



## INSTRUCTIONS—SCHEDULE TCS

### PURPOSE OF SCHEDULE

This schedule is used as a summary of all tax credits being claimed for a specific tax period by corporations.

### GENERAL INSTRUCTIONS

If a taxpayer is entitled to more than one of the tax credits allowed against the tax imposed by KRS 141.040, the priority of application and use of credits shall be determined in the order that the credits are listed on Schedule TCS (KRS 141.0205). Total credits taken on this schedule may not reduce the tax liability on Form 720, Form 720S, Form 725 or Form 765, Part III, line 3 below the \$175 required minimum tax.

#### Part I—Economic Development Tax Credit Summary

**This part is only completed by taxpayers having projects approved by the Kentucky Economic Development Finance Authority except for the Kentucky Investment Fund (KIFA) tax credit and the Environmental Stewardship tax credit.**

Due to legislation passed by the 2005 General Assembly, S corporations, limited liability partnerships (LLPs) or similar entities created with limited liability for the partners are now taxed as corporations. The economic credits are taken at the entity level and are not passed through to the shareholders/partners.

The corporation must first complete the applicable tax credit computation schedule (Schedule KREDA, Schedule KIDA, Schedule KJDA, Schedule KIRA, Schedule KRA, or Schedule KEOZ) for each project. Approved companies claiming tax credits for Skills Training Investment (STICA) must attach a copy of the final resolution received from the Bluegrass State Skills Corporation.

Complete a separate line for each project. Enter the appropriate information in Column A, B and C, and enter in D the credit limitation from the applicable tax credit computation schedule for each project. Enter in Column E the amount of credit claimed for each project.

There is no requirement to utilize credits from economic development projects in any particular order.

#### Part II—Other Tax Credits

For all other tax credits, enter amount claimed on applicable line. Attach supporting schedules or approved applications to tax return.

#### Part III—Total Tax Credits

Totals from Part I, Column E and from Part II cannot reduce the tax liability below the required minimum \$175. If necessary, reduce credit amount beginning with the last credits listed. Enter the total credit amount claimed on Part III, Line 4 on Form 720, Form 720S, Form 725, Schedule CP (Form 725) or Form 765.