, 2013) and Freibert Forest Products, Inc. v. Nelson County Property Valuation Administrator, Order No. K-24074 (Ky. Bd. Tax App. August 29, 2013). In *Pikeville RV Sales*, the Kentucky Board of Tax Appeals (KBTA) announced that from the date of its order in this case (August 28, 2013) that it will dismiss on its own initiative any petition of appeal filed by a non-lawyer on behalf of a legal entity. In *Freibert*, entered on Aug. 29, 2013, the KBTA dismissed an appeal “based upon the fact that the taxpayer, a legal entity, is no longer represented by counsel and cannot proceed unrepresented.”

The unauthorized practice of law is prohibited by Rules of the Kentucky Supreme Court, which regulates the practice of law by virtue of Section 116 of the Kentucky Constitution. See SCR 3.020; 3.130(5.5); 3.460; 3.470. Both court decisions and unauthorized practice of law opinions of the Kentucky Bar Association (“KBA”) have ruled that non-lawyers may not represent legal entities in proceeding before administrative tribunals, including the KBTA. See, e.g., *Kentucky State Bar Assn. v. Bailey*, 409 S.W. 2d 350(Ky. 1966); *Kentucky State Bar Assn. v. Vogt Machine Co.*, 416 S.W. 2d 727 (Ky. 1967); KBA U-64; KBA U-34; KBA U-17. This rule equally applies to the representation of individuals by a non-lawyer. See, e.g., KBA U-34. (Access to KBA unauthorized practice of law opinions such as U-34 is available at <http://www.kybar.org/244>). Thus, an individual who is a non-lawyer cannot file a petition of appeal with KBTA on behalf of a legal entity or another individual or otherwise represent that entity or individual in proceedings before the KBTA. It should be noted that an individual may represent himself or herself in proceedings before the KBTA concerning his or her own tax liability.

The foregoing is also covered by Section 3 of the KBTA’s regulation, 802 KAR 1:010. Taxpayers are advised of this regulatory provision and its contents in final rulings issued by the Department in accordance with KRS 131.110(3).

The KBTA’s order in *Pikeville RV Sales* states:

Up to the date of this order, the Board of Tax Appeals has given the non-attorney who has filed a petition of appeal on behalf of a legal entity the opportunity to retain counsel. If counsel was not obtained as directed, the appeal was dismissed. The Board now concludes, on a prospective basis, that the filing of a petition of appeal is itself the unauthorized practice of law.

Thus, the KBTA is treating petitions of appeal filed by non-lawyers on behalf of legal entities and other individuals as nullities. The KBTA’s order further states that the appeal will be dismissed and if the 30 days allowed under KRS 131.340(1) for appealing the final ruling has elapsed, the

taxpayer will have forfeited its right to appeal a final ruling has elapsed, the taxpayer will have forfeited its right to appeal a final ruling or other appealable decision or order, such as a decision by a board of assessment appeals. *See Revenue Cabinet v. JRS Data Systems, Inc.*, 738 S.W. 2d 828 (Ky. App. 1987).

Excerpt from 802 KAR 1:010. Hearing procedures (for the Kentucky Board of Tax Appeals)

Section 3. Representation in Proceedings Before the Board.

- (1) If the appeal is by an individual, the individual whose tax liability is at issue shall appear and represent himself or herself or engage legal counsel to provide representation.
- (2) An individual who is not an attorney shall not be permitted to represent any other individual or legal entity who is a party to an appeal.
- (3) In accordance with Supreme Court Rule 3.020, if the appealing party is a corporation, joint venture, partnership, LLC, estate, or any entity other than an individual as identified in Section 3(1) of this administrative regulation, the entity shall be represented by an attorney on all matters before the board, including the filing of the Petition of Appeal.
- (4) An attorney admitted to practice in another state, but not in the Commonwealth of Kentucky, shall be permitted to represent a party before the board if the attorney complies with Supreme Court Rule 3.030(2). *See pertinent section of SCR 3.030 below:*

SCR 3.030 Membership, practice by nonmembers and classes of membership

- (2) A person admitted to practice in another state, but not in this state, shall be permitted to practice a case in this state only if that attorney subjects himself or herself to the jurisdiction and rules of the Supreme Court of Kentucky, pays a one time per case fee of two hundred seventy dollars (\$270.00) to the Kentucky Bar Association and engages a member of the association as co-counsel, whose presence shall be necessary at all trials and at other times when required by the court. No motion for permission to practice in any state court in this jurisdiction shall be granted without submission to the admitting court of a certification from the Kentucky Bar Association of receipt of this fee.

Individual Income Tax

◎ Schedule ME

- Separate schedule
- Previously on page 2 of Form 740-NP Schedule A

◎ Form 740-NP

- First full tax season with e-file and e-pay
- Statistics

◎ 740-V

◎ NEW! Electronic Extension

- Form 40A102
- Ability to request a direct debit

1400010015

2014

**MOVING EXPENSE
 AND REIMBURSEMENT**

➤ **Attach to Form 740-NP**

Enter name(s) as shown on Form 740-NP, page 1.	Your Social Security Number
--	-----------------------------

1. Enter total Kentucky earned income (do not include moving expense reimbursement)	1		
2. Enter total earned income from federal return (do not include moving expense reimbursement)	2		
3. Divide line 1 by line 2. Enter result. If amount is equal to or greater than 100%, enter 100%	3		%
4. (a) Enter moving expense reimbursement included in wages	4(a)		
(b) Subtract federal Form 3903, line 3, from federal Form 3903, line 4, and enter result. If zero or less, enter -0-	4(b)		
(c) Add lines 4(a) and 4(b) above and enter result here and on Form 740-NP, page 4, line 2, Column A. This is your moving expense reimbursement for federal	4(c)		
5. Multiply line 4(c) by line 3. Enter result here and on Form 740-NP, page 4, line 2, Column B. This is your moving expense reimbursement for Kentucky	5		
6. Enter moving expense deduction from federal Form 3903, line 5, here and on Form 740-NP, page 4, line 21, Column A ..	6		
7. Multiply line 6 by percentage on line 3. Enter here and on Form 740-NP, page 4, line 21, Column B. This is your allowable Kentucky moving expense	7		

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 6/17/14

INSTRUCTIONS—SCHEDULE ME

Full-Year Nonresidents—If you are a full-year nonresident, moving expense reimbursements are not taxable, and moving expenses are not deductible.

Part-Year Residents—If you are a part-year resident, any payments to you or on your behalf by any employer for moving expenses are considered income. These payments will be included in wages (box 1) or will be shown separately on the wage and tax statements.

Persons who were residents of Kentucky for only part of the year are required to report as income only part of the total reimbursement they received. The amount which must be reported to Kentucky as income is based on the percentage of Kentucky earned income to total earned income.

For the computation of this percentage, earned income is income you received for services you provided. It includes wages, salaries, tips, etc. It also includes income earned from self-employment (Schedules C, C-EZ and F and partnerships).

Line 1—Enter earned income received from Kentucky sources while a nonresident and from all sources while a resident of Kentucky. Do not include moving expense reimbursement reflected on the wage and tax statements (box 1).

Line 2—Enter total earned income reported on your federal return. Do not include moving expense reimbursement reflected on the wage and tax statements (box 1).

Line 4(a)—Enter moving expense reimbursement included in wages (box 1 of Form W-2).

Line 4(b)—Subtract federal Form 3903, line 3, from federal Form 3903, line 4, and enter result. If zero or less, enter -0-.

Line 4(c)—Add lines 4(a) and 4(b) above and enter result here and on Form 740-NP, page 4, line 2, Column A. This is your moving expense reimbursement for federal on the Form 740-NP.

SCHEDULE A

Form 740-NP

42A740-NP-A

Department of Revenue

➤ See instructions. ➤ Attach to Form 740-NP.

1400010014

KENTUCKY SCHEDULE A
ITEMIZED DEDUCTIONS

2014

Enter name(s) as shown on Form 740-NP, page 1.

