

SCHEDULE CCI

41A720CCI (10-13)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



20 ___ ___
Calendar Year

► See instructions.

**APPLICATION AND CREDIT CERTIFICATE
OF CLEAN COAL INCENTIVE TAX CREDIT**

KRS 141.428

► For Coal Purchased During Calendar Year

| | | | |
|-------------------|-------|----------|--|
| Name of Entity | | | Federal Identification Number |
| Number and Street | | | Kentucky Corporation/LLET Account Number |
| City | State | ZIP Code | Telephone Number (Include Area Code) |

Name and Facility Location

Type of Entity (check applicable box): Corporation Limited Liability Pass-through Entity General Partnership
 Other ►

Date Certified by the Energy and Environment Cabinet (Attach certification letter.) ___/___/___

PART I—Qualifying Tons of Coal Purchased During the Taxable Year and Used to Generate Electricity

| A | B | C | D |
|---------------------------------|---|-----------------------------------|--|
| Name of Supplier | Name and Kentucky Coal Severance Tax Account Number of Taxpayer Subject to Kentucky Coal Severance Tax On Qualifying Coal Purchases | Qualifying Tons of Coal Purchased | For Department of Revenue Use Only Approved Tons Purchased |
| 1. _____ | | | |
| 2. _____ | | | |
| 3. _____ | | | |
| 4. _____ | | | |
| 5. _____ | | | |
| 6. _____ | | | |
| 7. _____ | | | |
| 8. _____ | | | |
| 9. _____ | | | |
| 10. Total Tons Purchased | | | |

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 | |

NOTE: This credit cannot reduce the limited liability entity tax (LLET) on Form 720, Form 720S, Form 725 or Form 765 below the \$175 minimum. **There is no carryforward of unused credit.**

| | | |
|---|---|----|
| STOP Department of Revenue Use Only | | |
| Part II—Tax Credit | | |
| 1. Number of tons of approved eligible coal | 1 | |
| 2. Tax credit (line 1 multiplied by \$2) | 2 | 00 |

Taxpayer Use Only

| | | |
|---|------|----|
| Part III—Recap Schedule | | |
| 1. Approved credit from Part II, line 2..... | 1 | 00 |
| 2. Less: | | |
| (a) Credit against KRS 141.0401, Enter on Schedule TCS, Part II, Column E .. | 2(a) | 00 |
| (b) Credit against KRS 141.040, Enter on Schedule TCS, Part II, Column F.. | 2(b) | 00 |
| (c) Credit against KRS 141.020..... | 2(c) | 00 |
| 3. Credit against KRS 136.120 (line 1 less the greater of line 2(a), 2(b) or 2(c))..... | 3 | 00 |

INSTRUCTIONS FOR SCHEDULE CCI

The Clean Coal Incentive Tax Credit is applied against the individual income tax imposed by KRS 141.020, the corporation income tax imposed by KRS 141.040, the limited liability entity tax (LLET) imposed by KRS 141.0401 and the public service corporation property tax (state portion only) imposed by KRS 136.120. The amount of credit claimed against the corporation income tax and the LLET can be different.

Purpose of Schedule—This schedule is used by taxpayers to apply for the clean coal incentive tax credit provided by KRS 141.428 and by the Department of Revenue to determine the approved tons of coal purchased.

Who is Entitled to the Credit

(a) Any electric power company subject to tax under KRS 136.120 and certified as a clean coal facility or any taxpayer that owns or operates a clean coal facility and purchases eligible coal that is used by the taxpayer in a certified clean coal facility; or

(b) A parent company of an entity identified in paragraph (a) if the subsidiary is wholly owned.

Amount of Credit—The credit is equal to \$2 for each ton of qualifying coal. “Qualifying coal” means coal subject to the coal severance tax imposed by KRS 143.020 which is purchased and used by the company to generate electricity.

Due Date of Schedule—The taxpayer must submit this schedule by March 15 of each year to apply for the credit on coal purchases for the prior calendar year.

Where to Submit Schedule—This schedule should be submitted to:

Kentucky Department of Revenue
Office of Property Valuation
Division of Minerals Taxation and GIS Services
Station 33
501 High Street, Fourth Floor
Frankfort, Kentucky 40601-2103

SPECIFIC INSTRUCTIONS

General Information—The taxpayer must complete all information in the name and address portion of this schedule. If the entity type is not listed, check “Other” and list the entity type.

Maintaining Records—The taxpayer must maintain records reflecting verification of the tons of coal purchased subject to Kentucky coal severance tax imposed by KRS 143.020, including invoices and proof of payments, for a period of five years.

When Credit May be Claimed—The credit shall not be carried forward and must be used on the tax return filed for the period during which the eligible coal was purchased.

Claiming Credit—Corporations and limited liability pass-through entities are entitled to take this credit against the LLET. The credit taken against corporation income tax is also allowed against the LLET even though the credit is taken against the income tax. The credit claimed may be different because of limitations.

The credit amount cannot reduce the LLET below the \$175 minimum.

A pass-through entity shall include on each Schedule K-1 the partner’s, member’s or shareholder’s pro rata share of the approved credit. In addition, a pass-through entity shall notify the department electronically of all partners, members or shareholders who may claim any amount of the approved credit. Failure to provide information to the department in the following manner may constitute the forfeiture of available credits to all partners, members or shareholders in the pass-through entity.

Email address:

KRC.WEBResponseEconomicDevelopmentCredits@ky.gov

The electronic mail shall contain a separate attachment in plain format text or plain ASCII format that includes each partner’s, member’s or shareholder’s: (a) Name; (b) Address; (c) Telephone number; (d) Identification number; and (e) Distributive share of the tax credit.

PART I—Qualifying Tons of Coal Purchased During the Taxable Year and Used to Generate Electricity

Columns A and B—Enter in Column A the name of each supplier from whom qualifying coal was purchased. If the supplier listed in Column A is the person subject to the Kentucky coal severance tax on the qualifying coal, enter the supplier’s Kentucky coal severance tax account number in Column B. If the person subject to the Kentucky coal severance tax on the qualifying coal is different than the supplier listed in Column A, enter in Column B the name and Kentucky coal severance tax account number of the person subject to the Kentucky coal severance tax on the qualifying coal purchased from each supplier. In the event more than one person was subject to the Kentucky coal severance tax on coal purchased from the same supplier, use a separate line to list the supplier and the name and Kentucky coal severance tax account number of each person subject to the Kentucky coal severance tax on the coal purchased from such supplier.

Column C—Enter on each line in this column the tons of qualifying coal purchased related to each entry in Columns A and B.

Part III—Recap Schedule

Taxes to Which the Credit Applies—KRS 141.428 provides that this credit shall first be applied against both the taxes imposed by KRS 141.020 or KRS 141.040 and the tax imposed by KRS 141.0401, with the ordering of credits as provided in KRS 141.0205. Any remaining credit shall be applied against the taxes imposed by KRS 136.120.

The credit shall meet the entirety of the taxpayer’s liability under the first tax listed in consecutive order before applying any remaining credit to the next tax listed in consecutive order. The taxpayer’s total liability under each preceding tax must be fully met before the remaining credit can be applied to the subsequent tax listed in consecutive order.