

SCHEDULE UTC

Form 740

42A740-UTC

Commonwealth of Kentucky
REVENUE CABINET

UNEMPLOYMENT TAX CREDIT

▶ Attach to your tax return. ▶ See instructions.

For calendar year *or*

for tax year beginning _____, _____, and ending _____, _____

2002

Name of Individual, Partnership or Corporation		Social Security Number
Street Address or P.O. Box	Apt. Number	Federal Employer ID Number
City	State	ZIP Code

PARTNERS / BENEFICIARIES / S CORPORATION SHAREHOLDERS

Enter name and address of partnership from Form 765, estate or trust from Form 741 or S corporation from Form 720S.

Enter your share of credit from

- Form 765, Schedule K-1
- Form 741, Schedule K-1
- Form 720S, Schedule K-1

See instructions on reverse before entering this amount on Schedule TC, line 5(d), column A or B. Do not complete the rest of Schedule UTC.

PERSONS EMPLOYED

Enter below the name(s), Social Security number(s) and Department for Employment Services Certificate number(s) of employee(s) for whom you are claiming a credit. Also enter the date employed and the last date employee was on your payroll during the tax year. (Additional entry lines on reverse.)

	Employee's Name	Social Security Number	Department for Employment Services Certificate Number	Employment Dates					
				Date Employed			Date Employed Through		
				Mo.	Day	Yr.	Mo.	Day	Yr.
1.									
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									

29. (a) Enter number of employees listed above

(b) Enter number of employees listed on reverse of this form

30. Add lines 29(a) and 29(b), enter total

31. Multiply the amount on line 30 by \$100, enter total. This is the total unemployment tax credit



INSTRUCTIONS

Kentucky law permits an unemployment tax credit against the income tax liability of employers who hire qualified unemployed Kentucky residents. The credit is \$100 per qualified person hired. To qualify, the person employed must have been officially unemployed for 60 days immediately prior to employment and must have remained employed for 180 consecutive days during the tax year. The Cabinet for Workforce Development must classify persons hired as being unemployed.

A taxpayer/employer cannot claim the credit for an employee: **(1)** for whom the taxpayer/employer receives federally funded payments for on-the-job training; or **(2)** who qualifies as a dependent of the taxpayer/employer for federal and state income tax purposes; or **(3)** who is a relative of the taxpayer/employer, or an individual who owns more than 50 percent of the outstanding stock of a corporation; or **(4)** if the taxpayer/employer is an estate or trust, who is a grantor, beneficiary or fiduciary of the estate or trust, or who is a relative of the grantor, beneficiary or fiduciary.

Partnerships, S corporations, estates and trusts must pass through the unemployment tax credit pro rata to partners, shareholders and beneficiaries. A copy of this schedule or other evidence of the credit must be furnished to the respective taxpayers. **Partners', shareholders' and beneficiaries' unemployment tax credit is limited to 90 percent of their Kentucky tax liability and the excess may be carried back three years and forward 15 years.** The limitation and credit are applied to the Kentucky income tax liability before any prepayments or other cash payments are credited to the taxpayer's account for the taxable year.

This schedule must be attached to Form 740, 740-NP, 741, 765, 720 or 720S before credit will be allowed.

	Employee's Name	Social Security Number	Department for Employment Services Certificate Number	Employment Dates					
				Date Employed			Date Employed Through		
				Mo.	Day	Yr.	Mo.	Day	Yr.
11.									
12.									
13.									
14.									
15.									
16.									
17.									
18.									
19.									
20.									
21.									
22.									
23.									
24.									
25.									
26.									
27.									
28.									