Your Social Security Number

Medical and Dental Expenses	Do not include expenses reimbursed or paid by others.					
	1. Medical and dental expenses	1				
	2. Enter amount from Form 740-NP, page 1, line 8.....	2				
	3. Multiply line 2 by 10% (.10). But if either you or your spouse was born before January 2, 1950, multiply by 7.5% (.075) instead.....	3				
4. Total medical and dental. Subtract line 3 from line 1. If zero or less, enter -0.....		➤ 4				
Taxes <i>Note: Sales and use taxes and new motor vehicle taxes are not deductible.</i>	5. Local income taxes (do not include state income tax)	5				
	6. Real estate taxes	6				
	7. Personal property taxes.....	7				
	8. Other taxes (list)	8				
9. Total taxes. Add the amounts on lines 5 through 8. Enter here.....		➤ 9				
Interest Expense <i>Note: Personal interest is not deductible.</i>	10. Home mortgage interest and points reported to you on federal Form 1098	10				
	11. Home mortgage interest not reported to you on federal Form 1098 (if paid to an individual, show that person's name and address)	11				
	<i>See instructions for lines 12 and 13.</i>					
	12. Points not reported to you on federal Form 1098	12				
	13. Qualified mortgage insurance premiums	13				
	14. Investment interest (attach federal Form 4952 if required)	14				
15. Total interest. Add the amounts on lines 10 through 14. Enter here		➤ 15				
Contributions <i>Note: For any contribution of \$250 or more, see instructions.</i>	16. Contributions by cash or check.....	16				
	17. Other than cash or check (attach federal Form 8283 if over \$500).....	17				
	18. Carryover from prior year	18				
	19. Total contributions. Add the amounts on lines 16 through 18. Enter here		➤ 19			
Casualty and Theft Losses	20. Enter amount from attached federal Form 4684, Section A, line 16.....	➤ 20				
Job Expenses and Most Other Miscellaneous Deductions	21. Unreimbursed employee expenses—job travel, union dues, job education, etc. (attach Form 2106 or 2106-EZ if applicable) list	21				
	22. Tax preparation fees	22				
	23. Other (investment, safe deposit box, etc.) list	23				
	24. Add the amounts on lines 21, 22 and 23. Enter here		24			
	25. Enter amount from Form 740-NP, page 1, line 8.....	25				
	26. Multiply the amount on line 25 by 2% (.02). Enter result	26				
	27. Total. Subtract line 26 from line 24. If zero or less, enter -0.....		➤ 27			
Other Miscellaneous Deductions	28. Other (see instructions)	➤ 28				
Total Itemized Deductions	29. Add the amounts on lines 4, 9, 15, 19, 20, 27 and 28. Enter here		➤ 29			
<ul style="list-style-type: none"> • If the amount on Form 740-NP, line 8, exceeds \$181,150 (\$90,575 if married filing separate returns), skip lines 30 through 33 and complete the limitation schedule on the reverse of this form; or • If married filing separate returns, or spouse is not filing a Kentucky return, complete lines 30 through 33 below. If single or married filing jointly, enter total deductions (line 29 above) on Form 740-NP, page 1, line 11. 						
30. Enter your income from Form 740-NP, page 1, line 8.....	30					
31. Enter joint or combined federal Adjusted Gross Income.....	31					
32. Divide line 30 by line 31. Enter percentage	32				%	
33. Multiply line 29 by line 32. This is your portion of total itemized deductions. Enter here and on Form 740-NP, page 1, line 11.....		➤ 33				

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9/5/14

1400010050

ITEMIZED DEDUCTIONS LIMITATION SCHEDULE—Use this schedule if the federal adjusted gross income on Form 740-NP, line 8, exceeds \$181,150 (\$90,575 if married filing separate returns).

- If married filing separate returns but combining itemized deductions on one Schedule A, enter the percent of your separate income (Form 740-NP, line 8) to joint or combined federal adjusted gross income.

 - If single, married filing a joint return or married filing separate Schedules A, enter 100%. _____ %
1. Multiply the amount on Schedule A, line 29, by the percent of income shown above..... 1. _____
 2. Add the amounts on Schedule A, lines 4, 14 and 20, plus any gambling losses included on line 28 and multiply by the percent of income shown above 2. _____
Note: Be sure your total gambling losses are clearly identified on line 28.
 3. Subtract the amount on line 2 from the amount on line 1. If the result is zero or less, enter -0-..... 3. _____
 4. Multiply the amount on line 3 above by 80% (.80)..... 4. _____
 5. Enter the amount from Form 740-NP, line 8..... 5. _____
 6. Enter \$181,150 (\$90,575 if married filing separate returns)..... 6. _____
 7. Subtract the amount on line 6 from the amount on line 5. If the result is zero or less, enter -0-..... 7. _____
 8. Multiply the amount on line 7 above by 3% (.03)..... 8. _____
 9. Compare the amounts on lines 4 and 8 above. Enter the smaller of the two amounts here 9. _____
 10. Total itemized deductions. Subtract the amount on line 9 from the amount on line 1. Enter the result here and on Form 740-NP, line 11 10. _____

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7/25/14



➤ COMPLETE ONLY IF NOT FILING FEDERAL EXTENSION

➤ SEE INSTRUCTIONS FOR PAYMENT REQUIREMENTS

**APPLICATION FOR EXTENSION OF TIME TO FILE
INDIVIDUAL, GENERAL PARTNERSHIP AND
FIDUCIARY INCOME TAX RETURNS FOR KENTUCKY**

Use this form if you are requesting a Kentucky extension of time to file. Taxpayers who request a federal extension are not required to file a separate Kentucky extension. The requirements may be met by attaching federal Form 4868 (automatic extension) to the Kentucky return.

Beginning this year, you may choose to electronically file your Kentucky extension for Individual returns. Filing electronically also allows you the option to pay electronically through a direct debit transaction scheduled on or before April 15, 2015.

All taxpayers filing this Application of Extension must complete Sections I and the the Payment Voucher. If no payment is being remitted, leave amount paid boxes on the Payment Voucher blank. If you are filing your Application of Extension electronically and chose to pay by direct debit, complete Section II with your banking information.

You will be notified only if the application for extension is denied. To avoid the late filing penalty, a copy of this form must be attached to your return when filed. Keep a copy for yourself.

Section I

A six-month extension is requested for filing the income tax return of the taxpayer(s) listed below for the taxable year ended _____.

REASON FOR REQUEST (A reason must be given before any request can be considered. Inability to pay tax liability is not a valid reason.)

Signature of Taxpayer _____ Date _____

Signature of Paid Preparer _____ Date _____

➤ Mail to: Kentucky Department of Revenue P.O. Box 1190 Frankfort, KY 40602-1190 ◀

DENIED:

Late (postmarked after return date)

Other:

Section II - Direct Debit of Tax Due (Complete only if filing electronic extension)

Routing Transit number (RTN) _____

The first 2 numbers of the RTN must be 01 through 12 or 21 through 32.

Depositor account number (DAN) _____

Type of account: Savings Checking

Tax due debit amount \$ _____

Debit date ___ / ___ / _____

I authorize the Kentucky Department of Revenue and its designated Financial Agent to initiate an ACH electronic funds withdrawal entry to the financial institution account indicated above for payment of my state taxes owed and the financial institution to debit the entry to this account. This authorization is to remain in full force and effect until I notify the Kentucky Department of Revenue to terminate the authorization. To revoke (cancel) a payment, I must contact the Kentucky Department of Revenue at (502) 564-4581 no later than 2 business days prior to the payment (debit) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to payment.

Your Signature (If joint or combined return, both must sign) _____

Spouse's Signature _____

Date _____

Detach here and mail voucher with your payment

40A102 (09/14)

Kentucky Extension Payment Voucher

2014

12/31/2014
Year Ending

Your Social Security No. / FEIN _____

Spouse's Social Security No. _____

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10/23/14

LAST NAME _____

FIRST NAME _____

SPOUSE'S NAME _____

Amount Paid _____

0 0

Mailing Address (Number and Street including Apartment No. or P.O. Box) _____

Make check payable to: Kentucky State Treasurer.

City, Town or Post Office _____

State _____

Zip Code _____

40A1020003

Check type of return:

Individual Fiduciary General Partnership

Mail to:

**Kentucky Department of Revenue
P.O. Box 1190
Frankfort, KY 40602-1190**

DO NOT ATTACH CHECK TO VOUCHER

Individual Income Tax

Looking Forward to 2015

○ Local History Trust Fund

- Taxable years beginning on or after 1/1/2015
- Individual income tax overpayment fund contribution for local history organizations
- Local history trust fund created to hold donations
- Kentucky Historical Society

Individual Income Tax

Updated Figures

Family Size Tax Credit	2014 Threshold for 100% Credit
Family size of 1	\$11,670
Family size of 2	\$15,730
Family size of 3	\$19,790
Family size of 4 or more	\$23,850

2014 Standard Deduction	\$2,400
2015 Standard Deduction	\$2,440

Individual Income Tax

Personal Tax Credits

Type of Entity	Credit Amount
Taxpayer	\$10
Dependent	\$10
Estate	\$10
Age 65 or over	\$40
Blind	\$40
National Guard member	\$20
Trust	\$2



For calendar year or other taxable year beginning _____, 2014, and ending _____, 20_____

Form section for Spouse's Social Security Number, Your Social Security Number, Name, Mailing Address, City/Town/Post Office, State, and ZIP Code.

DRAFT 6/6/14

FILING STATUS (see instructions) section with checkboxes for Single, Married (separately), Married (joint), and Married (separate returns).

POLITICAL PARTY FUND section with checkboxes for Democratic, Republican, and No Designation for both Spouse and Yourself.

Main table with columns for INCOME/TAX, A. Spouse (Use if Filing Status 2 is checked.), and B. Yourself (or Joint). Rows 5-28 include various income and tax items.

