



2014

► See instructions.

Taxable period beginning _____, 201 __, and ending _____, 201 __.

DRAFT
7/30/14

KENTUCKY PARTNERSHIP INCOME AND LLET RETURN

<p>B Check applicable box(es):</p> <p>LLET Receipts Method <input type="checkbox"/> Gross Receipts <input type="checkbox"/> Gross Profits <input type="checkbox"/> \$175 minimum</p> <p>Nonfiling Status Code Enter Code _____</p>	<p>D Federal Identification Number _____</p> <p>Name of Partnership _____</p> <p>Number and Street _____</p> <p>City _____ State _____ ZIP Code _____ Telephone Number _____</p>	<p>Taxable Year Ending ____/____/____ Mo. Yr.</p> <p>Kentucky Secretary of State Organization Number _____</p> <p>State and Date of Organization _____</p> <p>Principal Business Activity in KY _____</p>
<p>C Income Return Nonfiling Status Code Enter Code _____</p>	<p>E Check if applicable:</p> <p><input type="checkbox"/> LLC <input type="checkbox"/> LP <input type="checkbox"/> LLP <input type="checkbox"/> Qualified investment pass-through entity <input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Final return (Complete Part III) <input type="checkbox"/> Change of Name <input type="checkbox"/> Change of Address</p> <p><input type="checkbox"/> Short-period return (Complete Part III) <input type="checkbox"/> Change of Accounting Period</p> <p><input type="checkbox"/> Amended return (Complete Part IV)</p>	<p>NAICS Code Number (Relating to Kentucky Activity) (See www.census.gov) _____</p>
<p>F Number of Partners (Attach K-1s) ► _____</p>		

PART I—ORDINARY INCOME (LOSS) COMPUTATION			PART II—LLET COMPUTATION		
1. Federal ordinary income (loss) (see instructions).....	1	00	1. Schedule LLET, Section D, line 1.....	1	00
ADDITIONS			2. Tax credit recapture	2	00
2. State taxes based on net/gross income	2	00	3. Total (add lines 1 and 2)	3	00
3. Federal depreciation (do not include Section 179 expense deduction).....	3	00	4. Nonrefundable LLET credit from Kentucky Schedule(s) K-1	4	00
4. Related party expenses (attach Schedule RPC)	4	00	5. Nonrefundable tax credits (attach Schedule TCS)	5	00
5. Other (attach Schedule O-PTE).....	5	00	6. LLET liability (greater of line 3 less lines 4 and 5 or \$175 minimum)	6	00
6. Total (add lines 1 through 5)	6	00	7. Estimated tax payments.....	7	00
SUBTRACTIONS			8. Certified rehabilitation tax credit	8	00
7. Federal work opportunity credit	7	00	9. Film industry tax credit.....	9	00
8. Kentucky depreciation (do not include Section 179 expense deduction).....	8	00	10. Extension payment.....	10	00
9. Other (attach Schedule O-PTE).....	9	00	11. Prior year's tax credit	11	00
10. Kentucky ordinary income (loss) (line 6 less lines 7 through 9).....	10	00	12. LLET due (line 6 less lines 7 through 11)	12	00
			13. LLET overpayment (lines 7 through 11 less line 6).....	13	00
			14. Credited to 2014 interest.....	14	00
			15. Credited to 2014 penalty.....	15	00
			16. Credited to 2015 LLET.....	16	00
			17. Amount to be refunded	17	00

<p>TAX PAYMENT SUMMARY (Round to nearest dollar)</p> <p>LLET</p> <p>1. LLET due (Part II, line 12) \$ _____ .00</p> <p>2. Interest \$ _____ .00</p> <p>3. Penalty \$ _____ .00</p> <p>4. Total Payment \$ _____ .00</p>	<p>OFFICIAL USE ONLY</p> <p>P W 2 0 4</p> <p>V A L</p> <p>#</p>	<p>► Federal Form 1065, all pages and any supporting schedules must be attached.</p> <p>Make check payable to: Kentucky State Treasurer</p> <p>Mail return with payment to: Kentucky Dept. of Revenue Frankfort, Kentucky 40620</p>
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DRAFT
5/8/14

PART III—EXPLANATION OF FINAL RETURN AND/OR SHORT-PERIOD RETURN

- | | |
|---|--|
| <input type="checkbox"/> Ceased operations in Kentucky | <input type="checkbox"/> Change in filing status |
| <input type="checkbox"/> Change of ownership | <input type="checkbox"/> Merger |
| <input type="checkbox"/> Successor to previous business | <input type="checkbox"/> Other _____ |

PART IV—EXPLANATION OF AMENDED RETURN CHANGES

Large empty rectangular box for providing an explanation of amended return changes.

I, the undersigned, declare under the penalties of perjury, that I have examined this return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.



Signature of partner or member

SSN or FEIN

Date

Name of person or firm preparing return

SSN, PTIN or FEIN

Date

May the DOR discuss this return with the preparer?

- Yes No

Email Address:

Telephone No.:



DRAFT
5/29/14

SCHEDULE Q—KENTUCKY PARTNERSHIP QUESTIONNAIRE

IMPORTANT: Questions 4–12 must be completed by all partnerships. If this is the partnership's initial return or if the partnership did not file a return under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. **Failure to do so may result in a request for a delinquent return.**

1. Indicate whether: (a) new business; (b) successor to previously existing business which was organized as: (1) corporation; (2) partnership; (3) sole proprietorship; or (4) other _____

If successor to previously existing business, give name, address and federal I.D. number of the previous business organization. _____

2. List the following **Kentucky** account numbers. Enter N/A for any number not applicable.

Employer Withholding _____
 Sales and Use Tax Permit _____
 Consumer Use Tax _____
 Unemployment Insurance _____
 Coal Severance and/or Processing Tax _____

3. If a foreign partnership, enter the date qualified to do business in Kentucky. ___ / ___ / ___

4. The partnership's books are in care of: (name and address)

5. Are disregarded entities included in this return?
 Yes No. If yes, list name, address and federal I.D. number of each entity. _____

6(a) For the taxable period being reported, was the partnership a partner in a pass-through entity doing business in Kentucky? Yes No

If yes, list name and federal I.D. number of the pass-through entity(ies). _____

6(b) For the taxable period being reported, was the partnership doing business in Kentucky other than through its interest held in a pass-through entity doing business in Kentucky? Yes No

7. Are related party costs as defined in KRS 141.205(1)(l) included in this return? Yes No. If yes, attach Schedule RPC, Related Party Costs Disclosure Statement, and enter any related party cost additions on Part I, Line 4.

8. Is the entity filing this Kentucky tax return organized as a limited cooperative association as provided by KRS Chapter 272A? Yes No

9. Is the entity filing this Kentucky tax return organized as a statutory trust or a series statutory trust as provided by KRS Chapter 386A? Yes No. If yes, is the entity filing this Kentucky tax return a series within a statutory trust? Yes No. If yes, enter the name, address and federal I.D. number of the statutory trust registered with the Kentucky Secretary of State:

10. Was this return prepared on: (a) cash basis, (b) accrual basis, (c) other _____

11. Did the partnership file a Kentucky tangible personal property tax return for January 1, 2015? Yes No

If yes, list name and federal I.D. number of entity(ies) filing return(s): _____

12. Is the partnership currently under audit by the Internal Revenue Service? Yes No

If yes, enter years under audit _____

If the Internal Revenue Service has made final and unappealable adjustments to the partnership's taxable income which have not been reported to the department, check here and file an amended Form 765 for each year adjusted. Attach a copy of the final determination to each amended return.



