

INSTRUCTIONS—SCHEDULE KIRA-T

PURPOSE OF SCHEDULE—This schedule is used by any company which has entered into a revitalization agreement for a Kentucky Industrial Revitalization (KIRA) project to maintain a record of the approved costs, wage assessment fees and income, limited liability entity tax and license tax* credits for the duration of the revitalization agreement. This information is necessary for the company to determine the limitation of the tax credit for each year of the revitalization agreement and to allow the Kentucky Department of Revenue to verify that the credit has been properly computed.

GENERAL INSTRUCTIONS

A single Schedule KIRA-T, Tracking Schedule for a KIRA Project, shall be maintained for the duration of each KIRA project. Beginning with the first taxable year of the KIRA revitalization agreement, complete Columns A through E using a separate line for each year of the revitalization agreement. The company shall attach a copy of this schedule updated with current year information to the Schedule KIRA or Schedule KIRA-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.

SPECIFIC INSTRUCTIONS

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

Column B—For the taxable year that includes the revitalization agreement date, enter 50 percent or

75 percent of the approved costs as verified by the Kentucky Economic Development Finance Authority. Refer to your agreement for the applicable percentage. For each year thereafter, if the amount entered in Column D for the prior year exceeds the combined total of income tax credit and corporation license tax credit claimed for the prior year in Column E, enter the difference.

Column C—Enter the total amount of employee wage assessment fees (both the state and local portion) withheld from the salaries of employees during the taxable year, or the appropriations received during the taxable year if an appropriation agreement was entered into in lieu of utilization of the wage assessment.

Column D—Enter the result of subtracting the amount entered in Column C from the amount entered in Column B. Also, enter on Schedule KIRA, Part III, Line 2, or Schedule KIRA-SP, Part I, Line 8, whichever is applicable.

Column E—The KIRA 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 amount claimed. Enter the greater of Column E or Column F from Schedule TCS for this project.

**Prior to January 1, 2006, KIRA tax credits were applied against corporation license tax. The tax was repealed effective for tax periods ending on or after December 31, 2005. KIRA credit used to offset license tax prior to that effective date must be reported on the Schedule KIRA-T.*