

**SCHEDULE AMC**

41A720AMC (10-06)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE



Taxable Year Ending

\_\_\_ / \_\_\_  
Mo. Yr.

**ALTERNATIVE MINIMUM CALCULATION**

**KRS 141.040(11) and (12)**

**Regulation 103 KAR 16:220**

➤ See instructions on reverse.

➤ Attach to Form 720, Form 720S, Form 725 or Form 765.

Name of Corporation	Kentucky Corporation Account Number
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**Section A—Computation of Gross Receipts and Gross Profits**

	Column A Kentucky	Column B Total
1. Gross receipts ..... 1		
2. Returns and allowances ..... 2		
3. Gross receipts after returns and allowances (line 1 minus line 2) ..... 3		
4. Cost of goods sold ..... 4		
5. Gross profits (line 3 minus line 4) ..... 5		

**Section B—Computation of Gross Receipts AMC**

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, <b>STOP</b> and enter -0- on Section D, line 1, and on Part II, line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765) ..... 1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) – $\left[ \frac{\$2,850 \times (\$6,000,000 - \text{Column A, line 3})}{\$3,000,000} \right]$ but in no case shall the result be less than zero ..... 2		
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095 ..... 3		
4. Enter the amount from line 2 or line 3 ..... 4		

**Section C—Computation of Gross Profits AMC**

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, <b>STOP</b> and enter -0- on Section D, line 1, and on Part II, line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765) ..... 1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) – $\left[ \frac{\$22,500 \times (\$6,000,000 - \text{Column A, line 5})}{\$3,000,000} \right]$ but in no case shall the result be less than zero ..... 2		
3. If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075 ..... 3		
4. Enter the amount from line 2 or line 3 ..... 4		

**Section D—Computation of AMC**

1. Enter the lesser of Section B, line 4 or Section C, line 4 on this line and on Part II, line 2 of the applicable form (Form 720, Form 720S, Form 725 or Form 765) ..... 1		
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## INSTRUCTIONS—SCHEDULE AMC

**Purpose of This Schedule**—Schedule AMC, Alternative Minimum Calculation, must be completed and submitted with the income tax return of a corporation (as defined in KRS 141.010(24)(b)) filing Form 720, Form 720S, Form 725 or Form 765.

**Consolidated Return**—In determining eligibility for the reductions contained in the gross receipts calculations, when the AMC is computed on a consolidated return, the gross receipts of the affiliated group shall include the total gross receipts from all sources of the affiliated group, including eliminating entries for transactions among the group. **KRS 141.040(11)**

In determining eligibility for the reductions contained in the gross profits calculations, when the AMC is computed on a consolidated return, the gross profits of the affiliated group shall include the total gross profits from all sources of the affiliated group, including eliminating entries for transactions among the group. **KRS 141.040(12)**

**Section A** of this form must be completed by all corporations computing Kentucky gross receipts and Kentucky gross profits in Column A and computing total gross receipts from all sources and total gross profits from all sources in Column B as provided by KRS 141.040(11) and (12).

**Section B** of this form must be completed to compute the AMC tax on Kentucky gross receipts.

**Section C** of this form must be completed to compute the AMC tax on Kentucky gross profits.

**Section D** of this form must be completed to show the AMC tax due before tax comparison.

### LINE-BY-LINE INSTRUCTIONS

#### Section A—Computation of Gross Receipts and Gross Profits

**Line 1**—Enter the Kentucky gross receipts before returns and allowances in Column A, and gross receipts from all sources before returns and allowances in Column B.

**Line 2**—Enter the returns and allowances attributable to Kentucky gross receipts in Column A, and returns and allowances attributable to gross receipts from all sources in Column B.

**Line 3**—Enter the total of Line 1 less Line 2 in Columns A and B.

**Line 4**—Enter the cost of goods sold attributable to Kentucky gross receipts in Column A, and cost of goods sold attributable to gross receipts from all sources in Column B. For an entity other than manufacturing, producing, reselling, retailing or wholesaling, no costs shall be included in cost of goods sold. **KRS 141.041(1)(d)(3)**

**Line 5**—Enter the total of Line 3 less Line 4 in Columns A and B.

#### Section B—Computation of Gross Receipts AMC

**Line 1**—If gross receipts from all sources (Column B, Line 3) are \$3,000,000 or less, **STOP** and enter zero on Section D, Line 1, and on Part II, Line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765).

**Line 2**—If gross receipts from all sources (Column B, Line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following:  $(\text{Column A, Line 3} \times 0.00095) - (\$2,850 \times ((\$6,000,000 - \text{Column A, Line 3}) / \$3,000,000))$ , but in no case shall the result be less than zero.

**Line 3**—If gross receipts from all sources (Column B, Line 3) are \$6,000,000 or greater, enter the following:  $\text{Column A, Line 3} \times 0.00095$ .

**Line 4**—Enter the amount from Line 2 or Line 3.

#### Section C—Computation of Gross Profits AMC

**Line 1**—If gross profits from all sources (Column B, Line 5) are \$3,000,000 or less, **STOP** and enter zero on Section D, Line 1, and on Part II, Line 2, of applicable form (Form 720, Form 720S, Form 725 or Form 765).

**Line 2**—If gross profits from all sources (Column B, Line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following:  $(\text{Column A, Line 5} \times 0.0075) - (\$22,500 \times ((\$6,000,000 - \text{Column A, Line 5}) / \$3,000,000))$ , but in no case shall the result be less than zero.

**Line 3**—If gross profits from all sources (Column B, Line 5) are \$6,000,000 or greater, enter the following:  $\text{Column A, Line 5} \times 0.0075$ .

**Line 4**—Enter the amount from Line 2 or Line 3.

#### Section D—Computation of AMC

**Line 1**—Enter the lesser of Section B, Line 4 or Section C, Line 4 on this line, and on Part II, Line 2 of the applicable form (Form 720, Form 720S, Form 725 or Form 765).