1) Individual Income Tax

   a) *Obergefell v. Hodges*, 135 S.Ct. 2584 (U.S. 2015)

      i) Income Taxes

      ii) Inheritance Taxes

      iii) Claims for Refund

   b) 2015 Form Updates

      i) 740 Series Forms

      ii) Form 740-NP-R

      iii) Form 740-V

      iv) Schedule A

      v) Form EPAY

   c) 2015 Updated Figures

      i) Family Size Tax Credit

      ii) Itemized Deduction Limitation Thresholds

      iii) Standard Deduction

   d) 2015 Legislative Updates

2) Corporate Income Tax

   a) Past Legislation Effective in 2015

   b) 2015 Form Updates

      i) Schedule DS and Schedule DS-R

      ii) Form 851-K

      iii) Form 740NP-WH-P

      iv) Schedule NOL

3) Procedural Updates and Reminders

   a) Mailing Zip Codes for Forms

   b) Processing Payment Vouchers

   c) 2015 Electronic Filing

4) Online System Enhancements

   a) Kentucky Business One Stop Portal

      i) Current Features

      ii) Expanded Features

      iii) Business Level Security Roles

      iv) Tax Account Level Security Roles

      v) Commonwealth Business Identifier Letters

      vi) Accessing an Existing Business

      vii) Questions and Technical Assistance

   b) Withholding Return and Payment System (WRAPS)

5) Tangible Personal Property Tax Return

   a) Filing Requirements

6) Department of Revenue Contact Information

   a) Taxpayer Service Centers

   b) Revenue Contact Phone Numbers

7) Questions, Concerns, Comments

2015 Kentucky State Tax Update

UK Tax Seminars

Kentucky Department of Revenue

Kentucky Department Of Revenue

Today's Agenda

- Individual Income Tax Updates
- Corporate Income Tax Updates
- Procedural Updates and Reminders
- Online System Enhancements
- Tangible Personal Property Tax Return
- DOR Contact Information

U. S. Supreme Court Decision

Obergefell v. Hodges, 135 S.Ct. 2584 (U.S. 2015)

In accordance with this U.S. Supreme Court decision, Kentucky will now license a marriage between two people of the same sex and will recognize a marriage between two people of the same sex when their marriage was lawfully licensed and performed out-of-state.

- **Impact on Income Taxes**
  - Same-sex couples may elect to file a joint or combined return if married at the end of the taxable year
  - Surviving spouse may elect to file a joint or combined return if spouse died during the taxable year
- **Impact on Inheritance Taxes**
  - Survivor of married same-sex couple will be recognized as Class A beneficiary
  - Surviving spouse exemption extended to married same-sex couples
- **Claims for Refund**
  - Same-sex couples lawfully married out-of-state may apply for a refund of any overpaid taxes by submitting an amended return within two (2) years from the date the tax was paid, as provided in KRS 134.590(1) and (2)

Individual Income Tax

Form Updates

- **740 Series Forms**
  - Verbiage changed from "Husband and Wife" to "Taxpayer and Spouse"
  - Local History Trust Fund refund designation option added
  - Business Incentives and Other Tax Credits:
    - Food Donation Tax Credit
    - Angel Investor Tax Credit
    - Distilled Spirits Tax Credit
  - Prepaid Debit Card Refund Option:
    - Effective for tax year 2015
    - Taxpayers may elect to receive their refund on a prepaid Bank of America debit card
    - Election is made by checking the appropriate box under Refund Options
    - Taxpayers will also have the option to receive debit card disclosure materials in Spanish
    - Debit Card Refund Option is not available for amended returns

Individual Income Tax

Form Updates (Cont.)

- **Form 740-NP-R**
  - Residents of reciprocal states who have Kentucky income of wages and salaries ***only*** must now file the 740-NP-R
- **Form 740-V**
  - Previously required only for electronic filers
  - Now paper filers who owe additional tax must also include this voucher with their payment
- **Schedule A**
  - Medical Mileage Rate – changed from $0.235 per mile to $0.23 per mile
    - Federal change but impacts Kentucky forms
  - Casualty and Theft Losses – 10% deduction limitation reinstated
- **Form EPAY**
  - Allows DOR to initiate an ACH withdrawal for payment of taxes and estimated taxes other than at the time of filing the individual income tax return
  - Processing the withdrawal of funds may take up to two (2) weeks from the date designated for withdrawal

Individual Income Tax

Updated Figures

Family Size Tax Credit	2015 Threshold for 100% Credit
Family size of 1	$11,770
Family size of 2	$15,930
Family size of 3	$20,090
Family size of 4 or more	$24,250

2015 Itemized Deduction Limitation Thresholds	
Single or MFJ	$184,000
MFS – Combined or Separate Returns	$92,000

2015 Standard Deduction	$2,440
2016 Standard Deduction	$2,460

2015 Legislative Update

Effective Date of Innocent Spouse Relief

If certain conditions apply, an innocent spouse may request and potentially be granted relief from responsibility for paying tax, interest, and penalties if his or her spouse (or former spouse) improperly reported items or omitted items on their joint tax return.

- **HB 299 establishes the effective date for innocent spouse relief**
  - Date that the Internal Revenue Service approved the relief or
  - Date that the Kentucky Department of Revenue approved the relief, if there is no federal income tax liability
- **Effective as of 6/24/2015**
- **KRS 141.180(4)**

2015 Legislative Update

Tax Refund Designations – Effective Tax Year 2016

Effective for taxable years beginning on or after January 1, 2016, new check boxes have been added to Kentucky Individual Income Tax Returns which allow a designation of all or a portion of an individual's refund to be contributed to the taxpayer's designation of choice. The new options are listed below.

- **Kentucky Special Olympics**
  - House Bill 178
- **Pediatric Cancer Research Trust Fund**
  - Senate Bill 82
- **Rape Crisis Center Trust Fund**
  - Senate Bill 82

2015 Legislative Update

Adjusted Prime Rate Capture Date

The adjusted prime rate charged by banks is used to set the tax interest rate that the Kentucky Department of Revenue charges on unpaid taxes and pays on refunds that are subject to interest due.

- **Evaluated annually for potential adjustment**
- **HB 299 moves up the capture date from October to September**
- **Interest rates for 2016:**
  - Rate charged on unpaid taxes is 6% (base rate of 4% plus 2%)
  - Rate paid when interest is due on a refund is 2% (the base rate of 4% minus 2%)
- **KRS 131.183**

2015 Legislative Update

Film Production Incentives Credit Expansion

This tax credit is available for qualifying expenditures incurred by companies to film or produce a feature-length film, television program, industrial film, documentary, commercial, or touring production of a Broadway show in Kentucky.

- **In 2014, HB 445 eliminated the 1/1/2015 expiration date**
- **In 2015, HB 340 expanded the Film Production Credit**
  - Established new expenditure thresholds for Kentucky-based companies
  - Lowered expenditure thresholds for all other companies
  - Increased amount of credit that may be claimed for all projects
  - Created a special higher available credit rate for projects filmed or produced entirely in an enhanced incentive county
  - Expansion effective 6/24/2015 and applicable to tax years beginning on or after 1/1/2015
- **KRS 148.544**

2015 Legislative Update

Sunset Date for Metropolitan College Consortium Credit Extended

This nonrefundable credit may be claimed by participants in the Metropolitan College Consortium Agreement that pay tuition and other educational expenses on behalf of employees participating in post-secondary educational programs located in Kentucky.

- **HB 202 extended the sunset date from 4/15/2017 to 4/15/2027**
- **Credit is equal to 50% of actual tuition and educational expenses incurred by a qualified taxpayer for up to 2,800 employees each year**
- **Credit against Corporate or Individual Income Tax and/or LLET**
- **Effective as of 7/1/2015**
- **KRS 141.381**

2015 Legislative Update

Adoption of Regulation Related to the Certified Historic Structures Rehabilitation Tax Credit

The Kentucky Heritage Council (KHC) has adopted a new regulation to provide guidance for the certified historic structures rehabilitation tax credit that may be used to offset a taxpayer's liability for Kentucky corporation income tax, limited liability entity tax (LLET), bank franchise tax, or individual income tax.

- **New regulation explains the following:**
  - Application process
  - Fees charged
  - Appeal process and
  - KHC's authority to recapture credits and inspect property
- **300 KAR 6:010**

Past Legislation Effective in 2015

Distilled Spirits Tax Credit

Taxpayers who pay Kentucky ad valorem property tax on distilled spirits may be eligible for a nonrefundable and nontransferable credit to be applied against corporate or individual income tax and/or limited liability entity tax.

- **Taxable years beginning on or after 1/1/2015**
- **5 year phase-in**
  - Begins at 20% in 2015, then increases in 20% increments each year until fully phased in at 100% in 2019
- **Must make capital improvements to the distillery**
- **Recapture provision**
- **KRS 141.389**

Past Legislation Effective in 2015

Distilled Spirits Tax Credit Clarification

- **Barrels Are Capital Improvements Whether Expensed Or Depreciated**
  - KRS 141.389(2)(b) defines "capital improvement" to mean any costs associated with purchases of barrels and pallets used for the storage and aging of distilled spirits in maturing warehouses
  - Statute sets forth an overriding difference between federal and Kentucky law per KRS 141.050
- **Barrels Sold Before Maturation Are Subject To Credit Recapture**
  - Barrels sold to a third party before the aging process has completed, regardless of whether or not the barrels remain on the distiller's premises, are subject to a credit recapture
  - KRS 141.389(4)(b)
- **Useful Life Of A Barrel**
  - If barrel is depreciated
    - Length of time until fully depreciated for Kentucky depreciation purposes
  - If barrel is expensed
    - Length of aging process to maturation of the distilled spirit inside the barrel

Corporate Income Tax

Form Updates

ALL 2015 corporate forms available on the DOR website will be available in fill-in format.

- **Schedule DS and Schedule DS-R**
  - New forms available for use with the Distilled Spirits Tax Credit and the Distilled Spirits Tax Credit Recapture for filing in tax year 2015 and thereafter
- **Form 851-K**
  - Reformatted to include space to record prior year credits, estimated payments and extension payments for both parents and subsidiaries
- **Form 740NP-WH-P**
  - Reformatted to allow taxpayers to calculate the late payment interest associated with the tax liability of individual partners, members and shareholders separately from the late payment interest associated with the tax liability of corporate partners and members
- **Schedule NOL**
  - Reformatted to simplify the NOL carryforward calculation for Mandatory Nexus Consolidated filers
  - Any prior year NOL carryforward is utilized first in meeting the 50% limitation

Mailing Zip Codes For Forms

Form	Payment	Refund / No Payment
Form 740	40619-0008	40618-0006
Form 740-NP	40619-0008	40618-0006
Form 720	40620-0020	40618-0010
Form 720S	40620-0020	40618-0010
Form 725	40620-0020	40618-0010
Form 765	40620-0020	40618-0010
Form 765-GP	N/A	40620
Form 720-ES	40620-0021	N/A
Form 720SL	40620-0021	40620-0021
Form 720-V	40620-0021	N/A
Form 740NP-WH	40619-0006	40619-0006
Form 740NP-WH-ES	40619-0006	N/A
Form 40A201NP-WH-SL	40619-0006	40619-0006

- **Mailing Address For All: Kentucky Department of Revenue, Frankfort, KY**

Processing Payment Vouchers

Reminders:

- All payments are due on the original due date of the return
  - For the 2016 filing year, this due date is **April 18, 2016**
- No staples or paper clips
- No check stubs
- Ensure correct account number is on both payment and voucher
- Ensure correct voucher is included with payment
  - E.g., Extension payment with e-file payment voucher

2015 Electronic Filing

- Kentucky follows the IRS for return acceptance dates

Filing Year	Form	Payment/Refund
2016	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
	Form 765-GP	E-Pay