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SCHEDULE K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

SECTION I	(a) Distributive Share Items	(b) Total Amount
Income (Loss) and Deductions		
1. Kentucky ordinary income (loss) from trade or business activities (page 1, Part I, line 10).....	1	00
2. Net income (loss) from rental real estate activities (attach federal Form 8825)	2	00
3. (a) Gross income from other rental activities	3(a)	00
(b) Less expenses from other rental activities (attach schedule)	(b)	00
(c) Net income (loss) from other rental activities (line 3a less line 3b)	3(c)	00
4. Portfolio income (loss):		
(a) Interest income	4(a)	00
(b) Dividend income.....	(b)	00
(c) Royalty income	(c)	00
(d) Net short-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D, if applicable).....	(d)	00
(e) Net long-term capital gain (loss) (attach federal Schedule D and Kentucky Schedule D, if applicable).....	(e)	00
(f) Other portfolio income (loss) (attach schedule)	(f)	00
5. Guaranteed payments to partners	5	00
6. Section 1231 net gain (loss) (other than due to casualty or theft)(attach federal Form 4797 and Kentucky Form 4797)	6	00
7. Other income (loss) (attach schedule)	7	00
8. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH).....	8	00
9. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky Form 4562).....	9	00
10. Deductions related to portfolio income (loss) (attach schedule).....	10	00
11. Other deductions (attach schedule)	11	00
Investment Interest		
12. (a) Interest expense on investment debts.....	12(a)	00
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	00
(2) Investment expenses included on line 10 above	(2)	00
Tax Credits		
13. Kentucky Small Business Investment Tax Credit (attach KEDFA notification)	13	00
14. Skills Training Investment Tax Credit (attach copy of certification(s))	14	00
15. Certified Rehabilitation Tax Credit (attach copy of certification(s)).....	15	00
16. Kentucky Unemployment Tax Credit (attach Schedule UTC)	16	00
17. Recycling/Composting Equipment Tax Credit (attach Schedule RC)	17	00
18. Kentucky Investment Fund Tax Credit (attach KEDFA notification)	18	00
19. Coal Incentive Tax Credit (attach Schedule CI)	19	00
20. Qualified Research Facility Tax Credit (attach Schedule QR).....	20	00
21. GED Incentive Tax Credit (attach Form DAEL-31)	21	00
22. Voluntary Environmental Remediation Tax Credit (attach Schedule VERB).....	22	00
23. Biodiesel Tax Credit (attach Schedule BIO).....	23	00
24. Environmental Stewardship Tax Credit (attach Schedule KESA)	24	00
25. Clean Coal Incentive Tax Credit (attach Schedule CCI)	25	00
26. Ethanol Tax Credit (attach Schedule ETH)	26	00
27. Cellulosic Ethanol Tax Credit (attach Schedule CELL).....	27	00



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 5/8/14

SCHEDULE K—PARTNERS’ SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

SECTION I—continued	(a) Distributive Share Items	(b) Total Amount
Form 5695-K Pass-through Amounts (attach Form 5695-K)		
28. Energy Efficiency Products Tax Credit from Form 5695-K, line 6.....	28	00
29. Energy Efficiency Products Tax Credit from Form 5695-K, line 12.....	29	00
30. Energy Efficiency Products Tax Credit from Form 5695-K, line 18.....	30	00
31. Energy Efficiency Products Tax Credit from Form 5695-K, line 36.....	31	00
32. Energy Efficiency Products Tax Credit from Form 5695-K, line 36.....	32	00
33. Energy Efficiency Products Tax Credit from Form 5695-K, line 51.....	33	00
34. Energy Efficiency Products Tax Credit from Form 5695-K, line 51.....	34	00
35. Energy Efficiency Products Tax Credit from Form 5695-K, line 57.....	35	00
36. Energy Efficiency Products Tax Credit from Form 5695-K, line 63.....	36	00
37. ENERGY STAR Home or ENERGY STAR Manufactured Home Tax Credit (attach Form 8908-K)	37	00
38. Railroad Maintenance and Improvement Tax Credit (attach Schedule RR-1)	38	00
39. Railroad Expansion Tax Credit (attach Schedule RR-E).....	39	00
40. Endow Kentucky Tax Credit (attach Schedule ENDOW).....	40	00
41. New Markets Development Program Tax Credit (attach Form 8874(K)-A)	41	00
42. Food Donation Tax Credit (attach Schedule FD)	42	00
Other Items		
43. (a) Type of Section 59(e)(2) expenditures ►	43(a)	
(b) Amount of Section 59(e)(2) expenditures.....	(b)	00
44. Tax-exempt interest income	44	00
45. Other tax-exempt income	45	00
46. Nondeductible expenses	46	00
47. Total property distributions (including cash)	47	00
48. Other items and amounts required to be reported separately to partners (attach schedule).....	48	
SECTION II—Pass-through Items		
1. Partnership’s Kentucky sales from Schedule A, Section I, line 1	1	00
2. Partnership’s total sales from Schedule A, Section I, line 2	2	00
3. Partnership’s Kentucky property from Schedule A, Section I, line 5	3	00
4. Partnership’s total property from Schedule A, Section I, line 6	4	00
5. Partnership’s Kentucky payroll from Schedule A, Section I, line 8.....	5	00
6. Partnership’s total payroll from Schedule A, Section I, line 9.....	6	00
7. Partnership’s Kentucky gross profits from Schedule LLET, Section A, Column A, line 5	7	00
8. Partnership’s total gross profits from all sources from Schedule LLET, Section A, Column B, line 5	8	00
9. Limited liability entity tax (LLET) nonrefundable credit from page 1, Part II, the total of lines 4 and 6, less \$175.....	9	00

SCHEDULE LLET

41A720LLET (10-14)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



DRAFT
6/27/14

Taxable Year Ending

___ / ___
Mo. Yr.

LIMITED LIABILITY ENTITY TAX
KRS 141.0401

Member of a Combined Group

_____ Reason Code

➤ See instructions.

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

Name of Corporation or Limited Liability Pass-through Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number
_____	_____	_____

Check this box and complete Schedule LLET-C, Limited Liability Entity Tax—Continuation Sheet, if the corporation or limited liability pass-through entity filing this tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky. Enter the total amounts from Schedule LLET-C in Section A of this schedule.

Section A—Computation of Gross Receipts and Gross Profits

	Column A Kentucky	Column B Total
1. Gross receipts	00	00
2. Returns and allowances	00	00
3. Gross receipts after returns and allowances (line 1 less line 2 or amount from Schedule LLET-C)	00	00
4. Cost of goods sold (attach Schedule COGS)	00	00
5. Gross profits (line 3 less line 4 or amount from Schedule LLET-C)	00	00

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) - $\left[\frac{\$2,850 \times (\$6,000,000 - \text{Column A, line 3})}{\$3,000,000} \right]$ but in no case shall the result be less than zero	2	00	
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	00	
4. Enter the amount from line 2 or line 3	4	00	

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) - $\left[\frac{\$22,500 \times (\$6,000,000 - \text{Column A, line 5})}{\$3,000,000} \right]$ but in no case shall the result be less than zero	2	00	
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	00	
4. Enter the amount from line 2 or line 3	4	00	

Section D—Computation of LLET

1. Enter the lesser of Section B, line 4 or Section C, line 4, or a minimum of \$175 on this line and on Form 720 or 720S, Part I, line 1; or Form 725 or 765, Part II, line 1	1	00	
--	---	----	--



Mark the applicable Receipts Method box on Form 720, 720S, 725 or 765, page 1, Item B.

