

SCHEDULE LLET(K)

41A720LLET(K) (10-14)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

___ / ___
Mo. Yr.

LIMITED LIABILITY ENTITY TAX
(For a Limited Liability Pass-through Entity with
Economic Development Project(s))

Member of a Combined Group

➤ See instructions.

➤ Attach to Form 720S, 725 or 765.

KRS 141.0401

Reason Code

Name of Limited Liability Pass-through Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number
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Check this box and complete Schedule LLET(K)-C, Limited Liability Entity Tax – Continuation Sheet, if the limited liability pass-through entity filing this tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky. Enter the total amounts from Schedule LLET(K)-C in Section A of this schedule.

Section A – Computation of Gross Receipts and Gross Profits Excluding Economic Development Project(s)

	Column A Kentucky	Column B Total
1. Gross receipts after returns and allowances of the pass-through entity	00	00
2. Economic development project's gross receipts after returns and allowances.....	00	
3. Gross receipts excluding the economic development project(s) (line 1 less line 2 or amount from Schedule LLET(K)-C).....	00	00
4. (a) Cost of goods sold of the pass-through entity (attach Schedule COGS) ...	00	00
(b) Economic development project's cost of goods sold.....	00	
(c) Cost of goods sold excluding the economic development project(s) (line 4(a) less line 4(b))	00	00
5. Gross profits excluding the economic development project(s)(line 3 less line 4(c) or amount from Schedule LLET(K)-C)	00	00

Section B – Computation of Gross Receipts LLET

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1.....	1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) – [\$2,850 x (\$6,000,000 – Column A, line 3)] \$3,000,000 but in no case shall the result be less than zero	2	00	
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095	3	00	
4. Enter the amount from line 2 or line 3.....	4	00	

Section C – Computation of Gross Profits LLET

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1.....	1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) – [\$22,500 x (\$6,000,000 – Column A, line 5)] \$3,000,000 but in no case shall the result be less than zero	2	00	
3. If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075	3	00	
4. Enter the amount from line 2 or line 3.....	4	00	

Section D – Computation of LLET

1. Enter the lesser of Section B, line 4 or Section C, line 4, or a minimum of \$175 on this line and on Form 720 or 720S, Part I, line 1; or Form 725 or 765, Part II, line 1	1	00	
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Mark the applicable Receipts Method box on Form 720S, 725 or 765, page 1, Item B.

Purpose of Schedule—Schedule LLET(K), Limited Liability Entity Tax (For a Limited Liability Pass-through Entity with Economic Development Project(s)), is used by a limited liability pass-through entity that has one or more economic development projects under the Kentucky Rural Economic Development Act (KREDA), Kentucky Industrial Development Act (KIDA), Kentucky Economic Opportunity Zone Act (KEOZ), Kentucky Jobs Retention Agreement (KJRA), Kentucky Industrial Revitalization Act (KIRA), Kentucky Jobs Development Act (KJDA), Kentucky Business Investment Program (KBI), Kentucky Reinvestment Act (KRA), Incentives for Energy Independence Act (IEIA) or Farming Operation Networking Project (FON) in lieu of the regular Schedule LLET to compute its limited liability entity tax (LLET) in order to exclude its Kentucky gross receipts and Kentucky gross profits attributable to the economic development project(s). If the limited liability pass-through entity is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky, complete Schedule LLET(K)-C, Limited Liability Entity Tax—Continuation Sheet. Attach these schedules to the applicable tax return (Form 720S, 725 or 765).

Short-Period Computation of LLET—For short-period returns, annualizing gross receipts or gross profits is not permitted. A minimum of \$175 shall be due per taxable year. *Taxable year* is defined as the period for which the return is made. **KRS 141.010(16)**

Combined Group—A member of a combined group pursuant to KRS 141.0401(1)(c) must use the total gross receipts and the total gross profits of the combined group to determine if it is eligible for the small business relief provided by KRS 141.0401(2)(b). The member computes its LLET based upon its Kentucky gross receipts and Kentucky gross profits. A combined group means all members of an affiliated group as defined in KRS 141.200(9)(b) and all limited liability pass-through entities that would be included in an affiliated group if organized as a corporation as provided by KRS 141.0401(1)(c).

Section A of this schedule must be completed by a limited liability pass-through entity, except a limited liability pass-through entity exempt from LLET as provided by KRS 141.0401(6). If the limited liability pass-through entity filing the tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky, complete Schedule LLET(K)-C, Limited Liability Entity Tax—Continuation Sheet. Kentucky gross receipts, Kentucky gross profits, total gross receipts from all sources, and total gross profits from all sources must be completed in accordance with KRS 141.0401(1). See the line-by-line instructions below.

