

INSTRUCTIONS—SCHEDULE KIDA-T

PURPOSE OF SCHEDULE—This schedule is used by any company which has entered into a financing agreement or tax incentive agreement for a Kentucky Industrial Development Act (KIDA) project to maintain a record of the debt service payments or approved costs, whichever is applicable, and tax credits (income tax and the limited liability entity tax) for the duration of the agreement. This information is necessary for the company to determine the limitation of the tax credit for each year of the agreement and to allow the Kentucky Department of Revenue to verify that the credit has been properly computed.

GENERAL INSTRUCTIONS

The 2002 General Assembly amended KRS 154.28-010 to 154.28-130, effective on July 15, 2002. Projects that received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) prior to July 15, 2002, and have entered into a financing agreement no later than June 30, 2003, shall be subject to KRS 154.28-010 to 154.28-130 as in effect prior to July 15, 2002.

A single Schedule KIDA-T, Tracking Schedule for a KIDA Project, shall be maintained for the duration of each KIDA project. Beginning with the first taxable year of the KIDA financing agreement or tax incentive agreement, complete Columns A through E using a separate line for each year of the agreement. The company shall attach a copy of this schedule updated with current year information to the Schedule KIDA or Schedule KIDA-SP, which is filed with the Kentucky tax return for the year.

For Form 720, all tax credits are entered on Schedule TCS, a tax credit summary. The total tax credits calculated may exceed the amount that can be used. Credits must be claimed in the order prescribed by KRS 141.0205. Total credits claimed cannot reduce the LLET below the \$175 minimum. Total credits claimed cannot reduce the income tax liability below zero.

Date Financing Agreement was Executed or Activation Date—For projects which received preliminary approval from the Kentucky Economic Development Finance Authority (KEDFA) prior to July 15, 1996, enter the date the financing agreement was executed. For projects which received preliminary approval from KEDFA after July 15, 1996, enter the date established by the approved company as the activation date for implementation of the inducements authorized by the financing agreement.

SPECIFIC INSTRUCTIONS

Column A—Enter on each line the ending date (month, day and year) of the taxable year for which the information in Columns B through E is entered.

Column B—This column will be blank for the first taxable year of the agreement. For each year thereafter, if the amount entered in Column D for the prior year exceeds the amount entered in Column E for the prior year, enter the difference. If the amount entered in Column E for the prior year equals the amount entered in Column D for the prior year, enter zero (-0-).

Column C—Enter the total amount of debt service payment or approved costs, whichever is applicable in accordance with the agreement, for the taxable year. Debt service payment includes both principal and interest paid in accordance with the financing agreement.

Column D—Enter the result of adding the amounts entered in Columns B and C. Also, enter this amount on Schedule KIDA, Part III, Line 2, or Schedule KIDA-SP, Part I, Line 8, whichever is applicable.

Column E—The KIDA tax credit is applied against the corporation income tax imposed under KRS 141.040 and/or the limited liability entity tax imposed under KRS 141.0401. The tax credit calculated for each tax can be different, however for tracking purposes, the maximum amount used against either tax is recorded as the amount claimed. Enter the greater of Column E or Column F from Schedule TCS for this project.