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

Department of the Treasury
Internal Revenue Service

▶ **Attach to your tax return.**

▶ **Information about Form 4797 and its separate instructions is at www.irs.gov/form4797.**

Attachment
Sequence No. **27**

Name(s) shown on return	Identifying number
-------------------------	--------------------

1 Enter the gross proceeds from sales or exchanges reported to you for 2014 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft—Most Property Held More Than 1 Year (see instructions)

2	(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 39 **3**

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4**

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5**

6 Gain, if any, from line 32, from other than casualty or theft. **6**

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: **7**

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) **8**

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) **9**

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7 **11** ()

12 Gain, if any, from line 7 or amount from line 8, if applicable **12**

13 Gain, if any, from line 31 **13**

14 Net gain or (loss) from Form 4684, lines 31 and 38a **14**

15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824. **16**

17 Combine lines 10 through 16 **17**

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions **18a**

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 **18b**

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255
(see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)		
A					
B					
C					
D					
These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (Note: See line 1 before completing.)	20			
21	Cost or other basis plus expense of sale	21			
22	Depreciation (or depletion) allowed or allowable	22			
23	Adjusted basis. Subtract line 22 from line 21.	23			
24	Total gain. Subtract line 23 from line 20	24			
25 If section 1245 property:					
a	Depreciation allowed or allowable from line 22	25a			
b	Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a			
b	Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d	Additional depreciation after 1969 and before 1976.	26d			
e	Enter the smaller of line 26c or 26d	26e			
f	Section 291 amount (corporations only)	26f			
g	Add lines 26b, 26e, and 26f.	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a			
b	Line 27a multiplied by applicable percentage (see instructions)	27b			
c	Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a			
b	Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b	Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less
(see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years.	33	
34	Recomputed depreciation (see instructions)	34	
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

SCHEDULE A

41A720A (10-14)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

Mo. / Yr.

DRAFT
4/2/14

APPORTIONMENT AND ALLOCATION (For corporations and pass-through entities taxable both within and without Kentucky.)

Regulations 103 KAR 16:090, 103 KAR 16:270, 103 KAR 16:290

Name of Corporation or Pass-through Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number
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Check this box and complete Schedule A-C, Apportionment and Allocation – Continuation Sheet: (i) if the corporation filing this tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky; or (ii) if the pass-through entity filing this tax return is a partner or member of a pass-through entity doing business in Kentucky.

Check this box and complete Schedule A-N, Apportionment Factor Schedule (For a Nexus Consolidated Tax Return), if the corporation is filing a mandatory nexus consolidated tax return as provided by KRS 141.200(11).

If apportionment method other than statutory formula is used:

Check this box: (i) if the department has granted written approval to use an alternative allocation and apportionment method as provided by KRS 141.120(9)(a), and attach a copy of the approval letter to the tax return; or (ii) if the company has made an irrevocable five year election to use an allocation and apportionment method as provided by KRS 141.120(9)(b), and attach a copy of the election to the tax return.

SECTION I. COMPUTATION OF APPORTIONMENT FRACTION				SECTION II. APPORTIONMENT AND ALLOCATION OF INCOME			
Convert lines 3, 4, 7, 10, 11 and 12 to a percentage carried to four decimal places.				1. Net income (from Form 720, Part III, line 20).....	1		00
1. Kentucky sales	1		00	2. Deduct nonbusiness income (if applicable):			
2. Total sales	2		00	(a) Interest	2(a)		00
3. Sales factor (line 1 divided by line 2).....	3		%	(b) Rents.....	2(b)		00
4. Double-weighted Sales factor (line 3 multiplied by 2)	4		%	(c) Royalties.....	2(c)		00
5. Average value of Kentucky real/tangible property (Section III).....	5		00	(d) Net gain or loss on sale or exchange of capital assets.....	2(d)		00
6. Average value of total real/tangible property (Section IV).....	6		00	(e) Total (lines (a) through (d))	2(e)		00
7. Property factor (line 5 divided by line 6).....	7		%	(f) Less related expenses (attach schedule).....	2(f)	(00)
8. Kentucky payrolls	8		00	3. Net nonbusiness income.....	3		00
9. Total payrolls	9		00	4. Business income (line 1 less line 3).....	4		00
10. Payroll factor (line 8 divided by line 9)	10		%	5. Business income apportioned to Kentucky (line 4 multiplied by line 12, Section I)	5		00
11. Total (add lines 4, 7 and 10).....	11		%	6. Add Kentucky nonbusiness income (if applicable):			
12. Apportionment fraction—line 11 divided by 4 or number of factors present (sales representing 2 factors)	12		%	(a) Interest	6(a)		00
				(b) Rents.....	6(b)		00
				(c) Royalties.....	6(c)		00
				(d) Net gain or loss on sale or exchange of capital assets.....	6(d)		00
				(e) Total (lines (a) through (d))	6(e)		00
				(f) Less Kentucky related expenses (attach schedule)	6(f)	(00)
				7. Kentucky net nonbusiness income.....	7		00
				8. Taxable net income (line 5 plus line 7) (enter here and on Form 720, Part III, line 21).....	8		00

SECTION III. KENTUCKY REAL/TANGIBLE PROPERTY			SECTION IV. TOTAL REAL/TANGIBLE PROPERTY		
PROPERTY	A. Beginning of Year	B. End of Year	PROPERTY	A. Beginning of Year	B. End of Year
1. Inventories.....	1		1. Inventories.....	1	
2. Buildings.....	2		2. Buildings.....	2	
3. Machinery and equipment	3		3. Machinery and equipment	3	
4. Land.....	4		4. Land.....	4	
5. Other tangible assets.....	5		5. Other tangible assets.....	5	
6. Total (lines 1 through 5)...	6		6. Total (lines 1 through 5)...	6	
7. Average value of real/tangible property owned in Kentucky, total of line 6, columns A and B divided by 2	7		7. Average value of real/tangible property owned everywhere, total of line 6, columns A and B divided by 2	7	
8. Leased property (Eight times the annual rental rate less subrentals).....	8		8. Leased property (Eight times the annual rental rate less subrentals).....	8	
9. Total (lines 7 and 8) (enter on line 5, Section I)	9		9. Total (lines 7 and 8) (enter on line 6, Section I)	9	

SCHEDULE O-PTE

41A720S-O (11-14)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



DRAFT
6/27/14

Taxable Year Ending

____/____
Mo. Yr.

**OTHER ADDITIONS AND SUBTRACTIONS
TO/FROM FEDERAL ORDINARY INCOME**

➤ **Attach to Form 720S, 765 or 765-GP.**

Name of Pass-through Entity	Federal Identification Number ____-____-____	Kentucky Corporation/LLET Account Number _____
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PART I—ADDITIONS TO FEDERAL ORDINARY INCOME (FORM 720S, 765 OR 765-GP, PART I, LINE 5)

1. Loss from Form 4797 found on federal Form 1120S, line 4 or federal Form 1065, line 6.....	1	00
2. Gain from Kentucky Form 4797, line 17	2	00
3. Federal allowable depletion from Form 1120S, line 15 or Form 1065, line 17.....	3	00
4. Enter additions to federal taxable income from Kentucky Schedule(s) K-1	4	00
5. Internal Revenue Code amendments made after December 31, 2013.....	5	00
6. Other additions (attach explanation)	6	00
7. Total of lines 1 through 6 (enter on Form 720S, Part III, line 5; or Form 765 or 765-GP, Part I, line 5)	7	00

PART II—SUBTRACTIONS FROM FEDERAL ORDINARY INCOME (FORM 720S, 765 OR 765-GP, PART I, LINE 9)

1. Gain from Form 4797 found on federal Form 1120S, line 4 or federal Form 1065, line 6	1	00
2. Loss from Kentucky Form 4797, line 17	2	00
3. Kentucky allowable depletion	3	00
4. Amounts received from Tobacco Master Settlement Agreement, Phase II Settlement.....	4	00
5. Amounts received from funds of the Commodity Credit Corporation for the Tobacco Loss Assistance Program.....	5	00
6. Amounts received as a result of a tobacco quota buydown program	6	00
7. State Phase II payments received by a producer of tobacco or a tobacco quota owner.....	7	00
8. Enter subtractions from federal taxable income from Kentucky Schedule(s) K-1	8	00
9. Internal Revenue Code amendments made after December 31, 2013.....	9	00
10. Other subtractions (attach explanation)	10	00
11. Total of lines 1 through 10 (enter on Form 720S, Part III, line 9; or Form 765 or 765-GP, Part I, line 9)	11	00

Schedule O-PTE is used by an S corporation filing Kentucky Form 720S or a partnership filing Kentucky Form 765 or 765-GP to show other additions to and other subtractions from federal ordinary income.

