

SCHEDULE VERB

41A720VERB (10-14)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



**VOLUNTARY ENVIRONMENTAL
REMEDATION TAX CREDIT**

KRS 141.418

➤ See instructions.

➤ Attach to Form 720, 720S, 725, 740, 740-NP, 741, 765 or 765-GP.

Name of Entity	Federal Identification Number _____
Taxed as: <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Pass-through Entity <input type="checkbox"/> General Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other _____	Kentucky Corporation/LLET Account Number _____
Location of Remediation Property	County Location

Department of Revenue Use Only			
PART I—Computation of Allowable Tax Credit			
1. Date certified	1	/ /	
2. Certified remediation expenditures (not to exceed \$150,000)	2		00
3. Maximum allowable tax credit each tax year (line 2 multiplied by 25% (.25)) ..	3		00
By: _____ Date: _____			

PART II—Taxpayer’s Certification

I, the undersigned and authorized representative, declare under the penalties of perjury, that the expenditures incurred at the qualifying voluntary environmental remediation property were not financed through a public grant program or the petroleum storage tank environmental assurance fund.

Signature Title Date

PART III—Current Year Credit

1. LLET Credit—Enter on Schedule TCS, Part II, Column E	1		00
2. Corporation Income Tax Credit—Enter on Schedule TCS, Part II, Column F.....	2		00
3. Individual Income Tax Credit—Enter on Form 740, 740-NP or 741	3		00

PART IV—Amount of Credit Claimed

A Taxable Year Credit Taken (Month/Year)	B Balance of VERB		C Amount of Credit Used	
	LLET	Income Tax	LLET	Income Tax
1. ___/_____	00	00	00	00
2. ___/_____	00	00	00	00
3. ___/_____	00	00	00	00
4. ___/_____	00	00	00	00
5. ___/_____	00	00	00	00
6. ___/_____	00	00	00	00
7. ___/_____	00	00	00	00
8. ___/_____	00	00	00	00
9. ___/_____	00	00	00	00
10. ___/_____	00	00	00	00
11. ___/_____	00	00	00	00

**INSTRUCTIONS—VOLUNTARY ENVIRONMENTAL
REMEDATION TAX CREDIT**

The Voluntary Environmental Remediation Tax Credit is applied against the individual income tax imposed by KRS 141.020, the corporation income tax imposed by KRS 141.040 and the limited liability entity tax (LLET) imposed by KRS 141.0401. The amount of credit claimed against the corporation income tax and the LLET can be different.

The amount of credit claimed from Part I, Line 3 and the resulting balance of credit available must be calculated separately for income tax and the LLET. If the balance available for the income tax or the LLET reaches zero, no further credit is allowed against that tax liability. For example, any balance available for income tax cannot be used as a credit against the LLET nor can any balance available for the LLET be used as a credit against the income tax liability.

Purpose of Schedule—This schedule is used by taxpayers subject to the taxes under KRS 141.020, KRS 141.040 or KRS 141.0401 to claim a credit for expenditures made for a qualifying voluntary environmental remediation property.

“Qualifying voluntary environmental remediation property” means real property subject to the provisions of KRS 224.01-400, KRS 224.01-405 or KRS 224.60-135 where the Kentucky Energy and Environment Cabinet has made a determination that the property meets the requirements provided by KRS 141.418(1)(e).

A taxpayer claiming a credit as provided by KRS 141.418 shall submit receipts to the Kentucky Energy and Environment Cabinet as proof of the expenditures claimed. The Kentucky Energy and Environment Cabinet shall verify the receipts. After the receipts are verified, the Department of Revenue shall notify the taxpayer of eligibility for the credit. **KRS 141.418(5)**

The credit is on a dollar-per-dollar basis up to a maximum of \$150,000 in approved expenditures. The amount of the allowable credit for any taxable year is limited to 25 percent of the maximum credit approved (Part I, Line 2), and it may be carried forward ten (10) years. The taxpayer is eligible to claim the credit on the tax return in the taxable year the credit was certified.

General Instructions—If the entity type is not listed, check the “Other” box and list the entity type.

Part I — Computation of Allowable Tax Credit

This will be completed by the Department of Revenue and mailed to the taxpayer.

Line 1—This is the date the credit is certified by the Kentucky Energy and Environment Cabinet.

Line 2—This is the amount of expenditures certified by the Kentucky Energy and Environment Cabinet.

Line 3—This is the maximum amount of credit allowed for any one taxable year.

Part II — Taxpayer’s Certification

The taxpayer or the taxpayer’s representative must certify that the expenditures incurred at the qualifying voluntary environmental remediation property were not financed through a public grant program or the petroleum storage tank environmental assurance fund.

The certification shall be completed and a copy of Schedule VERB shall be attached to the applicable tax return each year that a taxpayer claims the voluntary environmental remediation tax credit against the tax imposed by KRS 141.020 or 141.040 and KRS 141.0401.

Part III — Current Year Credit

Line 1—LLET Credit—Enter the amount of current year credit claimed against the LLET. This credit cannot reduce the LLET below the \$175 minimum.

Line 2—Corporation Income Tax Credit—Enter the amount of the current year credit claimed against the corporation income tax.

Line 3—Individual Income Tax Credit—Enter the amount of the current year credit claimed against the individual income tax.

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.

Part IV — Amount of Credit Claimed

This will be completed by the taxpayer and used as a tracking schedule for the credit taken.

Column A—Enter the month and year the tax credit is taken for this project.

Column B—Enter for year 1 the allowable credit from Part I, Line 2. Enter for each succeeding year the difference between Column B and Column C for the LLET and income tax.

Column C—Enter the amount of credit used for that year. If the amount is zero, enter zero (-0-).