

4972-K

42A740-S21

Commonwealth of Kentucky  
REVENUE CABINET

# Kentucky Tax on Lump-Sum Distributions

(Use this form only for lump-sum distributions from qualified retirement plans.)

# 1999

▶ Attach to Form 740, Form 740-NP or Form 741. ▶ See federal instructions.

Enter name of recipient of distribution.

Social Security or  
federal identification number

### PART I—Qualifications

- |  |   |     |    |
|--|---|-----|----|
| 1. An individual who qualifies to file federal Form 4972 qualifies to file Form 4972-K.<br>Are you filing federal Form 4972? .....   | 2 | Yes | No |
| If "yes," you are qualified to file Form 4972-K. If "no," do not complete the rest of this form. See instructions for Form 740, page 2, line 44 (Form 740-NP, page 2, line 42(b)). |   |     |    |

### PART II—Excludable Lump-Sum Income—Complete this part after you have completed Schedule P.

- |   |   |  |  |
|---|---|--|--|
| 2. Enter the amount from Schedule P, line 3 .....   | 2 |  |  |
| 3. Subtract line 2 from \$35,700 .....  | 3 |  |  |
| 4. Enter the amount from line 8(a) plus line 9 .....  | 4 |  |  |
| 5. Enter the lesser of line 3 or line 4 .....   | 5 |  |  |
| 6. Amount of line 5 to be applied to capital gain distributions. enter here and on line 8(b) .....                                | 6 |  |  |
| 7. Amount of line 5 to be applied to regular lump-sum distributions. Subtract line 6 from line 5. Enter here and on line 12 ..... | 7 |  |  |

### PART III—Complete this part only if you chose the 20% federal capital gain election.

- |   |      |  |  |
|---|------|--|--|
| 8. (a) Capital gain part from Box 3, Form 1099-R .....  | 8(a) |  |  |
| (b) Enter the exclusion from line 6 .....   | 8(b) |  |  |
| (c) Subtract line 8(b) from line 8(a). Enter here and include on Schedule M, line 4<br>(Form 740-NP, page 2, line 45, Column B or Form 741, line 3) ..... | 8(c) |  |  |

If you chose the five-year averaging method for federal purposes, complete Parts IV and V.

If you chose the 10-year averaging method for federal purposes, complete Parts IV and VI.

### PART IV

- |  |    |  |  |
|--|----|--|--|
| 9. Ordinary income from Form 1099-R, Box 2a minus Box 3. If you did not complete Part III, enter the amount from Box 2a of Form 1099-R (taxable amount) (see federal instructions) .....                           | 9  |  |  |
| 10. Death benefit exclusion for a beneficiary of a plan participant who died before August 21, 1996 .....  | 10 |  |  |
| 11. Subtract line 10 from line 9 (total federal taxable amount) .....  | 11 |  |  |
| 12. Enter the exclusion from line 7 .....  | 12 |  |  |
| 13. Subtract line 12 from line 11 (total Kentucky taxable amount) .....  | 13 |  |  |
| 14. Current actuarial value of annuity, if applicable (from Form 1099-R, Box 8) .....  | 14 |  |  |
| 15. Add lines 13 and 14 (adjusted total taxable amount). If this amount is \$70,000 or more, skip lines 16 through 19, and enter this amount on line 20 .....  | 15 |  |  |
| 16. Multiply line 15 by 50% (.50), but do not enter more than \$10,000 .....   | 16 |  |  |
| 17. Subtract \$20,000 from line 15. Enter difference. If line 15 is \$20,000 or less, enter zero .....   | 17 |  |  |
| 18. Multiply line 17 by 20% (.20) .....  | 18 |  |  |
| 19. Subtract line 18 from line 16 (minimum distribution allowance) .....   | 19 |  |  |
| 20. Subtract line 19 from line 15 .....  | 20 |  |  |
| 21. Federal estate tax attributable to lump-sum distribution. Do not deduct on Form 740, Form 740-NP or Form 741 the amount attributable to the ordinary income entered on line 9 (see federal instructions) ..... | 21 |  |  |
| 22. Subtract line 21 from line 20 .....  | 22 |  |  |
| <i>If line 14 is blank, skip lines 23 through 25 and go to Part V or VI.</i>   |    |  |  |
| 23. Divide line 14 by line 15 and enter the result as a decimal (round to four places) .....   | 23 |  |  |
| 24. Multiply line 19 by the decimal amount on line 23 .....  | 24 |  |  |
| 25. Subtract line 24 from line 14 .....  | 25 |  |  |

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**PART V—Five-Year Averaging Option**

26. Multiply line 22 by 20% (.20) .....	26		
27. Tax on amount on line 26. Use Tax Rate Schedule below .....	27		
28. Multiply line 27 by 5. If no entry on line 14, skip lines 29 through 31, and enter this amount on line 32 .....	28		
29. Multiply line 25 by 20% (.20) .....	29		
30. Tax on amount on line 29. Use Tax Rate Schedule below .....	30		
31. Multiply line 30 by 5 .....	31		
32. <b>Tax on lump-sum distribution.</b> Subtract line 31 from line 28. Enter here and on Schedule TC, line 3 or Form 741, line 15(b). Form 740-NP, include tax in the amount on Form 740-NP, line 10. (multiple recipients, see federal instructions) .....	32		

**PART VI—10-Year Averaging Option—Complete Part VI only if the participant was born before 1936.**

33. Multiply line 22 by 10% (.10) .....	33		
34. Tax on amount on line 33. Use Tax Rate Schedule below .....	34		
35. Multiply line 34 by 10. If no entry on line 14, skip lines 36 through 38, and enter this amount on line 39 .....	35		
36. Multiply line 25 by 10% (.10) .....	36		
37. Tax on amount on line 36. Use Tax Rate Schedule below .....	37		
38. Multiply line 37 by 10 .....	38		
39. <b>Tax on lump-sum distribution.</b> Subtract line 38 from line 35. Enter here and on Schedule TC, line 3 or Form 741, line 15(b). Form 740-NP, include tax in the amount on Form 740-NP, line 10. (multiple recipients, see federal instructions) .....	39		

**TAX RATE SCHEDULE**

*If taxable amount is:*

*Tax is:*

\$3,000 or less .....	2% of taxable amount
over \$3,000 but not over \$4,000 .....	\$60 plus 3% of amount over \$3,000
over \$4,000 but not over \$5,000 .....	\$90 plus 4% of amount over \$4,000
over \$5,000 but not over \$8,000 .....	\$130 plus 5% of amount over \$5,000
over \$8,000 .....	\$280 plus 6% of amount over \$8,000

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