

740NP-WH

40A201 (10-13)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



2013

Taxable Year Ending

Mo. / Yr.

KENTUCKY NONRESIDENT INCOME TAX WITHHOLDING ON
DISTRIBUTIVE SHARE INCOME REPORT AND COMPOSITE INCOME TAX RETURN

(To be completed by a Pass-through Entity Only)

KRS 141.206

See instructions.

Taxable period beginning ___/___/2013, and ending ___/___/201___.

Form with sections A (Name of Pass-through Entity), B (Federal Identification Number), C (Kentucky Corporation/LLET Account Number), and D (Check applicable boxes). Includes a table with 16 rows for tax calculations.

TAX PAYMENT SUMMARY section with fields for Tax (Line 13), Penalty, Interest, and Total Payment, along with instructions on how to pay.

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.

Print name of partner, member or shareholder Signature of partner, member or shareholder Daytime telephone number Date

Name of person or firm preparing return Date

SSN, PTIN or FEIN

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

INSTRUCTIONS—Form 740NP-WH

A pass-through entity must complete this form and mail with payment to the Kentucky Department of Revenue by the 15th day of the fourth month following the close of the taxable year. Copy(ies) A of Form PTE-WH, or approved substitute, must be included.

Purpose of this Form—Form 740NP-WH (40A201) is used by every pass-through entity required to file a return as provided by KRS 141.206(2), except publicly traded partnerships as defined in KRS 141.0401(6)(r), to withhold Kentucky income tax on the distributive share, whether distributed or undistributed, of each nonresident individual partner, member or shareholder; or each C corporation partner or member that is doing business in Kentucky only through its ownership interest in a pass-through entity. Withholding shall be at the maximum rate provided in KRS 141.020 or 141.040. **It is also used to file a composite income tax return for those electing nonresident individual partners, members or shareholders exempt from withholding.**

“Individual” means an individual, estate or trust. The tax imposed by KRS 141.020 upon individuals shall apply to estates and trusts and to all fiduciaries. **KRS 141.030(1)**

A “Partnership or S corporation partner, member or shareholder” is not subject to withholding. A partnership or S corporation is classified as a pass-through entity as provided by KRS 141.010(26) and is not classified as a corporation or an individual.

Form PTE-WH (40A200) shall be completed for each partner, member or shareholder, and Copy A of PTE-WH for each partner, member or shareholder shall be attached to the 740NP-WH filed with the Department of Revenue. The total of the income tax withheld on the PTE-WH forms, Line 9 must equal the amount on 740NP-WH, Line 9. Also, see the instructions on PTE-WH.

Penalty and Interest—Effective for taxable years beginning on or after January 1, 2012, every pass-through entity required to withhold Kentucky income tax as provided by KRS 141.206(5) or files a composite income tax return as provided by KRS 141.206(16)(a) shall make a declaration and payments of estimated tax as required by KRS 141.206(6) if: (i) a nonresident partner’s, member’s or shareholder’s estimated tax liability can reasonably be expected to exceed \$500; or (ii) a corporate partner’s or member’s estimated tax liability can reasonably be expected to exceed \$5,000. **Complete Form 740NP-WH-P to compute the penalty and interest for late payment or underpayment of estimated tax installments.**

SPECIFIC INSTRUCTIONS

Enter taxable year ending at the top right of Form 740NP-WH. The taxable year ending is the same as the pass-through entity’s taxable year.

Item A – Enter the pass-through entity’s name and address.

Item B – Enter the pass-through entity’s Federal Employer Identification Number.

Item C – Enter the pass-through entity’s Kentucky Corporation/LLET Account Number.

Item D – Check the box to indicate the type of return the pass-through entity is filing. Also check the applicable box to indicate a change of name, change of address, change of accounting period or final return.

LINE-BY-LINE-INSTRUCTIONS

Line 1 – If filing a nonresident distributive share income withholding report, enter the number of nonresident individuals, estates, trusts and corporations included in this withholding on distributive share income report that are not exempt.

Line 2 – If filing a nonresident distributive share income withholding report, enter the number of nonresident individuals, estates, trusts and corporations exempt from withholding on distributive share income. Only include members exempt as provided by KRS 141.206.

Line 3 – If filing a composite income tax return, enter the number of nonresident individuals, estates and trusts included in this composite income tax return.

Line 4 – Enter the distributive share income of the nonresident individuals, estates, trusts and corporations included on Line 1, or the distributive share income of nonresident individuals, estates and trusts included on Line 3.

Line 5 – Enter the apportionment fraction from the pass-through entity’s Schedule A, Section I, Line 12.

Line 6 – Enter the amount of Line 4 multiplied by Line 5.

Line 7 – Enter the amount of Line 6 multiplied by .06 (6%).

Line 8 – Enter the partners’, members’ or shareholders’ nonrefundable tax credits from Schedules K-1. **Note: Allowable tax credits are allowed only if the credits are reasonably expected to be claimed in the current taxable year. For example, the recycling and composting tax credit allowed pursuant to KRS 141.390 shall be limited to the lesser of ten percent (10%) of the total credit in the year of purchase or twenty-five percent (25%) of the entity’s tax liability. Carryforward tax credits not included on the current Schedule(s) K-1 shall not be allowed.**

Line 9 – Enter the amount on Line 7 less Line 8.

Line 10 – Enter the total estimated tax payments (Form 740NP-WH-ES Vouchers) made for the taxable year. Do not include the amount credited from the prior year.

Line 11 – Enter the tax payment made with Form 40A201NP-WH-SL, Application for Six-Month Extension of Time to File Form 740NP-WH (40A201).

Line 12 – Enter the amount credited to 2013 from Form 740NP-WH, Line (15) of the 2012 return.

Line 13 – If Line 9 is greater than the total of Lines 10 through 12, enter the difference on this line and enter the amount in the Tax Payment Summary.

Line 14 – If Line 9 is less than the total of Lines 10 through 12, enter the difference on this line.

Line 15 – Enter the portion of Line 14 to be credited to 2014.

Line 16 – Enter the portion of Line 14 to be refunded (Line 14 less Line 15).