SCHEDULE KJRA

41A720-S45 (10-07)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

For taxable year ended __ __ / __ __ (Mo. Yr.)

TAX CREDIT COMPUTATION SCHEDULE
(FOR A KJRA PROJECT OF CORPORATIONS)

➤ **Attach this schedule to Form 720.**

KRS 154.25-010 to 050

Name of Corporation	Federal Identification Number	Kentucky Corporation/LLET Account Number
	__ __ – __ __ __ __ __ __ __	__ __ __ __ __ __
Location of Project City County	Date KJRA Agreement was Executed or Activation Date __ __ / __ __ / __ __ (Mo. Day Yr.)	Economic Development Project Number

PART I—Computation of LLET Excluding KJRA Project

1. LLET from Form 720, Part I, line 1 1
2. LLET on KJRA project (see instructions) 2
3. LLET excluding LLET on KJRA project (line 1 less line 2) 3

PART II—Computation of Taxable Net Income Excluding Net Income from KJRA Project and KREDA Tax Credit

Section A–Computation of Corporation Tax

1. Enter income tax from Form 720, Part III, line 1 1
2. LLET of corporation (Part I, line 1) 2
3. LLET credit allowed (line 2 less $175, but not more than Section A, line 1) 3
4. Total corporation tax (add lines 1 and 2 less line 3) 4

Section B–Computation of Tax Excluding KJRA Project

1. Enter taxable net income from Form 720, Part I, line 23 1
2. Enter net income from KJRA project, if loss enter -0- 2
3. Taxable income excluding net income from KJRA project (line 1 less line 2). If line 2 is greater than line 1, enter -0- 3
4. Corporation income tax on amount of line 3:

	Taxable Net Income	Rate	Tax
(a) First $50,000		X 4%	
(b) Next $50,000		X 5%	
(c) All income over $100,000 ..		X 6%	

(d) Total income tax liability excluding KJRA project (add lines 4(a) through 4(c)) .... 4(d)

5. LLET excluding LLET on KJRA project (Part I, Line 3) 5
6. Enter LLET from line 5 less $175, but not more than Section B, line 4(d) 6
7. Total tax excluding KJRA project (add lines 4(d) and 5 less line 6) 7
8. Total tax attributable to KJRA project (Section A, line 4 less Section B, line 7) Continue to Part III and enter this amount on Part III, line 1 8

PART III—Limitation

1. Enter tax liability attributable to KJRA project from Part II, Section B, line 8 1
2. Enter limitation from Schedule KJRA-T, Column E 2
3. Allowable KJRA tax credit (lesser of line 1 or line 2) 3
   Enter allowable credit on Schedule TCS, Part I, Column E and Column F

➤ *Economic development project* means a project authorized under the Kentucky Industrial Development Act (KIDA), the Kentucky Rural Economic Development Act (KREDA), the Kentucky Jobs Development Act (KJDA), the Kentucky Industrial Revitalization Act (KIRA), the Kentucky Economic Opportunity Zone (KEOZ), the Kentucky Reinvestment Act (KRA), the Kentucky Job Retention Act (KJRA) or the Skills Training Investment Credit Act (STICA).

The Kentucky Corporation Income Tax and LLET Return (Form 720), including this schedule *must be mailed* to Economic Development Tax Credits, Corporation Income and License Tax Branch, Kentucky Department of Revenue, P.O. Box 181, Frankfort, Kentucky 40602-0181.

INSTRUCTIONS—SCHEDULE KJRA

The KJRA tax credit is applied against the corporation income tax imposed under KRS 141.040 *and/or* the limited liability entity tax (LLET) imposed under KRS 141.0401. The amount of tax credit against each tax can be different, however, for tracking purposes, the maximum amount of credit used against either tax is the amount that is used for the tax year.

PURPOSE OF SCHEDULE—This schedule is used by any corporation which has entered into a financing agreement or a tax incentive agreement for a Kentucky Jobs Retention Act (KJRA) project to determine the credit allowed against the Kentucky corporation income tax and LLET attributable to the project in accordance with KRS 141.402.

GENERAL INSTRUCTIONS

Part I—Computation of LLET Excluding KJRA Project

Line 2—Using Schedule LLET, compute the LLET using only the gross receipts and gross profits of the KJRA project in accordance with KRS 141.402(6)(b). Mark this schedule as KJRA and attach to the return.

Part II—Computation of Taxable Net Income Excluding Net Income from KJRA Project and KJRA Tax Credit

Section B

Line 2—Enter net income for KJRA project. If the corporation's only operation in Kentucky is the KJRA project, the amount entered on Line 1 must be entered on Line 2.

See form for computation.

Part III—Limitation

Calculate KJRA tax credit based on the corporation's tax liability, tax liability attributable to KJRA project and credit limitation from Schedule KJRA-T. Enter credit on Schedule TCS, Part I, Column E and Column F.

A corporation with more than one economic development project must separately compute the tax credit derived from each project. Complete an applicable tax computation schedule (Schedule KREDA, Schedule KIDA, Schedule KJDA, Schedule KIRA, Schedule KEOZ, Schedule KRA or Schedule KJRA) for each project. Approved companies for Skills Training Investment Credit (STICA) must attach a copy of the final resolution received from the Bluegrass State Skills Corporation.

Alternative Methods—In accordance with KRS 141.402(7), if the approved company can show that the nature of the operations and activities of the approved company are such that it is not practical to use separate accounting to determine net income, gross receipts or Kentucky gross profits from the facility at which the project is located, the approved company shall determine net income, gross receipts or Kentucky gross profits attributable to the project using an alternative method approved by the Department of Revenue. Thus, if any method other than separate accounting is used, a copy of the letter from the Department of Revenue approving the alternative method must be attached to this schedule.