Part I—ADDITIONS TO FEDERAL ORDINARY INCOME

Line 1—Enter the federal loss from federal Form 1120S, Line 4 or federal Form 1065, Line 6. If the loss from Form 4797, Line 17 is the same for both federal and Kentucky, do not make an entry on this line.

Line 2—Enter the Kentucky gain from Kentucky Form 4797, Line 17. If the gain from Form 4797, Line 17 is the same for both federal and Kentucky, do not make an entry on this line.

Line 3—Enter federal allowable depletion from federal Form 1120S, Line 15 or federal Form 1065, Line 17. Do not deduct depletion for oil and gas properties as each partner, member or shareholder figures depletion on oil and gas properties. If the depletion is the same for both federal and Kentucky, do not make an entry on this line.

Line 4—Enter the difference of the Kentucky distributive share income amounts from Kentucky Schedule(s) K-1 in excess of federal distributive share amounts from federal Schedule(s) K-1.

Line 5—Kentucky’s Internal Revenue Code reference date is December 31, 2013. Enter the addition to federal ordinary income equal to the excess of Kentucky income over federal income resulting from amendments to the Internal Revenue Code (excluding amendments affecting depreciation and the IRC §179 deduction) subsequent to December 31, 2013. Attach a schedule to the tax return showing the detail of the addition, including the related Internal Revenue Code section(s).

Line 6—Enter any other additions to federal income not reported on Lines 1 through 5, and attach an explanation to the tax return.

Line 7—Enter the total of Lines 1 through 6 (enter on Form 720S, Part III, Line 5; or Form 765 or 765-GP, Part I, Line 5).

Part II—SUBTRACTIONS FROM FEDERAL ORDINARY INCOME

Line 1—Enter the federal gain from federal Form 1120S, Line 4 or federal Form 1065, Line 6. If the gain from Form 4797, Line 17 is the same for both federal and Kentucky, do not make an entry on this line.

(FORM 765)
KENTUCKY SCHEDULE K-1

41A765 (K-1)
DEPARTMENT OF REVENUE



2014

► **See instructions.**

**PARTNER'S SHARE OF INCOME,
CREDITS, DEDUCTIONS, ETC.**

For calendar year 2014 or fiscal year beginning _____, 2014, and ending _____, 201 ____.

Partner's identifying number ►	Partnership's FEIN ►	Kentucky Corporation/LLET Account Number ►												
Partner's name, address and ZIP code		Partnership's name, address and ZIP code <i>Check if applicable:</i> <input type="checkbox"/> Qualified investment pass-through entity												
<p>A This partner is a <input type="checkbox"/> general partner <input type="checkbox"/> limited partner <input type="checkbox"/> limited liability company member</p> <p>B Partner's share of liabilities:</p> <p>Nonrecourse \$ _____</p> <p>Qualified nonrecourse financing \$ _____</p> <p>Other \$ _____</p> <p>C What type of entity is this partner?</p> <p><input type="checkbox"/> Individual <input type="checkbox"/> Estate <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation</p> <p><input type="checkbox"/> General Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Other Pass-through Entity</p> <p>D Partner's taxable percentage of partnership's distributive share items below (see instructions)</p> <p>(1) Resident partner 100%</p> <p>(2) Nonresident partner (see Schedule A, Section I, line 12) ► _____ %</p> <p>E Check box if nonresident partner's income is reported on:</p> <p><input type="checkbox"/> Kentucky Nonresident Income Tax Withholding on Distributive Share Income Report and Composite Income Tax Return (Form 740NP-WH and Form PTE-WH)</p>		<p>F Enter partner's percentage of:</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: center;">(i) Before change or termination</td> <td style="text-align: center;">(ii) End of year</td> </tr> <tr> <td>Profit sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Loss sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Ownership of capital</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> </table>		(i) Before change or termination	(ii) End of year	Profit sharing	_____ %	_____ %	Loss sharing	_____ %	_____ %	Ownership of capital	_____ %	_____ %
	(i) Before change or termination	(ii) End of year												
Profit sharing	_____ %	_____ %												
Loss sharing	_____ %	_____ %												
Ownership of capital	_____ %	_____ %												
		<div style="border: 2px solid green; padding: 5px; transform: rotate(-15deg); color: green; font-weight: bold; font-size: 1.2em;"> DRAFT 5/16/14 </div>												
<input type="checkbox"/> Kentucky Nonresident Income Tax Withholding on Distributive Share Income Report and Composite Income Tax Return (Form 740NP-WH and Form PTE-WH)		<input type="checkbox"/> Final K-1 <input type="checkbox"/> Amended K-1												

		(b) Amount
(a) Distributive Share Items		
Income (Loss)		
1. Ordinary income (loss) from trade or business activities.....	1	00
2. Net income (loss) from rental real estate activities.....	2	00
3. Net income (loss) from other rental activities	3	00
4. Portfolio income (loss):		
(a) Interest	4(a)	00
(b) Dividends.....	(b)	00
(c) Royalties	(c)	00
(d) Net short-term capital gain (loss)	(d)	00
(e) Net long-term capital gain (loss).....	(e)	00
(f) Other portfolio income (loss) (attach schedule).....	(f)	00
5. Guaranteed payments to partners.....	5	00
6. Section 1231 net gain (loss)(other than due to casualty or theft)	6	00
7. Other income (loss) (attach schedule)	7	00
Deductions		
8. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH).....	8	00
9. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky Form 4562)	9	00
10. Deductions related to portfolio income (loss) (attach schedule).....	10	00
11. Other deductions (attach schedule)	11	00
Investment Interest		
12. (a) Interest expense on investment debts	12(a)	00
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	00
(2) Investment expenses included on line 10 above	(2)	00



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 5/29/14

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued	(b) Amount	
Tax Credits		
13. Kentucky Small Business Investment Tax Credit	13	00
14. Skills Training Investment Tax Credit.....	14	00
15. Certified Rehabilitation Tax Credit.....	15	00
16. Kentucky Unemployment Tax Credit.....	16	00
17. Recycling/Composting Equipment Tax Credit	17	00
18. Kentucky Investment Fund Tax Credit.....	18	00
19. Coal Incentive Tax Credit.....	19	00
20. Qualified Research Facility Tax Credit	20	00
21. GED Incentive Tax Credit.....	21	00
22. Voluntary Environmental Remediation Tax Credit	22	00
23. Biodiesel Tax Credit	23	00
24. Environmental Stewardship Tax Credit.....	24	00
25. Clean Coal Incentive Tax Credit	25	00
26. Ethanol Tax Credit.....	26	00
27. Cellulosic Ethanol Tax Credit	27	00
Form 5695-K Pass-through Amounts		
28. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 3)	28	00
29. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 9)	29	00
30. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 15)	30	00
31. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 29)	31	00
32. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 32)	32	00
33. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 44)	33	00
34. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 47)	34	00
35. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 54)	35	00
36. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 60)	36	00
37. ENERGY STAR Home or ENERGY STAR Manufactured Home Tax Credit	37	00
38. Railroad Maintenance and Improvement Tax Credit	38	00
39. Railroad Expansion Tax Credit.....	39	00
40. Endow Kentucky Tax Credit.....	40	00
41. New Markets Development Program Tax Credit.....	41	00
42. Food Donation Tax Credit.....	42	00
Other Items		
43. (a) Type of Section 59(e)(2) expenditures ►	43(a)	
(b) Amount of Section 59(e)(2) expenditures	(b)	00
44. Tax-exempt interest income	44	00
45. Other tax-exempt income	45	00
46. Nondeductible expenses	46	00
47. Property distributions (including cash)	47	00
48. Supplemental information required to be reported to each partner (attach schedule(s)).....	48	
LLET Pass-through Items		
49. Partner's share of partnership's Kentucky sales from Schedule K, Section II, line 1	49	00
50. Partner's share of partnership's total sales from Schedule K, Section II, line 2	50	00
51. Partner's share of partnership's Kentucky property from Schedule K, Section II, line 3	51	00
52. Partner's share of partnership's total property from Schedule K, Section II, line 4	52	00
53. Partner's share of partnership's Kentucky payroll from Schedule K, Section II, line 5	53	00
54. Partner's share of partnership's total payroll from Schedule K, Section II, line 6.....	54	00
55. Partner's share of Kentucky gross profits from Schedule K, Section II, line 7.....	55	00
56. Partner's share of total gross profits from all sources from Schedule K, Section II, line 8	56	00
57. Partner's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9....	57	00



