

SCHEDULE LLET

41A720LLET (10-10)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



LIMITED LIABILITY ENTITY TAX
KRS 141.0401

Taxable Year Ending

___ / ___
Mo. Yr.

➤ See instructions.

➤ Attach to Form 720, Form 720S, Form 725 or Form 765.

Member of a Combined Group

_____ Reason Code

Name of Corporation/Limited Liability Entity	Kentucky Corporation/LLET Account Number
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If the corporation or limited liability pass-through entity is a partner, member or shareholder of: (i) a limited liability pass-through entity; or (ii) a general partnership organized or formed as a general partnership after January 1, 2006, check this box and complete Schedule LLET-C and enter the total amounts from Schedule LLET-C in Section A of this form.

Section A—Computation of Gross Receipts and Gross Profits

		Column A Kentucky	Column B Total
1. Gross receipts	1	00	00
2. Returns and allowances	2	00	00
3. Gross receipts after returns and allowances (line 1 less line 2 or amount from Schedule LLET-C)	3	00	00
4. Cost of goods sold.....	4	00	00
5. Gross profits (line 3 less line 4 or amount from Schedule LLET-C)	5	00	00

Section B—Computation of Gross Receipts LLET

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1	1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) - $\left[\frac{\$2,850 \times (\$6,000,000 - \text{Column A, line 3})}{\$3,000,000} \right]$ but in no case shall the result be less than zero	2	00	
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095	3	00	
4. Enter the amount from line 2 or line 3.....	4	00	

Section C—Computation of Gross Profits LLET

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1	1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) - $\left[\frac{\$22,500 \times (\$6,000,000 - \text{Column A, line 5})}{\$3,000,000} \right]$ but in no case shall the result be less than zero.....	2	00	
3. If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075	3	00	
4. Enter the amount from line 2 or line 3.....	4	00	

Section D—Computation of LLET

1. Enter the lesser of Section B, line 4 or Section C, line 4, or a minimum of \$175 on this line and on Form 720, Part I, line 1; for Form 720S, Form 725, or Form 765, enter on Part II, line 1	1	00	
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Mark the applicable Receipts Method box on Form 720, Form 720S, Form 725, or Form 765, page 1, Item B.

INSTRUCTIONS – SCHEDULE LLET

Purpose of this Schedule—Schedule LLET, Limited Liability Entity Tax, must be completed and submitted with the applicable tax return (Form 720, Form 720S, Form 725 or Form 765). If the corporation or limited liability pass-through entity is a partner, member or shareholder of a limited liability pass-through entity or general partnership organized or formed as a general partnership after January 1, 2006, complete Schedule LLET-C, Limited Liability Entity Tax – Continuation Sheet. See the line-by-line instructions below.

Short-Period Computation of LLET—For short-period returns, annualizing gross receipts or gross profits is not permitted. A minimum of \$175 shall be due per taxable year. *Taxable year* is defined as the period for which the return is made. **KRS 141.010(16)**

Combined Group—A member of a combined group pursuant to KRS 141.0401(1)(c) must use the total gross receipts and the total gross profits of the combined group to determine if it is eligible for the small business relief provided by KRS 141.0401(2)(b). The member computes its LLET based upon its Kentucky gross receipts and Kentucky gross profits. A combined group means all members of an affiliated group as defined in KRS 141.200(9) (b) and all limited liability pass-through entities that would be included in an affiliated group if organized as a corporation as provided by KRS 141.0401(1)(c).

Section A of this form must be completed by all corporations and limited liability pass-through entities. Corporations or limited liability pass-through entities that are partners, members or shareholders in a limited liability pass-through entity or general partnership organized or formed as a general partnership after January 1, 2006, must complete Schedule LLET-C, Limited Liability Entity Tax – Continuation Sheet. Kentucky gross receipts, Kentucky gross profits, total gross receipts from all sources, and total gross profits from all sources must be completed in accordance with KRS 141.0401(1). See line-by-line instructions below.