Attach Form W-2(s), Other Supporting Statement(s) and Payment Here - Staple to Top Page Only



DRAFT
5/29/14

REFUND/TAX PAYMENT SUMMARY

29	Enter amount from page 1, line 28. This is your Total Tax Liability	• 29		00
30	(a) Enter Kentucky income tax withheld as shown on attached 2014 Form W-2(s) and other supporting statements	• 30(a)	00	
	(b) Enter 2014 Kentucky estimated tax payments	• 30(b)	00	
	(c) Enter 2014 refundable certified rehabilitation credit (KRS 141.382(1)(b))	• 30(c)	00	
	(d) Enter 2014 film industry tax credit (KRS 141.383)	• 30(d)	00	
31	Add lines 30(a) through 30(d)	• 31		00
32	If line 31 is larger than line 29, enter AMOUNT OVERPAID (see instructions)	32		00
<i>Fund Contributions; See instructions.</i>		▶ (Enter amount(s) checked)		
33	Nature and Wildlife Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$25 <input type="checkbox"/> \$50 <input type="checkbox"/> Other	• 33	00	
34	Child Victims' Trust Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$25 <input type="checkbox"/> \$50 <input type="checkbox"/> Other	• 34	00	
35	Veterans' Program Trust Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$25 <input type="checkbox"/> \$50 <input type="checkbox"/> Other	• 35	00	
36	Breast Cancer Research/Education Trust Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$25 <input type="checkbox"/> \$50 <input type="checkbox"/> Other	• 36	00	
37	Farms to Food Banks Trust Fund <input type="checkbox"/> \$10 <input type="checkbox"/> \$25 <input type="checkbox"/> \$50 <input type="checkbox"/> Other	• 37	00	
38	Add lines 33 through 37	38		00
39	Amount of line 32 to be CREDITED TO YOUR 2015 ESTIMATED TAX	• 39		00
40	Subtract lines 38 and 39 from line 32. Amount to be REFUNDED TO YOU	REFUND	• 40	00
41	If line 29 is larger than line 31, enter ADDITIONAL TAX DUE	• 41		00
42	(a) Estimated tax penalty and/or interest. <input type="checkbox"/> Check if Form 2210-K attached....	42(a)	00	
	(b) Interest	42(b)	00	
	(c) Late payment penalty	42(c)	00	
	(d) Late filing penalty.....	42(d)	00	
43	Add lines 42(a) through 42(d). Enter here.....	• 43		00
44	Add lines 41 and 43 and enter here. This is the AMOUNT YOU OWE	OWE	44	00

- Visit www.revenue.ky.gov for electronic payment options; or
- Make check payable to **Kentucky State Treasurer**, include your Social Security number and "KY Income Tax—2014."

OFFICIAL USE ONLY	
	PWR

SECTION A—BUSINESS INCENTIVE AND OTHER TAX CREDITS

	A. Spouse		B. Yourself	
1	1	00	1	00
2	2	00	2	00
3	3	00	3	00
4	4	00	4	00
5	5	00	5	00
6	6	00	6	00
7	7	00	7	00
8	8	00	8	00
9	9	00	9	00
10	10	00	10	00
11	11	00	11	00
12	12	00	12	00
13	13	00	13	00
14	14	00	14	00
15	15	00	15	00
16	16	00	16	00
17	17	00	17	00
18	18	00	18	00

Continue to page 3 to complete Section A



SECTION A--BUSINESS INCENTIVE AND OTHER TAX CREDITS (continued)		A. Spouse	B. Yourself
19	Enter railroad maintenance and improvement credit (attach Schedule RR-1).....	00	00
20	Enter Endow Kentucky credit (attach Schedule ENDOW).....	00	00
21	Enter New Markets Development Program credit	00	00
22	Enter food donation credit (attach Schedule FD).....	00	00
23	Add lines 1 through 22, Columns A and B. Enter here and on page 1, line 15 ..	00	00

SECTION B--PERSONAL TAX CREDITS

	Check Regular	Check all four if 65 or over	Check all four if blind	Check both for Kentucky National Guard									
1 (a) Credits for yourself:	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	1 Enter number of boxes checked on line 1								
(b) Credits for spouse:	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input style="width: 50px; height: 20px;" type="text"/>								
2 Dependents:					2 Enter number of dependents who:								
					• lived with you.....								
					• did not live with you (see instructions).....								
					• other dependents.....								
3 Add total number of credits claimed on lines 1 and 2. <i>If married filing separately on a combined return (Filing Status 2), each taxpayer must claim his or her own credits from line 1, divide the credits on line 2, and enter the totals in Boxes 3A and 3B. All other filers enter the amount from line 3 in Box 3B</i>					3 Enter total credits.....								
4 Multiply credits on line 3A by \$10 and enter on line 4A. Multiply credits on line 3B by \$10 and enter on line 4B. Enter here and on page 1, line 17, Columns A and B					<table border="1" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;">Spouse</td> <td style="width: 50%; text-align: center;">Yourself</td> </tr> <tr> <td style="text-align: center;">•3A</td> <td style="text-align: center;">•3B</td> </tr> <tr> <td style="text-align: center;">x \$10</td> <td style="text-align: center;">x \$10</td> </tr> <tr> <td style="text-align: center;">4A</td> <td style="text-align: center;">4B</td> </tr> </table>	Spouse	Yourself	•3A	•3B	x \$10	x \$10	4A	4B
Spouse	Yourself												
•3A	•3B												
x \$10	x \$10												
4A	4B												

SECTION C--FAMILY SIZE TAX CREDIT (List the name and Social Security number of qualifying children that are not claimed as dependents in Section B.)

First name	Last name	Social Security number	First name	Last name	Social Security number

Attach a complete copy of federal Form 1040 if you received farm, business, or rental income or loss. If not required, check here.

I, the undersigned, declare under penalties of perjury that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete. I also understand and agree that our election to file a combined return under the provisions of Regulation 103 KAR 17:020 will result in refunds being made payable to us jointly and in each of us being jointly and severally liable for all taxes accruing under this return.

Your Signature (If joint or combined return, both must sign.) _____ Spouse's Signature _____ Date Signed _____ Telephone Number (daytime) _____

Typed or Printed Name of Preparer Other than Taxpayer _____ I.D. Number of Preparer _____ Date _____

Firm Name _____ EIN _____ Date _____

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6 / 6 / 14

Mail to: REFUNDS Kentucky Department of Revenue, Frankfort, KY 40618-0006.
PAYMENTS Kentucky Department of Revenue, Frankfort, KY 40619-0008.



2014 Electronic Filing

- Kentucky follows the IRS for return acceptance dates

Filing Year	Form	Payment/Refund
2015	Form 740	E-Pay & Direct Deposit of Refund
	Form 740-NP	E-Pay
	Form 720	E-Pay
	Form 720S	E-Pay
	Form 765**	E-Pay
2016	Form 725	E-Pay
	Form 765-GP	E-Pay

**projected to be available for e-filing later in 2015

Corporate Tax

○ Related Party Costs

- Management Fees
- Compliance from the Office of Field Operations
- Schedule RPC

○ Net Operating Loss

- Schedule NOL



**RELATED PARTY COSTS
 DISCLOSURE STATEMENT**

KRS 141.205 and 103 KAR 16:230

➤ See instructions.

➤ Attach to Form 720, 720S, 765 or 765-GP.

Name of Entity	Federal Identification Number _____	Kentucky Corporation/LLET Account Number (if applicable) _____
----------------	--	--

Schedule RPC, Related Party Costs Disclosure Statement, shall be completed by an entity that paid, accrued or incurred intangible expenses, intangible interest expense or management fees to a related member.

To be entitled to an exception from the add back of expenses and a corresponding deduction from net income, the taxpayer must complete and attach this schedule to the applicable Kentucky tax return (Form 720, 720S, 765 or 765-GP).

Failure to complete Schedule RPC and attach all supporting documentation will result in disallowance of the exception(s).

PART I – REQUIRED ADD BACK

All intangible expenses, intangible interest expenses and management fees that are paid, accrued or incurred to a related member must be added back to income unless one or more of the statutory exceptions are met.

Section A – Intangible Expenses

1. Total intangible expenses paid to a related member: Do not include any interest expense or costs related to intangible interest expense	1	00
--	---	----

Section B – Intangible Interest Expenses

1. Total intangible interest expenses paid to a related member	1	00
--	---	----

Section C – Management Fees

1. Total management fees paid to a related member	1	00
---	---	----

Section D – Total Required Add Back

1. Add Section A, line 1, Section B, line 1 and Section C, line 1. Enter here	1	00
---	---	----

PART II – EXCEPTIONS TO ADD BACK

Section A – Exceptions to Expenses

1. Enter amount from Part III, Section A, line 6.....	1	00
2. Enter amount from Part III, Section B, line 5.....	2	00
3. Enter amount from Part III, Section C, line 5.....	3	00
4. Enter amount from Part III, Section D, line 1.....	4	00
5. Enter amount from Part III, Section E, line 1	5	00
6. Total Exceptions: Add lines 1 through 5 and enter here	6	00

Section B – Total Related Party Cost Add Back After Exceptions

1. Total: Part I, Section D, line 1 less Part II, Section A, line 6. Enter here and on Form 720, Part III, line 6; Form 720S, Part III, line 4; or Form 765 or 765-GP, Part I, line 4	1	00
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6/27/14



PART III – DETAIL OF EXCEPTIONS TO ADD BACK

Section A – Exception for intangible expenses, intangible interest expenses and management fees paid to related members that are included in the same consolidated Kentucky corporation income tax return for this taxable year.

	Name of Related Member	Federal Identification Number	Kentucky Corp./LLET Account Number	Amount Deducted
1.				00
2.				00
3.				00
4.				00
5.				00
6.	Total of lines 1 through 5. Enter here and on PART II, Section A, line 1			00

Section B – Exception for intangible expenses, intangible interest expenses and management fees paid to related members who are subject to tax in another state.

