

INSTRUCTIONS—SCHEDULE KRA-T

PURPOSE OF SCHEDULE—This schedule is used by any company which has entered into a reinvestment agreement for a Kentucky Reinvestment (KRA) project to maintain a record of the balance of approved costs and income tax, limited liability entity tax and license tax credits for the duration of the agreement. This information is necessary for the company to determine the limitation of the tax credit throughout the life of the project and to allow the Kentucky Department of Revenue to verify that credit has been properly computed.

GENERAL INSTRUCTIONS

A single Schedule KRA-T, Tracking Schedule for a KRA Project, shall be maintained for the duration of each KRA project. Beginning with the first taxable year of the KRA reinvestment agreement, complete Columns A through C using a separate line for each tax year of the reinvestment agreement. The company shall attach a copy of this schedule updated with current year information to the Schedule KRA which is filed with the Kentucky tax return for the year.

For Form 720, all tax credits are entered on Schedule TCS, a tax credit summary. The total tax credits calculated may exceed the amount that can be used. Credits must be claimed in the order prescribed by KRS 141.0205.

Total credits claimed cannot reduce the LLET below the \$175 minimum. Total credits claimed cannot reduce the income tax liability below zero.

SPECIFIC INSTRUCTIONS

Column A—Enter on each line the ending date (month and year) of the taxable year for which the information requested in Columns B and C is entered.

Column B—For the taxable year that includes the activation date of the reinvestment agreement, enter total approved costs verified by the Kentucky Economic Development Finance Authority. For each year thereafter, enter the balance of approved costs after subtracting the prior year's income tax credit claimed from the prior year's approved costs. Also, enter on Schedule KRA, Part III, Line 2.

Column C—The KRA tax credit is applied against the corporation income tax imposed under KRS 141.040 and/or the limited liability entity tax imposed under KRS 141.0401. The tax credit calculated for each tax can be different, however for tracking purposes, the maximum amount used against either tax is recorded as amount claimed. Enter the greater of Column E and Column F from Schedule TCS for this project.