2015 Online System Enhancements

Kentucky Business One Stop Portal – Current Features

- Unified point of entry for business owners to access state services and complete general requirements for operating a business in Kentucky
- Effective May 1, 2015, the portal was upgraded with a new online registration system
- Currently, this system allows online SOS and DOR registration for entirely new businesses
- Features of this system improvement include the following:
  - Tax account numbers may be assigned online
  - Users may print a Sales and Use Tax Permit themselves and
  - Businesses may assign security roles to their own employees and/or a tax preparer to view or update tax account registration information
- **Website address: onestop.ky.gov**

2015 Online System Enhancements

Kentucky Business One Stop Portal – Expanded Features

- Future releases of the system will provide already registered businesses the ability to access and manage their existing accounts online
- These management functions will include the ability to do the following:
  - Complete DOR registration online
  - Apply for additional tax accounts as needed
  - Cancel and reinstate tax accounts
  - Change demographic information
  - Add new Responsible Parties
- As more advanced features are implemented, expanded user roles will also be incorporated into the system

2015 Online System Enhancements

Kentucky Business One Stop Portal – Business Level Security Roles

- **Business Administrator**
  - Every business must identify at least one Business Administrator
  - Should be business owner whenever possible
  - May grant or revoke access to other individuals
  - Without Business Administrator access, a business will not be able to grant needed security roles to maintain their information online
- **Registration Administrator**
  - Authority to manage all aspects of the business, including tax account information
  - May not grant or revoke access to other individuals
  - The person who registers an account is automatically given Registration Administrator access to that account
  - ***<u>Appropriate role for a tax professional, bookkeeper or attorney</u>***

2015 Online System Enhancements

Kentucky Business One Stop Portal – Tax Account Level Security Roles

- **Tax Account Updater (for each tax account available on portal)**
  - Authority to view general business information
  - Authority to view and manage account specifics for only the tax type to which access has been granted
  - May not grant or revoke access to other individuals
- **Tax Account Viewer (for each tax account available on portal)**
  - Authority to view general business information
  - Authority to view account specifics for only the tax type to which access has been granted
  - May not grant or revoke access to other individuals

- Additional filer and payer roles will be added when online filing functions are implemented

2015 Online System Enhancements

Kentucky Business One Stop Portal – Commonwealth Business Identifier Letters

- Each business registered with the Commonwealth of Kentucky will be assigned a 10 digit Commonwealth Business Identifier (CBI)
  - Purpose is to facilitate secure interaction via the **onestop.ky.gov** portal
- In the coming weeks, each registered business will be receiving a CBI letter
  - Notifies the business of its new CBI
  - Provides instructions for accessing the existing business on the portal
- Approximately 516,000 CBI letters will be mailed out in staggered batches over the course of six (6) weeks

2015 Online System Enhancements

Kentucky Business One Stop Portal – Accessing an Existing Business

- Go to **onestop.ky.gov**
- Click on the "**One Stop Business Services**" button
- If you do not already have a User ID and Password:
  - Click on the "**Click Here to Create a User Account**"
  - You will receive an email confirmation with additional logon instructions
- If you already have a User ID and Password:
  - Logon to Kentucky Business One Stop and click on the "**Link My Business**" option
  - Enter the CBI number and the EXACT business name as listed in the CBI letter
- Name at least one Business Administrator (most likely the business owner or representative)
- The Business Administrator can then delegate access to other individuals – for example an attorney, accountant or manager

2015 Online System Enhancements

Kentucky Business One Stop Portal – Questions and Technical Assistance

- For questions about or assistance with the Kentucky Business One Stop Portal, the following help options are available to taxpayers and tax professionals:
  - DOR One Stop Help Line: (502) 564-5053
  - Web Response Box: DOR.WEBResponseRegistration@ky.gov
  - Kentucky Business One Stop User Guide – link located on the One Stop Dashboard
- Please be patient with the Help Line and Web Response representatives
  - Entirely new system
  - Only a limited number of representatives are available to assist with potential questions and concerns for more than 500,000 businesses

2015 Online System Enhancements

Withholding Return And Payment System (WRAPS)

- The Kentucky Department of Revenue has implemented an online income tax Withholding Return and Payment System (WRAPS)
- Employers can use WRAPS to do the following:
  - File returns (annual, quarterly, monthly, and twice-monthly returns)
  - View and amend previously filed online returns
  - Request refunds and credit forwards
  - Pay withholding tax using the Enterprise Electronic Payment System
- Tax periods prior to registration will not be available in WRAPS
- WRAPS may be accessed at **wraps.ky.gov**
- Contact number for WRAPS troubleshooting: 502-782-8930

Tangible Personal Property Tax Return

Self declaration required by statute

KRS 132.220 (b) 2

- It shall be the duty of all persons owning any tangible personal property taxable in this state to list or have listed the property with the property valuation administrator of the county of taxable situs or with the department between January 1 and May 15 in each year, except as otherwise prescribed by law.

Tangible Personal Property Tax Return

Who Must File?

Individuals

Partnerships

Corporations

All Other Business Entities

Tangible Personal Property Tax Return

Filing Requirements

- **Due Date: May 15th**
- There is NO filing extension for this return
- Returns postmarked after May 15th
  - Will not be allowed a discount and
  - Will be assessed for the tax plus applicable penalties and interest
- Returns can be filed with the Property Valuation Administrator (PVA) in the county of taxable situs or with the Division of State Valuation
  - It is recommended for returns filed by May 15th to send the returns to the PVA in the county of taxable situs
- The return must include the physical location of the property by street address and county
  - P.O. Boxes are not acceptable as physical property locations

Tangible Personal Property Tax Return

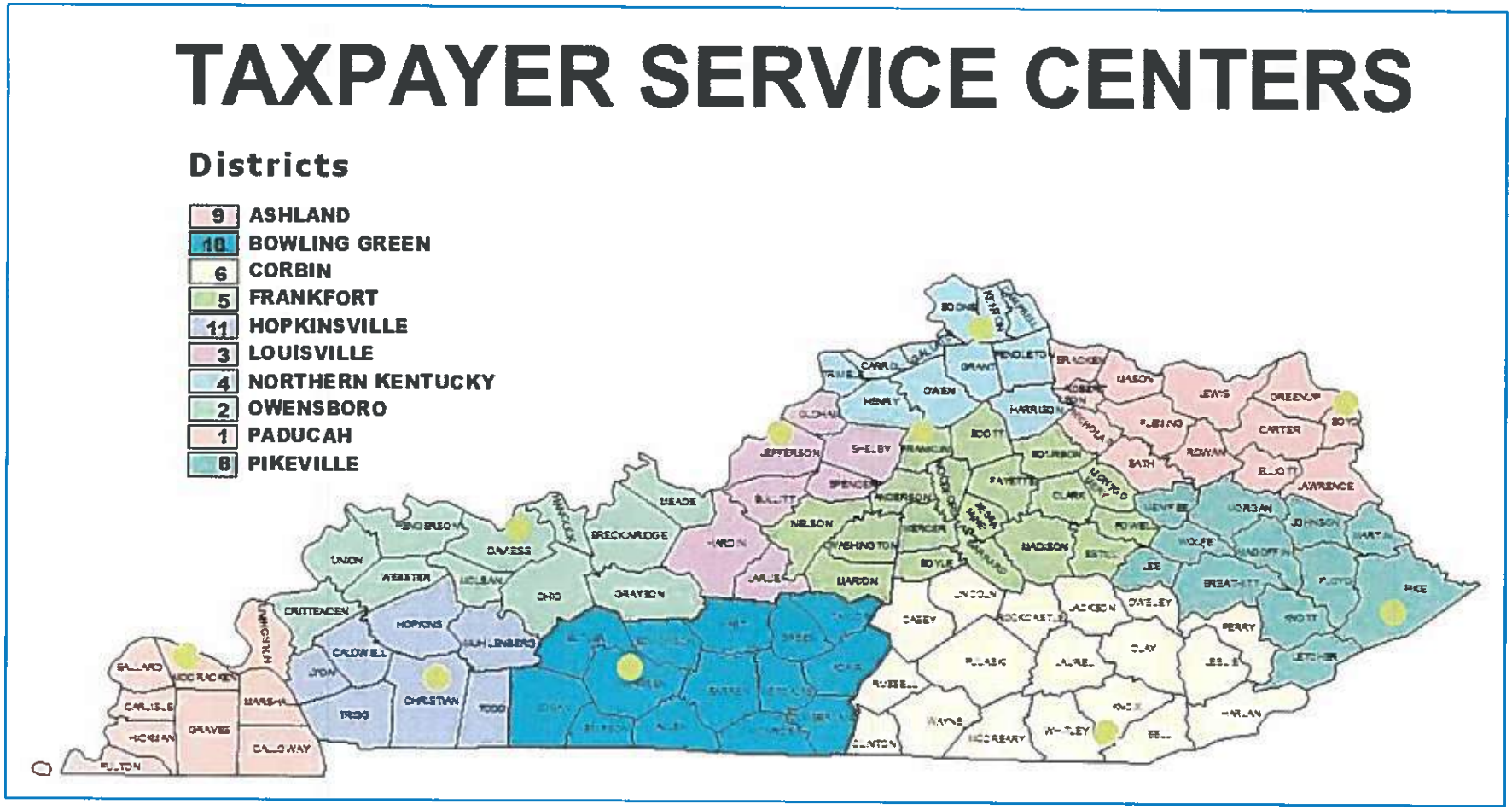
Filing Requirements (Cont.)

- Kentucky does not allow consolidated and joint returns
- Use the appropriate year form for the assessment date as the index factors change annually
- Do not enclose the tangible return with the income tax return
- Do not send payments with the return
  - Timely filed tangible returns will be billed no earlier than September 15 and are payable to the county sheriff
  - Returns filed after the due date are billed by the Division of State Valuation
- Staple all pages of each Tangible Personal Property Tax Return together

Stay In Contact With DOR

- Kentucky Business One Stop Portal
  - onestop.ky.gov
- Revenue Website
  - revenue.ky.gov
- Live Chat Help Line
  - revenue.ky.gov/livehelp.htm
  - Individual Income, Sales & Use, & Withholding Taxes
  - For general tax questions only – please do not include confidential taxpayer information in Live Chat Help Line inquiries
- Tax Alert
  - Newsroom/Publications
  - Email Sarah.Gilkison@ky.gov to be included on the email distribution list
- Twitter
  - @RevenueKY

Taxpayer Service Center Map



Taxpayer Service Centers

Ashland Taxpayer Service Center
1539 Greenup Avenue, 41101-7695
(606) 920-2037

Bowling Green Taxpayer Service Center
201 West Professional Park Court, 42104-3278
(270) 746-7470

Corbin Taxpayer Service Center
15100 North US25E, Suite 2, 40701-6188
(606) 528-3322

Frankfort Taxpayer Service Center
501 High Street, 40601-2103
(502) 564-4581 *(Taxpayer Assistance)*

Hopkinsville Taxpayer Service Center
181 Hammond Drive, 42240-7926
(270) 889-6521

Louisville Taxpayer Service Center
600 West Cedar Street, 2nd Floor West, 40202-2310
(502) 595-4512

Northern Kentucky Taxpayer Service Center
Turfway Ridge Office Park
7310 Turfway Road, Suite 190, Florence, 41042-4871
(859) 371-9049

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

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

Pikeville Taxpayer Service Center
Uniplex Center, 126 Trivette Drive, Suite 203, 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
DOR One Stop Help Line	502-564-5053
E-Filing Assistance (Business Forms)	502-564-7964
E-Filing Assistance (Individual Forms)	502-564-7926
E-Filing Help Desk (Main Line)	502-564-5370
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

Revenue Contact Phone Numbers

Miscellaneous Tax	502-564-2935
Motor Fuels	502-564-3853
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
WRAPS	502-782-8930

QUESTIONS, CONCERNS, COMMENTS

Contact Information

Office of Income Taxation
Training Branch
KY Department of Revenue
501 High Street, Station 69
Frankfort, KY 40601-2103
Fax: (502) 564-9200

Adrienne B. Ernst, JD, CPA
(502) 564-3434
Adrienne.Ernst@ky.gov

Sarah E. Johnson
(502) 564-0929
Sarah.Johnson@ky.gov

Brian E. Stidham
(502) 564-7577
Brian.Stidham@ky.gov

740
42A740
Department of Revenue

1500010001

KENTUCKY INDIVIDUAL INCOME TAX RETURN
Full-Year Residents Only

Kentucky **2015**

For calendar year or other taxable year beginning _____, 2015, and ending _____, 20____.