A.	Were any intangible expenses, intangible interest expenses or management fees paid, accrued or incurred to a recipient where the expense or payment was subject to, in the related member's state of commercial domicile, a net income tax, or a franchise tax measured by, in whole or in part, net income?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B.	Is the recipient engaged in substantial business activities separate and apart from the acquisition, use, licensing, management, ownership, sale, exchange, or any other disposition of intangible property, or in the financing of related members, as evidenced by the maintenance of permanent office space and full-time employees dedicated to the maintenance and protection of intangible property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C.	Is the transaction giving rise to the intangible expenses, intangible interest expenses or management fees between the taxpayer and the recipient made at a commercially reasonable rate and at terms comparable to an arm's length transaction?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If the answers to Questions A, B and C above are all "Yes," attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete the following schedule. **Failure to provide the requested information will result in a denial of the exception.** If any of the answers are "No," the taxpayer does not qualify for this exception.

	Name of Related Member	Federal Identification Number	State of Commercial Domicile	Name of Tax	Amount Deducted
1.					00
2.					00
3.					00
4.					00
5.	Total of lines 1 through 4. Enter here and on PART II, Section A, line 2				00

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3/20/14



Section C — Exception for intangible expenses, intangible interest expenses and management fees paid to related members located in a country or countries with which the United States has a comprehensive income tax treaty(ies).

A.	Were any intangible expenses, intangible interest expenses or management fees paid, accrued or incurred to a related member in a foreign nation which has in force a comprehensive income tax treaty with the United States?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B.	Is the recipient engaged in substantial business activities separate and apart from the acquisition, use, licensing, management, ownership, sale, exchange, or any other disposition of intangible property, or in the financing of related members, as evidenced by the maintenance of permanent office space and full-time employees dedicated to the maintenance and protection of intangible property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C.	Is the transaction giving rise to the intangible expenses, intangible interest expenses or management fees between the taxpayer and the recipient made at a commercially reasonable rate and at terms comparable to an arm's length transaction?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If the answer to Questions A, B and C above are all "Yes," attach a copy of the pertinent parts of the contract or other documentation that support this exception and complete the following schedule. **Failure to provide the requested information will result in a denial of the exception.** If any of the answers are "No," the taxpayer does not qualify for this exception.

	Name of Related Member	Name of Foreign Nation	Description of Treaty	Amount Deducted
1.				00
2.				00
3.				00
4.				00
5.	Total of lines 1 through 4. Enter here and on PART II, Section A, line 3			00

Section D — Exception for intangible expenses, intangible interest expenses and management fees where the recipient regularly engages in transactions with one (1) or more unrelated parties on terms identical to that of the subject transaction.

A.	Has the recipient regularly engaged in transactions with one (1) or more unrelated parties on terms identical to that of the subject transaction (giving rise to the intangible expense, intangible interest expense or management fee)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
----	--	--

If the answer to Question A is "Yes," attach copies of the agreements between the taxpayer and the recipient and the recipient and the unrelated party, and complete line 1 below. **Failure to attach the agreements will result in a denial of the exception.** If the answer is "No," the taxpayer does not qualify for this exception.

1.	Exception amount. Enter here and on PART II, Section A, line 4	00
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Section E — Exception for intangible expenses, intangible interest expenses and management fees where the taxpayer and department have agreed in writing to the application or use of an alternative method of apportionment under KRS 141.120(9).

A.	Is there a written agreement between the taxpayer and the Department which provides for use of an alternative method of apportionment under KRS 141.120(9)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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If the answer to Question A is "Yes," attach a copy of the written agreement and complete line 1 below. **Failure to attach the written agreement will result in a denial of the exception.** If the answer is "No," the taxpayer is not eligible for this exception.

1.	Exception amount. Enter here and on PART II, Section A, line 5	00
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INSTRUCTIONS FOR RELATED PARTY COSTS

KRS 141.205(1)(l) states that “**related party costs**” means intangible expense, intangible interest expense, management fees and any costs or expenses associated with other related party transactions.

KRS 141.205(1)(h) states that “**recipient**” means a related member or foreign corporation to whom the item of income that corresponds to the intangible interest expense, the intangible expense, or the management fees, is paid.

KRS 141.205(1)(b) states that “**intangible expenses**” includes the following only to the extent that the amounts are allowed as deductions or costs in determining taxable net income before the application of any net operating loss deduction provided under Chapter 1 of the Internal Revenue Code: (i) Expenses, losses, and costs for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance, management, ownership, sale, exchange, or any other disposition of intangible property; (ii) Losses, related to, or incurred in connection directly or indirectly with, factoring transactions or discounting transactions; (iii) Royalty, patent, technical, and copyright fees; (iv) Licensing fees; and (v) Other similar expenses and costs.

KRS 141.205(1)(c) states that “**intangible interest expense**” means only those amounts which are directly or indirectly allowed as deduction under Section 163 of the Internal Revenue Code for purposes of determining taxable income under that code, to the extent that the amounts are directly or indirectly for, related to, or connected to the direct or indirect acquisition, use, maintenance, management, ownership, sale, exchange, or any other disposition of intangible property.

KRS 141.205(1)(d) states that “**management fees**” includes but is not limited to expenses and costs paid for services pertaining to accounts receivable and payable, employee benefit plans, insurance, legal, payroll, data processing, purchasing, tax, financial and securities, accounting, reporting and compliance or similar services, only to the extent that the amounts are allowed as a deduction or cost in determining taxable net income before the application of net operating loss deduction for the taxable year provided under Chapter 1 of the Internal Revenue Code.

PART I—REQUIRED ADD BACK

Section A—Intangible Expenses

Line 1—Enter the total of all intangible expenses paid to a related member. Do not include any interest expense or costs related to intangible interest expense.

Section B—Intangible Interest Expenses

Line 1—Enter the total of all intangible interest expenses paid to a related member.

Section C—Management Fees

Line 1—Enter the total of all management fees paid to a related member.

Section D—Total Required Add Back

Line 1—Enter the total of Section A, Line 1, Section B, Line 1 and Section C, Line 1.

PART II—EXCEPTIONS TO ADD BACK

Section A—Exceptions to Expenses

Line 1—Enter the amount from Part III, Section A, Line 6.

Line 2—Enter the amount from Part III, Section B, Line 5.

Line 3—Enter the amount from Part III, Section C, Line 5.

Line 4—Enter the amount from Part III, Section D, Line 1.

Line 5—Enter the amount from Part III, Section E, Line 1.

Line 6—Enter the total of Lines 1 through 5.

Section B—Total Related Party Cost Add Back After Exceptions

Line 1—Enter the amount from Part I, Section D, Line 1 less the amount on Part II, Section A, Line 6. Also, enter the amount on Form 720, Part III, Line 6; Form 720S, Part III, Line 4; Form 765, Part I, Line 4; or Form 765-GP, Part I, Line 4.

PART III—DETAIL OF EXCEPTIONS TO ADD BACK

Section A—Exception for intangible expenses, intangible interest expenses and management fees paid to related members that are included in the same consolidated Kentucky corporation income tax return for this taxable year.

Lines 1 to 5—For each related member include the name, Federal Identification Number, Kentucky Corporation/LLET Account Number and the amount deducted by the taxpayer. If there are more than five related members, attach a statement with the information for each member and enter the total on Line 1.

Line 6—Enter the total of Lines 1 through 5. Also enter the total on Part II, Section A, Line 1.

Section B—Exception for intangible expenses, intangible interest expenses and management fees paid to related members who are subject to tax in another state.

Questions A to C—Answer the questions A through C. If the answers are all Yes, attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete Lines 1 through 5.

Lines 1 to 4—For each related member include the name, Federal Identification Number, state of commercial domicile,

name of tax and the amount deducted by the taxpayer. If there are more than four related members, attach a statement with the information for each member and enter the total on Line 1.

Line 5—Enter the total of Lines 1 through 4. Also enter the total on Part II, Section A, Line 2.

Section C—Exception for intangible expenses, intangible interest expenses and management fees paid to related members located in a country or countries with which the United States has a comprehensive income tax treaty(ies).

Questions A to C—Answer the questions A through C. If the answers are all Yes, attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete Lines 1 through 5.

Lines 1 to 4—For each related member include the name, name of foreign nation, description of treaty and the amount deducted by the taxpayer. If there are more than four related members, attach a statement with the information for each member and enter the total on Line 1.

Line 5—Enter the total of Lines 1 through 4. Also enter the total on Part II, Section A, Line 3.

Section D—Exception for intangible expenses, intangible interest expenses and management fees where the recipient regularly engages in transactions with one (1)

or more unrelated parties on terms identical to that of the subject transaction.

Question A—Answer question A. If the answer is Yes, attach copies of the agreements between the taxpayer and the recipient and the unrelated party, and complete Line 1.

Line 1—Enter the total amount deducted by the taxpayer for intangible expenses, intangible interest expenses and management fees paid to related parties that are based on terms identical to that of unrelated parties. Also enter the total on Part II, Section A, Line 4.

Section E—Exception for intangible expenses, intangible interest expenses and management fees where the taxpayer and department have agreed in writing to the application or use of an alternative method of apportionment under KRS 141.120(9).

