

SCHEDULE LLET(K)

41A720LLET(K) (10-07)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



LIMITED LIABILITY ENTITY TAX
For Pass-through Entities with
Economic Development Project(s)

KRS 141.0401

Taxable Year Ending

___ / ___
Mo. Yr.

➤ See instructions on reverse.

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

Member of a Combined Group

_____ Reason Code

Name of Limited Liability Entity	Kentucky Corporation/LLET Account Number
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If the limited liability pass-through entity is a partner, member or shareholder of a limited liability pass-through entity or general partnership organized or formed as a general partnership after January 1, 2006, check this box and complete Schedule LLET(K)-C, and enter the total amounts from Schedule LLET(K)-C in Section A of this form.

Section A—Computation of Gross Receipts and Gross Profits Excluding Economic Development Project(s)

	Kentucky Column A	Total Column B
1. Gross receipts after returns and allowances of the pass-through entity 1		
2. Economic development project's gross receipts after returns and allowances 2		
3. Gross receipts excluding the economic development project(s) (line 1 less line 2 or amount from Schedule LLET(K)-C) 3		
4. (a) Cost of goods sold of the pass-through entity 4(a)		
(b) Economic development project's cost of goods sold (b)		
(c) Cost of goods sold excluding the economic development project(s) (line 4(a) less line 4(b)) (c)		
5. Gross profits excluding the economic development project(s)(line 3 less 4(c) or amount from Schedule LLET(K)-C) 5		

Section B—Computation of Gross Receipts LLET

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1 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) - [\$2,850 x (\$6,000,000 - Column A, line 3)] \$3,000,000 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 LLET

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1 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) - [\$22,500 x (\$6,000,000 - Column A, line 5)] \$3,000,000 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 LLET

1. Enter the lesser of Section B, line 4 or Section C, line 4 on this line or if -0-, enter \$175 and enter on Form 720S, Form 725 or Form 765, Part II, line 1 1		
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Mark the applicable Receipts Method box on Form 720S, 725 or 765, page 1, Item B.

INSTRUCTIONS – SCHEDULE LLET(K)

Purpose of this Schedule—Schedule LLET(K), Limited Liability Entity Tax for Pass-through Entities with Economic Development Project(s), must be completed and submitted with the applicable tax return (Form 720S, Form 765 or Form 725). If the limited liability pass-through entity with economic development project(s) is a partner, member or shareholder of a limited liability pass-through entity or a general partnership organized or formed as a general partnership after January 1, 2006, complete Schedule LLET(K)-C Limited Liability Entity Tax—Continuation Sheet (For pass-through entities with economic development project(s) subject to the limited liability entity tax).

Short-Period Computation of LLET—For short-period returns, annualizing gross receipts or gross profits is not permitted. A minimum of \$175 shall be due per taxable year. Taxable year is defined as the period for which the return is made. **KRS 141.010(16)**

Combined Group—A member of a combined group pursuant to KRS 141.0401(1)(c) must use the total gross receipts and the total gross profits of the combined group to determine if it is eligible for the small business relief provided by KRS 141.0401(2)(b). The member computes its LLET based upon its Kentucky gross receipts and Kentucky gross profits. A combined group means all members of an affiliated group as defined in KRS 141.200(9)(b) and all limited liability pass-through entities that would be included in an affiliated group if organized as a corporation as provided by KRS 141.0401(1)(c).

Section A of this form must be completed by all limited liability pass-through entities having economic development project(s). A limited liability pass-through entity that is a partner, member or shareholder of a limited liability pass-through entity or a general partnership organized or formed as a general partnership after January 1, 2006, must complete Schedule LLET(K)-C, Limited Liability Entity Tax—Continuation Sheet (For pass-through entities with economic development project(s) subject to the limited liability entity tax). Kentucky gross receipts, Kentucky gross profits, total gross receipts from all sources, and total gross profits from all sources must be completed in accordance with KRS 141.0401. See line-by-line instructions below.

Section B of this form must be completed to compute the LLET on Kentucky gross receipts excluding Kentucky gross receipts from economic development project(s).

Section C of this form must be completed to compute the LLET on Kentucky gross profits excluding Kentucky gross profits from economic development project(s).

Section D of this form must be completed to show the LLET liability excluding the LLET liability from economic development project(s) before the application of any tax credits.

LINE-BY-LINE INSTRUCTIONS

Check Box—If the entity is a member of a combined group pursuant to KRS 141.0401(1)(c) check the box.

Reason Code—If the box is checked, enter the applicable code.

- 1 Total gross receipts or total gross profits are equal to or less than \$3,000,000.
- 2 Total gross receipts or total gross profits are greater than \$3,000,000 but less than \$6,000,000.
- 3 Total gross receipts and total gross profits are greater than \$6,000,000.

Section A—Computation of Gross Receipts and Gross Profits Excluding Economic Development Project(s)

If the limited liability pass-through entity is a partner, member or shareholder of a limited liability pass-through entity or a general partnership organized or formed as a general partnership after January 1, 2006, complete Schedule LLET(K)-C and enter

the totals from Schedule LLET(K)-C, Section A, Lines 3 and 5 in Column B, Lines 3 and 5; and the totals from Schedule LLET(K)-C, Section B, Lines 3 and 5 in Column A, Lines 3 and 5, and continue to Sections B and C.

If the limited liability pass-through entity is not a partner, member or shareholder in a limited liability pass-through entity or general partnership organized or formed as a general partnership after January 1, 2006, complete Section A as follows:

Line 1—Enter the pass-through entity's Kentucky gross receipts after Kentucky returns and allowances in Column A, and the pass-through entity's total gross receipts from all sources after returns and allowances from all sources in Column B.

Line 2—Enter the economic development project's Kentucky gross receipts after Kentucky returns and allowances in Column A, and the economic development project's total gross receipts from all sources after returns and allowances in Column B.

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

Line 4(a)—Enter the pass-through entity's cost of goods sold attributable to Kentucky in Column A, and the pass-through entity's total cost of goods sold attributable to gross receipts from all sources in Column B.

Line 4(b)—Enter the economic development project's cost of goods sold attributable to Kentucky in Column A, and the economic development project's cost of goods sold attributable to gross receipts from all sources in Column B.

Line 4(c)—Enter the amount of Line 4(a) less 4(b) in Columns A and B.

Line 5—Enter the amount of Line 3 less Line 4(c) in Columns A and B.

Section B—Computation of Gross Receipts LLET

Line 1—If gross receipts from all sources (Column B, Line 3) are \$3,000,000 or less, **STOP** and enter \$175 on Section D, Line 1.

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: (Column A, Line 3 x 0.00095) – [\$2,850 x (\$6,000,000 – 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: Column A, Line 3 x 0.00095.

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

Section C—Computation of Gross Profits LLET

Line 1—If gross profits from all sources (Column B, Line 5) are \$3,000,000 or less, **STOP** and enter \$175 on Section D, Line 1.

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: (Column A, Line 5 x 0.0075) – [\$22,500 x (\$6,000,000 – 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: Column A, Line 5 x 0.0075.

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

Section D—Computation of LLET

Line 1—Enter the lesser of Section B, Line 4 or Section C, Line 4 on this Line, or if -0-, enter \$175 and enter on Form 720-S, Form 725 or Form 765, Part II, Line 1.