A. Spouse's Social Security Number	B. Your Social Security Number

Name – Last, First, Middle Initial (Joint or combined return, give both names and initials.)

Mailing Address (Number and Street including Apartment Number or P.O. Box)

City, Town or Post Office | State | ZIP Code

DRAFT 9/2/15

FILING STATUS (see instructions)

1 ☐ Single
2 ☐ *Married*, filing separately on this combined return. **(if both had income.)**
3 ☐ *Married*, filing joint return.
4 ☐ *Married*, filing separate returns. Enter spouse's Social Security number above and full name here. _____

POLITICAL PARTY FUND

Designating $2 will not change your refund or tax due.

	A. Spouse	B. Yourself
Democratic	(1) ☐	(4) ☐
Republican	(2) ☐	(5) ☐
No Designation	(3) ☐	(6) ☐

INCOME/TAX

		A. Spouse (Use if Filing Status 2 is checked.)			B. Yourself (or Joint)	
5 Enter amount from federal Form 1040, line 37; 1040A, line 21 or 1040EZ, line 4. **(If total of Columns A and B is $32,253 or less, you may qualify for the Family Size Tax Credit. See instructions.)**	5		00	5		00
6 Additions from Schedule M, line 8	6		00	6		00
7 Add lines 5 and 6	7		00	7		00
8 Subtractions from Schedule M, line 20	8		00	8		00
9 Subtract line 8 from line 7. This is your **Kentucky Adjusted Gross Income**	9		00	9		00
10 **Itemizers:** Enter itemized deductions from Kentucky Schedule A. **Nonitemizers:** Enter **$2,440** in Columns A and/or B	10		00	10		00
11 Subtract line 10 from line 9. This is your **Taxable Income**	11		00	11		00
12 Enter tax from Tax Table, Computation or Schedule J. Check if from Schedule J ☐	12		00	12		00
13 Enter tax from Form 4972-K ☐ ; Schedule RC-R ☐	13		00	13		00
14 Add lines 12 and 13 and enter total here	14		00	14		00
15 Enter amounts from page 3, Section A, lines 25A and 25B	15		00	15		00
16 Subtract line 15 from line 14. If line 15 is larger than line 14, enter zero	16		00	16		00
17 **Enter personal tax credit amounts from page 3, Section B, lines 4A and 4B**	17		00	17		00
18 Subtract line 17 from line 16. If line 17 is larger than line 16, enter zero	18		00	18		00
19 Add tax amount(s) in Columns A and B, line 18 and enter here				19		00
20 Check the box that represents your total family size (see **instructions** before completing lines 20 and 21)				20	1 ☐ 2 ☐ 3 ☐ 4 ☐	
21 Multiply line 19 by **Family Size Tax Credit** decimal amount __.____ (_____%) and enter here				21		00
22 Subtract line 21 from line 19				22		00
23 Enter the **Education Tuition Tax Credit** from Form 8863-K				23		00
24 Subtract line 23 from line 22				24		00
25 Enter **Child and Dependent Care Credit** from federal Form 2441, line 9 ➤ _____ x 20% (.20)				25		00
26 **Income Tax Liability.** Subtract line 25 from line 24. If line 25 is larger than line 24, enter zero				26		00
27 **Enter KENTUCKY USE TAX due on internet, mail order, or other out-of-state purchases (see instructions)**				27		00
28 Add lines 26 and 27. Enter here and on page 2, line 29				28		00

Attach Form W-2(s) and Other Supporting Statement(s) here. Enclose payment with Form 740-V but Do Not Staple.

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 2015 Form W-2(s) and other supporting statements ..... 30(a) | 00

(b) Enter 2015 Kentucky estimated tax payments ..... 30(b) | 00

(c) Enter 2015 refundable certified rehabilitation credit (KRS 141.382(1)(b)) ..... 30(c) | 00

(d) Enter 2015 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

Fund Contributions; See instructions. ➤ *(Enter amount(s) checked)*

33 (a) **Nature and Wildlife Fund** ..... ☐ $10 ☐ $25 ☐ $50 ☐ Other _____ 33(a) | 00

(b) **Child Victims' Trust Fund** ..... ☐ $10 ☐ $25 ☐ $50 ☐ Other _____ 33(b) | 00

(c) **Veterans' Program Trust Fund** ..... ☐ $10 ☐ $25 ☐ $50 ☐ Other _____ 33(c) | 00

(d) **Breast Cancer Research/Education Trust Fund** . ☐ $10 ☐ $25 ☐ $50 ☐ Other _____ 33(d) | 00

(e) **Farms to Food Banks Trust Fund** ..... ☐ $10 ☐ $25 ☐ $50 ☐ Other _____ 33(e) | 00

(f) **Local History Trust Fund** ..... ☐ $10 ☐ $25 ☐ $50 ☐ Other _____ 33(f) | 00

34 Add lines 33(a) through 33(f) ..... 34 | 00

35 Amount of line 32 to be **CREDITED TO YOUR 2018 ESTIMATED TAX** ..... 35 | 00

36 Subtract lines 34 and 35 from line 32. Amount to be **REFUNDED TO YOU** ..... **REFUND** 36 | 00

REFUND OPTIONS

Check here if you would like your refund issued on a Bank of America Prepaid Debit Card ☐

Check here if you would like to receive your Debit Card material in Spanish ☐

37 If line 29 is larger than line 31, enter **ADDITIONAL TAX DUE** ..... 37 | 00

38 (a) Estimated tax penalty and/or interest. ☐ ***Check if Form 2210-K attached....*** 38(a) | 00

(b) Interest ..... 38(b) | 00

(c) Late payment penalty ..... 38(c) | 00

(d) Late filing penalty ..... 38(d) | 00

39 Add lines 38(a) through 38(d). Enter here ..... 39 | 00

40 Add lines 37 and 39 and enter here. This is the **AMOUNT YOU OWE** ..... **OWE** 40 | 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—2015."

OFFICIAL USE ONLY	
	PWR

SECTION A—BUSINESS INCENTIVE AND OTHER TAX CREDITS

		A. Spouse			B. Yourself	
1 Enter nonrefundable limited liability entity credit (KRS 141.0401(2))	1		00	1		00
2 Enter Kentucky small business investment credit	2		00	2		00
3 Enter skills training investment credit (attach copy(ies) of certification)	3		00	3		00
4 Enter nonrefundable certified rehabilitation credit (KRS 171.397(1)(a))	4		00	4		00
5 Enter credit for tax paid to another state (attach copy of other state's return(s))	5		00	5		00
6 Enter unemployment credit (attach Schedule UTC)	6		00	6		00
7 Enter recycling and/or composting equipment credit (attach Schedule RC)	7		00	7		00
8 Enter Kentucky investment fund credit (attach copy(ies) of certification)	8		00	8		00
9 Enter coal incentive credit	9		00	9		00
10 Enter qualified research facility credit (attach Schedule DR)	10		00	10		00
11 Enter GED incentive credit (attach Form DAEL-31)	11		00	11		00
12 Enter voluntary environmental remediation credit (attach Schedule VER8)	12		00	12		00
13 Enter biodiesel and renewable diesel credit	13		00	13		00
14 Enter environmental stewardship credit	14		00	14		00
15 Enter clean coal incentive credit	15		00	15		00
16 Enter ethanol credit (attach Schedule ETH)	16		00	18		00
17 Enter cellulosic ethanol credit (attach Schedule CELL)	17		00	17		00
18 Enter energy efficiency products credit (attach Form 5695-K)	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-I)	19		00	19		00
20 Enter Endow Kentucky credit (attach Schedule ENDOW)	20		00	20		00
21 Enter New Markets Development Program credit	21		00	21		00
22 Enter food donation credit (attach Schedule FD)	22		00	22		00
23 Enter distilled spirits credit (attach Schedule DS)	23		00	23		00
24 Enter angel investor credit	24		00	24		00
25 Add lines 1 through 24, Columns A and B. **Enter here and on page 1, line 15**	25		00	25		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:	☐	☐ ☐ ☐ ☐	☐ ☐ ☐ ☐	☐ ☐
(b) Credits for spouse:	☐	☐ ☐ ☐ ☐	☐ ☐ ☐ ☐	☐ ☐

1 Enter number of boxes checked on line 1 ..... ☐

2 **Dependents:**

First name	Last name	Dependent's Social Security number	Dependent's relationship to you	Check if qualifying child for family size tax credit
				☐
				☐
				☐
				☐

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.
If married filing seperately on a combined return (Filing Stetus 2), each texpeyer must claim his or her own credits from line 1, divide the credits on line 2, and enter the totals in Boxes 3A end 3B. All other filers enter the emount from line 3 in Box 3B ..... ➤

3 Enter totel credits ..... ☐

Spouse	Yourself
3A x $10	3B x $10
4A	4B

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** .....

SECTION C—FAMILY SIZE TAX CREDIT (List the name and Social Security number of qualifying children that are not claimed es 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 rentel 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

DRAFT 8/12/15

Mail to: **REFUNDS** Kentucky Department of Revenue, Frankfort, KY 40618-0006.

PAYMENTS Kentucky Department of Revenue, Frankfort, KY 40619-0008.

740-NP
42A740-NP
Department of Revenue

Check if return is:
☐ *Amended (Attach copy of original return.)*

KENTUCKY INDIVIDUAL INCOME TAX RETURN
Nonresident or Part-Year Resident

Kentucky

2015

For calendar year or other taxable year beginning _____, 2015, and ending _____, 20___.

A. Spouse's Social Security Number	B. Your Social Security Number

Name—Last, First, Middle Initial (Joint return, give both names and initials.)

Mailing Address (Number and Street including Apartment Number or P.O. Box)

City, Town or Post Office | State | ZIP Code

FILING STATUS (see instructions)

1 ☐ Single
2 ☐ *Married*, filing joint return.
3 ☐ *Married*, filing separate returns. Enter spouse's Social Security number above and full name here. _____

POLITICAL PARTY FUND
Designating $2 will not change your refund or tax due.

	A. Spouse	B. Yourself
Democratic	(1) ☐	(4) ☐
Republican	(2) ☐	(5) ☐
No Designation	(3) ☐	(6) ☐

RESIDENCY STATUS *(check one box)*

4 ☐ Full-year nonresident. I did not live in Kentucky during the year. Enter state of residence as of December 31, 2015 _____.
5 ☐ Part-year resident. Complete appropriate line(s) below.
Moved into Kentucky ____/____/ 15. State moved from _____.
Moved out of Kentucky ____/____/ 15. State moved to _____.
6 You must file a 740-NP-R if you are a full-year resident of a **reciprocal state (IL, IN, MI, OH, VA, WV or WI)** with Kentucky income of wages and salaries only.