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5/29/14

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued		(b) Amount	
Resident Partner Adjustment			
58.	Combination of Kentucky Schedule K-1, lines 1 through 6, 9 and portions of lines 7 and 11. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	58	00
59.	Combination of federal Schedule K-1, lines 1 through 10, 12 and portions of lines 11 and 13. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	59	00
60.	Enter difference of lines 58 and 59 here and on appropriate line on Schedule M (see instructions).....	60	00

PARTNER'S INSTRUCTIONS FOR SCHEDULE K-1 (FORM 765)

Who Must File—The partners or members are liable for tax on their share of the partnership income, whether or not distributed, and must include their share on the individual income tax return.

If you were a Kentucky resident for the entire year, your filing requirement depends upon your family size, modified gross income, Kentucky adjusted gross income and income from self-employment.

Any person with gross receipts from self-employment exceeding the threshold amount determined under KRS 141.066 must file a Form 740 regardless of the amount of adjusted gross income or the number of tax credits claimed. Generally, all income of Kentucky residents, regardless of where it was earned, is subject to Kentucky income tax. See Form 740 Instructions.

Nonresidents with income from Kentucky sources and part-year residents receiving income while a Kentucky resident or from Kentucky sources while a nonresident must file a Kentucky return. **Partnership income is not exempted by reciprocal agreements between Kentucky and any other state.** Form 740-NP must be filed by an individual with income from Kentucky sources and a combined gross income from all sources exceeding the threshold amount determined under KRS 141.066. Full-year nonresidents must report all income from Kentucky sources and from property located in Kentucky. Persons moving into Kentucky must report income received from Kentucky sources prior to becoming residents and income received from all sources after becoming Kentucky residents. Residents moving out of Kentucky during the year must report income from all sources while a resident and from Kentucky sources while a nonresident.

When to Report—Include your share of the partnership's income or (loss), credits, deductions, etc., as shown by your Schedule K-1 (Form 765) on your Kentucky income tax return for the year in which the tax year of the partnership ends. For example, if you, the partner, are on a calendar year, and the partnership's tax year ends January 31, 2014, you must take the items listed on Schedule K-1 (Form 765) into account on your tax return for calendar year 2014.

At-Risk Limitations—Generally, if you have a loss from any activity carried on as a trade or business or for the production of income by the partnership and you, the partner, have amounts invested in that activity for which you are not at risk, you will be required to complete federal Form 6198, At-Risk Limitations, to figure the allowable loss to report on your Kentucky income tax return. Your deductible loss from each activity for the tax year generally is limited to the amount you are at risk for the activity at the end of the partnership's tax year or the amount of the loss, whichever is less. To help you complete Form 6198, if required, the partnership will provide a schedule showing your share of income, expenses, etc., for each at-risk activity.

NOTE: Form 740 filers see Form 740 instructions for Schedule M, Line 7 and/or Line 19.

Passive Activity Limitations—The passive activity limitations in IRC Section 469 are figured at the partner level and may apply to any loss reported on Lines 1, 2 or 3 and any other related items of income, loss and deductions reported on Schedule K-1 (Form 765). Refer to the federal Partner's Instructions for Schedule K-1 (Form 1065) to determine if the passive activity limitations apply to your share of loss(es) reported on Schedule K-1 (Form 765) and if you must file Form 8582-K, Kentucky Passive Activity Loss Limitations.

SPECIFIC INSTRUCTIONS

Kentucky Resident Partners (Form 740 Filers)—To determine the net difference between the federal Schedule K-1 amounts and the Kentucky Schedule K-1 amounts, complete Lines 58, 59 and 60. This will adjust the items of income, loss and deductions used to compute your federal adjusted gross income to the Kentucky amounts shown in Column (b), Schedule K-1.

Line 58—Include on this line the Kentucky Schedule K-1 amounts from Lines 1 through 6 and 9. Also include the amounts from Lines 7 and 11 that do not pass through to Schedule A as itemized deductions.

Line 59—Include on this line the federal Schedule K-1 amounts from Lines 1 through 10 and 12. Also include the amounts from Lines 11 and 13 that do not pass through to Schedule A as itemized deductions.

NOTE: If Form 8582-K is required, adjust the amounts entered on Lines 58 and 59 to exclude any income, loss, deduction or expense related to a passive activity. Complete the passive activities adjustment worksheet (Form 8582-K, page 2) to determine additions to or subtractions from federal adjusted gross income. **See Form 740 instructions for Schedule M, Line 7 and/or Line 19.**

If amounts on Lines 4(d) and 4(e) are subject to the capital loss limitations, do not include on Lines 58 and 59. Complete federal Schedule D using Kentucky amounts to determine additions to or subtractions from federal adjusted gross income.

Line 60—Enter difference of Lines 58 and 59. If Line 58 is greater than Line 59, enter the difference as an addition to federal adjusted gross income on Schedule M, Line 3. If Line 59 is greater than Line 58, enter the difference as a subtraction on Schedule M, Line 15.

Caution: If the amount on Line 58 is a (loss) and Line 59 is a (loss), the smaller amount of the (loss) is the greater amount, and to determine the difference, subtract the smaller dollar amount from the larger dollar amount. If the amount on Line 58 is an income amount and Line 59 is

(FORM 765)
KENTUCKY SCHEDULE K-1

41A765 (K-1)
DEPARTMENT OF REVENUE



2014

► **See instructions.**

**PARTNER'S SHARE OF INCOME,
CREDITS, DEDUCTIONS, ETC.**

For calendar year 2014 or fiscal year beginning _____, 2014, and ending _____, 201 ____.

Partner's identifying number ►	Partnership's FEIN ►	Kentucky Corporation/LLET Account Number ►												
Partner's name, address and ZIP code		Partnership's name, address and ZIP code <i>Check if applicable:</i> <input type="checkbox"/> Qualified investment pass-through entity												
<p>A This partner is a <input type="checkbox"/> general partner <input type="checkbox"/> limited partner <input type="checkbox"/> limited liability company member</p> <p>B Partner's share of liabilities:</p> <p>Nonrecourse \$ _____</p> <p>Qualified nonrecourse financing \$ _____</p> <p>Other \$ _____</p> <p>C What type of entity is this partner?</p> <p><input type="checkbox"/> Individual <input type="checkbox"/> Estate <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation</p> <p><input type="checkbox"/> General Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Other Pass-through Entity</p> <p>D Partner's taxable percentage of partnership's distributive share items below (see instructions)</p> <p>(1) Resident partner 100%</p> <p>(2) Nonresident partner (see Schedule A, Section I, line 12) ► _____ %</p> <p>E Check box if nonresident partner's income is reported on:</p> <p><input type="checkbox"/> Kentucky Nonresident Income Tax Withholding on Distributive Share Income Report and Composite Income Tax Return (Form 740NP-WH and Form PTE-WH)</p>	<p>F Enter partner's percentage of:</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"></td> <td style="width:20%; text-align: center;">(i) Before change or termination</td> <td style="width:20%; text-align: center;">(ii) End of year</td> </tr> <tr> <td>Profit sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Loss sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Ownership of capital</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> </table>			(i) Before change or termination	(ii) End of year	Profit sharing	_____ %	_____ %	Loss sharing	_____ %	_____ %	Ownership of capital	_____ %	_____ %
	(i) Before change or termination	(ii) End of year												
Profit sharing	_____ %	_____ %												
Loss sharing	_____ %	_____ %												
Ownership of capital	_____ %	_____ %												
<input type="checkbox"/> Final K-1 <input type="checkbox"/> Amended K-1														

