

**KENTUCKY SCHEDULE K**

**PARTNERS' SHARES OF INCOME, CREDIT, DEDUCTIONS, ETC., EXCLUDING THE ECONOMIC DEVELOPMENT PROJECT(S)**

**SECTION I—Income or (Loss)**

| (a) Distributive Share Items  | (b) Total Amount | (c) Adjustments | (d) Net Kentucky Amount |
|---|------------------|-----------------|-------------------------|
| 1. Ordinary income or (loss) from trade or business activities (page 1, line 7) ..... 1                               |                  |                 |                         |
| 2. Net income or (loss) from rental real estate activities (from attached federal schedule) ..... 2                   |                  |                 |                         |
| 3. a Gross income from other rental activities ..... 3a   |                  |                 |                         |
| b Minus expenses (attach schedule) ..... 3b   |                  |                 |                         |
| c Net income or (loss) from other rental activities ..... 3c  |                  |                 |                         |
| 4. Portfolio income or (loss):  |                  |                 |                         |
| a Interest income ..... 4a  |                  |                 |                         |
| b Dividend income ..... 4b  |                  |                 |                         |
| c Royalty income ..... 4c   |                  |                 |                         |
| d Net short-term capital gain or (loss) (from attached federal schedule) ..... 4d                                     |                  |                 |                         |
| e Net long-term capital gain or (loss) (from attached federal schedule) ..... 4e                                      |                  |                 |                         |
| f Other portfolio income or (loss) (attach schedule) ..... 4f   |                  |                 |                         |
| 5. Guaranteed payments to partners ..... 5  |                  |                 |                         |
| 6. Net gain or (loss) under IRC Section 1231 (other than due to casualty or theft) (attach federal Form 4797) ..... 6 |                  |                 |                         |
| 7. Other income or (loss) (attach schedule) ..... 7   |                  |                 |                         |

**Deductions**

|   |  |  |  |
|---|--|--|--|
| 8. Charitable contributions (attach list) and housing for homeless deduction (attach Schedule HH) ..... 8             |  |  |  |
| 9. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky revised Form 4562, if applicable) ..... 9 |  |  |  |
| 10. Deductions related to portfolio income (do not include investment interest expense) ..... 10                      |  |  |  |
| 11. Other deductions (attach schedule) ..... 11   |  |  |  |

**Investment Interest**

|  |  |  |  |
|--|--|--|--|
| 12. a Interest expense on investment debts ..... 12a                           |  |  |  |
| b (1) Investment income included on lines 4a, 4b, 4c and 4f above ..... 12b(1) |  |  |  |
| (2) Investment expenses included on line 10 above .... 12b(2)                  |  |  |  |

**Credits**

|   |  |  |  |
|---|--|--|--|
| 13. Kentucky Unemployment Tax Credit (attach Schedule UTC) ... 13                               |  |  |  |
| 14. Recycling and Composting Equipment Tax Credit (attach <i>approved</i> Schedule RC) ..... 14 |  |  |  |
| 15. Other ► ..... 15  |  |  |  |

**Other**

|   |  |  |  |
|---|--|--|--|
| 16. a Total expenditures to which IRC Section 59(e)(2) election may apply ..... 16a |  |  |  |
| b Type of expenditures ..... 16b  |  |  |  |
| 17. Other items and amounts not reported above (attach schedule) ..... 17           |  |  |  |

**SECTION II—Computation of Nonresident Partner's Taxable Percentage**

|   |  |   |
|---|--|---|
| 1. Partnership's Kentucky property and payroll ..... 1  |  |   |
| 2. Partnership's total property and payroll ..... 2   |  |   |
| <i>If line 1 is equal to line 2, enter 100 percent on Schedule K-1 (Form 765), Item D(2). Do not complete lines 3, 4 or 5. If line 2 is greater than line 1, complete lines 3, 4 and 5.</i> |  |   |
| 3. Partnership's Kentucky gross receipts ..... 3  |  |   |
| 4. Partnership's total gross receipts ..... 4   |  |   |
| 5. Nonresident partner's taxable percentage (line 3 divided by line 4). Enter the percentage on Schedule K-1 (Form 765), Item D(2) ..... 5  |  | % |

**(Complete Section III on page 2)**

**SECTION III—Computation of Amount Withheld on Individual Nonresident Partners**

|  |   |  |  |
|--|---|--|--|
| 1. Individual nonresident partners' net distributive share of taxable income ..... | 1 |  |  |
| 2. Individual nonresident partners' net distributive share withheld .....          | 2 |  |  |

**INSTRUCTIONS—KENTUCKY SCHEDULE K  
FOR PARTNERSHIPS WITH ECONOMIC DEVELOPMENT PROJECT(S)**

**IMPORTANT:** A partnership which has one or more projects under the Kentucky Rural Economic Development Act (KREDA), Kentucky Industrial Development Act (KIDA), Kentucky Jobs Development Act (KJDA) or Kentucky Industrial Revitalization Act (KIRA) must use this Schedule K in lieu of the regular 765 Schedule K.

**PURPOSE OF SCHEDULE**—This schedule is to be used to determine the partners' share of each item of income, credit, deduction, etc., excluding the amount of each item of income, credit, deduction, etc., attributable to the project(s). See General Instructions of Schedule KREDA-SP, Schedule KIDA-SP, Schedule KJDA-SP or Schedule KIRA-SP for additional information on this exclusion.

**SECTION I INSTRUCTIONS**

**Column (b)**—Complete this column following the instructions to the regular 765 Schedule K.

**Column (c)**—For each item of income or deduction, enter the amount attributable to the project or projects. If the partnership has more than one project, attach a schedule reflecting the computation of the total amount of each item.

If the partnership's only operation is the project or projects, the amount entered for each item should be the same as the amount entered in column (b). Attach

applicable tax computation schedule(s) (Schedule KREDA-SP, Schedule KIDA-SP, Schedule KJDA-SP or Schedule KIRA-SP) and supporting schedules for each project.

**Column (d)**—For each item of income or deduction, subtract the amount in column (c) from the amount in column (b) and enter the result. The amounts from this column should be used to determine the amount of income, credit, deductions, etc., reflected on each partner's Kentucky Schedule K-1. The total pro rata share items of all Schedules K-1 should equal the amount reported on the same lines of this column, lines 1 through 16.

**SECTION II AND SECTION III INSTRUCTIONS**

**See instructions for Section II and Section III of the regular Form 765 Schedule K to determine if it is necessary to complete this section.** If the partnership is required to complete this section, gross receipts attributable to the project(s) should be excluded from both Kentucky and total gross receipts.