Section B of this schedule must be completed to compute the LLET on Kentucky gross receipts excluding Kentucky gross receipts from economic development project(s).

Section C of this schedule must be completed to compute the LLET on Kentucky gross profits excluding Kentucky gross profits from economic development project(s).

Section D of this schedule must be completed to show the LLET liability excluding the LLET liability from economic development project(s) before the application of any tax credits.

LINE-BY-LINE INSTRUCTIONS

Check Box—If the entity is a member of a combined group pursuant to KRS 141.0401(1)(c), check the box.

Reason Code—If the box is checked, enter the applicable code.

- 1 Gross receipts or gross profits from all sources are equal to or less than \$3,000,000.
- 2 Gross receipts and gross profits from all sources are greater than \$3,000,000 but less than \$6,000,000.
- 3 Gross receipts from all sources are equal to or greater than \$6,000,000 but gross profits from all sources are greater than \$3,000,000 but less than \$6,000,000.
- 4 Gross receipts and gross profits from all sources are equal to or greater than \$6,000,000.

Section A—Computation of Gross Receipts and Gross Profits Excluding Economic Development Project(s)

If the limited liability pass-through entity filing the tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky, complete Schedule LLET(K)-C and enter the total amounts from Schedule LLET(K)-C, Section A, Lines 3 and 5 in Column A, Lines 3 and 5; and the total amounts from Schedule LLET(K)-C, Section B, Lines 3 and 5 in Column B, Lines 3 and 5, and continue to Sections B, C and D.

If the limited liability pass-through entity filing the tax return is not a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky, complete Section A as follows:

If the company is computing its LLET based on gross profits, Schedule COGS, Limited Liability Entity Tax Cost of Goods Sold, must be attached to the applicable tax return.

Line 1—Enter the pass-through entity's Kentucky gross receipts after Kentucky returns and allowances in Column A, and the pass-through entity's total gross receipts from all sources after returns and allowances from all sources in Column B.

Line 2—Enter the economic development project's Kentucky gross receipts after Kentucky returns and allowances in Column A. No entry is required in Column B.

Line 3—Enter the amount of Line 1 less Line 2 in Columns A and B.

Line 4(a)—Enter the Kentucky Cost of Goods Sold and Total Cost of Goods Sold from Schedule COGS, Columns A and B, Line 8 on Columns A and B, Line 4(a), respectively. For an entity other than manufacturing, producing, reselling, retailing or wholesaling, no costs shall be included in cost of goods sold. **KRS 141.0401(1)(d)**

Line 4(b)—Enter the economic development project's cost of goods sold attributable to Kentucky in Column A. No entry is required in Column B.

Line 4(c)—Enter the amount of Line 4(a) less 4(b) in Columns A and B.

Line 5—Enter the amount of Line 3 less Line 4(c) in Columns A and B.

Section B—Computation of Gross Receipts LLET

Line 1—If gross receipts from all sources (Column B, Line 3) are \$3,000,000 or less, **STOP** and enter \$175 on Section D, Line 1.

Line 2—If gross receipts from all sources (Column B, Line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, Line 3 x 0.00095) – [$2,850 \times ((\$6,000,000 - \text{Column A, Line 3}) / \$3,000,000)$], but in no case shall the result be less than zero.

Line 3—If gross receipts from all sources (Column B, Line 3) are \$6,000,000 or greater, enter the following: Column A, Line 3 x 0.00095.

Line 4—Enter the amount from Line 2 or Line 3.

Section C—Computation of Gross Profits LLET

Line 1—If gross profits from all sources (Column B, Line 5) are \$3,000,000 or less, **STOP** and enter \$175 on Section D, Line 1.

Line 2—If gross profits from all sources (Column B, Line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, Line 5 x 0.0075) – [$22,500 \times ((\$6,000,000 - \text{Column A, Line 5}) / \$3,000,000)$], but in no case shall the result be less than zero.

Line 3—If gross profits from all sources (Column B, Line 5) are \$6,000,000 or greater, enter the following: Column A, Line 5 x 0.0075.

Line 4—Enter the amount from Line 2 or Line 3.

Section D—Computation of LLET

Line 1—Enter the lesser of Section B, Line 4 or Section C, Line 4, or a minimum of \$175 on this line and on Form 720 or 720S, Part I, Line 1; or Form 725 or 765, Part II, Line 1.