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(a) Distributive Share Items	(b) Amount
------------------------------	------------

Income (Loss)

1. Ordinary income (loss) from trade or business activities.....	1	00
2. Net income (loss) from rental real estate activities.....	2	00
3. Net income (loss) from other rental activities	3	00
4. Portfolio income (loss):		
(a) Interest	4(a)	00
(b) Dividends.....	(b)	00
(c) Royalties	(c)	00
(d) Net short-term capital gain (loss)	(d)	00
(e) Net long-term capital gain (loss).....	(e)	00
(f) Other portfolio income (loss) (attach schedule).....	(f)	00
5. Guaranteed payments to partners.....	5	00
6. Section 1231 net gain (loss)(other than due to casualty or theft)	6	00
7. Other income (loss) (attach schedule)	7	00

Deductions

8. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH).....	8	00
9. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky Form 4562)	9	00
10. Deductions related to portfolio income (loss) (attach schedule).....	10	00
11. Other deductions (attach schedule)	11	00

Investment Interest

12. (a) Interest expense on investment debts	12(a)	00
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	00
(2) Investment expenses included on line 10 above	(2)	00



DRAFT
 5/29/14

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued	(b) Amount	
Tax Credits		
13. Kentucky Small Business Investment Tax Credit	13	00
14. Skills Training Investment Tax Credit.....	14	00
15. Certified Rehabilitation Tax Credit.....	15	00
16. Kentucky Unemployment Tax Credit.....	16	00
17. Recycling/Composting Equipment Tax Credit.....	17	00
18. Kentucky Investment Fund Tax Credit.....	18	00
19. Coal Incentive Tax Credit.....	19	00
20. Qualified Research Facility Tax Credit.....	20	00
21. GED Incentive Tax Credit.....	21	00
22. Voluntary Environmental Remediation Tax Credit.....	22	00
23. Biodiesel Tax Credit.....	23	00
24. Environmental Stewardship Tax Credit.....	24	00
25. Clean Coal Incentive Tax Credit.....	25	00
26. Ethanol Tax Credit.....	26	00
27. Cellulosic Ethanol Tax Credit.....	27	00
Form 5695-K Pass-through Amounts		
28. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 3).....	28	00
29. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 9).....	29	00
30. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 15).....	30	00
31. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 29).....	31	00
32. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 32).....	32	00
33. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 44).....	33	00
34. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 47).....	34	00
35. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 54).....	35	00
36. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 60).....	36	00
37. ENERGY STAR Home or ENERGY STAR Manufactured Home Tax Credit.....	37	00
38. Railroad Maintenance and Improvement Tax Credit.....	38	00
39. Railroad Expansion Tax Credit.....	39	00
40. Endow Kentucky Tax Credit.....	40	00
41. New Markets Development Program Tax Credit.....	41	00
42. Food Donation Tax Credit.....	42	00
Other Items		
43. (a) Type of Section 59(e)(2) expenditures ►	43(a)	
(b) Amount of Section 59(e)(2) expenditures.....	(b)	00
44. Tax-exempt interest income.....	44	00
45. Other tax-exempt income.....	45	00
46. Nondeductible expenses.....	46	00
47. Property distributions (including cash).....	47	00
48. Supplemental information required to be reported to each partner (attach schedule(s)).....	48	
LLET Pass-through Items		
49. Partner's share of partnership's Kentucky sales from Schedule K, Section II, line 1.....	49	00
50. Partner's share of partnership's total sales from Schedule K, Section II, line 2.....	50	00
51. Partner's share of partnership's Kentucky property from Schedule K, Section II, line 3.....	51	00
52. Partner's share of partnership's total property from Schedule K, Section II, line 4.....	52	00
53. Partner's share of partnership's Kentucky payroll from Schedule K, Section II, line 5.....	53	00
54. Partner's share of partnership's total payroll from Schedule K, Section II, line 6.....	54	00
55. Partner's share of Kentucky gross profits from Schedule K, Section II, line 7.....	55	00
56. Partner's share of total gross profits from all sources from Schedule K, Section II, line 8.....	56	00
57. Partner's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9....	57	00



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5/29/14

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued	(b) Amount	
Resident Partner Adjustment		
58. Combination of Kentucky Schedule K-1, lines 1 through 6, 9 and portions of lines 7 and 11. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	58	00
59. Combination of federal Schedule K-1, lines 1 through 10, 12 and portions of lines 11 and 13. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	59	00
60. Enter difference of lines 58 and 59 here and on appropriate line on Schedule M (see instructions).....	60	00

PARTNER'S INSTRUCTIONS FOR SCHEDULE K-1 (FORM 765)

Who Must File—The partners or members are liable for tax on their share of the partnership income, whether or not distributed, and must include their share on the individual income tax return.

If you were a Kentucky resident for the entire year, your filing requirement depends upon your family size, modified gross income, Kentucky adjusted gross income and income from self-employment.

Any person with gross receipts from self-employment exceeding the threshold amount determined under KRS 141.066 must file a Form 740 regardless of the amount of adjusted gross income or the number of tax credits claimed. Generally, all income of Kentucky residents, regardless of where it was earned, is subject to Kentucky income tax. See Form 740 Instructions.

Nonresidents with income from Kentucky sources and part-year residents receiving income while a Kentucky resident or from Kentucky sources while a nonresident must file a Kentucky return. **Partnership income is not exempted by reciprocal agreements between Kentucky and any other state.** Form 740-NP must be filed by an individual with income from Kentucky sources and a combined gross income from all sources exceeding the threshold amount determined under KRS 141.066. Full-year nonresidents must report all income from Kentucky sources and from property located in Kentucky. Persons moving into Kentucky must report income received from Kentucky sources prior to becoming residents and income received from all sources after becoming Kentucky residents. Residents moving out of Kentucky during the year must report income from all sources while a resident and from Kentucky sources while a nonresident.

When to Report—Include your share of the partnership's income or (loss), credits, deductions, etc., as shown by your Schedule K-1 (Form 765) on your Kentucky income tax return for the year in which the tax year of the partnership ends. For example, if you, the partner, are on a calendar year, and the partnership's tax year ends January 31, 2014, you must take the items listed on Schedule K-1 (Form 765) into account on your tax return for calendar year 2014.

At-Risk Limitations—Generally, if you have a loss from any activity carried on as a trade or business or for the production of income by the partnership and you, the partner, have amounts invested in that activity for which you are not at risk, you will be required to complete federal Form 6198, At-Risk Limitations, to figure the allowable loss to report on your Kentucky income tax return. Your deductible loss from each activity for the tax year generally is limited to the amount you are at risk for the activity at the end of the partnership's tax year or the amount of the loss, whichever is less. To help you complete Form 6198, if required, the partnership will provide a schedule showing your share of income, expenses, etc., for each at-risk activity.

NOTE: Form 740 filers see Form 740 instructions for Schedule M, Line 7 and/or Line 19.

