

SCHEDULE ME

Form 740-NP

42A740-NP-ME

Commonwealth of Kentucky
Department of Revenue

➤ Attach to Form 740-NP.



2009

**MOVING EXPENSE
AND REIMBURSEMENT**

Enter name(s) as shown on Form 740-NP, page 1.		Your Social Security Number	
1. Enter total Kentucky earned income (do not include moving expense reimbursement)	1		
2. Enter total earned income from federal return (do not include moving expense reimbursement)	2		
3. Divide line 1 by line 2. Enter result. If amount is equal to or greater than 100%, enter 100%	3	_____ %	
4. (a) Enter moving expense reimbursement included in wages	4(a)		
(b) Subtract Form 3903, line 3, from Form 3903, line 4, and enter result. If zero or less, enter -0-	4(b)		
(c) Add lines 4(a) and 4(b) above and enter result here and on Form 740-NP, page 4, line 2, Column A. This is your moving expense reimbursement for federal	4(c)		
5. Multiply line 4(c) by line 3. Enter result here and on Form 740-NP, page 4, line 2, Column B. This is your moving expense reimbursement for Kentucky	5		
6. Enter moving expense deduction from federal Form 3903, line 5, here and on Form 740-NP, page 4, line 21, Column A	6		
7. Multiply line 6 by percentage on line 3. Enter here and on Form 740-NP, page 4, line 21, Column B. This is your allowable Kentucky moving expense	7		

INSTRUCTIONS—SCHEDULE ME

Full-Year Nonresidents—If you are a full-year nonresident, moving expense reimbursements are not taxable, and moving expenses are not deductible.

Part-Year Residents—If you are a part-year resident, any payments to you or on your behalf by any employer for moving expenses are considered income. These payments will be included in wages (box 1) or will be shown separately on the wage and tax statements.

Persons who were residents of Kentucky for only part of the year are required to report as income only part of the total reimbursement they received. *The amount which must be reported to Kentucky as income is based on the percentage of Kentucky earned income to total earned income.*

For the computation of this percentage, earned income is income you received for services you provided. It includes wages, salaries, tips, etc. It also includes income earned from self-employment (Schedules C, C-EZ and F and partnerships).

Line 1—Enter earned income received from Kentucky sources while a nonresident and from all sources while a resident of Kentucky. Do not include moving expense reimbursement reflected on the wage and tax statements (box 1).

Line 2—Enter total earned income reported on your federal return. Do not include moving expense reimbursement reflected on the wage and tax statements (box 1).

Line 4(a)—Enter moving expense reimbursement included in wages (box 1 of Form W-2).

Line 4(b)—Subtract federal Form 3903, line 3, from federal Form 3903, line 4, and enter result. If zero or less, enter -0-.

Line 4(c)—Add lines 4(a) and 4(b) above and enter result here and on Form 740-NP, page 4, line 2, Column A. This is your **moving expense reimbursement for federal** on the Form 740-NP.

ITEMIZED DEDUCTIONS LIMITATION SCHEDULE—Use this schedule if the federal adjusted gross income on Form 740-NP, page 1, line 8, exceeds \$166,800 (\$83,400 if married filing separate returns).

- If married filing separate returns but combining itemized deductions on one Schedule A, enter the percent of your separate income (Form 740-NP, page 1, line 8) to joint or combined federal adjusted gross income.
- If single, married filing a joint return or married filing separate Schedules A, enter 100%. _____ %

1. Multiply the amount on Schedule A, line 32, by the percent of income shown above..... 1. _____
2. Add the amounts on Schedule A, lines 4, 14 and 23, plus any gambling losses included on line 31 and multiply by the percent of income shown above 2. _____

Note: Be sure your total gambling losses are clearly identified on line 31.

3. Subtract the amount on line 2 from the amount on line 1. (If the result is zero, **STOP HERE**; enter the amount from line 1 above on Form 740-NP, page 1, line 11.) 3. _____
4. Multiply the amount on line 3 above by 80% (.80)..... 4. _____
5. Enter the amount from Form 740-NP, page 1, line 8 5. _____
6. Enter \$166,800 (\$83,400 if married filing separate returns) 6. _____
7. Subtract the amount on line 6 from the amount on line 5. (If the result is zero or less, **STOP HERE**; enter the amount from line 1 above on Form 740-NP, page 1, line 11.) 7. _____
8. Multiply the amount on line 7 above by 3% (.03)..... 8. _____
9. Compare the amounts on lines 4 and 8 above. Enter the smaller of the two amounts here 9. _____
10. Divide line 9 by 1.5 10. _____
11. Subtract line 10 from line 9 11. _____
12. Total itemized deductions. Subtract the amount on line 11 from the amount on line 1. Enter the result here and on Form 740-NP, page 1, line 11 12. _____