Question A—Answer question A. If the answer is Yes, attach a copy of the written agreement between the taxpayer and the department, and complete Line 1.

Line 1—Enter the total amount deducted by the taxpayer for intangible expenses, intangible interest expenses and management fees where the taxpayer and department have agreed in writing to the application or use of an alternative method of apportionment under KRS 141.120(9). Also enter the total on Part II, Section A, Line 5.

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**RELATED PARTY COSTS
 DISCLOSURE STATEMENT**

KRS 141.205 and 103 KAR 16:230

➤ See instructions.

➤ Attach to Form 720, 720S, 765 or 765-GP.

Name of Entity	Federal Identification Number _____	Kentucky Corporation/LLET Account Number (if applicable) _____
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Schedule RPC, Related Party Costs Disclosure Statement, shall be completed by an entity that paid, accrued or incurred intangible expenses, intangible interest expense or management fees to a related member.

To be entitled to an exception from the add back of expenses and a corresponding deduction from net income, the taxpayer must complete and attach this schedule to the applicable Kentucky tax return (Form 720, 720S, 765 or 765-GP).

Failure to complete Schedule RPC and attach all supporting documentation will result in disallowance of the exception(s).

PART I – REQUIRED ADD BACK

All intangible expenses, intangible interest expenses and management fees that are paid, accrued or incurred to a related member must be added back to income unless one or more of the statutory exceptions are met.

Section A – Intangible Expenses

1. Total intangible expenses paid to a related member: Do not include any interest expense or costs related to intangible interest expense	1	00
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Section B – Intangible Interest Expenses

1. Total intangible interest expenses paid to a related member.....	1	00
---	---	----

Section C – Management Fees

1. Total management fees paid to a related member	1	00
---	---	----

Section D – Total Required Add Back

1. Add Section A, line 1, Section B, line 1 and Section C, line 1. Enter here.....	1	00
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PART II – EXCEPTIONS TO ADD BACK

Section A – Exceptions to Expenses

1. Enter amount from Part III, Section A, line 6	1	00
2. Enter amount from Part III, Section B, line 5.....	2	00
3. Enter amount from Part III, Section C, line 5.....	3	00
4. Enter amount from Part III, Section D, line 1	4	00
5. Enter amount from Part III, Section E, line 1	5	00
6. Enter amount from Part III, Section F, line 1	6	00
7. Total Exceptions: Add lines 1 through 6 and enter here.....	7	00

Section B – Total Related Party Cost Add Back After Exceptions

1. Total: Part I, Section D, line 1 less Part II, Section A, line 7. Enter here and on Form 720, Part III, line 6; or Form 720S, 765 or 765-GP, Part I, line 4	1	00
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PART III – DETAIL OF EXCEPTIONS TO ADD BACK				
Section A – Exception for intangible expenses, intangible interest expenses and management fees paid to related members that are included in the same consolidated Kentucky corporation income tax return for this taxable year.				
	Name of Related Member	Federal Identification Number	Kentucky Corp./LLET Account Number	Amount Deducted
1.				00
2.				00
3.				00
4.				00
5.				00
6.	Total of lines 1 through 5. Enter here and on PART II, Section A, line 1			00

Section B – Exception for intangible expenses and intangible interest expenses paid to related members who are subject to tax in another state.				
A.	Was any intangible expense or intangible interest expense paid, accrued or incurred to a recipient where the expense or payment was subject to, in the related member's state of commercial domicile, a net income tax, or a franchise tax measured by, in whole or in part, net income?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
B.	Is the recipient engaged in substantial business activities separate and apart from the acquisition, use, licensing, management, ownership, sale, exchange, or any other disposition of intangible property, or in the financing of related members, as evidenced by the maintenance of permanent office space and full-time employees dedicated to the maintenance and protection of intangible property?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
C.	Is the transaction giving rise to the intangible expenses or intangible interest expense between the taxpayer and the recipient made at a commercially reasonable rate and at terms comparable to an arm's length transaction?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
If the answers to Questions A, B and C above are all "Yes," attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete the following schedule. Failure to provide the requested information will result in a denial of the exception. If any of the answers are "No," the taxpayer does not qualify for this exception.				
	Name of Related Member	Federal Identification Number	State of Commercial Domicile	Amount Deducted
1.				00
2.				00
3.				00
4.				00
5.	Total of lines 1 through 4. Enter here and on PART II, Section A, line 2			00



Section C – Exception for intangible expenses and intangible interest expenses paid to related members located in a country or countries with which the United States has a comprehensive income tax treaty(ies).

A. Was any intangible expense or intangible interest expense paid, accrued or incurred to a related member in a foreign nation which has in force a comprehensive income tax treaty with the United States?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B. Is the recipient engaged in substantial business activities separate and apart from the acquisition, use, licensing, management, ownership, sale, exchange, or any other disposition of intangible property, or in the financing of related members, as evidenced by the maintenance of permanent office space and full-time employees dedicated to the maintenance and protection of intangible property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C. Is the transaction giving rise to the intangible expenses or intangible interest expense between the taxpayer and the recipient made at a commercially reasonable rate and at terms comparable to an arm's length transaction?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If the answer to Questions A, B and C above are all "Yes," attach a copy of the pertinent parts of the contract or other documentation that support this exception and complete the following schedule. **Failure to provide the requested information will result in a denial of the exception.** If any of the answers are "No," the taxpayer does not qualify for this exception.

Name of Related Member	Name of Foreign Nation	Description of Treaty	Amount Deducted
1.			00
2.			00
3.			00
4.			00
5. Total of lines 1 through 4. Enter here and on PART II, Section A, line 3			00

Section D – Exception for intangible expenses and intangible interest expenses where the recipient regularly engages in transactions with one (1) or more unrelated parties on terms identical to that of the subject transaction.

A. Has the recipient regularly engaged in transactions with one (1) or more unrelated parties on terms identical to that of the subject transaction (giving rise to the intangible expense or intangible interest expense)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
---	--

If the answer to Question A is "Yes," attach copies of the agreements between the taxpayer and the recipient and the recipient and the unrelated party, and complete line 1 below. **Failure to attach the agreements will result in a denial of the exception.** If the answer is "No," the taxpayer does not qualify for this exception.

1. Exception amount. Enter here and on PART II, Section A, line 4	00
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Section E – Exception for management fees that are made at arm's length.

A. Is the transaction giving rise to the management fee expense between the taxpayer and the recipient made at a commercially reasonable rate and at terms comparable to an arm's length transaction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
---	--

If the answer to Question A is "Yes," attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete line 1 below. **Failure to provide the requested information will result in a denial of this exception.** If the answer is "No," the taxpayer does not qualify for this exception.

1. Exception amount. Enter here and on PART II, Section A, line 5	00
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Section F – Exception for intangible expenses, intangible interest expenses and management fees where the taxpayer and department have agreed in writing to the application or use of an alternative method of apportionment under KRS 141.120(9).		
A.	Is there a written agreement between the taxpayer and the Department which provides for use of an alternative method of apportionment under KRS 141.120(9)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If the answer to Question A is "Yes," attach a copy of the written agreement and complete line 1 below. Failure to attach the written agreement will result in a denial of the exception. If the answer is "No," the taxpayer is not eligible for this exception.		
1.	Exception amount. Enter here and on PART II, Section A, line 6	00

INSTRUCTIONS FOR RELATED PARTY COSTS

KRS 141.205(1)(l) states that "related party costs" means intangible expense, intangible interest expense, management fees and any costs or expenses associated with other related party transactions.

KRS 141.205(1)(h) states that "recipient" means a related member or foreign corporation to whom the item of income that corresponds to the intangible interest expense, the intangible expense, or the management fees, is paid.

KRS 141.205(1)(b) states that "intangible expenses" includes the following only to the extent that the amounts are allowed as deductions or costs in determining taxable net income before the application of any net operating loss deduction provided under Chapter 1 of the Internal Revenue Code: (i) Expenses, losses, and costs for, related to, or in connection directly or indirectly with the direct or indirect acquisition, use, maintenance, management, ownership, sale, exchange, or any other disposition of intangible property; (ii) Losses, related to, or incurred in connection directly or indirectly with, factoring transactions or discounting transactions; (iii) Royalty, patent, technical, and copyright fees; (iv) Licensing fees; and (v) Other similar expenses and costs.

KRS 141.205(1)(c) states that "intangible interest expense" means only those amounts which are directly or indirectly allowed as deduction under Section 163 of the Internal Revenue Code for purposes of determining taxable income under that code, to the extent that the amounts are directly or indirectly for, related to, or connected to the direct or indirect acquisition, use, maintenance, management, ownership, sale, exchange, or any other disposition of intangible property.

KRS 141.205(1)(d) states that "management fees" includes but is not limited to expenses and costs paid for services pertaining to accounts receivable and payable, employee benefit plans, insurance, legal, payroll, data processing, purchasing, tax, financial and securities, accounting, reporting and compliance or similar services, only to the extent that the amounts are allowed as a deduction or cost in determining taxable net income before the application of net operating loss deduction for the taxable year provided under Chapter 1 of the Internal Revenue Code.

PART I—REQUIRED ADD BACK

Section A—Intangible Expenses

Line 1—Enter the total of all intangible expenses paid to a related member. Do not include any interest expense or costs related to intangible interest expense.

