

**SCHEDULE VERB**

41A720VERB (10-08)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE



**VOLUNTARY ENVIRONMENTAL  
REMEDATION TAX CREDIT  
(Brownfield)  
KRS 141.418**

➤ See instructions.

➤ Attach to Form 720, 720S, 725, 740, 740-NP, 741, 765 or 765-GP.

Name of Business	Identification Number _____
Taxed as: <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Pass-through Entity <input type="checkbox"/> General Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Other _____	Kentucky Corporation/LLET Account Number _____
Location of Remediation Property	County Location

**PART I – Computation of Allowable Tax Credit**

1. Date certified.....	1	/ /
2. Certified remediation expenditures (not to exceed \$150,000) .....	2	
3. Maximum allowable credit per tax year (line 2 multiplied by 25% (.25)) .....	3	

I, the undersigned and authorized representative, declare under the penalties of perjury, that the cleanup was not financed through a public grant program or the petroleum storage tank environmental assurance fund.

Signature	Title	Date
E-Mail Address	Telephone Number	Fax Number

**PART II – Current Year Credit**

1. LLET Credit—Enter on Schedule TCS, Part II, Column E .....	1	
2. Corporation Income Tax Credit—Enter on Schedule TCS, Part II, Column F .....	2	
3. Individual Income Tax Credit—Enter on Form 740, Form 740-NP or Form 741 ....	3	

**PART III – Amount of Credit Claimed**

A Tax Year Credit Taken  (Month/Year)	B Balance of VERB		C Amount of Credit Used	
	LLET	Income	LLET	Income
1. ____/____				
2. ____/____				
3. ____/____				
4. ____/____				
5. ____/____				
6. ____/____				
7. ____/____				
8. ____/____				
9. ____/____				
10. ____/____				
11. ____/____				

**INSTRUCTIONS FOR SCHEDULE VERB**

The Voluntary Environmental Remediation Tax Credit (Brownfield) is applied against the individual income tax imposed under KRS 141.020, the corporation income tax imposed under KRS 141.040 and the limited liability entity tax (LLET) imposed under KRS 141.0401. The amount of credit claimed against the corporation income tax and the LLET can be different.

**Tax Preparers' Note:** The amount of credit claimed from Part I, Line 3, and the resulting balance of credit available must be calculated separately for income tax and the LLET. If the balance available for the income tax or the LLET reaches zero, no further credit is allowed against that tax liability. For example, any balance available for income tax cannot be used as a credit against the LLET nor can any balance available for the LLET be used as a credit against the income tax liability.

**Purpose of Schedule**—This schedule is used by taxpayers subject to the taxes under KRS 141.020, KRS 141.040 or KRS 141.0401 to claim a credit for expenditures made for a qualifying voluntary environmental remediation property.

“Qualifying voluntary environmental remediation property” means real property subject to the provisions of KRS 224.01-400, KRS 224.01-405 or KRS 224.60-135 where the Kentucky Environmental and Public Protection Cabinet has made a determination that the property meets the requirements provided by KRS 141.418(1)(e).

A taxpayer claiming a credit as provided by KRS 141.418 shall submit receipts to the Environmental and Public Protection Cabinet in proof of the expenditures claimed. The Environmental and Public Protection Cabinet shall verify the receipts. After the receipts are verified, the Department of Revenue shall notify the taxpayer of eligibility for the credit. **KRS 141.418(5)**

The credit is on a dollar-per-dollar basis up to a maximum \$150,000 in approved expenditures. The amount of the allowable credit for any taxable year is limited to 25 percent of the maximum credit approved (Part I, Line 2) and it may be carried forward 10 years. The taxpayer is eligible to claim the credit on the tax return in the taxable year the credit was certified.

**General Instructions**—If the entity type is not listed, check the “Other” box and list the entity type.

**Identification Number**—For an individual, list the Social Security number; a general partnership, list the FEIN.

**Part I Instructions**

**This will be completed by the Department of Revenue and mailed to the taxpayer.**

**Line 1**—This is the date the credit is certified by the Environmental and Public Protection Cabinet.

**Line 2**—This is the amount of expenditures certified by the Environmental and Public Protection Cabinet.

**Line 3**—This is the maximum amount of credit allowed for any one taxable year.

**Part II Instructions**

**Line 1—LLET Credit**—Enter the amount of current-year credit claimed against the LLET. This credit cannot reduce the LLET below the \$175 minimum.

**Line 2—Corporation Income Tax Credit**—Enter the amount of the current-year credit claimed against the corporation income tax.

**Line 3—Individual Income Tax Credit**—Enter the amount of the current-year credit claimed against the individual income tax.

**Part III Instructions**

**This will be completed by the taxpayer and used as a tracking schedule for the credit taken.**

**Column A**—Enter the month and year the tax credit is taken for this project.

**Column B**—Enter for year 1, the allowable credit from Part I, Line 2. Enter for each succeeding year, the difference between Column B and Column C. Compute a separate balance for LLET and for income tax.

**Column C**—Enter the amount of credit used for that year. If the amount is zero, enter zero (-0-).