

SCHEDULE CELL

41A720CELL (10-11)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



20 ___
Calendar Year

**APPLICATION AND CREDIT CERTIFICATE OF
INCOME TAX/LLET CREDIT
CELLULOSIC ETHANOL**

➤ See instructions.

➤ Attach to Form 720, 720S, 725, 740, 740-NP, 741, 765 or 765-GP.

**KRS 141.422 to 141.4248
103 KAR 15:120**

Name of Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number (if applicable)
Mailing Address	_____	_____
Location Address	Taxed as: <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Pass-through Entity <input type="checkbox"/> General Partnership <input type="checkbox"/> Other _____ <input type="checkbox"/> Individual	

Kentucky Special Fuels Dealer's License Account Number _____

At anytime during this calendar year, did your cellulosic ethanol fail to meet the ASTM standard? Yes No

If yes, list dates _____

Part I—Gallons Produced in Kentucky During the Calendar Year

1. Number of gallons of cellulosic ethanol produced meeting ASTM standard 1 _____

I, the undersigned, declare under the penalties of perjury, that I have examined this application, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature	Title	Date
Contact Name (if different from signer)	Email Address	
Telephone Number	Fax Number	



Department of Revenue Use Only

Part II—Cellulosic Ethanol Gallons Approved

1. Cellulosic Ethanol gallons approved by Department of Revenue 1 _____

Part III—Cellulosic Ethanol Approved Credit Certificate

1. (a) Approved credit for cellulosic ethanol producer (**numerator**) (a) $\left(\frac{(a)}{(b)} \right) \times *\$ \text{_____} =$

(b) Total approved credit for cellulosic ethanol producer (**denominator**) (b)

Approved Credit

* The cellulosic ethanol credit cap of \$5,000,000 will be increased by the unused cap of the ethanol tax credit if the total approved applications for the cellulosic ethanol tax credit exceeds its \$5,000,000 cap.

TAXPAYER USE ONLY

Part IV—Cellulosic Ethanol Credit Used By Taxpayer

1. LLET Credit—Enter on Schedule TCS, Part II, Column E	1
2. Corporation Income Tax Credit—Enter on Schedule TCS, Part II, Column F	2
3. Individual Income Tax Credit—Enter on Form 740, 740-NP or 741	3

No Carryforward Allowed

INSTRUCTIONS FOR SCHEDULE CELL

The cellulosic ethanol tax credit is applied against the individual income tax imposed by KRS 141.020, the corporation income tax imposed by KRS 141.040 and/or the limited liability entity tax (LLET) imposed by KRS 141.0401. The amount of tax credit claimed against the corporation income tax and LLET can be different.

Purpose of Schedule—The application and credit certification schedule is to report the number of gallons of cellulosic ethanol produced in this state meeting the current ASTM standards. The Department of Revenue will certify the amount of cellulosic ethanol credit for each taxpayer. It is effective for cellulosic ethanol produced on or after January 1, 2008. The taxpayer is not entitled to the credit for cellulosic ethanol produced in another state.

The credit rate is \$1 per gallon with a total cap for all taxpayers not to exceed \$5,000,000 annually, except the cellulosic ethanol tax credit cap shall be increased by the unused cap of the ethanol tax credit. See Part III instructions for further explanation. There is no carryforward for any unused credit.

To ensure proper processing, fax or email Schedule CELL to the Department of Revenue no later than January 15 following the close of the preceding calendar year. Schedules postmarked or sent after January 15 are void. Credit certification cannot be guaranteed for schedules sent through regular mail.

Fax number: (502) 564-0058

Email address:
KRC.WEBResponseEconomicDevelopmentCredits@
ky.gov

The Department of Revenue will confirm the receipt of the application. If you do not receive confirmation within two weeks of submitting the application, contact the Division of Corporation Tax at (502) 564-8139.

The Department of Revenue will issue the credit certificate, listing the amount of credit available, by April 15 following the close of the preceding calendar year. Attach the credit certificate to the tax return claiming the credit.

General Instructions—For the calendar year, enter the applicable year.

Check the appropriate entity type. If taxed as an entity type other than corporation, limited liability pass-through entity, general partnership or individual, check the “Other” box and list the entity type.

Federal Identification Number—For an individual, enter the Social Security number; for a general partnership, estate or trust, enter the FEIN.

Testing—The regulation 103 KAR 15:120 provides that a copy of the laboratory results for July 1 and December 31 of each calendar year shall be attached to the application, Schedule CELL, submitted to the Department of Revenue. Failure to provide proof of meeting the ASTM standard on July 1 and December 31 of each calendar year with the application shall result in the denial of the credit for gallons of cellulosic ethanol back to the previous testing date of July 1 or December 31.

Part I—Gallons Produced in Kentucky During the Calendar Year

Line 1—Enter the number of gallons of cellulosic ethanol produced in this state for the calendar year.

Part II and Part III

These parts are completed by the Department of Revenue to determine the cellulosic ethanol credit for each taxpayer. Part III is used if the total amount of approved credit for all cellulosic ethanol producers exceeds the annual cellulosic ethanol tax credit cap.

Part II—Cellulosic Ethanol Gallons Approved

Line 1—This is the amount of cellulosic ethanol gallons approved by the Department of Revenue for credit. If the approved credit exceeds the cellulosic ethanol tax credit cap, then the credit is determined by the department in Part III. It is a nonrefundable credit.

If the cellulosic ethanol producer is a pass-through entity, report the pro rata share of the approved credit on Schedule(s) K-1. In the case of an entity that has a fiscal year end, the approved credit shall be claimed on the return filed for the first fiscal year ending after the close of the preceding calendar year.

Part III—Cellulosic Ethanol Approved Credit Certificate

The Department of Revenue determines the total approved credit. If it exceeds the cellulosic ethanol tax credit cap of \$5,000,000, the department will compute each taxpayer’s approved credit based upon a fraction the numerator (Line 1(a)) being the credit approved for the taxpayer and the denominator (Line 1(b)) being the total credit approved for all taxpayers. The cellulosic ethanol tax credit cap is multiplied by this fraction to determine each producer’s approved credit.

The annual cellulosic ethanol tax credit cap of \$5,000,000 will be increased by the unused cap of the ethanol tax credit if the total approved applications for the cellulosic ethanol tax credit exceeds its \$5,000,000 cap. The amount of credit cap transferred to the cellulosic ethanol tax credit shall not exceed the amount necessary for all applicants to receive the one dollar (\$1) per gallon credit provided by KRS 141.4244.

Part IV—Cellulosic Ethanol Credit Used by Taxpayer

Line 1—Enter the amount of credit claimed for the taxable year against the LLET on Schedule TCS, Part II, Column E. The credit amount cannot reduce the LLET below the \$175 minimum.

Line 2—Enter the amount of credit claimed for the taxable year against the corporation income tax on Schedule TCS, Part II, Column F.

Line 3—Enter the amount of credit claimed for the taxable year on Form 740, 740–NP or 741.