Section B—Intangible Interest Expenses

Line 1—Enter the total of all intangible interest expenses paid to a related member.

Section C—Management Fees

Line 1—Enter the total of all management fees paid to a related member.

Section D—Total Required Add Back

Line 1—Enter the total of Section A, Line 1, Section B, Line 1 and Section C, Line 1.

PART II—EXCEPTIONS TO ADD BACK

Section A—Exceptions to Expenses

Line 1—Enter the amount from Part III, Section A, Line 6.

Line 2—Enter the amount from Part III, Section B, Line 5.

Line 3—Enter the amount from Part III, Section C, Line 5.

Line 4—Enter the amount from Part III, Section D, Line 1.

Line 5—Enter the amount from Part III, Section E, Line 1.

Line 6—Enter the amount from Part III, Section F, Line 1.

Line 7—Enter the total of Lines 1 through 6.

Section B—Total Related Party Cost Add Back After Exceptions

Line 1—Enter the amount from Part I, Section D, Line 1 less the amount on Part II, Section A, Line 7. Also, enter the amount on Form 720, Part III, Line 6; Form 720S, Part I, Line 4; Form 765, Part I, Line 4; or Form 765-GP, Page 1, Line 4.

PART III—DETAIL OF EXCEPTIONS TO ADD BACK

Section A—Exception for intangible expenses, intangible interest expenses and management fees paid to related members that are included in the same consolidated Kentucky corporation income tax return for this taxable year.

Lines 1 to 5—For each related member include the name, Federal Identification Number, Kentucky Corporation/LLET Account Number and the amount deducted by the taxpayer. If there are more than five related members, attach a statement with the information for each member and enter the total on Line 1.

Line 6—Enter the total of Lines 1 through 5. Also enter the total on Part II, Section A, Line 1.

Section B—Exception for intangible expenses and intangible interest expenses paid to related members who are subject to tax in another state.

Questions A to C—Answer the questions A through C. If the answers are all Yes, attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete Lines 1 through 5.

Lines 1 to 4—For each related member include the name, Federal Identification Number, state of commercial domicile, name of tax and the amount deducted by the taxpayer. If there are more than four related members, attach a statement with the information for each member and enter the total on Line 1.

Line 5—Enter the total of Lines 1 through 4. Also enter the total on Part II, Section A, Line 2.

Section C—Exception for intangible expenses and intangible interest expenses paid to related members located in a country or countries with which the United States has a comprehensive income tax treaty(ies).

Questions A to C—Answer the questions A through C. If the answers are all Yes, attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete Lines 1 through 5.

Lines 1 to 4—For each related member include the name, name of foreign nation, description of treaty and the amount deducted by the taxpayer. If there are more than four related members, attach a statement with the information for each member and enter the total on Line 1.

Line 5—Enter the total of Lines 1 through 4. Also enter the total on Part II, Section A, Line 3.

Section D—Exception for intangible expenses and intangible interest expenses where the recipient regularly engages in transactions with one (1) or more unrelated parties on terms identical to that of the subject transaction.

Question A—Answer question A. If the answer is Yes, attach copies of the agreements between the taxpayer and the recipient and the recipient and the unrelated party, and complete Line 1.

Line 1—Enter the total amount deducted by the taxpayer for intangible expenses and intangible interest expenses paid to related parties that are based on terms identical to that of unrelated parties. Also enter the total on Part II, Section A, Line 4.

Section E—Exception for management fees that are made at arm's length.

Question A—Answer question A. If the answer is Yes, attach a copy of the pertinent parts of the contract or other documentation that support this exception, and complete Line 1.

Line 1—Enter the total amount deducted by the taxpayer for management fees paid to related parties that were made at terms comparable to an arm's length transaction. Also enter the total on Part II, Section A, Line 5.

Section F—Exception for intangible expenses, intangible interest expenses and management fees where the taxpayer and department have agreed in writing to the application or use of an alternative method of apportionment under KRS 141.120(9).

Question A—Answer question A. If the answer is Yes, attach a copy of the written agreement between the taxpayer and the department, and complete Line 1.

Line 1—Enter the total amount deducted by the taxpayer for intangible expenses, intangible interest expenses and management fees where the taxpayer and department have agreed in writing to the application or use of an alternative method of apportionment under KRS 141.120(9). Also enter the total on Part II, Section A, Line 6.

SCHEDULE NOL

41A720NOL (10-14)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

Mo. / Yr.

- See instructions.
- Attach to Form 720.

NET OPERATING LOSS SCHEDULE

KRS 141.011, KRS 141.200(11); Regulation 103 KAR 16:250

Name of Corporation	Federal Identification Number	Kentucky Corporation/LLET Account Number

PART I—MANDATORY NEXUS CONSOLIDATED RETURN

Section A—Current Net Operating Loss Adjustment		A	Includible Corporations	
			B	C
Name	Kentucky Corporation/LLET Account Number	Prior Year's NOL Carryforward	Kentucky Net Income	Kentucky Net Losses (Enter as a Positive)
1. Parent		00	00	00
2. Subsidiaries				
a		00	00	00
b		00	00	00
c		00	00	00
d		00	00	00
e		00	00	00
f		00	00	00
g		00	00	00
h		00	00	00
i		00	00	00
j		00	00	00
k		00	00	00
l		00	00	00
m		00	00	00
3. Totals (add Columns A, B and C)	3	00	00	00
4. Limitation—Income (Column B, line 3 multiplied by 50%)	4			00
Complete line 5 only if Column C, line 3 is greater than line 4.				
5. Disallowed loss, Column C, line 3, less line 4. Enter here and on Form 720, Part III, line 19 (see instructions)	5			00
Complete line 6 only if line 4 is greater than Column C, line 3.				
6. Additional NOLD. Enter as a negative amount here and on Form 720, Part III, line 19 (see instructions)	6			00

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Section B—Current Year Loss Disallowed and NOL Carryforward

1. Current year loss disallowed from Part I, Section A, line 5	1		00
2. Prior year NOL carryforward from Part I, Section A, Column A, line 3	2		00
3. Prior year NOL carryforward used this year from Part I, Section A, line 6. Enter as a negative	3		00
4. Total NOL carryforward to 2015 (sum of lines 1 through 3)	4		00

PART II—SEPARATE ENTITY RETURN

NOL Carryforward (Enter all amounts as a positive)

1. Carryforward from prior year (2013 Schedule NOL, Part II, line 4)	1		00
2. Current year NOL from Form 720, Part III, line 21	2		00
3. NOLD from Form 720, Part III, line 22	3		00
4. Total NOL carryforward to 2015 (line 1 plus line 2 less line 3)	4		00

Purpose of Schedule—Part I of this schedule is used by an affiliated group that is required to file a mandatory nexus consolidated return as provided by KRS 141.200(11) to determine the net operating loss limitation as provided by KRS 141.200(11)(b) and to track any available net operating loss carryforward. Part II of this schedule is used by a corporation filing a separate return as provided by KRS 141.200(10) to track any available net operating loss carryforward.

Part I – Mandatory Nexus Consolidated Return

General Instructions—Part I, Sections A and B of this schedule are used by an affiliated group filing a mandatory nexus consolidated return to determine the amount of net operating loss (NOL) deduction that can be utilized during the current tax year and to track any available net operating loss carryforward (NOL carryforward).

KRS 141.200(11)(b) provides that includible corporations that have incurred a net operating loss shall not deduct an amount that exceeds, in the aggregate, 50 percent (50%) of the income realized by the remaining includible corporations that did not realize a net operating loss.

A current year NOL or an NOL carryforward as applied to a mandatory nexus consolidated return is the pre-apportioned net operating loss or pre-apportioned net operating loss carryforward. Consequently, NOL carryforwards which are apportioned may be converted to pre-apportioned amounts. However, a corporation that does not wish to convert the NOL carryforward to a pre-apportioned amount may carry the NOL carryforward as an apportioned amount.

If the corporation does not convert an apportioned NOL carryforward to a pre-apportioned amount, the apportioned NOL carryforward is binding for all future years. Should the corporation wish to convert the apportioned NOL carryforward to a pre-apportioned NOL carryforward in a future year, all tax returns filed which included the apportioned NOL carryforward must be amended. Also, using an apportioned NOL carryforward does not affect the 50 percent (50%) limitation provided by KRS 141.200(11)(b) and, accordingly, the apportioned NOL carryforward is included in Part I, Section A of this schedule.

A corporation does not have an NOL carryforward if it did not have Kentucky nexus during the tax year of the NOL. An NOL may be carried forward 20 years following the loss year; however, as provided by KRS 141.011(2), an NOL shall not be carried back for tax years beginning on or after January 1, 2005.

Schedule NOL-CF is required if the affiliated group includes a member having an NOL carryforward that was not a member of the affiliated group in the prior year.

Section A – Current Net Operating Loss Adjustment

Enter the name and Kentucky Corporation/LLET account number of the parent and subsidiaries.

Column A—Enter the prior year’s NOL carryforward of each parent and subsidiary.

Column B—Enter only Kentucky net income of includible corporations from Schedule KCR (Form 720), Line 18.