➲ ***COMPLETE SECTIONS A, B, C AND D ON PAGES 2 THROUGH 4 BEFORE COMPLETING LINES 7 THROUGH 28.***

OFFICIAL USE ONLY 1 2 3 4 5

INCOME/TAX

7	Enter percentage from page 4, line 36 ➤ 7 ___ . ___ %				
8	Enter amount from page 4, line 35, Column A. This is your **Federal Adjusted Gross Income**		8		00
9	Enter amount from page 4, line 35, Column B. This is your **Kentucky Adjusted Gross Income**		9		00
10	**Nonitemizers:** Enter $2,440 (do not prorate). Skip lines 11 and 12		10		00
11	**Itemizers:** Enter itemized deductions from Kentucky Schedule A, Form 740-NP	11	00		
12	Multiply line 11 by the percentage on line 7	12	00		
13	Subtract line 10 or 12 from line 9. This is your **Taxable Income**		13		00
14	Enter tax from Tax Table		14		00
15	Enter amount from page 3, Section A, line 25		15		00
16	Subtract line 15 from line 14		16		00
17	**Enter personal tax credit amounts from page 3, Section B, line 4**	17	00		
18	Multiply line 17 by the percentage on line 7	18	00		
19	Subtract line 18 from line 16		19		00
20	Check the box that represents your total family size (see **instructions** for lines 20 and 21)		20	1 ☐ 2 ☐ 3 ☐ 4 ☐	
21	Multiply line 19 by the **Family Size Tax Credit** decimal amount __ . ___ (___ %) and enter here		21		00
22	Subtract line 21 from line 19		22		00
23	Enter the **Education Tuition Tax Credit** from Form 8863-K		23		00
24	Subtract line 23 from line 22		24		00
25	Enter **Child and Dependent Care Credit** from worksheet in the instructions		25		00
26	**Income Tax Liability.** Subtract line 25 from line 24. If line 25 is larger than line 24, enter zero		26		00
27	**Enter KENTUCKY USE TAX due on Internet, mail order, or other out-of-state purchases (see instructions)**		27		00
28	Add lines 26 and 27. Enter here and on page 2, line 29		28		00

Attach Form W-2(s) and Other Supporting Statement(s) Here. Enclose Payment with Form 740-V but Do Not Staple.

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 2015 Form W-2(s) and other supporting statements	30(a)	00		
	(b) Enter 2015 Kentucky estimated tax payments	30(b)	00		
	(c) Enter 2015 refundable certified rehabilitation credit (KRS 141.382(1)(b))	30(c)	00		
	(d) Enter 2015 film industry tax credit (KRS 141.383)	30(d)	00		
	(e) Enter **Nonresident Withholding** from Form PTE-WH, line 9 (KRS 141.206(4)(b)(1))	30(e)	00		
31	Add lines 30(a) through 30(e)			31	00
32	If line 31 is larger than line 29, enter **AMOUNT OVERPAID** (see instructions)			32	00

Fund Contributions; See instructions. ➤ *(Enter amount(s) checked)*

33	(a) **Nature and Wildlife Fund** ☐ $10 ☐ $25 ☐ $50 ☐ Other _____	33(a)	00		
	(b) **Child Victims' Trust Fund** ☐ $10 ☐ $25 ☐ $50 ☐ Other _____	33(b)	00		
	(c) **Veterans' Program Trust Fund** ☐ $10 ☐ $25 ☐ $50 ☐ Other _____	33(c)	00		
	(d) **Breast Cancer Research/Education Trust Fund** ☐ $10 ☐ $25 ☐ $50 ☐ Other _____	33(d)	00		
	(e) **Farms to Food Banks Trust Fund** ☐ $10 ☐ $25 ☐ $50 ☐ Other _____	33(e)	00		
	(f) **Local History Trust Fund** ☐ $10 ☐ $25 ☐ $50 ☐ Other _____	33(f)	00		
34	Add lines 33(a) through 33(f)			34	00
35	Amount of line 32 to be **CREDITED TO YOUR 2016 ESTIMATED TAX**			35	00
36	Subtract lines 34 and 35 from line 32. Amount to be **REFUNDED TO YOU**			**REFUND** 36	00

REFUND OPTIONS (Not available for amended returns)

Check here if you would like your refund issued on a Bank of America Prepaid Debit Card ☐

Check here if you would like to receive your Debit Card material in Spanish ☐

37	If line 29 is larger than line 31, enter **ADDITIONAL TAX DUE**			37	00
38	(a) Estimated tax penalty and/or interest. ☐ *Check if Form 2210-K attached*	38(a)	00		
	(b) Interest	38(b)	00		
	(c) Late payment penalty	38(c)	00		
	(d) Late filing penalty	38(d)	00		
39	Add lines 38(a) through 38(d)			39	00
40	Add lines 37 and 39 and enter here. This is the **AMOUNT YOU OWE**			**OWE** 40	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—2015."

OFFICIAL USE ONLY	
	PWR

SECTION A—BUSINESS INCENTIVE AND OTHER TAX CREDITS

1	Enter nonrefundable limited liability entity credit (KRS 141.0401(2))	1	00
2	Enter Kentucky small business investment credit	2	00
3	Enter skills training investment credit (attach copy(ies) of certification)	3	00
4	Enter nonrefundable certified rehabilitation credit (KRS 171.397(1)(a))	4	00
5	Enter credit for tax paid to another state (attach copy of other state's return(s))	5	00
6	Enter unemployment credit (attach Schedule UTC)	6	00
7	Enter recycling and/or composting equipment credit (attach Schedule RC)	7	00
8	Enter Kentucky investment fund credit (attach copy(ies) of certification)	8	00
9	Enter coal incentive credit	9	00
10	Enter qualified research facility credit (attach Schedule QR)	10	00
11	Enter GED incentive credit (attach Form DAEL-31)	11	00
12	Enter voluntary environmental remediation credit (attach Schedule VERB)	12	00
13	Enter biodiesel and renewable diesel credit	13	00
14	Enter environmental stewardship credit	14	00
15	Enter clean coal incentive credit	15	00
16	Enter ethanol credit (attach Schedule ETH)	16	00
17	Enter cellulosic ethanol credit (attach Schedule CELL)	17	00
18	Enter energy efficiency products credit (attach Form 5695-K)	18	00

Continue to page 3 to complete Section A

SECTION A—BUSINESS INCENTIVE AND OTHER TAX CREDITS (continued)

19 Enter railroad maintenance and improvement credit (attach Schedule RR-I)	19		00
20 Enter Endow Kentucky credit (attach Schedule ENDOW)	20		00
21 Enter New Markets Development Program credit	21		00
22 Enter food donation credit (attach Schedule FD)	22		00
23 Enter distilled spirits credit (attach Schedule DS)	23		00
24 Enter angel investor credit	24		00
25 Add lines 1 through 24. **Enter here and on page 1, line 15**	25		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:	☐	☐ ☐ ☐ ☐	☐ ☐ ☐ ☐	☐ ☐
(b) Credits for spouse:	☐	☐ ☐ ☐ ☐	☐ ☐ ☐ ☐	☐ ☐

1 Enter number of boxes checked on line 1 ..... ☐

2 **Dependents:**

First name	Last name	Dependent's Social Security number	Dependent's relationship to you	Check if qualifying child for family size tax credit
				☐
				☐
				☐
				☐

2 Enter number of dependents who:

- lived with you ..... ☐
- did not live with you (see instructions) ..... ☐
- other dependents ..... ☐

3 Add lines 1 and 2 and enter here ..... 3 x $10

4 Multiply credits on line 3 by $10. Enter here and on page 1, line 17 4

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

A copy of pages 1 and 2 of your federal income tax return and all supporting schedules must be attached to Kentucky Form 740-NP.

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 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

Mail to: **REFUNDS** Kentucky Department of Revenue, Frankfort, KY 40618-0006.

PAYMENTS Kentucky Department of Revenue, Frankfort, KY 40619-0008.

SECTION D INCOME		A. Total from *Attached* Federal Return		B. Kentucky	
1 Enter all wages, salaries, tips, etc. *(attach wage and tax statements)* Do not include moving expense reimbursements	1		00		00
2 Moving expense reimbursement *(attach Schedule ME)*	2		00		00
3 Interest	3		00		00
4 Dividends	4		00		00
5 Taxable refunds, credits or offsets of state and local income taxes	5		00		00
6 Alimony received	6		00		00
7 Business income or loss *(attach federal Schedule C or C-EZ)*	7		00		00
8 Capital gain or loss *(attach federal Schedule D)*	8		00		00
9 Other gains or losses *(attach federal Form 4797)*	9		00		00
10 (a) Federally taxable IRA distributions, pensions and annuities	10(a)		00		00
(b) Pension income exclusion *(attach Schedule P if more than $41,110)*	10(b)			(	00)
11 Rents, royalties, partnerships, estates, trusts, etc. *(attach federal Schedule E)*	11		00		00
12 Farm income or loss *(attach federal Schedule F)*	12		00		00
13 Unemployment compensation (see instructions)	13		00		00
14 Taxable Social Security benefits	14		00		
15 Gambling winnings	15		00		00
16 Other income (list type and amount) _____	16		00		00
17 Combine lines 1 through 16. This is your **Total Income**	17		00		00
ADJUSTMENTS TO INCOME					
18 RESERVED	18		00		00
19 Certain business expenses of reservists, performing artists and fee-basis government officials *(attach federal Form 2106 or 2106-EZ)*	19		00		00
20 Health savings account deduction *(attach federal Form 8889)*	20		00		00
21 Moving expenses *(attach Schedule ME)*	21		00		00
22 Deductible part of self-employment tax	22		00		00
23 Self-employed SEP, SIMPLE, and qualified plans deduction	23		00		00
24 Self-employed health insurance deduction	24		00		
25 Penalty on early withdrawal of savings	25		00		00
26 Alimony paid (enter recipient's name and Social Security number) _____	26		00		00
27 IRA deduction	27		00		00
28 Student loan interest deduction	28		00		00
29 RESERVED	29		00		00
30 Domestic production activities deduction	30		00		00
31 Long-term care insurance premiums (see instructions)	31				00
32 Health insurance premiums (see instructions)	32				00
33 Other deductions (list type and amount) _____	33		00		00
34 Add lines 18 through 33. **Total Adjustments to Income**	34		00		00
35 Subtract line 34 from line 17. This is your **Adjusted Gross Income**	35		00		00
36 Divide line 35, Column B, by line 35, Column A. If amount is equal to or greater than 100%, enter 100%. This is your **Percentage of Kentucky Adjusted Gross Income to Federal Adjusted Gross Income**	36	___ ___ ___ . ___ %			

740-NP-R
42A740-NP-R
Department of Revenue

1500010007

KENTUCKY INCOME TAX RETURN
Nonresident—Reciprocal State 2015

Kentucky

Last name	Your first name and middle initial	Your Social Security No.	Did you file a Kentucky income tax return for 2014? Yes☐ No☐. If no, give reason:

Mailing Address (Number and Street including Apartment No. or P. O. Box)	City, town or post office	State	ZIP code

INSTRUCTIONS

This form may be used by qualifying full-year nonresidents to claim a refund of Kentucky income taxes withheld during 2015. To determine if you qualify, you must check "Yes" or "No" for the applicable statements below. *If eligible, complete lines 1–8.* Enter only the taxpayer's name in which the Kentucky wages and salaries were earned in the name box above. Do not include your spouse's name. If both spouses earned only Kentucky wages and salaries as a resident of a reciprocal state, each spouse must file a seperete Form 740-NP-R.

