

SCHEDULE DS-R

41A720DS-R (10-15)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

____/____
Mo. / Yr.

➤ See instructions.

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

**DISTILLED SPIRITS
TAX CREDIT RECAPTURE
KRS 141.389**

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

Section A—Description of Property Sold or Disposed of Before the End of the Recapture Period

Item	Description of Capital Improvements
A	
B	
C	
D	
E	

Section B—Computation of Tax Credit Recapture

1. Taxable year end date the tax credit was claimed.....	1	/	/	
2. Date the capital improvement was sold or disposed of	2	/	/	
3. Total amount of tax credit associated with the dates referenced above.....	3			00
4. Cost of capital improvement sold or disposed of	4			00
5. Total cost of all capital improvements associated with the credit reported on line 3.....	5			00
6. Divide line 4 by the amount on line 5 (see instructions)	6	- - - - -	%	
7. Multiply line 3 by line 6 and enter here.....	7			00
8. Enter the amount of credit claimed against LLET for the taxable year referenced on line 1.....	8			00
9. Enter the amount of credit claimed against income tax for the taxable year referenced on line 1	9			00
10. LLET credit recapture: If the amount on line 8 is greater than line 7, enter the difference	10			00
11. Income tax credit recapture: If the amount on line 9 is greater than line 7, enter the difference.....	11			00

INSTRUCTIONS—DISTILLED SPIRITS TAX CREDIT RECAPTURE

SPECIFIC INSTRUCTIONS

Purpose of Schedule—A taxpayer required to recapture a distilled spirits tax credit shall attach this schedule to the applicable tax return for the taxable year. If the taxpayer is a pass-through entity, the taxpayer shall apply the recapture of the distilled spirits tax credit to the limited liability entity tax imposed by KRS 141.0401, and shall pass the tax credit recapture to its partners, members or shareholders. A copy of Schedule DS-R shall be attached to each partner's, member's or shareholder's Kentucky Schedule K-1. A partner, member or shareholder shall enter its pro rata share of the information from the Schedule DS-R when completing the partner's, member's or shareholder's Schedule DS-R to be attached to the partner's, member's or shareholder's applicable tax return.

General Information—KRS 141.389(4)(b) provides that the distilled spirits credit allowed shall be recaptured if the capital improvement associated with the credit is sold or otherwise disposed of prior to the exhaustion of the useful life of the asset for Kentucky depreciation purposes. If the distilled spirits credit recapture is for multiple taxable years, attach a schedule providing the information on this Schedule for each taxable year.

Section A – Description of Property Sold or Disposed of Before the End of the Recapture Period

For each item of capital improvements sold, transferred or disposed of before the end of its useful life, enter a description of each item of capital improvement on Lines A, B, C, D and E. If the taxpayer disposed of more than five items of capital improvements during the tax year, attach additional Schedules DS-R as needed.

Section B—Computation of the Tax Credit Recapture

Line 1—Enter the year end of the taxable year that the distilled spirits tax credit was claimed.

Line 2—Enter the date the capital improvement was sold or disposed of.

Line 3—Enter the amount of the distilled spirits tax credit claimed on the tax return for the taxable year entered on Line 1.

Line 4—Enter the cost of the capital improvement sold or disposed of on the date entered on Line 2.

Line 5—Enter the total cost of all capital improvements associated with the distilled spirits tax credit on Line 3.

Line 6—Divide the amount on Line 4 by the amount on Line 5 and convert to a percentage carried out to four decimal places.

Line 7—Multiply the amount on Line 3 by the percentage on Line 6.

Line 8—Enter the amount of the distilled spirits tax credit on Line 3 claimed against LLET for the taxable year referenced on Line 1.

Line 9—Enter the amount of the distilled spirits tax credit on Line 3 claimed against income tax for the taxable year referenced on Line 1.

Line 10—If the amount on Line 8 is greater than Line 7, enter the difference on this line. This is the amount of the LLET credit recapture.

Line 11—If the amount on Line 9 is greater than Line 7, enter the difference on this line. This is the amount of the income tax credit recapture.