

720S

41A720S



Kentucky S Corporation
Income Tax Return

2005

Taxable Year Ending

Department of Revenue

See separate instructions.

Taxable period beginning, 2005, and ending, 200

Mo. / Yr.

Form header section containing fields for: A Number of Shareholders, B Federal Identification Number, C Kentucky Corporation Account Number, Name of S Corporation, State and Date of Incorporation, Number and Street, Principal Business Activity in KY, City, State, ZIP Code, Telephone Number, NAICS Code Number.

Check if applicable: LLC, Initial return, Final return, Amended return, Short-period return, Change of name, Change of address.

Main table with columns for PART I—TAXABLE INCOME COMPUTATION, PART II—ALTERNATIVE MINIMUM (AMC), PART III—TAX COMPARISON, PART IV—TAX COMPUTATION, and TAX PAYMENT SUMMARY. Rows include items like Gross Receipts, Gross Profits, Regular income tax, and Net tax liability.

Make check(s) payable to: Kentucky State Treasurer. Mail return with payment to: Kentucky Department of Revenue, Frankfort, Kentucky 40620.

TOTAL (Including Penalty and Interest) and other summary fields.

PART V—SCHEDULE OF TAX CREDITS

1. Economic development tax credits	1		
2. Historic preservation restoration tax credit	2		
3. Unemployment tax credit	3		
4. Recycling/composting equipment tax credit	4		
5. Coal conversion tax credit	5		
6. Enterprise zone tax credit	6		
7. Kentucky investment fund tax credit	7		
8. Coal incentive tax credit	8		
9. Qualified research facility tax credit	9		
10. GED incentive tax credit	10		
11. Voluntary environmental remediation tax credit (Brownfields)	11		
12. Biodiesel tax credit	12		
13. Total credits (enter on page 1, Part IV, line 4)	13		

PART VI—CORPORATION INCOME TAX CREDIT

1. Tax due (page 1, Part IV, line 1)	1		
2. Minimum tax	2	175	00
3. Corporation income tax credit	3		
4. Nonrefundable Kentucky corporation income tax credit (KRS 141.420(3))	4		
5. Refundable Kentucky corporation income tax credit (KRS 141.420(3)(c))	5		

PART VI—CORPORATION INCOME TAX CREDIT

Line 1—Enter the amount from Part IV, Line 1.

Line 2—Enter minimum tax of \$175.

Line 3—Line 1 less Line 2 (individual shareholders corporation income tax credit to be distributed). The credit determined under KRS 141.420(3)(b) shall be the members', shareholders', or partners' proportionate share of the tax due from the corporation as defined in KRS 141.040, before the application of any credits identified in subsection (4) of KRS 141.0205 and reduced by the required minimum imposed by subsection (6) of KRS 141.040. **KRS 141.420(3)**

Lines 4 and 5—If taxable net income (Part I, Line 24) is greater than \$216,600, multiply the excess by 1 percent and by the total individual shareholders' ownership percentage and enter this amount on Line 5.

Determine the individual shareholders' proportionate share of the tax credit (page 2, Part VI, Line 3) less the amount entered on Line 5, and enter on Line 4.

SCHEDULE Q—KENTUCKY S CORPORATION QUESTIONNAIRE

IMPORTANT: Questions 4—13 must be completed by all S corporations. If this is the S corporation's initial return or if the S corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. **Failure to do so may result in a request for a delinquent return.**

1. Indicate whether: (a) new business; (b) successor to previously existing business which was organized as: (1) corporation; (2) partnership; (3) sole proprietorship; or (4) other _____

If successor to previously existing business, give name, address and federal I.D. number of the previous business organization.

2. List the following **Kentucky** account numbers. Enter N/A for any number not applicable.

Employer Withholding _____
 Sales and Use Tax Permit _____
 Consumer Use Tax _____
 Unemployment Insurance _____
 Coal Severance and/or Processing Tax _____

3. If a foreign S corporation, enter the date qualified to do business in Kentucky. __ __ / __ __ / __ __

4. The S corporation's books are in care of: (name and address)

5. Is the S corporation a partner in a general partnership doing business in Kentucky? Yes No
If yes, list name, federal I.D. and Kentucky account number of the general partnership(s). _____

Was the S corporation doing business in Kentucky, other than the interest held in a general partnership doing business in Kentucky? Yes No

6. Is the net distributive income (loss) received from a corporation subject to the tax imposed by KRS 141.040 included in this return? Yes No. If yes, list name, federal I.D. and Kentucky account number of the corporation.