A. I was a nonresident of Kentucky during all of 2015. ☐ Yes ☐ No

B. My only 2015 Kentucky income was from salaries or wages earned while a resident of any of the following states: ☐ Yes ☐ No
(circle state(s)) **1**–Illinois **2**–Indiana **3**–Michigan **4**–Ohio **5**–Virginia **6**–West Virginia **7**–Wisconsin
Note: *Race track, lottery and other gambling winnings are not salaries or wages.*

For Virginia residents only:
C. I commuted ***deily*** to a place of employment in Kentucky. ☐ Yes ☐ No

Nonresidents who answered "No" to any of tha statamants abova must file Form 740-NP to report Kantucky income.
Enter name and address of principal employer in Kentucky

Name

Number and street

City State ZIP code

DRAFT 6/17/15

You must attach Kantucky waga and tax statements.

Attach Kantucky Waga and Tax Statements Hare

1.	**Enter total Kentucky income tax withheld.** Do not include local tax withheld. *Attach 2015 wage end tex statement(s)* ● 1		00
2.	**Natura and Wildlife Fund Contribution** ☐$10 ☐$25 ☐$50 ☐Other _____ *Enter emount checked* ● 2	00	
3.	**Child Victims' Trust Fund Contribution** ☐$10 ☐$25 ☐550 ☐Other _____ *Enter emount checked* ● 3	00	
4.	**Veterans' Program Trust Fund Contribution** ☐$10 ☐$25 ☐$50 ☐Other _____ *Enter amount checked* ● 4	00	
5.	**Breast Cancer Research/Education Trust Fund Contribution** ☐$10 ☐$25 ☐$50 ☐Other _____ *Enter amount checked* ● 5	00	
6.	**Farms to Food Banks Trust Fund Contribution** ☐$10 ☐$25 ☐550 ☐Other _____ *Enter amount checked* ● 6	00	
7.	**Local History Trust Fund Contribution** ☐$10 ☐$25 ☐$50 ☐Other *Enter emount checked* ● 7	00	
8.	From line 1, subtract lines 2, 3, 4, 5, 6 and 7. Amount to be **REFUNDED** ● 8		00

➲ ATTACH A COPY OF THE 2015 RETURN FILED WITH YOUR STATE OF RESIDENCE.

I declere under the penelties of perjury that I have exeminad this return and to the best of my knowledge and belief, it is a true, correct and complete return.

Your Signature Data Signad ( ) Telephone Number (daytime)

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

Mail to: Kentucky Department of Revanue, Frankfort, KY 40618-0006

Nota: Nonresidents of reciprocal states who want to prevent their Kentucky employer from withholding Kentucky income tax from their paychecks should file a copy of Revenue Form 42A809, Certificate of Nonresidence, with their employer. The form is available from the employer, the Kentucky Department of Revenue, Frankfort, KY 40620, or by visiting **www.revenue.ky.gov**

DO NOT MAIL! RETAIN FOR YOUR RECORDS.

FORM EPAY
42A740-EPAY
Department of Revenue

KENTUCKY ELECTRONIC PAYMENT REQUEST FORM

DRAFT 7/8/15

Kentucky UNBRIDLED SPIRIT

2015

Submission ID: _____

Taxpayer Information

Primary Taxpayer Name: _____ Primary Taxpayer SSN: _____
Last, First, Middle Initial

Secondary Taxpayer Name: _____ Secondary Taxpayer SSN: _____
Last, First, Middle Initial

Street Address 1: _____
Street Address 2: _____
City: _____ State: _____ Zip Code: _____

Payment Information

Select the payment(s) that you would like to make end enter the financial institution information.

Payment of Tax Due ☐ **Notice Number** _____ **(if applicable)**

1. Enter additional tax due: $ _____.00
2. Enter late file and/or late pay penalties and/or interest: $ _____.00
3. Amount to be debited (Must equal sum of line 1 and line 2): $ _____.00
4. Debit date: __ __ / __ __ / __ __ __ __

Payment of Estimate Tax for Tax Year 2016 ☐

5. Select payment date(s): ☐ April 18, 2016 ☐ June 15, 2016 ☐ September 15, 2016 ☐ January 17, 2017
6. Amount to be debited per payment: $ _____.00

Financial Institution Information (Required)

7. Routing transit number (RTN): _____
8. Depositor account number (DAN): _____
9. Select type of account: ☐ Savings ☐ Checking
10. Will these funds come from an account located outside of the United States? ☐ Yes ☐ No

Declaration of Taxpayer

By submission of this form, 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 end/or payment(s) of estimate tax, 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) e payment, I must contact the Kentucky Department of Revenue at (502) 564-4581 no later than 2 business days prior to the payment (debit) dete. I also authorize the financial institution involved in tha processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

Primary Taxpayer Signeture (PIN): _____ Date: _____

Secondary Taxpayer Signature (PIN): _____ Date: _____

Declaration and Signature of Electronic Return Originator and Paid Preparer

I declare that I have verified the taxpayer's proof of account and it agrees with the name shown on this form. The taxpayer will have signed this form before I submit the payment request. I will give the taxpayer a copy of all forms end information to be filed with the Kentucky Department of Revenue, and have followed all other requirements in Kentucky Publication KY-1345, Kentucky Handbook for Electronic Filers of Individual Income Tax Returns (Tax Year 2015).

ERO's Signature: _____ Also paid preparer ☐ Date: _____
ERO's Name: _____
ERO Firm Name: _____ FEIN: _____
Street Address 1: _____
Street Address 2: _____
City: _____ State: _____ Zip Code: _____
Paid Preparer's Signature: _____ Date: _____
Paid Preparer's Name: _____ ID #: _____
Paid Preparer's Business Name: _____ FEIN: _____
Street Address 1: _____
Street Address 2: _____
City: _____ State: _____ Zip Code: _____

Instructions for Form EPAY

Kentucky Electronic Payment Request Form

DRAFT 7/22/15

Purpose of Form

The purpose of this form is to authorize the Kentucky Department of Revenue and its designated Financial Agent to initiate an ACH electronic funds withdrawal to the financial institution account indicated by the taxpayer for payment of taxes and estimate tax other than at the time of filing the individual income tax return. If the request is being made at the time of filing the individual income tax return, the Form 8879-K, Kentucky Individual Income Tax Declaration For Electronic Filing should be completed.

Completing the Form

Submission Identification Number (SID)

Enter the 20-digit Submission Identification Number (SID) assigned by the software.

Do not mail the form. Complete the form and retain for a period of three years. If the taxpayer is using an ERO, it is the responsibility of the ERO to obtain the signature of the taxpayer(s), retain the form and provide the taxpayer with a copy of the signed form.

Name, Social Security Number and Address

Enter your last name, first name, middle initial, social security number and mailing address.

Payment Information

Select the type of payment(s) you would like to make.

Payment of Tax Due

Include Notice Number, if applicable.

Line 1—Enter the amount of tax you are paying.

Line 2—Enter the total amount of penalties and interest you are paying.

Line 3—Enter the amount to be debited for the payment of tax due plus penalties and interest. This should be the sum of line 1 and line 2.

Line 4—Enter the date you want the payment to be withdrawn from your account. Actual withdrawal of funds may be later than the scheduled date. Please allow up to two weeks for processing.

Payment of Estimated Tax for Tax Year 2016

Entries in this section allow you to schedule withdrawals from the account specified in the financial institution information for estimate tax for the upcoming tax year. You can choose to make one to four equal payments depending upon the debit dates selected.

For example, if you select September 15, 2016 and January 17, 2017 on line 5 and enter $50 on line 6, $50 will be withdrawn on September 15, 2016 and $50 will be withdrawn on January 17, 2017.

Line 5—Select the date(s) you want the payment to be withdrawn from your account. Up to four equal payments may be selected by choosing the appropriate boxes. Actual withdrawal of funds may be later than the scheduled date. Please allow two weeks for processing.

Line 6—Enter the amount that will be withdrawn from your account on each of the dates selected on line 5.

Financial Institution Information

This section is required in order to process the payment.

Line 7—Enter your financial institution's routing number. The routing number must be 9-digits and begin with 01 through 12 or 21 through 32.

Line 8—Enter the account you wish the payment to be withdrawn from. The account number can be up to 17-digits in length.

Line 9—Select the type of account the payment will be withdrawn from.

Line 10—Indicate whether your account is located outside the United States. Due to federal electronic banking regulations, you must answer the question if you are paying the amount you owe via direct debit. Requests will not be processed for accounts located outside the U.S.

Declaration of Taxpayer

The taxpayer must sign and date the Form EPAY prior to transmitting the electronic payment request to verify and confirm that the information is correct and that the taxpayer agrees to the withdrawal.

EROs and tax preparers are prohibited from obtaining taxpayer signatures on blank or incomplete forms.

Declaration and Signature of Electronic Return Originator and Paid Preparer

This section must be completed and signed by the ERO and paid preparer.

If the ERO is also the paid preparer, the ERO must check the paid preparer box, but is not required to complete or sign the paid preparer information.

A paid preparer who is not the ERO must complete, sign and date the paid preparer information.

SCHEDULE DS
41A720DS (10-15)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE

Taxable Year Ending
__ __ / __ __
Mo. Yr.

➤ See instructions.

➤ Attach to Form 720, 720S, 725, 740, 740-NP, 741, 765 or 765-GP.

DISTILLED SPIRITS TAX CREDIT
KRS 141.389

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

Location Address of Capital Improvements	Taxed as:
	☐ Corporation ☐ Limited Liability Pass-through Entity ☐ General Partnership ☐ Individual ☐ Other _____

Part I—Capital Improvements

1. Construction, replacement or remodeling of warehouses or facilities	1		00
2. Purchase of barrels and pallets used for the storage and aging of distilled spirits in maturing warehouses	2		00
3. Acquisition, construction or installation of equipment for the use in the manufacture, bottling or shipment of distilled spirits	3		00
4. Addition or replacement of access roads or parking facilities	4		00
5. Construction, replacement or remodeling of facilities to market or promote tourism, including but not limited to a visitor's center	5		00
6. Total Capital Improvements (Add lines 1 through 5)	6		00

Part II—Computation of the Credit

For all years of accumulated ad valorem tax list: 1) ad valorem taxable year ending, 2) date the ad valorem tax was assessed, 3) date the ad valorem tax was paid, 4) amount of ad valorem tax paid, and 5) allowable percentage (see chart below). Enter the total of line 6 in the Total column.

Ad valorem Taxable Year Ending	1.	__ __ / __ __	__ __ / __ __	__ __ / __ __	__ __ / __ __	Total	
Date ad valorem tax was assessed	2.	___/___/_____	___/___/_____	___/___/_____	___/___/_____		
Date ad valorem tax was paid	3.	___/___/_____	___/___/_____	___/___/_____	___/___/_____		
Amount of ad valorem tax paid	4.	00	00	00	00		
Allowable Percentage (see chart)	5.						
Line 4 multiplied by Line 5	6.	00	00	00	00	6	00

7. Enter the lesser of Part I, line 6 or Part II, line 6. This is the allowable distilled spirits tax credit 7 00

Table—Allowable Tax Credit Percentage Based on the Ad Valorem Taxable Year

Taxable years beginning on or after	and	Taxable years beginning before	Percentage
January 1, 2015		December 31, 2015	20%
January 1, 2016		December 31, 2016	40%
January 1, 2017		December 31, 2017	60%
January 1, 2018		December 31, 2018	80%
January 1, 2019		Forward	100%

INSTRUCTIONS FOR SCHEDULE DS

The distilled spirits credit is a nonrefundable and nontransferable credit that may be claimed against income taxes imposed by KRS 141.020 or KRS 141.040 end the limited llebility entity tex imposed by KRS 141.0401 by taxpayers thet pey Kentucky proparty tax on distilled spirits pursuant to KRS 132.160. If the taxpayer is a pass-through entity, such as a partnership, S-corporation or limited liability company classified as a pass-through entity for Kentucky income tex purposes, the taxpayer may apply the credit egainst the LLET, and pass the credit through to its members, pertners, or shareholders in the same proportion as the distributive share of income or loss is passed through.

