

SCHEDULE KRA-L

41A720-S36
(12-04)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

TAX CREDIT COMPUTATION SCHEDULE

LICENSE TAX

(FOR A KRA PROJECT OF CORPORATIONS)

KRS 154.34-010 to 100

For taxable year ended

___/___/___
Mo. Yr.



Name of Corporation	Federal Identification Number ___ - ___ - _____	Kentucky Account Number _____
Location of Project City _____ County _____	Date KRA Reinvestment Agreement was Executed ___/___/___ Mo. Day Yr.	Economic Development Project Number _____

PART I. Computation of Capital Employed Excluding Capital Employed from KRA Project

1. Capital employed subject to license tax from Form 720 or 720S, Part III, line 11	1	
2. Less capital employed from location of KRA project (see instructions)	2	
3. Capital employed subject to license tax excluding capital employed from location of KRA project (line 1 minus line 2)	3	

PART II. Computation of KRA Tax Credit

1. Enter total license tax liability from Form 720 or 720S, Part III, income tax liability line ..	1	
2. Compute license tax on amount from Part I, line 3 (line 3 x .0021)	2	
3. License tax liability attributable to KRA project (subtract line 2 from line 1)	3	
4. Limitation (Column B from Schedule KRA-T)	4	
5. Allowable KRA license tax credit (lesser of line 3 or 4). Enter the amount from this line on Form 720, Part III, the reinvestment in existing industry tax credit line. Also, enter the amount from this line on Column C, Corporation License Tax of Schedule KRA-T	5	



Form 720, Kentucky Corporation Income and License Tax Return or Form 720S, Kentucky S Corporation Income and License Tax Return, including this schedule must be mailed to Economic Development Tax Credits, Corporation Income and License Tax Branch, Kentucky Department of Revenue, P.O. Box 181, Frankfort, Kentucky 40602-0181.

INSTRUCTIONS—SCHEDULE KRA-L

PURPOSE OF SCHEDULE—This schedule is to be used by any corporation which has entered into a reinvestment agreement for a Kentucky Reinvestment (KRA) project to determine the credit allowed against the Kentucky corporation license tax liability in accordance with KRS 136.0704 on the capital attributable to the project.

GENERAL INSTRUCTIONS

The corporation must first complete Form 720, Kentucky Corporation Income and License Tax Return, and all appropriate schedules through Part III, license tax liability line, to determine Kentucky corporation license tax liability. The corporation must then complete Schedule KRA-L to determine the KRA corporation license tax credit.

PART I, LINE 2—If the corporation's only operation in Kentucky is at the location of the KRA project, the amount entered on line 1 must be entered on line 2. If the corporation has operations in Kentucky other than at the location of the KRA project, the corporation must attach schedules reflecting the computation of the total capital employed for the location of the KRA project in accordance with the following instructions and enter such amount on line 2.

Formula Approved by the Kentucky Department of Revenue—In accordance with KRS 136.0704(4), the Department of Revenue approves the following formula to determine the capital attributable to the project: The same three factor formula provided by KRS 136.070(3)(a), used to determine total capital apportioned to Kentucky, except that the numerator of each respective factor shall be adjusted to include only the receipts, property and payroll attributable to the project location. The resultant fraction should be multiplied by the total capital of the corporation reported on Form 720 or Form 720S, Part III, line 9, to determine the capital attributable to the project.

Alternative Methods—If the above method does not fairly represent an accurate calculation of the capital employed for the KRA project, then the approved company shall use an alternative method approved by the Department of Revenue. A request for an alternative method must be submitted in writing to the address on the front page of the return. Approval must be received in writing from the Department of Revenue in order for the alternative method to be used. A copy of the approval letter must be attached to this schedule.