Passive Activity Limitations—The passive activity limitations in IRC Section 469 are figured at the partner level and may apply to any loss reported on Lines 1, 2 or 3 and any other related items of income, loss and deductions reported on Schedule K-1 (Form 765). Refer to the federal Partner's Instructions for Schedule K-1 (Form 1065) to determine if the passive activity limitations apply to your share of loss(es) reported on Schedule K-1 (Form 765) and if you must file Form 8582-K, Kentucky Passive Activity Loss Limitations.

SPECIFIC INSTRUCTIONS

Kentucky Resident Partners (Form 740 Filers)—To determine the net difference between the federal Schedule K-1 amounts and the Kentucky Schedule K-1 amounts, complete Lines 58, 59 and 60. This will adjust the items of income, loss and deductions used to compute your federal adjusted gross income to the Kentucky amounts shown in Column (b), Schedule K-1.

Line 58—Include on this line the Kentucky Schedule K-1 amounts from Lines 1 through 6 and 9. Also include the amounts from Lines 7 and 11 that do not pass through to Schedule A as itemized deductions.

Line 59—Include on this line the federal Schedule K-1 amounts from Lines 1 through 10 and 12. Also include the amounts from Lines 11 and 13 that do not pass through to Schedule A as itemized deductions.

NOTE: If Form 8582-K is required, adjust the amounts entered on Lines 58 and 59 to exclude any income, loss, deduction or expense related to a passive activity. Complete the passive activities adjustment worksheet (Form 8582-K, page 2) to determine additions to or subtractions from federal adjusted gross income. **See Form 740 instructions for Schedule M, Line 7 and/or Line 19.**

If amounts on Lines 4(d) and 4(e) are subject to the capital loss limitations, do not include on Lines 58 and 59. Complete federal Schedule D using Kentucky amounts to determine additions to or subtractions from federal adjusted gross income.

Line 60—Enter difference of Lines 58 and 59. If Line 58 is greater than Line 59, enter the difference as an addition to federal adjusted gross income on Schedule M, Line 3. If Line 59 is greater than Line 58, enter the difference as a subtraction on Schedule M, Line 15.

Caution: If the amount on Line 58 is a (loss) and Line 59 is a (loss), the smaller amount of the (loss) is the greater amount, and to determine the difference, subtract the smaller dollar amount from the larger dollar amount. If the amount on Line 58 is an income amount and Line 59 is

(FORM 765)
KENTUCKY SCHEDULE K-1

41A765 (K-1)
DEPARTMENT OF REVENUE



2014

► See instructions.

**PARTNER'S SHARE OF INCOME,
CREDITS, DEDUCTIONS, ETC.**

For calendar year 2014 or fiscal year beginning _____, 2014, and ending _____, 201 ____.

Partner's identifying number ►	Partnership's FEIN ►	Kentucky Corporation/LLET Account Number ►												
Partner's name, address and ZIP code		Partnership's name, address and ZIP code <i>Check if applicable:</i> <input type="checkbox"/> Qualified investment pass-through entity												
<p>A This partner is a <input type="checkbox"/> general partner <input type="checkbox"/> limited partner <input type="checkbox"/> limited liability company member</p> <p>B Partner's share of liabilities:</p> <p>Nonrecourse \$ _____</p> <p>Qualified nonrecourse financing \$ _____</p> <p>Other \$ _____</p> <p>C What type of entity is this partner?</p> <p><input type="checkbox"/> Individual <input type="checkbox"/> Estate <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation</p> <p><input type="checkbox"/> General Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Other Pass-through Entity</p> <p>D Partner's taxable percentage of partnership's distributive share items below (see instructions)</p> <p>(1) Resident partner 100%</p> <p>(2) Nonresident partner (see Schedule A, Section I, line 12) ► _____ %</p> <p>E Check box if nonresident partner's income is reported on:</p> <p><input type="checkbox"/> Kentucky Nonresident Income Tax Withholding on Distributive Share Income Report and Composite Income Tax Return (Form 740NP-WH and Form PTE-WH)</p>	<p>F Enter partner's percentage of:</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"></td> <td style="width:20%; text-align: center;">(i) Before change or termination</td> <td style="width:20%; text-align: center;">(ii) End of year</td> </tr> <tr> <td>Profit sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Loss sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Ownership of capital</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> </table>			(i) Before change or termination	(ii) End of year	Profit sharing	_____ %	_____ %	Loss sharing	_____ %	_____ %	Ownership of capital	_____ %	_____ %
	(i) Before change or termination	(ii) End of year												
Profit sharing	_____ %	_____ %												
Loss sharing	_____ %	_____ %												
Ownership of capital	_____ %	_____ %												
<input type="checkbox"/> Final K-1 <input type="checkbox"/> Amended K-1														

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(a) Distributive Share Items	(b) Amount
------------------------------	------------

Income (Loss)

1. Ordinary income (loss) from trade or business activities.....	1	00
2. Net income (loss) from rental real estate activities.....	2	00
3. Net income (loss) from other rental activities	3	00
4. Portfolio income (loss):		
(a) Interest	4(a)	00
(b) Dividends.....	(b)	00
(c) Royalties	(c)	00
(d) Net short-term capital gain (loss)	(d)	00
(e) Net long-term capital gain (loss).....	(e)	00
(f) Other portfolio income (loss) (attach schedule).....	(f)	00
5. Guaranteed payments to partners.....	5	00
6. Section 1231 net gain (loss)(other than due to casualty or theft)	6	00
7. Other income (loss) (attach schedule)	7	00

Deductions

8. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH).....	8	00
9. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky Form 4562)	9	00
10. Deductions related to portfolio income (loss) (attach schedule).....	10	00
11. Other deductions (attach schedule)	11	00

Investment Interest

12. (a) Interest expense on investment debts	12(a)	00
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	00
(2) Investment expenses included on line 10 above	(2)	00



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 5/29/14

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued	(b) Amount	
Tax Credits		
13. Kentucky Small Business Investment Tax Credit	13	00
14. Skills Training Investment Tax Credit	14	00
15. Certified Rehabilitation Tax Credit	15	00
16. Kentucky Unemployment Tax Credit	16	00
17. Recycling/Composting Equipment Tax Credit	17	00
18. Kentucky Investment Fund Tax Credit	18	00
19. Coal Incentive Tax Credit	19	00
20. Qualified Research Facility Tax Credit	20	00
21. GED Incentive Tax Credit	21	00
22. Voluntary Environmental Remediation Tax Credit	22	00
23. Biodiesel Tax Credit	23	00
24. Environmental Stewardship Tax Credit	24	00
25. Clean Coal Incentive Tax Credit	25	00
26. Ethanol Tax Credit	26	00
27. Cellulosic Ethanol Tax Credit	27	00
Form 5695-K Pass-through Amounts		
28. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 3)	28	00
29. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 9)	29	00
30. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 15)	30	00
31. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 29)	31	00
32. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 32)	32	00
33. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 44)	33	00
34. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 47)	34	00
35. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 54)	35	00
36. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 60)	36	00
37. ENERGY STAR Home or ENERGY STAR Manufactured Home Tax Credit	37	00
38. Railroad Maintenance and Improvement Tax Credit	38	00
39. Railroad Expansion Tax Credit	39	00
40. Endow Kentucky Tax Credit	40	00
41. New Markets Development Program Tax Credit	41	00
42. Food Donation Tax Credit	42	00
Other Items		
43. (a) Type of Section 59(e)(2) expenditures ▶	43(a)	
(b) Amount of Section 59(e)(2) expenditures	(b)	00
44. Tax-exempt interest income	44	00
45. Other tax-exempt income	45	00
46. Nondeductible expenses	46	00
47. Property distributions (including cash)	47	00
48. Supplemental information required to be reported to each partner (attach schedule(s))	48	
LLET Pass-through Items		
49. Partner's share of partnership's Kentucky sales from Schedule K, Section II, line 1	49	00
50. Partner's share of partnership's total sales from Schedule K, Section II, line 2	50	00
51. Partner's share of partnership's Kentucky property from Schedule K, Section II, line 3	51	00
52. Partner's share of partnership's total property from Schedule K, Section II, line 4	52	00
53. Partner's share of partnership's Kentucky payroll from Schedule K, Section II, line 5	53	00
54. Partner's share of partnership's total payroll from Schedule K, Section II, line 6	54	00
55. Partner's share of Kentucky gross profits from Schedule K, Section II, line 7	55	00
56. Partner's share of total gross profits from all sources from Schedule K, Section II, line 8	56	00
57. Partner's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9	57	00



