## SCHEDULE UTC

Form 740 42A740-UTC (10-05)

# UNEMPLOYMENT TAX CREDIT

► Attach to your tax return.

For Taxable Year Ended

For calendar year or

► See instructions.

Commonwealth of Kentucky	101	,		
Department of Revenue	for tax year beginning	, , and ending		/
Name of Individual, Genera	al Partnership or Corporation		Social Sec	urity Number
Street Address or P.O. Box		Apt. Number	Federal Empl	oyer ID Number
City	St	ate	•	ZIP Code

#### **PARTNERS / BENEFICIARIES**

Enter name and address of general partnership from Form 765-GP or estate or trust from Form 741.

Enter your share of credit from

Form 765-GP, Schedule K-1 Form 741, Schedule K-1

See instructions on reverse before entering this amount on Form 740, Section A, line 4, column A or B. Do not complete the rest of Schedule UTC.

#### PERSONS EMPLOYED

Enter below the name(s), Social Security number(s) and Office of Employment and Training Certificate number(s) of employee(s) for whom you are claiming a credit. Also enter the date employed and the last date employee was on your payroll during the tax year. (Additional entry lines on reverse.)

		Social Security Number	Office of Employment and Training Certificate Number	Employment Dates						
	Employee's Name			Date Employed			Date Employed Through			
				Mo.	Day	Yr.	Mo.	Day	Yr.	
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10.										
29. (ä	a) Enter number of employees listed abo	ove								
(I	b) Enter number of employees listed on	reverse of this form								
30. A	Add lines 29(a) and 29(b), enter total									
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31. Multiply the amount on line 30 by \$100, enter total. This is the total unemployment tax credit......

NOTE: For corporations, this amount cannot reduce the income tax liability on Form 720, Form 720S, Form 725 or Form 765, Part IV, line3 below the \$175 minimum.

### **INSTRUCTIONS**

Kentucky law permits an unemployment tax credit against the income tax liability of employers who hire qualified unemployed Kentucky residents. The credit is \$100 per qualified person hired. To qualify, the person employed must have been officially unemployed for 60 days immediately prior to employment and must have remained employed for 180 consecutive days during the tax year. The Education Cabinet, Office of Employment and Training must classify persons hired as being unemployed.

A taxpayer/employer cannot claim the credit for an employee: (1) for whom the taxpayer/employer receives federally funded payments for on-the-job training; or (2) who qualifies as a dependent of the taxpayer/employer for federal and state income tax purposes; or (3) who is a relative of the taxpayer/employer, or an individual who owns more than 50 percent of the outstanding stock of a corporation; or (4) if the taxpayer/employer is an estate or trust, who is a grantor, beneficiary or fiduciary of the estate or trust, or who is a relative of the grantor, beneficiary or fiduciary.

General partnerships, estates and trusts must pass through the unemployment tax credit pro rata to partners and beneficiaries. A copy of this schedule or other evidence of the credit must be furnished to the respective taxpayers. **Partners' and beneficiaries' unemployment tax credit is limited to 90 percent of their Kentucky tax liability and the excess may be carried back three years and forward 15 years.** The limitation and credit are 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.

This schedule must be attached to Form 720, Form 720S, Form 725, Form 740, Form 740-NP, Form 741, Form 765 or Form 765-GP before credit will be allowed.

		Social Security Number	Office of Employment andTraining Certificate Number	Employment Dates						
	Employee's Name			Date Employed			Date Employed Through			
				Mo.	Day	Yr.	Mo.	Day	Yr.	
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