7. Are related party costs made to related members as defined in KRS 141.205(1)(l) included in this return? Yes No. If yes, list name, federal I.D. and/or Kentucky corporation account number of the individual or entity. _____

8. Did the S corporation at any time during the taxable year own 80 percent or more of the voting power of all classes of ownership interest in an entity, other than a general partnership, which is not included in this return because it did not do business in Kentucky? Yes No. If yes, list name and federal I.D. number of all such entities. _____

9. Did any S corporation, individual, partnership, trust or association at any time during the taxable year own 80 percent of the voting power of all classes of ownership interest of the corporation? Yes No. If yes, list name and federal I.D. number of all such entities. _____

10. Was this return prepared on: (a) cash basis, (b) accrual basis, (c) other _____

11. Is the S corporation a public service corporation subject to taxation under KRS 136.120? Yes No

12. Did the S corporation file a Kentucky tangible personal property tax return for January 1, 2006? Yes No

13. Is the S corporation currently under audit by the Internal Revenue Service? Yes No. If yes, enter years under audit _____
If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to this department, check here and file an amended Form 720S, Kentucky S Corporation Income Tax and License Tax Return, for each year adjusted and attach a copy of the final determination.

OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)

Has the officer information entered below changed from the last return filed? Yes No


President's Name: _____ Treasurer's Name: _____
 President's Home Address: _____ Treasurer's Home Address: _____

 President's Social Security Number: _____ Treasurer's Social Security Number: _____

 Vice President's Name: _____ Secretary's Name: _____
 Vice President's Home Address: _____ Secretary's Home Address: _____

 Vice President's Social Security Number: _____ Secretary's Social Security Number: _____

I, the undersigned, declare under the penalties of perjury, that I have examined these returns, including all accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct and complete.

 _____ Date _____
 Signature of principal officer or chief accounting officer

 Name and Social Security or federal identification number of person or firm preparing return

May the Department of Revenue discuss this return with the preparer?
 Yes No

SCHEDULE OI—ORDINARY INCOME (LOSS) COMPUTATION

1. Federal ordinary income (loss) (see instructions)	1		
ADDITIONS			
2. State taxes	2		
3. Federal depreciation (do not include Section 179 expense deduction)	3		
4. Other (attach schedule)	4		
5. Total (add lines 1 through 4)	5		
SUBTRACTIONS			
6. Federal work opportunity credit	6		
7. Kentucky depreciation (do not include Section 179 expense deduction)	7		
8. Other (attach schedule)	8		
9. Kentucky ordinary income (loss) (line 5 less lines 6 through 8)	9		

SCHEDULE K—SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC. (See Specific Instructions for Each Line Item)

SECTION I	(a) Pro Rata Share Items	(b) Total Amount
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Income (Loss) and Deductions

1. Kentucky Ordinary income (loss) from trade or business activities (Schedule OI, line 9)	1		
2. Net income (loss) from rental real estate activities (attach federal Form 8825)	2		
3. (a) Gross income from other rental activities	3(a)		
(b) Less expenses from other rental activities (attach schedule)	(b)		
(c) Net income (loss) from other rental activities (line 3a less line 3b)	(c)		
4. Portfolio income (loss):			
(a) Interest income	4(a)		
(b) Dividend income	(b)		
(c) Royalty income	(c)		
(d) Net short-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable) ...	(d)		
(e) Net long-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D if applicable)	(e)		
(f) Other portfolio income (loss) (attach schedule)	(f)		
5. Section 1231 net gain (loss) (other than due to casualty or theft) (attach federal and Kentucky Forms 4797) .	5		
6. Other income (loss) (attach schedule)	6		
7. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH)	7		
8. IRC Section 179 expense deduction (attach Federal Form 4562 and Kentucky Revised Form 4562)	8		
9. Deductions related to portfolio income (loss) (attach schedule)	9		
10. Other deductions (attach schedule)	10		

Investment Interest

11. (a) Interest expense on investment debts	11(a)		
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)		
(2) Investment expenses included on line 10 above	(2)		

Other Items

12. (a) Type of Section 59(e)(2) expenditures ▶	12(a)		
(b) Amount of Section 59(e)(2) expenditures	(b)		
13. Tax-exempt interest income	13		
14. Other tax-exempt income	14		
15. Nondeductible expenses	15		
16. Total property distributions (including cash) other than dividends reported on line 18 below	16		
17. Other items and amounts required to be reported separately to shareholders (attach schedule)	17		
18. Total dividend distributions paid from accumulated earnings and profits	18		

SECTION II—Kentucky Distributable Corporation Income and Tax Credits

1. Taxable net income (loss) taxed under KRS 141.040 (page 1, Part I, line 24)	1		
2. Individuals' share of net distributable income (loss) taxed under KRS 141.040	2		
3. Nonrefundable Kentucky corporation income tax credit (KRS 141.420(3)) (page 2, Part VI, line 4)	3		
4. Refundable Kentucky corporation income tax credit (KRS 141.420(3)(c)) (page 2, Part VI, line 5)	4		