Column C—Enter only Kentucky net losses of includible corporations from Schedule KCR (Form 720), Line 18. Enter as a positive amount.

Line 3—Enter the totals for Columns A, B and C. Reflect all columns as positive amounts.

Schedule NOL-CF must be attached if the affiliated group includes a member having an NOL carryforward that was not a member of the affiliated group in the prior year.

Line 4—Multiply Column B, Line 3 by 50 percent (.50). This is the limitation provided by KRS 141.200(11)(b).

Line 5—The amount of the current year net operating loss(es) that exceed(s) the 50 percent loss limitation. It is an add back in computing Kentucky net income and is entered on Form 720, Part III, Line 19. If an amount is entered on Line 5, skip to Section B. Use worksheet below.

Worksheet—Line 5	
1. Amount from Column C, Line 3.....	\$ _____
2. Amount from Line 4.....	\$ _____
3. Line 1 less Line 2. Enter here and on Part I, Section A, Line 5 (If less than zero, skip and complete Line 6).....	\$ _____

Line 6—If the amount of loss limitation, Line 4 is greater than the net operating loss(es) on Column C, Line 3, a prior year NOL carryforward can be used to meet the 50 percent loss limitation. Enter the lesser of Line 4 less Column C, Line 3, or the amount entered on Column A, Line 3. If the amount of Line 4 less Column C, Line 3, is equal to Column A, Line 3, enter the amount from Column A, Line 3. Enter the amount on Form 720, Part III, Line 19. This is a deduction in computing Kentucky net income. Use worksheet below.

Worksheet—Line 6	
1. Amount from Line 4.....	\$ _____
2. Amount from Column C, Line 3.....	\$ _____
3. Line 1 less Line 2. (If less than zero, skip and complete Line 5 above)	\$ _____
4. Amount from Column A, Line 3.....	\$ _____
5. Lesser of Line 3 or Line 4. Enter here and on Part I, Section A, Line 6.....	\$ _____

Section B – Current Year Loss Disallowed and NOL Carryforward

General Instructions—Part I, Section B is used by an affiliated group filing a mandatory nexus consolidated return as provided by KRS 141.200(11) to track any available net operating loss carryforward. Follow the instructions on Lines 1 through 4.

Part II – Separate Entity Return

NOL Carryforward

General Instructions—Part II is used by a corporation filing a separate entity return as provided by KRS 141.200(10) to track any available net operating loss carryforward. Follow the instructions on Lines 1 through 4.

SCHEDULE NOL

41A720NOL (10-13)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

Mo. / Yr.

➤ See instructions.

➤ Attach to Form 720.

NET OPERATING LOSS SCHEDULE

KRS 141.011, KRS 141.200(11); Regulation 103 KAR 16:250

Name of Corporation	Federal Identification Number	Kentucky Corporation/LLET Account Number
_____	_____	_____

PART I—MANDATORY NEXUS CONSOLIDATED RETURN

Section A—Current Net Operating Loss Adjustment			Includible Corporations		
Name	Kentucky Corporation/LLET Account Number	Prior Year's NOL Carryforward	A	B	C
			Kentucky Net Income	Kentucky Net Losses (Enter as a Positive)	Total Losses (Enter as a Positive)
1. Parent			00	00	
2. Subsidiaries					
a			00	00	
b			00	00	
c			00	00	
d			00	00	
e			00	00	
f			00	00	
g			00	00	
h			00	00	
i			00	00	
j			00	00	
k			00	00	
l			00	00	
m			00	00	
3. Totals (add Columns A and B)		3	00	00	
4. Limitation—Income (line 3, Column A multiplied by 50%)		4	00		
5. Prior year NOL carryforward				5 00	
6. Total (add line 5, Column C and line 3, Column B)				6 00	
Complete line 7 only if line 3, Column B is greater than line 4, Column A.					
7. Disallowed loss, line 3, Column B less line 4, Column A. Enter here and on Form 720, Part III, line 19 (see instructions)		7	00		
Complete line 8 only if line 4, Column A is greater than line 3, Column B.					
8. Additional NOLD. Enter as a negative amount on Form 720, Part III, line 19 (see instructions)		8	00		

Section B—Current Year Loss Disallowed and NOL Carryforward

1. Current year loss disallowed from Part I, Section A, line 7	1	00
2. Prior year NOL carryforward from Part I, Section A, line 5	2	00
3. Prior year NOL carryforward used this year from Part I, Section A, line 8	3	00
4. Total NOL carryforward to 2014 (line 1 plus line 2 less line 3)	4	00

PART II—SEPARATE ENTITY RETURN

NOL Carryforward

1. Enter carryforward from prior year	1	00
2. Enter current year NOL from Form 720, Part III, line 21 as a positive amount	2	00
3. Enter the NOLD from Form 720, Part III, line 22	3	00
4. Enter total NOL carryforward to 2014 (line 1 plus line 2 less line 3)	4	00

INSTRUCTIONS FOR SCHEDULE NOL (FORM 720)

Purpose of Schedule—Part I of this schedule is used by an affiliated group that is required to file a mandatory nexus consolidated return as provided by KRS 141.200(11) to determine the net operating loss limitation as provided by KRS 141.200(11)(b) and to track any available net operating loss carryforward. Part II of this schedule is used by a corporation filing a separate return as provided by KRS 141.200(10) to track any available net operating loss carryforward.

Part I – Mandatory Nexus Consolidated Return

General Instructions—Part I, Sections A and B of this schedule are used by an affiliated group filing a mandatory nexus consolidated return to determine the amount of net operating loss (NOL) deduction that can be utilized during the current tax year and to track any available net operating loss carryforward (NOL carryforward).

KRS 141.200(11)(b) provides that includible corporations that have incurred a net operating loss shall not deduct an amount that exceeds, in the aggregate, fifty percent (50%) of the income realized by the remaining includible corporations that did not realize a net operating loss.

A current year NOL or an NOL carryforward as applied to a mandatory nexus consolidated return is the pre-apportioned net operating loss or pre-apportioned net operating loss carryforward. Consequently, NOL carryforwards which are apportioned may be converted to pre-apportioned amounts. However, a corporation that does not wish to convert the NOL carryforward to a pre-apportioned amount may carry the NOL carryforward as an apportioned amount.

If the corporation does not convert an apportioned NOL carryforward to a pre-apportioned amount, the apportioned NOL carryforward is binding for all future years. Should the corporation wish to convert the apportioned NOL carryforward to a pre-apportioned NOL carryforward in a future year, all tax returns filed which included the apportioned NOL carryforward must be amended. Also, using an apportioned NOL carryforward does not affect the fifty percent (50%) limitation provided by KRS 141.200(11)(b) and, accordingly, the apportioned NOL carryforward is included in Part I, Section A of this schedule.

A corporation does not have an NOL carryforward if it did not have Kentucky nexus during the tax year of the NOL. An NOL may be carried forward 20 years following the loss year; however, as provided by KRS 141.011(2), an NOL shall not be carried back for tax years beginning on or after January 1, 2005.

Schedule NOL-CF is required if the affiliated group includes a member having an NOL carryforward that was not a member of the affiliated group in the prior year.

Section A – Current Net Operating Loss Adjustment

Enter the name, Kentucky Corporation/LLET account number and prior year's NOL carryforward of the parent and subsidiaries.

Column A—Enter only Kentucky net income of includible corporations from Schedule KCR (Form 720), Line 18.

Column B—Enter only Kentucky net losses of includible corporations from Schedule KCR (Form 720), Line 18. Enter as a positive amount.

Line 3—Enter the totals for Column A and Column B. Reflect Column B as a positive amount.

Line 4—This is the limitation provided by KRS 141.200(11)(b).

Line 5—Enter the prior year NOL carryforward as a positive amount. A Schedule NOL-CF must be attached if the affiliated group includes a member having an NOL carryforward that was not a member of the affiliated group in the prior year.

Line 6—This is the total NOL available.

Line 7—This is the amount of the current year net operating loss(es) that exceed(s) the 50 percent loss limitation. It is an add back in computing Kentucky net income and is entered on Form 720, Part III, Line 19. If an amount is entered on Line 7, skip to Section B. **Use worksheet below.**

Worksheet—Line 7	
1. Amount from Line 3, Column B	\$ _____
2. Amount from Line 4, Column A	\$ _____
3. Line 1 less Line 2. Enter here and on Part I, Section A, Line 7 (If less than zero, skip and complete Line 8)	\$ _____

Line 8—If the amount of loss limitation, Line 4, Column A is greater than the net operating loss(es) on Line 3, Column B, a prior year NOL carryforward can be used to meet the 50 percent loss limitation. Enter the lesser of Line 4, Column A less Line 3, Column B or the amount entered on Line 5, Column C. If the amount of Line 4, Column A less Line 3, Column B is equal to Line 5, Column C, enter the amount from Line 5, Column C. Enter the amount on Form 720, Part III, Line 19. This is a deduction in computing Kentucky net income. **Use worksheet below.**

Worksheet—Line 8	
1. Amount from Line 4, Column A	\$ _____
2. Amount from Line 3, Column B	\$ _____
3. Line 1 less Line 2. (If less than zero, skip and complete Line 7 above)	\$ _____
4. Amount from Line 5, Column C	\$ _____
5. Lesser of Line 3 or Line 4. Enter here and on Part I, Section A, Line 8	\$ _____

Section B – Current Year Loss Disallowed and NOL Carryforward

General Instructions—Part I, Section B is used by an affiliated group filing a mandatory nexus consolidated return as provided by KRS 141.200(11) to track any available net operating loss carryforward. Follow the instructions on Lines 1 through 4.

