



**INSTRUCTIONS—SCHEDULE KEOZ-T**

**PURPOSE OF SCHEDULE**—This schedule is used by any company which has entered into an agreement for a Kentucky Economic Opportunity Zone (KEOZ) Act project to maintain a record of the debt service payments, wage assessment fees, approved costs and tax credits (income tax and the limited liability entity tax) for the duration of the agreement. This information is necessary for the company to determine the limitation of the tax credit for each year of the agreement and to allow the Kentucky Department of Revenue to verify that the credit has been properly computed.

**GENERAL INSTRUCTIONS**

A separate Schedule KEOZ-T, Tracking Schedule for a KEOZ Project, shall be maintained for the duration of each KEOZ project. Beginning with the first tax year of the KEOZ agreement, complete Columns A through H using a separate line for each year of the agreement. **Note that Columns B and C apply only to service and technology agreements and Columns D and E apply only to manufacturing agreements.** The company shall attach a copy of this schedule updated with current year information to the Schedule KEOZ or Schedule KEOZ-SP, 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 below zero.

**Activation Date**—Enter the date established by the approved company as the activation date for implementation of the inducements authorized by the agreement. The 10-year period for the term of the agreement begins from the activation date.

**SPECIFIC INSTRUCTIONS**

**Column A**—Enter on each line the ending date (month, day and year) of the tax year for which the information requested in Columns B through H is entered.

**Column B**—For the taxable year that includes the activation date of the service and technology agreement, enter 50 percent of the total start-up costs as verified by the Kentucky Economic Development Finance Authority. For each year thereafter, if the amount entered in Column G for the prior year exceeds the amount entered in Column H for the prior year, enter the difference. If the amount entered in Column H for the prior year equals the amount entered in Column G for the prior year, enter zero (-0-).

**Column C**—Enter 50 percent of rental payments made during the taxable year as set forth in the service and technology agreement.

**Column D**—This column applies only to tax incentive agreements. This column will always be blank for the first taxable year of the agreement. For each year thereafter, if the amount entered in Column G for the prior year exceeds the amount entered in Column H for the prior year, enter the difference. If the amount entered in Column H for the prior year equals the amount entered in Column G for the prior year, enter zero (-0-).

**Column E**—This column applies only to tax incentive agreements. Enter the total amount of debt service payment made during the taxable year. Debt service payment includes both principal and interest paid in accordance with the agreement.

**Column F**—Enter the total amount of employee wage assessment fees (both the state and local portion) withheld from the salaries of employees during the taxable year.

**Column G**—Enter the result of adding the amounts entered in Columns B, C, D and E, and subtracting the amount entered in Column F. Also, enter on Schedule KEOZ, Part III, Line 2, or Schedule KEOZ-SP, Part I, Line 8, whichever is applicable.

**Column H**—The KEOZ 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 the amount claimed. Enter the greater of Column E or Column F from Schedule TCS for this project.