

**SCHEDULE VERB (K-1)**

41A720VERB (K-1)  
(10-05)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE

**Distributive Share of Approved  
Voluntary Environmental Remediation Tax Credit**

(FOR USE BY GENERAL PARTNERSHIPS)

For qualified costs of environmental remediation completed during tax year ending \_\_\_\_\_, \_\_\_\_\_.

**PART I—Taxpayer Information**

<b>Partner's Identification Number</b> ▶	<b>Partnership's FEIN</b> ▶
Name, Address and ZIP Code	Name, Address and ZIP Code

**PART II—Partner's Distributive Share of Credit**

1. Total voluntary environmental remediation tax credit (Brownfields) of general partnership from Schedule VERB ..	1	
2. Partner's distributive share percentage .....	2	%
3. Partner's share of credit (line 1 multiplied by line 2) .....	3	
4. Maximum allowable credit per tax year (line 3 multiplied by 25%) .....	4	

**PART III—Amount of Credit Claimed (To be Completed by 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 VERB (K-1) Instructions**

**Purpose of Form**—This form is used by general partnerships to compute each partner's distributive share of Kentucky income tax credit for qualified costs of environmental remediation. It is also used by partners to substantiate and keep a record of the amount of credit claimed on the partner's Kentucky income tax return.

**Part I and II—Partnership Instructions**

Parts I and II should be completed by the general partnership for the year during which the approved remediation costs were incurred. A copy is to be provided to each partner.

**Part I, Partner's Identification Number**—If the partner is a corporation, enter the Kentucky Corporation Account Number; a general partnership, enter the FEIN; an individual, enter the Social Security number.

**Part II, Line 1**—Enter the total credit from Schedule VERB, Part I, Line 2.

**Part II, Line 2**—Enter the partner's ownership of capital percentage from Item D, Schedule K-1 (Form 765-GP) or other percentage specifically provided by the partnership agreement.

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

**Part II, Line 4**—Enter the partner's maximum allowable credit per year by multiplying Line 3 by 25 percent.

**Part III—Partner Instructions**

The general partnership prepares Parts I and II of Schedule VERB (K-1). This information is used by the 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 partner's Kentucky income tax return (resident individuals enter on Form 740, Section A, line 11). A copy of Schedule VERB (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.