SCHEDULE KIRA

41A720-S24 (10-14)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

For taxable year ended

___ ___ / ___ ___
Mo.   Yr.

TAX CREDIT COMPUTATION SCHEDULE
(FOR A KIRA PROJECT OF A CORPORATION)
KRS 154.26-010 to 120

➤ **See instructions.**

➤ **Attach to Form 720.**

Name of Corporation	Federal Identification Number —— — — —————— —— —— ——	Kentucky Corporation/LLET Account Number —— —— —— —— —— ——
Location of Project City County	Activation Date of KIRA Incentive Agreement __ __ / __ __ / __ __ Mo. Day Yr.	Economic Development Project Number

PART I—Computation of LLET Excluding KIRA Project

1. LLET from Form 720, Part I, line 1	1	00
2. LLET on KIRA project (see instructions)	2	00
3. LLET excluding LLET on KIRA project (line 1 less line 2)	3	00

PART II—Computation of Taxable Net Income Excluding Net Income from KIRA Project and KIRA Tax Credit

Section A–Computation of Corporation Tax

1. Enter income tax from Form 720, Part II, line 1	1	00
2. LLET of corporation (Part I, line 1)	2	00
3. LLET credit allowed (line 2 less $175, but not more than line 1)	3	00
4. Total corporation tax (lines 1 and 2 less line 3)	4	00

Section B–Computation of Tax Excluding KIRA Project

1. Enter taxable net income from Form 720, Part III, line 25	1	00
2. Enter net income from KIRA project; if loss, enter -0-	2	00
3. Taxable net income excluding net income from KIRA project (line 1 less line 2). If line 2 is greater than line 1, enter -0-	3	00

4. Corporation income tax on amount from line 3:

	Taxable Net Income	Rate	Tax		
(a) First $50,000	_____	X 4%	_____	00	
(b) Next $50,000......................	_____	X 5%	_____	00	
(c) All income over $100,000...	_____	X 6%	_____	00	
(d) Total income tax liability excluding KIRA project (add lines 4(a) through 4(c))				4(d)	00

5. LLET excluding LLET on KIRA project (Part I, line 3)	5	00
6. Enter LLET from line 5 less $175, but not more than line 4(d)	6	00
7. Total tax excluding KIRA project (lines 4(d) and 5 less line 6)	7	00
8. Total tax attributable to KIRA project (Section A, line 4 less Section B, line 7) Continue to Part III and enter this amount on Part III, line 1	8	00

PART III—Limitation

1. Enter tax liability attributable to KIRA project from Part II, Section B, line 8..............	1	00
2. Enter limitation from Schedule KIRA-T, Column D	2	00
3. Allowable KIRA tax credit (lesser of line 1 or line 2)	3	00

Enter allowable credit on Schedule TCS, Part I, Column E and Column F

➤ *Economic development project* means a project authorized under the Kentucky Rural Economic Development Act (KREDA), Metropolitan College Consortium Tax Credit (MCC), Kentucky Small Business Investment Credit Program (KSBIC), 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), Skills Training Investment Credit Act (STICA) and Incentives for Energy Independence Act (IEIA).

The KIRA tax credit is applied against the corporation income tax imposed by KRS 141.040 and/or the limited liability entity tax (LLET) imposed by KRS 141.0401. The amount of tax credit against each tax can be different; however, for tracking purposes, the maximum amount of credit used against either tax is the amount that is used for the tax year.

PURPOSE OF SCHEDULE—This schedule is used by a corporation which has entered into a tax incentive agreement for a Kentucky Industrial Revitalization Act (KIRA) project to determine the credit allowed against the Kentucky corporation income tax and LLET attributable to the project in accordance with KRS 141.403.

GENERAL INSTRUCTIONS

Part I—Computation of LLET Excluding KIRA Project

Line 2—Using Schedule LLET, create a new Schedule LLET to compute the LLET of the KIRA project using only the Kentucky gross receipts and Kentucky gross profits of the project. Enter "**KIRA**" at the top center of the Schedule LLET and attach it to the tax return.

If the corporation has operations other than the KIRA project, it must attach schedules reflecting the computation of Kentucky gross profits and Kentucky gross receipts from the KIRA project in accordance with KRS 141.403(6)(b)** or KRS 141.403(7)(b).****

Part II—Computation of Taxable Net Income Excluding Net Income from KIRA Project and KIRA Tax Credit

Section B

Line 2—Enter net income for KIRA project. If the corporation's only operation in Kentucky is the KIRA project, the amount entered on Line 1 must be entered on Line 2. If the corporation has operations other than the KIRA project, it must attach schedules reflecting the computation of the net income from the KIRA project in accordance with KRS 141.403(6)(a)* or KRS 141.403(7)(a).***

See form for computation.

Part III—Limitation

Calculate KIRA tax credit based on the corporation's tax liability, tax liability attributable to KIRA project, and credit limitation from Schedule KIRA-T. Enter credit on Schedule TCS, Part I, Column E and Column F.

A corporation with more than one economic development project must separately compute the tax credit derived from each project. Complete an applicable tax computation schedule (Schedule KREDA, Schedule KIDA, Schedule KEOZ, Schedule KJRA, Schedule KIRA, Schedule KJDA, Schedule KBI, Schedule KRA or Schedule IEIA) for each project. A corporation approved for the Skills Training Investment Credit Act (STICA) or Metropolitan College Consortium Tax Credit (MCC) must attach a copy of the certification(s) from the Bluegrass State Skills Corporation. A corporation approved for the Kentucky Small Business Investment Credit Program (KSBIC) must attach a copy of the certification from the Kentucky Economic Development Finance Authority.

Alternative Methods—In accordance with KRS 141.403(8), if the approved company can show that the nature of the operations and activities of the approved company are such that it is not practical to use separate accounting to determine net income, Kentucky gross receipts or Kentucky gross profits from the facility at which the project is located, the approved company shall determine net income, Kentucky gross receipts or Kentucky gross profits attributable to the project using an alternative method approved by the Department of Revenue. Thus, if any method other than separate accounting is used, **a copy of the letter from the Department of Revenue approving the alternative method must be attached to this schedule**.

   * In accordance with KRS 141.403(6)(a), if the project is a totally separate facility, net income attributable to the project shall be determined by the separate accounting method.

  ** In accordance with KRS 141.403(6)(b), if the project is a totally separate facility, Kentucky gross receipts or Kentucky gross profits attributable to the project shall be determined under the separate accounting method reflecting only the Kentucky gross receipts or Kentucky gross profits directly attributable to the facility.

 *** In accordance with KRS 141.403(7)(a), if the KIRA project is an expansion to a previously existing facility, net income attributable to the entire facility shall be determined under the separate accounting method and the net income attributable to the KIRA project shall be determined by apportioning the separate accounting net income of the entire facility to the KIRA project income using a formula approved by the Department of Revenue. **A copy of the letter from the Department of Revenue approving the percentage must be attached to this schedule.**

**** In accordance with KRS 141.403(7)(b), if the KIRA project is an expansion to a previously existing facility, Kentucky gross receipts or Kentucky gross profits attributable to the entire facility shall be determined under the separate accounting method and the Kentucky gross receipts or Kentucky gross profits attributable to the KIRA project shall be determined by apportioning the separate accounting Kentucky gross receipts or Kentucky gross profits of the entire facility to the KIRA project Kentucky gross receipts or Kentucky gross profits. **A copy of the letter from the Department of Revenue approving the percentage must be attached to this schedule.**