

720S
41A720S



Department of Revenue



C Kentucky Corporation Account Number

Taxable period beginning _____, 2006, and ending _____, 200_____.

**KENTUCKY S CORPORATION
INCOMETAX RETURN 2006**
▶ See separate instructions.

A Number of Shareholders (Attach K-1s) ▶ _____	B Federal Identification Number _____		Taxable Year Ending ____ / ____ Mo. Yr.		
	Name of S Corporation (Place preaddressed label here; otherwise print or type.)			State and Date of Incorporation	
D Number of QSSSs Included in This Return (Attach Schedule) ▶ _____	Number and Street			Principal Business Activity in KY	
	City	State	ZIP Code	Telephone Number	
E <input type="checkbox"/> Separate Return <input type="checkbox"/> Nexus Consolidation	NAICS Code Number (Relating to Kentucky Activity) (See www.census.gov)				

F Check if applicable: LLC Initial return Final return (attach explanation) Amended return
 Short-period return (attach explanation) Change of name Change of address No packet required for 2007

PART I—TAXABLE INCOME COMPUTATION			PART II—TAX COMPARISON		
1. Kentucky ordinary income (loss) (from Schedule K, Section I, line 1)			1. Regular income tax (see instructions)		
2. Net income (loss) from rental real estate activities			2. Schedule AMC, Section D, line 1		
3. Net income (loss) from other rental activities			PART III—TAX COMPUTATION		
4. Interest income			1. Tax liability (Part II, greater of line 1, line 2 or \$175 minimum)		
5. Royalty income			ADDITIONS		
6. Net capital gain from Schedule K, Section I			2. Recycling/composting equipment tax credit recapture		
7. Other portfolio income (loss)			3. Total (add lines 1 and 2)		
8. Section 1231 net gain (loss) (other than due to casualty or theft)			SUBTRACTIONS		
9. Other income (loss)			4. Total tax credits (Schedule TCS)		
10. Total additions (add lines 1 through 9)			5. Net tax liability (greater of line 3 less line 4 or \$175)		
11. Total from Line 11—Worksheet on page 2			6. Estimated tax payments		
12. Total income after adjustments (add lines 10 and 11)			<input type="checkbox"/> Check if Form 2220-K attached		
13. Charitable contributions (see instructions)			7. Extension tax payment		
14. Section 179 expense deduction (Kentucky Form 4562)			8. Prior year's tax credit		
15. Deductions related to portfolio income (loss)			9. Tax due		
16. Other deductions			10. Tax overpayment		
17. Section 59(e)(2) expenses			11. Credited to 2007		
18. Total deductions (add lines 13 through 17)			12. Amount to be refunded		
19. Oil and gas depletion			▶ Federal Form 1120S, pages 1, 2, 3 and 4, and any supporting schedules must be attached.		
20. Other adjustments (KRS 141.010(13))					
21. Total deductions (add lines 18 through 20)			Make check(s) payable to: Kentucky State Treasurer Mail return with payment to: Kentucky Department of Revenue Frankfort, Kentucky 40620		
22. Net income (loss) (line 12 less line 21)					
23. Current net operating loss adjustment					
24. Income (loss) after NOL limitation (add lines 22 and 23)					
25. Net income (loss) (amount from line 24 or Schedule A)					
26. Kentucky domestic production activities deduction (KDPAD)					
27. Taxable net income (loss) (line 25 less line 26) .					

<input type="checkbox"/> Income	<input type="checkbox"/> AMC Gross Receipts	<input type="checkbox"/> AMC Gross Profits	<input type="checkbox"/> Minimum \$175
Tax _____	Interest _____		
Penalty _____	TOTAL (Including Penalty and Interest) _____		



PART IV – CORPORATION INCOME TAX CREDIT FOR SHAREHOLDERS

1. Tax due (page 1, Part III, 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		

Line 11 – Worksheet: Other Income (Loss) (KRS 141.010(12))

KRS 141.010(12) adjustments which were not made in the Ordinary Income (Loss) Computation or Schedule K, Section I, Lines 1 through 10 and 12(b).

Description	Amount
(a) Enter related party and intangible expenses prohibited by KRS 141.205	(a)
(b) Enter expenses related to nontaxable income	(b)
(c) Add net distributive loss received from the corporation subject to tax under KRS 140.040	(c)
(d) Subtract net distributive income received from the corporation subject to tax under KRS 140.040	(d)
(e) Enter any other adjustments provided by KRS 141.010(12)	(e)
Total KRS 141.010(12) adjustments (add lines (a) through (e)). Enter here and on page 1, line 11	

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: _____



**SCHEDULE Q—
KENTUCKY S CORPORATION QUESTIONNAIRE**

IMPORTANT: Questions 4–14 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. Are disregarded entities included in this return?
 Yes No. If yes, list name, address and federal I.D. number of the entity.

6. Is the S corporation a partner in a general partnership doing business in Kentucky? Yes No. If yes, list name and federal I.D. 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

7. 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.

8. 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.

9. 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.

10. 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. _____

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

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

13. Did the S corporation file a Kentucky tangible personal property tax return for January 1, 2007? Yes No

14. 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.

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
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 27)	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 IV, line 4)	3		
4. Refundable Kentucky corporation income tax credit (KRS 141.420(3)(c)) (page 2, Part IV, line 5)	4		