

720X

41A720-S1 (10-11)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Kentucky Account Number

To be used for tax periods
beginning prior to January 1, 2005.

AMENDED KENTUCKY
CORPORATION INCOME TAX
AND CORPORATION LICENSE TAX RETURN

Form header section with fields for Name of Corporation, Taxable Year Ended, Federal Identification No., and NAICS Code No.

Fill in applicable items and use Part III to explain any changes.

NOTE: Use Form 720X to correct Form 720. A corporation taxable both within and without Kentucky must complete lines 1 through 9. A 100% Kentucky corporation must complete line 1 and enter the line 1 amount on line 7, omitting lines 2 through 6.

Table with 4 columns: Description, A. As Previously Reported, B. Net Change—Increase or (Decrease) (explain in Part III), C. Corrected Amount. Rows include Net income before NOLD deduction, Total business income, and Amended income tax liability.

Table with 4 columns: Description, A. As Previously Reported, B. Net Change—Increase or (Decrease) (explain in Part III), C. Corrected Amount. Rows include Total capital employed, Total license tax before credit, and Amended license tax liability.

TAX PAYMENT 1. Income Tax \$ 3. Penalty \$
SUMMARY 2. License Tax \$ 4. Interest \$ 5. TOTAL \$

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

Signature of principal officer or chief accounting officer Date

Name of person or firm preparing return SSN, PTIN or FEIN

www.revenue.ky.gov

May the DOR discuss this return with the preparer?
[] Yes [] No
Email Address:
Telephone Number:



PART III— Explanation of Changes to Net Income, Nonbusiness Income, Apportionment Factor, Capital Employed, Credits, etc.
Enter the line reference from page 1 for which a change is reported, and give the reason for each change. Attach supporting schedules detailing computations.

GENERAL INSTRUCTIONS

Purpose of Form—Use Form 720X to report changes, including federal audit changes, to Form 720, Kentucky Corporation Income and License Tax Return, as previously reported. Use this form for tax periods beginning prior to January 1, 2005.

Information on Income, Deductions, Tax Computation, etc.—Refer to the instructions for Form 720, Kentucky Corporation Income and License Tax Return, related schedules and forms, for the year being amended to determine the taxability of certain types of income, the allowability of certain expenses as deductions from income, computation of tax, etc.

Where to File—Mail this form to Kentucky Department of Revenue, Frankfort, Kentucky 40620.

SPECIFIC INSTRUCTIONS

PART I—INCOME TAX

Line 1, Column A—Enter the amount previously reported.

Column B—Enter the increase or decrease being made. Explain the increase or decrease in Part III. If the change involves an item of income or deduction that is supported by a schedule, statement or form, attach the appropriate schedule, statement or form. If the change involves a federal audit adjustment, attach the “final determination of the federal audit.” **Do not include changes to net operating loss deduction here (see line 8 instructions below).**

Column C—Enter the result of adding the increase in column B to the amount in column A or subtracting the decrease in column B from the amount in column A. If there is no change entered in column B, enter the amount from column A.

Lines 2 through 6

Note: *These lines are applicable only to corporations taxable both within and without Kentucky. Corporations taxable only in Kentucky omit these lines and enter amount from line 1 on line 7.*

Column A—On each line, 2 through 6, enter amount from appropriate line of Schedule A, Form 720 as previously reported.

Column B—On lines 2, 4 and 6, enter any increases or decreases being made, explain in Part III and attach a corrected Schedule A, Form 720.

Column C—On lines 2, 4 and 6, enter the result of adding the increase in column B to the amount in column A or subtracting the decrease in column B from the amount in column A. If there is no change entered in column B, enter the amount from column A.

Line 8, Column C—Enter the amount of net operating loss deduction (NOLD). The amount of NOL to be carried back or forward for Kentucky income tax purposes is the amount of loss determined on the Kentucky return; in the case of a corporation taxable both within and without Kentucky, it is the amount determined after apportionment and allocation (attach schedule showing computation of the amount claimed).

Line 10, Column C—Determine corrected income tax by using tax rates reflected on the Tax Computation Schedule of Form 720 used for filing the original return for the year.

Line 11, Column A—Enter total amount of credit from appropriate lines of Tax Computation Schedule or Income Tax Computation of Form 720 as previously reported.

Column B—Enter any increase or decrease being made. If an entry is made on this line, attach a schedule reflecting computations (see Tax Computation Schedule of Form 720 for year originally filed for limitations). Also attach applicable tax credit schedules or forms.

Column C—Enter the result of adding the increase in column B to the amount in column A or subtracting the decrease in column B from the amount in column A. If there is no change entered in column B, enter the amount from column A.

Line 13—Enter total income tax previously paid for the taxable year less any refund previously received for the taxable year.

PART II—LICENSE TAX

A corporation may only amend its license tax return to reflect changes in the apportionment factor or to correct errors or omissions of capital.

Use this form to amend capital employed to exclude the 10 percent add back computation as required by HB 390 that was passed by the 2003 General Assembly and permitted by the governor’s directive dated April 15, 2004.

Lines 1 and 2—Enter in column A the amount from appropriate line of Form 720, Part III, as previously reported. Enter in column B any increases or decreases being made, and explain in Part III. Enter the result of adding the increase in column B to the amount in column A or subtracting the decrease in column B from the amount in column A. If there is no change entered in column B, enter the amount from column A.

Line 4—Determine corrected tax due on amount reflected on line 3. The tax rate is \$2.10 on each \$1,000 of capital employed or a minimum of \$30.

Line 5—A corporation with gross income of \$500,000 or less is allowed a credit of \$1.40 per thousand of the first \$350,000 of capital employed against the license tax. For the purpose of this credit, gross income means total taxable and nontaxable receipts before reduction for cost of goods sold, cost of assets sold or any other deduction.

Line 6—Subtract the amount on line 5, if applicable, from the amount on line 4, and enter the result or \$30, whichever is greater.

Line 7, Column A—Enter total amount of other credits (KIFA tax credit, KIRA tax credit, or coal incentive tax credit) from appropriate lines of the Form 720 as previously reported.

Column B—Enter any increase or decrease being made. If an entry is made on this line, attach a schedule reflecting computations. Also, attach applicable tax credit schedules.

Column C—Enter the result of adding the increase in column B to the amount in column A or subtracting the decrease in column B from the amount in column A. If there is no change entered in column B, enter amount from column A.

Line 9—Enter total license tax previously paid for the taxable year less any refund previously received for the taxable year.

TAX PAYMENT SUMMARY—If amounts of additional tax due are reflected on either Part I, line 14, or Part II, line 10, enter amounts due in proper place in this section. Compute penalty and interest from the original due date of the return to the date of payment. Interest rates are as follows: calendar year 2000, 8 percent; calendar year 2001, 10 percent; calendar year 2002, 6 percent; calendar year 2003, 5 percent; calendar year 2004, 4 percent; calendar year 2005, 5 percent; calendar year 2006, 7 percent; calendar year 2007, 8 percent; calendar year 2008, 8 percent from January 1 to April 30 and 10 percent from May 1 to December 31; calendar year 2009, 7 percent; calendar year 2010, 5 percent; calendar year 2011, 5 percent; and calendar year 2012 rate is available at www.revenue.ky.gov.