

SCHEDULE HH

41A720HH (10-13)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

____ / ____
Mo. Yr.

**KENTUCKY HOUSING FOR
HOMELESS FAMILIES DEDUCTION
KRS 141.0202**

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

Name of Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number (if applicable)
_____	_____	_____

Complete a separate Schedule HH for each dwelling unit donated.

- A. Organization to which property was donated _____
- B. Date property donated to above organization _____
- C. Type of unit donated: single family dwelling unit within multiple family facility
- D. If multiple family facility, indicate total number of units in the facility _____ number of units donated _____

COMPUTATION OF DEDUCTION

	Donated Property	Comparable Property A	Comparable Property B		Comparable Property C
1. City and state				1	
2. Street address				2	
3. Description of property				3	
4. Rooms				4	
5. Square footage				5	
6. Monthly rent		00	00	6	00
7. Average monthly rent of Comparable Properties A, B, C				7	00
8. If property rented within 6 months of date donated, enter last monthly rent received				8	00
9. Monthly value of interest in property. Enter lesser of line 7 or line 8. (If line 8 is zero, enter line 7.)				9	00
10. Number of months in taxable year that donated property was occupied by homeless family				10	00
11. Amount of deduction. Multiply line 9 by line 10. Enter here and on appropriate line of tax return				11	00

Purpose of Schedule—This schedule is used to determine the amount of deduction allowed by KRS 141.0202 for the value of leasehold interest in property contributed to a charitable organization to be used to provide temporary living quarters for a homeless family. A separate Schedule HH must be submitted for each dwelling unit donated.

Contributions Qualifying for Deduction—Effective for tax years beginning after December 31, 1989, contributions of property to a charitable organization qualify for this deduction if the property is used to provide temporary living quarters for a homeless family when:

- 1. the homeless family has demonstrated a need for a fixed, regular and adequate night time residence; and
- 2. the homeless family does not occupy the dwelling for a period in excess of one year.

Information Necessary to Substantiate the Deduction—In addition to the information requested on this schedule, the following information must be attached to this schedule:

- 1. proof that during the taxable year the dwelling meets the habitability standards prescribed by the state or political subdivision in which the dwelling is located; and
- 2. copy of statement supplied by the charitable organization reflecting the dates during the year the dwelling was occupied by each homeless family.

Example: Family 1—from 1/5/12 to 1/15/12
Family 2—from 1/25/12 to 2/28/12, etc.

Federal Identification Number—For an individual, enter the Social Security number; for all other entities, enter the FEIN.

SPECIFIC INSTRUCTIONS

Line 3—The description of the properties should be very brief and general such as, 1 b.r. house, eff. apt., 1 b.r. apt., etc.

Line 4—Use abbreviations to list the rooms included in each dwelling such as, b.r. for bedroom, bth. for bathroom, l.r. for living room, etc.

Line 5—Enter total square footage of living space.

Lines 6 and 8—The monthly rental amounts to be entered on these lines must be net of any charge or fees for utilities or other services.

Line 10—KRS 141.0202 allows a deduction in the amount of the monthly value of the leasehold interest multiplied by the number of months during which the property is occupied for a substantial portion of the month by a homeless family. For this purpose, “substantial” means more than one-half. Therefore, based on the statement supplied by the charitable organization, determine the total number of months during the year that the property was occupied for more than one-half of the month and enter the total on this line.

Line 11—The amount from Line 11, or the total of the amounts from Line 11 if more than one Schedule HH is being filed, must be entered on the appropriate tax return as follows: (i) a corporation filing Form 720, enter on Schedule O-720, Part II, Line 6; (ii) a limited liability pass-through entity filing Form 720S or Form 765, enter on Schedule K, Line 7 or Line 8, respectively; (iii) a pass-through entity filing Form 765-GP, enter on Schedule K, Line 8; (iv) an individual filing Form 740 or Form 740-NP, include the amount in the charitable contributions deduction on Schedule A; or (v) a fiduciary filing Form 741, enter on Schedule A, Line 1.

Important: For Kentucky purposes, this deduction is a special deduction which may be greater than any ordinary charitable contribution deduction allowed for the property and is not subject to the percentage limitation provided by IRC Section 170. However, in accordance with KRS 141.010(11) and (13)(d), the same item may not be deducted more than once.