Purpose of Schedule—The schedule shall be used to report the capital improvements for which the credit is claimed, up to the amount of distilled spirits ad valorem tax paid during the period the capital improvements were mede. The credit must be claimed on the return filed for the year durlng whlch the credits were used, which is the year the cepitel improvements ere completed.

How to File—Schedule DS must be atteched to the tax return.

Meintaining Records—The texpayer must maintain records reflecting the verification of the capital improvements mede that are assoclated with the credit for a period of five years.

SPECIFIC INSTRUCTIONS

Generel Informetion—KRS 141.389(3) provides that the distilled spirits credit may be accumulated for multiple taxable years, end shall be clalmed on the return of the taxpayer filed for the taxeble yeer during which the credits were used for capitel improvements as provided by KRS 141.389(2). If the distilled spirits ed valorem tex is for multiple taxable years, attach e schedule providing the information on Part II of this Schedule for eech taxable year.

Part I—Cepitel Improvements

Lines 1 to 5—Enter the capital improvement amounts et the premises of the distiller licensed pursuant to KRS Chapter 243 for each of the categories provided on Lines 1 through 5 that were completed and specifically associated with the ad valorem tex on Pert II, Line 3.

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

Pert Ii—Computetion of the Credit

Line 1—Enter the ad valorem taxable year ending. Enter the 2-digit month and 2-digit year. 8egin with the eerliest taxable year ending date.

Line 2—Enter the date the ad valorem tax was assessed pursuant to KRS 132.160.

Line 3—Enter the date the ad valorem tax was paid pursuant to KRS 132.180.

Line 4—Enter the amount of the ed valorem tax that was assessed and peid on the dates entered on Lines 2 end 3, respectively.

Line 5—Enter the appliceble percentage for the taxable yeer as follows:

- For taxeble yeers beginning on or efter January 1, 2015, and before December 31, 2015, the credit shall be equel to twenty percent (20%) of the tax essessed under KRS 132.160 and paid under KRS 132.180 on a timely basis.
- For taxable years beginning on or after Jenuary 1, 2016, and before December 31, 2016, the credit shall be equal to forty percent (40%) of the tax essessed under KRS 132.160 end peid under KRS 132.180 on e timely besis.
- For taxable yeers beginning on or efter Jenuary 1, 2017, and before December 31, 2017, the credit shall be equal to sixty percent (60%) of the tax assessed under KRS 132.160 end peid under KRS 132.180 on a timely basis.
- For texable years beginning on or after Januery 1, 2018, and before December 31, 2018, the credit shell be equel to eighty percent (80%) of the tax assessed under KRS 132.160 and paid under KRS 132.180 on a timely besis.
- For taxable years beginning on or after Jenuary 1, 2019, the credit shall be equal to one hundred percent (100%) of the tax essessed under KRS 132.160 and paid under KRS 132.180 on a timely basis.

Line 6—Enter the amount on Line 4 multiplied by the percentage on Line 5. Enter the total of line 6 in the Totel column.

Line 7—Enter the lesser of Part I, line 6 or Part II, line 6; this is the ellowable distilled spirits tax credit.

SCHEDULE DS-R
41A720DS-R (10-15)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE

Taxable Year Ending
___/___
Mo. Yr.

➤ **See instructions.**

➤ **Attach to Form 720, 720S, 725, 740, 740-NP, 741, 765 or 765-GP.**

DISTILLED SPIRITS
TAX CREDIT RECAPTURE
KRS 141.389

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

Location Address of Capital Improvements	Taxed as: ☐ Corporation ☐ Limited Liability Pass-through Entity ☐ General Partnership ☐ Individual ☐ Other _____

Section A—Description of Property Sold or Disposed of Before the End of the Recapture Period

Item	Description of Capital Improvements
A	
B	
C	
D	
E	

Section B—Computation of Tax Credit Recapture

1. Taxable year end date the tax credit was claimed	1	/ /	
2. Date the capital improvement was sold or disposed of	2	/ /	
3. Total amount of tax credit associated with the dates referenced above	3		00
4. Cost of capital improvement sold or disposed of	4		00
5. Total cost of all capital improvements associated with the credit reported on line 3	5		00
6. Divide line 4 by the amount on line 5 (see instructions)	6	___.___%	
7. Multiply line 3 by line 6 and enter here	7		00
8. Enter the amount of credit claimed against LLET for the taxable year referenced on line 1	8		00
9. Enter the amount of credit claimed against income tax for the taxable year referenced on line 1	9		00
10. **LLET credit recapture:** If the amount on line 8 is greater than line 7, enter the difference	10		00
11. **Income tax credit recapture:** If the amount on line 9 is greater than line 7, enter the difference	11		00

INSTRUCTIONS—DISTILLED SPIRITS TAX CREDIT RECAPTURE

SPECIFIC INSTRUCTIONS

Purpose of Schedule—A taxpayer required to recapture a distilled spirits tax credit shall attach this schedule to the applicable tax return for the taxable year. If the taxpayer is a pass-through entity, the taxpayer shall apply the recapture of the distilled spirits tax credit to the limited liability entity tax imposed by KRS 141.0401, and shall pass the tax credit recapture to its partners, members or shareholders. A copy of Schedule DS-R shall be attached to each partner's, member's or shareholder's Kentucky Schedule K-1. A partner, member or shareholder shall enter its pro rata share of the information from the Schedule DS-R when completing the partner's, member's or shareholder's Schedule DS-R to be attached to the partner's, member's or shareholder's applicable tax return.

General Information—KRS 141.389(4)(b) provides that the distilled spirits credit allowed shall be recaptured if the capital improvement associated with the credit is sold or otherwise disposed of prior to the exhaustion of the useful life of the asset for Kentucky depreciation purposes. If the distilled spirits credit recapture is for multiple taxable years, attach a schedule providing the information on this Schedule for each taxable year.

Section A – Description of Property Sold or Disposed of Before the End of the Recapture Period

For each item of capital improvements sold, transferred or disposed of before the end of its useful life, enter a description of each item of capital improvement on Lines A, B, C, D and E. If the taxpayer disposed of more than five items of capital improvements during the tax year, attach additional Schedules DS-R as needed.

Section B—Computation of the Tax Credit Recapture

Lina 1—Enter the year end of the taxable year that the distilled spirits tax credit was claimed.

Line 2—Enter the date the capital improvement was sold or disposed of.

Line 3—Enter the amount of the distilled spirits tax credit claimed on the tax return for the taxable year entered on Line 1.

Line 4—Enter the cost of the capital improvement sold or disposed of on the date entered on Line 2.

Line 5—Enter the total cost of all capital improvements associated with the distilled spirits tax credit on Line 3.

Line 6—Divide the amount on Line 4 by the amount on Line 5 and convert to a percentage carried out to four decimal places.

Line 7—Multiply the amount on Line 3 by the percentage on Line 6.

Line 8—Enter the amount of the distilled spirits tax credit on Line 3 claimed against LLET for the taxable year referenced on Line 1.

Line 9—Enter the amount of the distilled spirits tax credit on Line 3 claimed against income tax for the taxable year referenced on Line 1.

Lina 10—If the amount on Line 8 is greater than Lina 7, enter the difference on this line. This is the amount of the LLET credit recapture.

Line 11—If the amount on Line 9 is greater than Line 7, enter the difference on this line. This is the amount of the income tax credit recapture.

851-K

41A720-S4 (10-15)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

➤ See instructions.
➤ Attach to the mandatory nexus consolidated income tax return (Form 720).

KENTUCKY AFFILIATIONS AND PAYMENT SCHEDULE

Taxable Year Ending
___ ___ / ___ ___
Mo. Yr.

List the parent corporation and all subsidiaries subject to Kentucky Corporation Income Tax/LLET.

Corp. No.	Name of Parent Corporation	Federal Identification Number	Kentucky Corporation/LLET Account Number	Parent Tax Payments		
				Prior Year Credit	Estimated Payment(s)	Extension Payment
1						

				Subsidiary(ies) Tax Payments			Stock Ownership Information		
Corp. No.	Names of Subsidiary Corporations	Federal Identification Number	Kentucky Corporation/LLET Account Number	Prior Year Credit	Estimated Payment(s)	Extension Payment	Percent of Value	Percent of Voting Power	Owned by Corp. No.
2							%	%	
3							%	%	
4							%	%	
5							%	%	
6							%	%	
7							%	%	
8							%	%	
9							%	%	
10							%	%	

INSTRUCTIONS FOR FORM 851-K—KENTUCKY AFFILIATIONS AND PAYMENT SCHEDULE

Purpose of Form—This form must be completed and attached to the Kentucky Corporation Income Tax and LLET Return (Form 720) if the corporation is filing a mandatory nexus consolidated tax return as provided by KRS 141.200(11).

The information requested on this form identifies the parent of the affiliated group, each subsidiary included in the mandatory nexus consolidated return and their respective payments. This information is necessary in order to identify the corporations included in the affiliated group and to avoid unnecessary correspondence from the department, such as delinquency notices to subsidiaries.

Mandatory Nexus Consolidated Raturn—For tax years beginning on or after January 1, 2005, an affiliated group shall file a mandatory nexus consolidated return as provided by KRS 141.200(11) that includes all corporations doing business in this state, except corporations excluded by KRS 141.200(9)(e).

Tax Payments

Line 1—Enter the total limited liability entity tax and corporation income tax paid by the parent, including the overpayments applied from the prior year, estimated tax payments and amounts paid with extension Form 41A720SL.

Lines 2-10—Enter the total limited liability entity tax and corporation income tax paid, including overpayments applied from the prior year, estimated tax payments and amounts paid with extension Form 41A720SL, by each subsidiary included in the mandatory nexus consolidated return.

Stock Ownership Information—Enter the name, federal identification number and Kentucky Corporation/LLET Account Number of the parent corporation and each subsidiary included in the mandatory nexus consolidated tax return. If the parent corporation has more than nine (9) subsidiaries, attach additional Forms 851-K as needed. Entar the following values for each subsidiary:

- **Percent of Value**—Enter the percent of value owned by a corporation or corporations included in the affiliated group.
- **Percent of Voting Power**—Enter the percent of voting power owned by a corporation or corporations included in the affiliated group.
- **Owned by Corporation No.**—Enter the number of the corporation or corporations which owns each subsidiary.

For example, if subsidiary corporation number 2 is owned by parent corporation number 1, enter 1; or if subsidiary corporation number 2 is owned by corporation numbers 1, 7 and 10, enter 1, 7, 10.

740NP-WH-P
40A201-WHP (10-15)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

Taxable Year Ending
___/___
Mo. Yr.

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

UNDERPAYMENT AND LATE PAYMENT OF ESTIMATED TAX ON FORM 740NP-WH

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

PART I—FIGURING THE UNDERPAYMENT AND PENALTY

(1) Enter the number of individual partners, members or shareholders whose income tax liability on Form 740NP-WH, line 9 exceeds $500	1		
(2) Enter the number of corporate partners or members whose income tax liability on Form 740NP-WH, line 9 exceeds $5,000	2		
(3) Enter the income tax liability from Form 740NP-WH, line 9	3		00
(4) Percentage of liability required to be prepaid is 70%	4	x.70	
(5) Multiply line 3 by line 4	5		00
(6) Statutory exemption (number of corporate partners or members on line 2 multiplied by $5,000)	6		00
(7) Enter the total tax payments from Form 740NP-WH, lines 10 and 12	7		00
(8) Line 5 less lines 6 and 7	8		00
(9) Penalty percentage is 10%	9	x.10	
(10) Multiply line 8 by line 9. This is the amount of the penalty for underpayment of estimated tax (minimum penalty $25). Enter on this line and on the Form 740NP-WH (see instructions)	10		00

TO CALCULATE INTEREST FOR INDIVIDUAL PARTNERS, MEMBERS OR SHAREHOLDERS

➤ See instructions.

