

INSTRUCTIONS—SCHEDULE KBI-T

PURPOSE OF SCHEDULE—This schedule is used by a company which has entered into a tax incentive agreement for a Kentucky Business Incentive Program (KBI) project to maintain a record of the approved costs, wage assessments and tax credits (income tax and limited liability entity tax (LLET)) 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 KBI-T, Tracking Schedule for a KBI Project, shall be maintained for the duration of each KBI project. Beginning with the first tax year of the KBI tax incentive agreement, complete Columns A through F using a separate line for each year of the agreement. The company shall attach a copy of this schedule updated with current year information to the Schedule KBI or Schedule KBI-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 liability below zero.

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 F is entered.

Column B—This column will always be blank for the first taxable year of the agreement. For each year thereafter, if the amount entered in Column E for the prior year exceeds the amount entered in Column F for the prior year, enter the difference. If the amount entered in Column F for the prior year equals the amount entered in Column E for the prior year, enter zero (-0-).

Column C—Enter the total amount of approved costs in accordance with the agreement for the taxable year.

Column D—Enter the total amount of employee wage assessments imposed on the salaries of employees during the taxable year.

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

Column F—The KBI project 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 larger 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.