

SCHEDULE UTC

Form 740

42A740-UTC (10-10)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year
Ended

____ / ____

**UNEMPLOYMENT TAX CREDIT
KRS 141.065**

➤ Attach to your tax return.

➤ See instructions.

For tax year beginning _____, _____, and ending _____, _____

Name of Taxpayer		Social Security Number	
Street Address	Apt. Number	Federal Employer ID Number	
City	State	ZIP Code	Kentucky Corporation/LLET Account Number

PERSONS EMPLOYED

Enter below the name(s), Social Security number(s) and Office of Employment and Training Certificate number(s) of employee(s) for whom you are claiming a credit. Also enter the date employed and the last date employee was on your payroll during the tax year.

	Employee's Name	Social Security Number	Office of Employment and Training Certificate Number	Employment Dates					
				Date Employed			Date Employed Through		
				Mo.	Day	Yr.	Mo.	Day	Yr.
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									
21.									
22.									
23.									

24. Enter total number of employees listed above 24



PERSONS EMPLOYED—continued

25. Enter total number of employees listed on line 24.....	25	
26. Unemployment tax credit (multiply line 25 by \$100).....	26	
27. Form 720—Enter on Schedule TCS, Part II, Columns E and F.....	27	
28. Form 720S—Enter on Schedule TCS, Part II, Column E and on Form 720S, Schedule K.....	28	
29. Form 725—Enter on Schedule TCS, Part II, Column E.....	29	
30. Form 740—Enter on Form 740, Section A.....	30	
31. Form 740-NP—Enter on Form 740-NP, Section A.....	31	
32. Form 741—Enter on Form 741, Line 18.....	32	
33. Form 765—Enter on Schedule TCS, Part II, Column E and on Form 765, Schedule K.....	33	
34. Form 765-GP—Enter on Form 765-GP, Schedule K.....	34	

INSTRUCTIONS FOR SCHEDULE UTC

KRS 141.065(2) provides a tax credit for a taxpayer against the tax imposed by KRS 141.020 or 141.040 and 141.0401 for any taxable year, with the ordering of the credits as provided in KRS 141.0205, in an amount equal to one hundred dollars (\$100) for each person hired by the taxpayer, if that person has been classified as unemployed by the Office of Employment and Training of the Department of Workforce Investment in the Education and Workforce Development Cabinet and has been so classified for at least sixty (60) days prior to his employment by the taxpayer, and if that person has remained in the employ of the taxpayer for at least one hundred eighty (180) consecutive days during the taxable year in which the taxpayer claims the credit.

KRS 141.065(3) provides that no credit shall be allowed to any taxpayer for any person hired under any of the following circumstances: (a) A person for whom the taxpayer receives federally funded payments for on-the-job training; (b) For any person who bears any of the relationships to the taxpayer described in paragraphs (1) through (8) of Section 152(a) of the Internal Revenue Code, or, if the taxpayer is a corporation, to an individual who owns, directly or indirectly, more than fifty percent (50%) in value of the outstanding stock of the corporation as determined with the application of Section 267(c) of the Internal Revenue Code; (c) If the taxpayer is an estate or trust, to any person who is a grantor, beneficiary, or fiduciary of the estate or trust, or is an individual who bears any of the relationships described in paragraphs (1) through (8) of Section 152(a) of the Internal Revenue Code to a grantor, beneficiary, or fiduciary of the estate or trust; or (d) To any person who is a dependent of the taxpayer as described in Section 152(a) (9) of the Internal Revenue Code, or, if the taxpayer is an estate or trust, of a grantor, beneficiary, or fiduciary of the estate or trust.

KRS 141.065(4) and (5) provide that related corporations or unincorporated trades and business shall be treated as a single employer for purposes of the tax credit, and in no instance shall the credit for any qualified employee be claimed more than once for any tax year. Also, KRS 141.065(6) provides that no tax credit shall be allowed to any organization which is exempt from income tax as provided by KRS Chapter 141.

KRS 141.065(7) provides that the tax credit for a pass-through entity shall be applied at the entity level against the limited liability entity tax imposed by KRS 141.0401 and also shall be distributed to each partner, member or shareholder based on the partner's, member's or shareholder's pro rata share.

KRS 141.065(8) provides that the tax credit for an estate or trust shall be apportioned between the estate or trust and the beneficiaries on the basis of income of the estate or trust allocable to each.