PART II—LATE PAYMENT INTEREST FOR INDIVIDUAL PARTNERS, MEMBERS OR SHAREHOLDERS

(1)	Enter from Form 740NP-WH, line 9 the total tax liability of individual partners, members or shareholders whose liability exceeds $500	1	00

PAYMENT DUE DATES			A 4/15/2015		B 6/15/2015		C 9/15/2015		D 1/15/2016	
(2)	Required individual installments: Enter 25% of line 1 in columns A, B, C and D	2		00		00		00		00
(3)	Estimated tax paid for each period. For column A only, enter the amount from line 3 on line 7	3		00		00		00		00
(4)	Enter the amount, if any, from line 10 of the preceding column	4				00		00		00
(5)	Add lines 3 and 4	5				00		00		00
(6)	Add amounts, if any, from lines 8 and 9 of the preceding column	6				00		00		00
(7)	Subtract line 6 from line 5. If zero or less, enter -0-	7		00		00		00		00
(8)	If the amount on line 7 is zero, subtract line 5 from line 6. Otherwise, enter -0-	8				00		00		00
(9)	Underpayment. If line 7 is less than or equal to line 2, subtract line 7 from line 2	9		00		00		00		00
(10)	Overpayment. If line 2 is less than line 7, subtract line 2 from line 7	10		00		00		00		00
(11)	Enter date the underpayment on line 9 was paid or the 15th day of the 4th month after the close of the taxable year, whichever is earlier	11								
(12)	Interest on tax underpayment on line 9	12		00		00		00		00

(13)	INTEREST DUE: Add amounts on line 12, columns A through D	13	00

TO CALCULATE INTEREST FOR CORPORATE PARTNERS OR MEMBERS

➤ See instructions.

PART III—LATE PAYMENT INTEREST FOR CORPORATE PARTNERS OR MEMBERS

(1)	Enter from Form 740NP-WH, line 9 the total tax liability of corporate partners and members whose liability exceeds $5,000	1		00
(2)	Multiply the number of corporate partners or members included on Part III, line 1 by $5,000	2		00
(3)	Enter line 1 less line 2	3		00

PAYMENT DUE DATES			A 6/15/2015		B 9/15/2015		C 12/15/2015	
(4)	Required corporate installments: Enter 50% of line 3 in column A and 25% of line 3 in columns B and C	4		00		00		00
(5)	Estimated tax paid for each period. For column A only, enter the amount from line 5 on line 9	5		00		00		00
(6)	Enter the amount, if any, from lines 12 of preceding column	6		00		00		00
(7)	Add lines 5 and 6	7		00		00		00
(8)	Add amounts, if any, from lines 10 and 11 of preceding column	8		00		00		00
(9)	Subtract line 8 from line 7. If zero or less, enter -0-	9		00		00		00
(10)	If the amount on line 9 is zero, subtract line 7 from line 8. Otherwise, enter -0-	10		00		00		00
(11)	Underpayment. If line 9 is less than or equal to line 4, subtract line 9 from line 4	11		00		00		00
(12)	Overpayment. If line 4 is less than line 9, subtract line 4 from line 9	12		00		00		00
(13)	Enter date the underpayment on line 11 was paid or the 15th day of the 4th month after the close of the taxable year, whichever is earlier	13						
(14)	Interest on tax underpayment on line 11	14		00		00		00

(15)	INTEREST DUE: Add amounts on line 14, columns A through C	15	00

PART IV—INTEREST SUMMARY

(1)	Add the amounts from Part II, line 13 and Part III, line 15 and enter on this line and on the 740NP-WH (see instructions)	1		00

INSTRUCTIONS—Form 740NP-WH-P

Purpose of Form—This form is to be used by a pass-through entity required to make a declaration and payment of estimated tax for the taxable year as provided by KRS 141.206(6) and KRS 141.207 to: (i) compute the underpayment penalty as provided by KRS 141.990; and (ii) compute the interest on eny late payment or underpayment of an estimated tax installment as provided by KRS 141.985.

PART I — FIGURINGTHE UNDERPAYMENT AND PENALTY

KRS 141.207(4) provides that a pass-through entity required to make e declaration and payment of estimated tax shall be subject to the penalty provisions of KRS 131.180 and 141.990.

Line 1—Enter the number of individual partners, members or shareholders whose income tax liability on Form 740NP-WH, Line 9 exceads $500. **"Individuel" meens en individuel, estete or trust.**

Line 2—Enter the number of corporate partners or members whose income tax liability on Form 740NP-WH, Line 9 exceeds $5,000.

Line 3—Enter from Form 740NP-WH, Line 9 the total tax liability of individual partners, members or shareholders whose liability exceeds $500 end corporate partners or members whose liability exceeds $5,000.

Line 5—Multiply Line 3 by the percentage on Line 4.

Line 6—Multiply $5,000 by the number of corporate partners or members on Line 2.

Line 7—Enter the total estimated tax payments from Form 740NP-WH, Lines 10 and 12.

Line 8—Enter the amount from Line 5 less the amounts on Lines 6 and 7.

Line 10—Multiply the amount on Line 8 by the percentage on Line 9. Enter the amount on this line and on Form 740NP-WH. If there is an income tax overpayment on Line 15 of Form 740NP-WH, enter this amount on Form 740NP-WH, Line 17. If there is an income tax due on Line 14 of Form 740NP-WH, enter this amount on the Tax Payment Summary, Line 3.

PART II — LATE PAYMENT INTEREST FOR INDIVIDUAL PARTNERS, MEMBERS OR SHAREHOLDERS

KRS 141.985 provides that if the tax imposed by this chapter on any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as part of the tax, interest upon the unpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date prescribed for its payment until payment is actually made to the department.

Line 1—Enter from Form 740NP-WH, Line 9 the total tax liability of individual partners, members or shareholders whose liability exceeds $500. "Individual" means an individual, estate or trust.

Line 2—Enter 25% of the amount on Part II, Line 1 in Columns A, B, C and D.

Line 3—Enter the total estimated tax paid for eech installment period included on Form 740NP-WH, lines 10 and 12.

For a calender year taxpayer, enter estimated tax payments as follows: (i) if the declaration payment was made on or before April 15 of the taxable year, enter the payment in Column A; (ii) if the declaration payment was made after April 15 but on or before June 15 of the taxable year, enter the payment in Column B; (iii) if the declaration payment was made after June 15 but on or before September 15 of the taxable year, enter the payment in Column C; (iv) if the declaration payment was made after September 15 but on or before January 15 of the succeeding taxable year, enter the peyment in Column D; or (v) if the declaration payment was made efter January 15 of the succeeding texable year, do not enter the payment on Line 3. **Note:** *If a payment date falls on a holiday or weekend, the appliceble peyment date is the next business day.*

Fiscal Yeer: If Form 740NP-WH is for a fiscal year, enter the estimated tax payments as follows: (i) if the declaration payment was made on or before the 15th day of the 4th month, enter the payment in Column A; (ii) if the declaration payment was made after the 15th day of the 4th month but on or before the 15th day of the 6th month, enter the payment in Column B; (iii) if the declaration payment was made after the 15th day of the 6th month but on or before the 15th day of the 9th month, enter the payment in Column C; (iv) if the declaration payment was made after the 15th day of the 9th month but on or before the 15th day of the 1st month in the succeeding taxable fiscal year, enter the payment in Column D; (v) if the declaration payment was made after the 15th day of the 1st month in the succeeding taxable fiscal year, do not enter the payment on Line 3.

For Column A only, enter the amount from Line 3 on Line 7.

Line 4—Enter the amount from Line 10 of the preceding column. This line does not apply to the first installment.

Line 5—Enter the total of lines 3 and 4. This line does not apply to the first installment.

Line 6—Enter the total of Lines 8 and 9 of the preceding column. This line does not apply to the first installment.

Line 7—Enter the amount of Line 5 less Line 6. If zero

or less enter zero (-0-). For the first installment, enter the amount from Line 3.

Line 8—If the amount on Line 7 is zero, enter the amount of Line 6 less Line 5; otherwise, enter zero (-0-). This line does not apply to the first installment.

Line 9—If the amount on Line 7 is less than or equal to Line 2, enter the amount on Line 2 less Line 7.

Line 10—If the amount on Line 2 is less than Line 7, enter the amount on Line 7 less Line 2.

Line 11—Enter the date the underpayment on Line 9 was paid or the 15th day of the fourth month after the close of the taxable year, whichever is earlier. A payment of estimated tax is applied against unpaid required installments in the order in which the installments are required to be paid, regardless of the installment to which the payment pertains. **Note:** *If the 15th day of the fourth month after the close of the taxable year falls on a holiday or weekend, the applicable date is the next business day.*

Line 12—Enter the interest due on the tax underpayment on Line 9, Columns A through D. If the pass-through entity has more than one payment for the underpayment, attach a separate computation for each payment. The interest rate is 6 percent for calendar year 2015. The interest rate for 2016 is available online at www.revenue.ky.gov or you may contact the Department of Revenue at (502) 564-8139.

Line 13—Enter the total of the amounts on Line 12, Columns A through D. Enter on this line and on Form 740NP-WH. If there is an income tax overpayment on Line 15 of Form 740NP-WH, enter this amount on Form 740NP-WH, Line 16 If there is an income tax due on Line 14 of the Form 740NP-WH, enter this amount on the Tax Payment Summary, Line 2.

PART III — LATE PAYMENT INTEREST FOR CORPORATE PARTNERS OR MEMBERS

Line 1—Enter from Form 740NP-WH, Line 9 the total tax liability of corporate partners or members whose liability exceeds $5,000.

Line 2—Multiply the number of corporate partners or members included on Part III, Line 1 by $5,000.

Line 3—Enter Line 1 less Line 2.

Line 4—Enter 50% of the amount on Line 3 in Column A, and 25% of the amount on Line 1 in Columns B and C.

Line 5—Enter the total estimated tax paid for each installment period included on Form 740NP-WH, lines 10 and 12.

For a calendar year taxpayer, enter estimated tax payments as follows: (i) if the declaration payment was made after April 15 but on or before June 15 of the taxable year, enter the payment in Column A; (ii) if the declaration payment was made after June 15 but on or before September 15 of the taxable year, enter the payment in Column B; (iii) if the declaration payment was made after September 15 but on or before December 15 of the taxable year, enter the payment in Column C; (iv) if the declaration payment was made after December 15 of the taxable year, do not enter the payment on Line 5. **Note:** *If a payment date falls on a holiday or weekend, the applicable payment date is the next business day.*

Fiscal Year: If Form 740NP-WH is for a fiscal year, enter the estimated tax payments as follows: (i) if the declaration payment was made after the 15th day of the 4th month but on or before the 15th day of the 6th month, enter the payment in Column A; (ii) if the declaration payment was made after the 15th day of the 6th month but on or before the 15th day of the 9th month, enter the payment in Column B; (iii) if the declaration payment was made after the 15th day of the 9th month but on or before the 15th day of the 12th month, enter the payment in Column C; (iv) if the declaration payment was made after the 15th day of the 12th month in the taxable fiscal year, do not enter the payment on Line 5.

For Column A only, enter the amount from Line 5 on Line 9.

Line 6—Enter the amount, if any, from line 12 of the preceding column. This line does not apply to the first installment.

Line 7—Enter the total of Lines 5 and 6. This line does not apply to the first installment.

Line 8—Enter the total of Lines 10 and 11 of the preceding column. This line does not apply to the first installment.

Line 9—Enter the amount of Line 7 less Line 8. If zero or less enter zero (-0-). For the first installment, enter the amount from Line 5.

Line 10—If the amount on Line 9 is zero, enter the amount of Line 8 less Line 7; otherwise enter zero (-0-). This line does not apply to the first installment.

