

SCHEDULE A

Form 740-NP

Commonwealth of Kentucky
REVENUE CABINET

KENTUCKY SCHEDULE A
ITEMIZED DEDUCTIONS

Attach to Form 740-NP. See instructions.

2002

Enter name(s) as shown on Form 740-NP, page 1.

Your Social Security Number

Form with sections: Medical and Dental Expenses, Taxes, Interest Expense, Contributions, Casualty and Theft Losses, Job Expenses and Most Other Miscellaneous Deductions, Other Miscellaneous Deductions, Total Itemized Deductions, and final calculation lines 32-35.

SCHEDULE ME

Form 740-NP

Commonwealth of Kentucky
REVENUE CABINET

MOVING EXPENSE
AND REIMBURSEMENT

Attach to Form 740-NP.

2002

Enter name(s) as shown on Form 740-NP, page 1.

Your Social Security Number

Table with 7 rows for calculating moving expense reimbursement. Rows include: 1. Enter total Kentucky earned income, 2. Enter total earned income from federal return, 3. Divide line 1 by line 2, 4. Enter moving expense reimbursement included in wages, 5. Multiply line 4 by line 3, 6. Enter moving expense deduction from federal Form 3903, 7. Multiply line 6 by percentage on line 3.

INSTRUCTIONS—SCHEDULE ME

Full-Year Nonresidents—If you are a full-year nonresident, moving expense reimbursements are not taxable, and moving expenses are not deductible.

Part-Year Residents—If you are a part-year resident, any payments to you or on your behalf by any employer for moving expenses are considered income.

Persons who were residents of Kentucky for only part of the year are required to report as income only part of the total reimbursement they received.

For the computation of this percentage, earned income is income you received for services you provided. It includes wages, salaries, tips, etc.

Line 1—Enter earned income received from Kentucky sources while a nonresident and from all sources while a resident of Kentucky.

Line 2—Enter total earned income reported on your federal return. Do not include moving expense reimbursement reflected on the wage and tax statements.

Line 4—Enter the amount of moving expense reimbursement received during 2002 from all sources (Kentucky and non-Kentucky) included in wages (box 1).

ITEMIZED DEDUCTIONS LIMITATION SCHEDULE

Use this schedule if the adjusted gross income on Form 740-NP, line 5, exceeds \$137,300 (\$68,650 if married filing separate returns).

- If married filing separate returns but combining itemized deductions on one Schedule A, enter the percent of your separate income (Form 740-NP, line 5) to joint or combined federal adjusted gross income.
If single, married filing a joint return or married filing separate Schedules A, enter 100%.

Table with 10 rows for itemized deductions limitation. Rows include: 1. Multiply the amount on Schedule A, line 31, by the percent of income shown above, 2. Add the amounts on Schedule A, lines 4, 13 and 22, plus any gambling losses included on line 30 and multiply by the percent of income shown above, 3. Subtract the amount on line 2 from the amount on line 1, 4. Multiply the amount on line 3 above by 80% (.80), 5. Enter the amount from Form 740-NP, line 5, 6. Enter \$137,300 (\$68,650 if married filing separate returns), 7. Subtract the amount on line 6 from the amount on line 5, 8. Multiply the amount on line 7 above by 3% (.03), 9. Compare the amounts on lines 4 and 8 above, 10. Total itemized deductions. Subtract the amount on line 9 from the amount on line 1.