

SCHEDULE QR (K-1)

41A720QR (K-1)
(12-04)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

**Pro Rata/Distributive Share of Approved
Qualified Research Facility Tax Credit**

(FOR USE BY S CORPORATIONS AND PARTNERSHIPS)

For qualified costs of research facilities completed during tax year ending _____, _____.

PART I—Taxpayer Information

Shareholder/Partner's Identification Number ▶	S Corporation/Partnership's Identification Number ▶
Name, Address and ZIP Code	Name, Address and ZIP Code

PART II—Shareholder/Partner's Pro Rata/Distributive Share of Credit

1. Total qualified research tax credit of partnership/S corporation from Schedule QR	1	\$	
2. Shareholder/partner's pro rata/distributive share percentage	2		%
3. Shareholder/partner's share of credit (line 1 multiplied by line 2)	3	\$	

PART III—Amount of Credit Claimed (To be Completed by Shareholder/Partner as Used)

1. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
2. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
3. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
4. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
5. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
6. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
7. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
8. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
9. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
10. Amount from line 3, Part II, used in tax year ended ___ / ___	\$
11. Amount from line 3, Part II, used in tax year ended ___ / ___	\$

Schedule QR (K-1) Instructions

Purpose of Form—This form is used by S corporations and partnerships to compute each shareholder/partner's pro rata/distributive share of Kentucky income tax credit for qualified costs of research facilities. It is also used by shareholders/partners to substantiate and keep a record of the amount of credit claimed on the shareholder/partner's Kentucky income tax return.

Part I and II—S Corporations/Partnership Instructions

Parts I and II should be completed by the S corporation or partnership for the year during which qualified costs incurred from the construction and/or equipping research facilities. A copy is to be provided to each shareholder/partner.

Part II, Line 1—Enter the total credit equal to 5 percent of qualified costs from Schedule QR, Part I, Line 4.

Part II, Line 2—Enter shareholder's pro rata share percentage from Item A, Schedule K-1 (Form 720S) or partner's ownership of capital percentage from Item E, Schedule K-1 (Form 765) or other percentage specifically provided by the partnership agreement.

Part II, Line 3—Enter shareholder/partner's share of credit determined by multiplying Line 1 by Line 2 in Part II.

Part III—Shareholder/Partner Instructions

The S corporation/partnership prepares Parts I and II of Schedule QR (K-1). This information is used by the shareholder/partner to substantiate the amount of credit claimed for each taxable year.

The credit is 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. Unused credit may be carried forward for 10 years. Use Part III to record the amount of credit claimed for each taxable year. The current credit should be entered on the appropriate line of the shareholder/partner's Kentucky income tax return (resident individuals enter on Schedule TC). A copy of Schedule QR (K-1) including all entries made to date in Part III must be attached to the return on which any credit reflected by this schedule is claimed. The total credits taken in Part III cannot exceed Part II, Line 3.