Section B of this form must be completed to compute the LLET on Kentucky gross receipts.

Section C of this form must be completed to compute the LLET on Kentucky gross profits.

Section D of this form must be completed to show the LLET liability before the application of any tax credits.

LINE-BY-LINE INSTRUCTIONS

Check Box—If the entity is a member of a combined group pursuant to KRS 141.0401(1)(c), check the box.

Reason Code—If the box is checked, enter the applicable code.

- 1 Gross receipts or gross profits from all sources are equal to or less than \$3,000,000.
- 2 Gross receipts and gross profits from all sources are greater than \$3,000,000 but less than \$6,000,000.
- 3 Gross receipts from all sources are equal to or greater than \$6,000,000 but gross profits from all sources are greater than \$3,000,000 but less than \$6,000,000.
- 4 Gross receipts and gross profits from all sources are equal to or greater than \$6,000,000.

Section A—Computation of Gross Receipts and Gross Profits

If the corporation or limited liability pass-through entity is a partner, member or shareholder of a limited liability pass-through

entity or a general partnership organized or formed as a general partnership after January 1, 2006, complete Schedule LLET-C and enter the totals from Schedule LLET-C, Section A, Lines 3 and 5 in Column A, Lines 3 and 5; and the totals from Schedule LLET-C, Section B, Lines 3 and 5 in Column B, Lines 3 and 5, and continue to Sections B and C.

If the corporation or limited liability pass-through entity is not a partner, member or shareholder in a limited liability pass-through entity or a general partnership organized or formed as a general partnership after January 1, 2006, complete Section A as follows:

Line 1—Enter the Kentucky gross receipts before returns and allowances in Column A, and gross receipts from all sources before returns and allowances in Column B.

Line 2—Enter the returns and allowances attributable to Kentucky gross receipts in Column A, and returns and allowances attributable to gross receipts from all sources in Column B.

Line 3—Enter the total of Line 1 less Line 2 in Columns A and B.

Line 4—Enter the cost of goods sold attributable to Kentucky gross receipts in Column A, and cost of goods sold attributable to gross receipts from all sources in Column B. For an entity other than manufacturing, producing, reselling, retailing or wholesaling, no costs shall be included in cost of goods sold. **KRS 141.0401(1)(d)**

Line 5—Enter the total of Line 3 less Line 4 in Columns A and B.

Section B—Computation of Gross Receipts LLET

Line 1—If gross receipts from all sources (Column B, Line 3) are \$3,000,000 or less, **STOP** and enter \$175 on Section D, Line 1.

Line 2—If gross receipts from all sources (Column B, Line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, Line 3 x 0.00095) – (\$2,850 x ((\$6,000,000 – Column A, Line 3) / \$3,000,000)), but in no case shall the result be less than zero.

Line 3—If gross receipts from all sources (Column B, Line 3) are \$6,000,000 or greater, enter the following: Column A, Line 3 x 0.00095.

Line 4—Enter the amount from Line 2 or Line 3.

Section C—Computation of Gross Profits LLET

Line 1—If gross profits from all sources (Column B, Line 5) are \$3,000,000 or less, **STOP** and enter \$175 on Section D, Line 1.

Line 2—If gross profits from all sources (Column B, Line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, Line 5 x 0.0075) – (\$22,500 x ((\$6,000,000 – Column A, Line 5) / \$3,000,000)), but in no case shall the result be less than zero.

Line 3—If gross profits from all sources (Column B, Line 5) are \$6,000,000 or greater, enter the following: Column A, Line 5 x 0.0075.

Line 4—Enter the amount from Line 2 or Line 3.

Section D—Computation of LLET

Line 1—Enter the lesser of Section B, line 4 or Section C, line 4, or a minimum of \$175 on this line and on Form 720, Part I, line 1; for Form 720S, Form 725, or Form 765, enter on Part II, line 1.