

**SCHEDULE BIO**

41A720BIO (10-06)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE



**20** \_\_\_

**Calendar Year**

*The credit shall not carry forward for any other period.*

➤ See instructions on reverse.

➤ Attach to Form 720, 720S, 725, 740, 765 or 765-GP.

**APPLICATION AND CREDIT CERTIFICATE OF INCOME TAX CREDIT BIODIESEL**

**KRS 141.422 to 141.425; Regulation 103 KAR 15:140**

Name of Business/Individual	Identification Number	Kentucky Corporation Account Number (if applicable)
Mailing Address		
Location Address	Taxed as: <input type="checkbox"/> Corporation as defined in KRS 141.010(24) <input type="checkbox"/> Individual <input type="checkbox"/> General Partnership <input type="checkbox"/> Other _____	

Kentucky Special Fuels Dealer's License Account Number \_\_\_\_\_

At anytime during this calendar year, did your biodiesel fail to meet the ASTM standard?  Yes  No

If yes, list dates \_\_\_\_\_ .

**PART I—Gallons Produced and/or Blended in Kentucky During the Calendar Year**

1. Number of gallons of B100 biodiesel produced meeting ASTM standard .....	1	
2. Number of gallons of B100 biodiesel blended with diesel* .....	2	
* A blender shall provide proof that the B100 as part of the blended biodiesel meets the ASTM standard.		
3. Total biodiesel produced and/or blended (add lines 1 and 2) .....	3	

I, the undersigned, declare under the penalties of perjury, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature	Title	Date
Contact Name (if different from signer)	E-Mail Address	
Telephone Number	Fax Number	

**NOTE:** This credit cannot reduce the tax liability on Form 720, Form 720S, Form 725 or Form 765, Part III, line 3 below the \$175 minimum. There is no carryforward of unused credit.

Department of Revenue Use Only	
<b>Part II—Tax Credit</b>	
1. Biodiesel tax credit approved by Department of Revenue (Part I, line 3 multiplied by \$1 or Part III, line 1) .....	1
<b>Part III—Annual Biodiesel Tax Credit Cap</b>	
1. (a) Approved credit for biodiesel producer and/or blender ( <b>numerator</b> ) .....	( ) x \$1,500,000 =
(b) Total approved credit for biodiesel producer and/or blender ( <b>denominator</b> ) .....	(b)
<b>Approved Credit</b>	
<b>Corporations, enter on Schedule TCS, Part II.</b>	

# INSTRUCTIONS FOR SCHEDULE BIO

**Purpose of Schedule**—The application and credit certification schedule is to report the number of gallons of biodiesel produced and/or B100 blended in this state meeting the current ASTM standard. Re-blending of blended biodiesel does not qualify for this credit. The Department of Revenue will certify the amount of biodiesel credit for each taxpayer. It is effective for biodiesel produced and/or blended on or after January 1, 2005. The taxpayer is not entitled to the credit for biodiesel produced and/or blended in another state.

The credit rate is up to \$1 per gallon with a total cap for all taxpayers not to exceed \$1,500,000 annually. There is no carryforward for any unused credit.

To ensure proper processing, fax or e-mail Schedule BIO to the Department of Revenue no later than January 15 following the close of the preceding calendar year. Schedules postmarked or sent after January 15 are void. Credit certification cannot be guaranteed for schedules sent through regular mail.

**Fax Number:** (502) 564-3392

## E-mail

KRC.WEBResponseEconomicDevelopmentCredits@ky.gov

The Department of Revenue will confirm the receipt of the application. If you do not receive confirmation within two weeks of submitting the application, contact the Corporation Income and License Tax Branch at (502) 564-8139.

The Department of Revenue will issue the credit certificate, listing the amount of credit available, by April 15 following the close of the preceding calendar year. This credit certificate shall be attached to the filed income tax return.

**General Instructions**—For the calendar year, enter the applicable year.

Check the appropriate entity type. If taxed as entity type other than corporation, general partnership or individual, check "Other" box.

**Identification Number**—For an individual, enter the Social Security number; for a general partnership, enter the FEIN.

**Testing**—Regulation 103 KAR 15:140 provides that separate proof of the ASTM standard shall be provided to the Department of Revenue by the producer or blender on July 1 and December 31 for each calendar year that a Schedule BIO is submitted. For calendar year ending December 31, 2006, proof shall be submitted only on December 31, 2006.

## Part I Instructions

**Line 1**—Enter the number of gallons of B100 biodiesel produced in the state for the calendar year.

**Line 2**—Enter the number of gallons of B100 biodiesel blended in the state for the calendar year. Re-blending of blended biodiesel does not qualify for this credit.

## Part II and Part III

These parts are to be completed by the Department of Revenue to determine the biodiesel credit for each taxpayer. Part III is used if the total amount of approved credit for all biodiesel producers and blenders exceeds the annual biodiesel tax credit cap.

## Part II Instructions

**Line 1**—This is the biodiesel credit as determined by the Department of Revenue. If the approved credit exceeds the biodiesel tax credit cap, then the credit is determined by the department in Part III. It is a nonrefundable credit.

If the biodiesel producer or blender is a general partnership, use Schedule BIO (K-1). In the case of a biodiesel producer or blender that has a fiscal year end, the approved credit shall be claimed on the return filed for the first fiscal year ending after the close of the preceding calendar year.

## Part III Instructions

The Department of Revenue determines the total approved credit. If it exceeds the biodiesel tax credit cap of \$1,500,000, the department will compute each taxpayer's approved credit based upon a fraction the numerator (Line 1(a)) being the credit approved for the taxpayer and the denominator (Line 1(b)) being the total credit approved for all taxpayers. The biodiesel tax credit cap is multiplied by this fraction to determine each producer's and/or blender's approved credit. This amount is entered on Schedule TCS, Part II.