Part II – Separate Entity Return

NOL Carryforward

General Instructions—Part II is used by a corporation filing a separate entity return as provided by KRS 141.200(10) to track any available net operating loss carryforward. Follow the instructions on Lines 1 through 4.

**Credits available
beginning in tax year
2014**

Individual
Corporate/LLET

Credits - 2014

- ◎ **Certified Rehabilitation Tax Credit**
 - Taxable years beginning on or after 1/1/2014
 - Refundable and transferable
 - No cap
 - Credit against Individual, Corporate and/or LLET
 - Applies to the first \$30 million of expenses
 - Percentage of qualified rehabilitation expenses
 - KRS 171.397(1)(a)
 - Rehabilitate certified historic structures
 - Must begin prior to 7/1/2015
 - Expenses must exceed \$15 million
 - Within ½ mile of a TIF area that has received at least preliminary approval
 - KRS 141.382, 171.396 and 171.3961

Individual
Corporate/LLET

Credits - 2014

○ Food Donation Tax Credit

- January 1, 2014 – January 1, 2018
- Nonrefundable credit
- 4 year carryforward
- Credit against Individual, Corporate and/or LLET
- Equal to 10% value of donated edible agriculture products to a nonprofit food program in Kentucky
- Schedule FD must be filled out at the time of each donation
- KRS141.392

Individual
Corporate/LLET

Credits - 2014

○ New Markets Development Tax Credit

- Expanded as of 7/15/2014
- Refundable performance fee
- Cap increased from \$5 million to \$10 million
- Recapture provisions as of 1/1/2014
- KRS 141.432 to 141.434

Individual
Corporate/LLET

Credits - 2014

◎ Small Business Tax Credit

- Effective 7/15/2014
- Simplifies and streamlines the program
- Defines “base employment”
 - Full-time employees subject to KY income tax at the time of hire of new employee
- Defines “small business”
 - 50 or fewer full-time employees subject to KY income tax
- Limitations
 - \$25,000 – max credit each year for each small business
 - \$3 million – max credit each fiscal year
- KRS 154.60-010 and 154.60-020

Individual
Corporate/LLET

Credits - 2014

- ◎ **Kentucky Jobs Retention Act (KJRA)**
 - Effective 7/15/2014
 - Now includes certain household appliance and appliance parts or supplies manufacturers
 - Business must:
 - Be in operation for 5 years
 - Employ a minimum of 1,000 full time workers in KY
 - Already be approved for other economic development incentive programs
 - Project must:
 - Invest at least \$100 million for new equipment and/or facilities
 - KRS 154.25-010

Individual
Corporate/LLET

Credits - 2014

- **Kentucky Industrial Revitalization Act (KIRA)**
 - Effective 8/1/2014
 - Companies with approved KIRA projects can take on supplemental projects
 - Within 24 months of initial project
 - Project must:
 - Have approved costs of \$50 million
 - Employ at least 750 people
 - Incur at least \$10 million in additional eligible costs for improvements to a blast furnace
 - Be at risk of closure and have a significant net loss carryforward for the last 3 years
 - KRS 154.26-010

Credits available
beginning in tax year
2015

Individual
Corporate/LLET

Credits - 2015

○ Film Production Incentives

- Taxable years beginning on or after 1/1/2015
- Sunset date of 1/1/2015 is removed
- Credit against Individual, Corporate and/or LLET
- All other requirements remain the same
 - Applications are approved by the Kentucky Film Office within the Tourism, Arts and Heritage Cabinet
- KRS 148.544

Individual
Corporate/LLET

Credits - 2015

○ Distilled Spirits Tax Credit

- Taxable years beginning on or after 1/1/2015
- Nonrefundable and nontransferable
- Credit for paying Distilled Spirits Ad Valorem Tax
 - Credit against Individual, Corporate and/or LLET
- Must make capital improvements to the distillery
- Recapture provision
- 5 year phase-in
 - Begins at 20% in 2015, then increases in 20% increments each year until fully phased in at 100% in 2019
- KRS 141.389

Individual Credits - 2015

◎ Angel Investor Tax Credit

- Taxable years beginning on or after 1/1/2015
- Nonrefundable
- Transferable
- Credit against Individual Income Tax
- \$10,000 minimum investment in certain KY small businesses
 - Development of new products and technologies
- Limitations
 - \$200,000 – max credit each year per investor
 - \$3 million – annual cap to all investors
- KRS 141.396

**Credits available
beginning in tax year
2016**

Individual
Corporate/LLET

Credits - 2016

○ Endow Kentucky Tax Credit

- For fiscal years beginning on or after 7/1/2016
- Credit awarded each fiscal year increased from \$500,000 to \$1,000,000
- All monies for this fiscal year already awarded
- <http://revenue.ky.gov/endowedkytaxcredit.htm>
- KRS 141.438

Sales & Use Tax

- Automated Business Record Falsification Devices aka “Tax Zappers”
 - House Bill 69
 - Effective July 15, 2014
 - Possession is a Class D felony
 - Revocation of Sales & Use Tax Permit for 10 years

Sales & Use Tax

○ Out of State Purchases

- Use Tax vs. Sales Tax
- Credit for out of state tax paid
- Payment on Individual Income Tax return

○ Streamlined Sales & Use Tax Agreement

○ Sales & Use Tax Seminars

- (502) 564-5170 to register to attend

Tangible Personal Property Tax

○ Recreational Vehicles Held for Sale in a Retailer's Inventory

- HB 445
- Effective January 1, 2015
- Subject to state ad valorem tax **ONLY**, not local

	Traditional Payment	E-Pay (EEPS) *	EFT
Corporate Tax	X	X	
Corporate Estimated Tax	X		X
Individual Income Tax	X	X	
Individual Estimated Tax **	X		
Sales & Use Tax	X	X	X
Withholding Tax	X	X	X
Coal Severance Tax	X	X	
Fiduciary Tax	X		
Inheritance Tax	X		
Motor Fuels Tax	X	X	X
Property Taxes	X		
Telecommunications Tax	X	X	X
Utility Gross Receipts License Tax	X	X	X

* Enterprise Electronic Payment System

** Individual estimated tax may be paid by direct debit payment. This option is available only for e-filers via specific selection on Form 8879-K, Declaration for Electronic Filing.

Processing Payment Vouchers

○ Reminders:

- No staples
- No paper clips
- No check stubs
- Ensure correct account number is on both payment and voucher
- Ensure correct coupon with payment
 - E.g., Extension payment with e-file payment voucher

Stay in Contact with DOR

- ◎ Kentucky One Stop Business Portal
 - www.onestop.ky.gov
- ◎ Revenue website
 - www.revenue.ky.gov
- ◎ Live Chat
 - www.revenue.ky.gov/livehelp.htm
 - Individual Income, Sales & Use, & Withholding Taxes
- ◎ Tax Alert
 - Newsroom/Publications
 - Email Sarah.Gilkison@ky.gov to be included on the email distribution list
- ◎ Twitter
 - @RevenueKY

Taxpayer Service Centers

Ashland

1539 Greenup Avenue, 41101-7695

(606) 920-2037

Bowling Green

201 West Professional Park Court, 42104-3278

(270) 746-7470

Corbin

15100 North US 25E, Suite 2, 40701-6188

(606) 528-3322

Taxpayer Service Centers

Frankfort

501 High Street, 40601-2103

(502) 564-4581 (*Taxpayer Assistance*)

Hopkinsville

181 Hammond Drive, 42240-7926

(270) 889-6521

Louisville

600 West Cedar Street

2nd Floor West, 40202-2310

(502) 595-4512

Taxpayer Service Centers

Northern Kentucky

Turfway Ridge Office Park
7310 Turfway Road, Suite 190
Florence, 41042-4871
(859) 371-9049

Owensboro

Corporate Center
401 Frederica Street,
Building C, Suite 201, 42301-6295
(270) 687-7301

Taxpayer Service Centers

Paducah

Clark Business Complex, Suite G
2928 Park Avenue, 42001-4024
(270) 575-7148

Pikeville

Uniplex Center, Suite 203
126 Trivette Drive, 41501-1275
(606) 433-7675

Revenue Contact Phone Numbers

Automated Refund Line(Individual)	502-564-1600
Collections	502-564-4921
Corporation Tax	502-564-8139
Field Operations	502-564-2113
Forms and Envelopes	502-564-3658
Individual Income Tax	502-564-4581
Inheritance Tax	502-564-4810
Local Government & County Fees	502-564-8785
Miscellaneous Tax	502-564-2935
Motor Fuels	502-564-3853

Revenue Contact Phone Numbers

Motor Vehicle Usage	502-564-4455
Ombudsman	502-564-7822
Property Tax	502-564-8338
Protest Resolution	502-564-6734
Registration	502-564-3306
Sales & Use Tax	502-564-5170
Special Investigations	502-564-4470
State Operator	502-564-3130
Withholding	502-564-7287

Contact Information

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