Line 11—If the amount on Line 9 is less than or equal to Line 4, enter the amount on Line 4 less Line 9.

Line 12—If the amount on Line 4 is less than Line 9, enter the amount on Line 9 less Line 4.

Line 13—Enter the date the underpayment on Line 11 was paid or the 15th day of the fourth month after the close of the taxable year, whichever is earlier. A payment

of estimated tax is applied against unpaid required installments in the order in which the installments are required to be paid, regardless of the installment to which the payment pertains. Note: If the 15th day of the fourth month after the close of the taxable year falls on a holiday or weekend, the applicable date is the next business day.

Line 14—Enter the interest due on the tax underpayment on Line 11, Columns A through C. If the pass-through entity has more than one payment for the underpayment, attach a separate computation for each payment. The interest rate is 6 percent for calendar year 2015. The interest rate for 2016 is available online at www.revenue.ky.gov or you may contact the Department of Revenue at (502) 564-8139.

Line 15—Enter the total of the amounts on Line 14, Columns A through C. Enter on this line and on Form 740NP-WH. If there is an income tax overpayment on Line 15 of Form 740NP-WH, enter this amount on Form 740NP-WH, Line 16. If there is an income tax due on Line 14 of the Form 740NP-WH, enter this amount on the Tax Payment Summary, Line 2.

PART IV — INTEREST SUMMARY

Line 1—Enter the total of Part II, Line 13 and Part III, Line 15 here and on the 740NP-WH.

SCHEDULE NOL

41A720NOL (10-15)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

➤ See instructions.

➤ Attach to Form 720.

Taxable Year Ending

___/___
Mo. Yr.

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

	Name	Kentucky Corporation/LLET Account Number	A Prior Year's NOL Carryforward		Includible Corporations B Kentucky Net Income		C 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
5.	Total NOL (add Column A, line 3 and Column C, line 3)	5		00
	Complete line 6 only if Column C, line 3 is greater than line 4.			
6.	Disallowed loss, Column C, line 3, less line 4. Enter here and on Form 720, Part III, line 19 (see instructions)	6		00
	Complete line 7 only if line 4 is greater than Column C, line 3.			
7.	Additional NOLD (see worksheet in instructions). Enter as a negative amount here and on Form 720, Part III, line 19	7		00

Section B—NOL Carryforward (Mandatory Nexus Consolidated)

1.	Total current year and prior year NOL (Enter amount from Section A, line 5)	1		00
2.	Limitation (Enter amount from Section A, line 4)	2		00
3.	Total NOL carryforward (Section B, line 1 less Section B, line 2) If less than zero, enter -0-	3		00

PART II—SEPARATE ENTITY RETURN

NOL Carryforward (Enter all amounts as a positive)

1.	Carryforward from prior year (2014 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 2016 (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 e mandetory nexus consolidated return as provided by KRS 141.200(11) to determine the net opereting loss limitation es provided by KRS 141.200(11)(b) and to track any evallable 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

Generel Instructions—Part I, Sections A and B of this schedule are used by an affiliated group filing a mandatory nexus consolideted return to determine the amount of net operating loss (NOL) deduction that can be utilized during the current tax year and to track eny 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 en amount that exceeds, in the aggregate, 50 percent (50%) of the income realized by the remaining includible corporations that did not realize e net operating loss.

Any prior year NOL carryforward is utilized first in meeting the fifty percent (50%) limitetion.

A current year NOL or an NOL cerryforward 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 carryforwerd 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%) limitetion 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 en 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 and must be atteched if the affiliated group includes a member having an NOL carryforward that was not a member of the effiliated 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 the parent and each 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 totels for Columns A, B end C. Reflect all columns as positive amounts. Attach Schedule NOL-CF if required (see instructions above).

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

Line 5—Add Column A, Line 3 and Column C, Line 3. This is the total of the prior yeer NOL carryforward and current year loss(es). Enter as a positive amount.

Line 6—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 emount is entered on Line 6, skip to Section B. Use worksheet below.

Worksheet—Line 6

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 6 (If less than zero, skip and complete Line 7) ..... $_____

Line 7—If the amount of loss limitation on 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 emount of Line 4 less Column C, Line 3, is greater than 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 7

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 6 above) ..... $_____
4. Amount from Column A, Line 3 ..... $_____
5. Lasser of Lina 3 or Line 4. Enter hare and on Part I, Section A, Line 7 ..... $_____

Section B – NOL Carryforward (Mandatory Nexus Consolidated)

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 3.

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.

14. Are leasehold improvements considered to be taxable tangible property?

No. Any alterations, additions, or improvements made by an owner or tenant to real property which are permanently affixed and add value to the property should be included in the real property valuation. Property classified as a leasehold improvement includes, but is not limited to: carpeting, paneling, water sprinkler systems, landscaping, windows, permanent lighting systems, permanent walls and ceilings, centralized heating and cooling systems, and loading and unloading platforms.

15. Can a taxpayer protest a tangible property assessment?

Yes. Any taxpayer aggrieved by an assessment may protest through the provisions of KRS 131.110. The protest shall be made in writing and shall consist of a statement and supporting evidence setting forth the grounds upon which the protest is made. The statement should also include a complete description of property, the original cost, date of acquisition, and the condition of the property. Any assessment not protested within 45 days from the date of notice of assessment shall be final.

16. What is omitted personal property? Are the tax rates the same?

Omitted personal property is that property which was discovered or reported too late to be included on a county's yearly certified tax roll. This includes returns filed after the May 15th due date. Omitted property is assessed by the Department of Revenue. The actual tax rates for omitted property are the same. However, in accordance with KRS 132.290, a penalty of 10% for voluntary late filed listings and 20% for involuntary listings will be applied to the tax, plus interest starting one year from the assessment date.

17. When can an assessment be reopened or increased?

The Department of Revenue may assess, audit, or reopen an assessment within five (5) years after the due date of the return. Notice of the increase shall be given to the taxpayer, who may protest the increase and offer evidence that no adjustment should be made. The assessment of omitted property and the revaluation of properly listed property are covered by separate statutes (KRS 132.320 and 132.360).

18. Can tangible returns be amended?

Yes. Taxpayers who discover an error on their personal property tax returns can file amended returns along with an explanation of why they are being amended and documentation to support the changes. Form 62A500 should be completed with "Amended" written at the top. Amended returns resulting in a possible refund should be filed within 2 years of the date of payment, in accordance with KRS 134.590. A refund application (Revenue Form 62A366R), should be included with the amended return. It can be obtained by contacting the local PVA Office or the Office of Property Valuation.

19. Does the Department of Revenue actively promote the discovery of omitted or undervalued tangible personal property?

Yes. DOR vigorously pursues a compliance program for the purpose of discovering, assessing, and billing tangible personal property that has been omitted, undervalued, or incorrectly reported.

20. Where should the Tangible Personal Property Tax Return be mailed?

It is recommended that timely filed returns be mailed to the PVA Office in the county where the property is located, and late filed returns should be mailed to the local PVA or to the Department of Revenue, Division of State Valuation, 501 High Street, Station 32, Frankfort, KY 40601. Use the correct year form based on the January 1st assessment date.

The Assessment of Tangible Personal Property Taxes

ANSWERS TO FREQUENTLY ASKED QUESTIONS

Kentucky Department of Revenue
Office of Property Valuation
Division of State Valuation
502-564-2557

Kentucky UNBRIDLED SPIRIT

62F102 (9-15)

1. Is tangible personal property subject to ad valorem taxation, and what types should be listed?

All property in Kentucky, unless exempted by the Kentucky Constitution or statute, is subject to taxation. Tangible personal property is not exempted. It consists of physical property that includes, but is not limited to: business furnishings and equipment, Coast Guard documented watercraft, aircraft, manufacturing machinery, inventories, materials and supplies, artwork, antiques, coin collections, and construction equipment. Excluded from the listing are Kentucky registered automobiles and watercraft, which are automatically reported at the county courthouse each year when the registration is renewed.

2. Is tangible property located in the taxpayer's home subject to taxation?

No, if the property consists of household goods and personal effects such as furniture and appliances that are necessary for the enjoyment of the home. However, when a business is operated from the home, the personal property used and associated with the business is considered to be taxable tangible property. Examples include office desks and furniture, computers, and office supplies. Furniture and appliances used in rental properties, hotels, and motels are taxable tangible property.

3. When is the assessment date for tangible personal property?

The assessment date is January 1st of each year.

4. How should tangible property be listed?

It is the responsibility of anyone owning or having beneficial interest in tangible personal property to list such property with the Property Valuation Administrator (PVA) or with the Kentucky Department of Revenue (DOR), between January 1st and May 15th of each year. Tangible property is listed on the Tangible Personal Property Tax Return (Revenue Form 62A500) and should be filed separately from other tax returns.

5. Are filing extensions permissible?

No. Extensions are not allowed for property taxes.

6. In what county is tangible property reported?

Tangible property should be reported in the county where it is located. If the tangible property is highly mobile (for example, construction equipment), it should be reported in the county where it is principally located.

7. Can an alternative valuation method for tangible property be utilized?

Yes, but it should originally be reported using the composite factors, methods, and guidelines provided with the standard return, Form 62A500. If a taxpayer believes the composite factors in the return have overvalued or undervalued the property, the taxpayer may petition the Department of Revenue to accept an alternative reporting method. The taxpayer must file the original return and the affidavit of alternative valuation with the Division of State Valuation, not the local PVA. The affidavit must include a proposed alternative valuation method, justification of the method chosen, and detailed documentation that can include, but is not limited to: independent appraisals, actual production, and sales and usage reports that support the proposed method. Accepting the alternative valuation method as filed in order to expedite the processing of the return does not affect the Department's right to eventually audit the return and the method used.

8. Do out-of-state companies have to list their tangible property located in Kentucky?

Yes. As a general rule, tangible property shall be taxed at the place where it is physically located and customarily kept. Tangible property owned by an out-of-state company and located at a site in Kentucky shall be assessed at that site until the taxpayer can show proof that the location is temporary rather than indefinite.

9. Should non-Kentucky registered watercraft located in Kentucky be reported for property tax purposes on a Tangible Personal Property Tax Return?

Yes. Watercraft is considered tangible property and should be taxed at the location where it is used. Non-Kentucky registered watercraft is taxable at the location of use or the county where moored or docked. Non-Kentucky registered watercraft should be reported on Revenue Form 62A500-W.

10. Should the taxpayer file a Tangible Personal Property Tax Return, Revenue Form 62A500, for every location containing tangible property?

Yes. A Tangible Personal Property Tax Return must be filed for each location within Kentucky. Each return reflects the appropriate district within the appropriate county. Tax rates vary from district to district.

11. Should a taxpayer report leased property?

Yes. Leased property must be listed by the owner on Revenue Form 62A500, regardless of the lease agreement's terms regarding tax liability. Leased assets should be classified based on their economic life. Tangible personal property held under a capital lease shall be reported by the lessee. Tangible personal property held under an operating lease shall be reported by the lessor. The tax return must contain the name of the lessee and the location of the property. The lessee must file Revenue Form 62A500–L.

12. How should taxpayers determine the value of inventories?

Inventories are considered to be only those goods a business holds for resale. List inventories at fair cash value using full absorption first-in-first-out (FIFO) costs. Such costs include freight, labor, taxes and duties. LIFO deductions are not allowable.

13. Are materials & supplies valued as inventories?

No. Materials and supplies should be reported on Schedule C of Form 62A500 and are subject to full state and local rates. Materials, supplies, and spare parts normally expensed must be segregated and valued separately. Any supplies included in inventory should be removed from the inventory value and reported on Schedule C. In all cases list such property at its original cost. In the absence of year end totals, use the yearly expense accounts total divided by 12.