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PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued	(b) Amount	
Resident Partner Adjustment		
58. Combination of Kentucky Schedule K-1, lines 1 through 6, 9 and portions of lines 7 and 11. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	58	00
59. Combination of federal Schedule K-1, lines 1 through 10, 12 and portions of lines 11 and 13. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	59	00
60. Enter difference of lines 58 and 59 here and on appropriate line on Schedule M (see instructions).....	60	00

PARTNER'S INSTRUCTIONS FOR SCHEDULE K-1 (FORM 765)

Who Must File—The partners or members are liable for tax on their share of the partnership income, whether or not distributed, and must include their share on the individual income tax return.

If you were a Kentucky resident for the entire year, your filing requirement depends upon your family size, modified gross income, Kentucky adjusted gross income and income from self-employment.

Any person with gross receipts from self-employment exceeding the threshold amount determined under KRS 141.066 must file a Form 740 regardless of the amount of adjusted gross income or the number of tax credits claimed. Generally, all income of Kentucky residents, regardless of where it was earned, is subject to Kentucky income tax. See Form 740 Instructions.

Nonresidents with income from Kentucky sources and part-year residents receiving income while a Kentucky resident or from Kentucky sources while a nonresident must file a Kentucky return. **Partnership income is not exempted by reciprocal agreements between Kentucky and any other state.** Form 740-NP must be filed by an individual with income from Kentucky sources and a combined gross income from all sources exceeding the threshold amount determined under KRS 141.066. Full-year nonresidents must report all income from Kentucky sources and from property located in Kentucky. Persons moving into Kentucky must report income received from Kentucky sources prior to becoming residents and income received from all sources after becoming Kentucky residents. Residents moving out of Kentucky during the year must report income from all sources while a resident and from Kentucky sources while a nonresident.

When to Report—Include your share of the partnership's income or (loss), credits, deductions, etc., as shown by your Schedule K-1 (Form 765) on your Kentucky income tax return for the year in which the tax year of the partnership ends. For example, if you, the partner, are on a calendar year, and the partnership's tax year ends January 31, 2014, you must take the items listed on Schedule K-1 (Form 765) into account on your tax return for calendar year 2014.

At-Risk Limitations—Generally, if you have a loss from any activity carried on as a trade or business or for the production of income by the partnership and you, the partner, have amounts invested in that activity for which you are not at risk, you will be required to complete federal Form 6198, At-Risk Limitations, to figure the allowable loss to report on your Kentucky income tax return. Your deductible loss from each activity for the tax year generally is limited to the amount you are at risk for the activity at the end of the partnership's tax year or the amount of the loss, whichever is less. To help you complete Form 6198, if required, the partnership will provide a schedule showing your share of income, expenses, etc., for each at-risk activity.

NOTE: Form 740 filers see Form 740 instructions for Schedule M, Line 7 and/or Line 19.

Passive Activity Limitations—The passive activity limitations in IRC Section 469 are figured at the partner level and may apply to any loss reported on Lines 1, 2 or 3 and any other related items of income, loss and deductions reported on Schedule K-1 (Form 765). Refer to the federal Partner's Instructions for Schedule K-1 (Form 1065) to determine if the passive activity limitations apply to your share of loss(es) reported on Schedule K-1 (Form 765) and if you must file Form 8582-K, Kentucky Passive Activity Loss Limitations.

SPECIFIC INSTRUCTIONS

Kentucky Resident Partners (Form 740 Filers)—To determine the net difference between the federal Schedule K-1 amounts and the Kentucky Schedule K-1 amounts, complete Lines 58, 59 and 60. This will adjust the items of income, loss and deductions used to compute your federal adjusted gross income to the Kentucky amounts shown in Column (b), Schedule K-1.

Line 58—Include on this line the Kentucky Schedule K-1 amounts from Lines 1 through 6 and 9. Also include the amounts from Lines 7 and 11 that do not pass through to Schedule A as itemized deductions.

Line 59—Include on this line the federal Schedule K-1 amounts from Lines 1 through 10 and 12. Also include the amounts from Lines 11 and 13 that do not pass through to Schedule A as itemized deductions.

NOTE: If Form 8582-K is required, adjust the amounts entered on Lines 58 and 59 to exclude any income, loss, deduction or expense related to a passive activity. Complete the passive activities adjustment worksheet (Form 8582-K, page 2) to determine additions to or subtractions from federal adjusted gross income. **See Form 740 instructions for Schedule M, Line 7 and/or Line 19.**

If amounts on Lines 4(d) and 4(e) are subject to the capital loss limitations, do not include on Lines 58 and 59. Complete federal Schedule D using Kentucky amounts to determine additions to or subtractions from federal adjusted gross income.

Line 60—Enter difference of Lines 58 and 59. If Line 58 is greater than Line 59, enter the difference as an addition to federal adjusted gross income on Schedule M, Line 3. If Line 59 is greater than Line 58, enter the difference as a subtraction on Schedule M, Line 15.

Caution: If the amount on Line 58 is a (loss) and Line 59 is a (loss), the smaller amount of the (loss) is the greater amount, and to determine the difference, subtract the smaller dollar amount from the larger dollar amount. If the amount on Line 58 is an income amount and Line 59 is

U.S. Return of Partnership Income

For calendar year 2014, or tax year beginning _____, 2014, ending _____, 20_____

2014

► Information about Form 1065 and its separate instructions is at www.irs.gov/form1065.

A Principal business activity	Type or Print	Name of partnership	D Employer identification number
B Principal product or service		Number, street, and room or suite no. If a P.O. box, see the instructions.	E Date business started
C Business code number		City or town, state or province, country, and ZIP or foreign postal code	F Total assets (see the instructions) \$ _____

- G** Check applicable boxes: (1) Initial return (2) Final return (3) Name change (4) Address change (5) Amended return
(6) Technical termination - also check (1) or (2)
- H** Check accounting method: (1) Cash (2) Accrual (3) Other (specify) ► _____
- I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ► _____
- J** Check if Schedules C and M-3 are attached

Caution. Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1a	Gross receipts or sales	1a		
	b	Returns and allowances	1b		
	c	Balance. Subtract line 1b from line 1a			1c
	2	Cost of goods sold (attach Form 1125-A)			2
	3	Gross profit. Subtract line 2 from line 1c			3
	4	Ordinary income (loss) from other partnerships, estates, and trusts (attach statement)			4
	5	Net farm profit (loss) (attach Schedule F (Form 1040))			5
	6	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)			6
Deductions <small>(see the instructions for limitations)</small>	7	Other income (loss) (attach statement)			7
	8	Total income (loss). Combine lines 3 through 7			8
	9	Salaries and wages (other than to partners) (less employment credits)			9
	10	Guaranteed payments to partners			10
	11	Repairs and maintenance			11
	12	Bad debts			12
	13	Rent			13
	14	Taxes and licenses			14
	15	Interest			15
	16a	Depreciation (if required, attach Form 4562)	16a		
	b	Less depreciation reported on Form 1125-A and elsewhere on return	16b		16c
	17	Depletion (Do not deduct oil and gas depletion.)			17
	18	Retirement plans, etc.			18
	19	Employee benefit programs			19
20	Other deductions (attach statement)			20	
21	Total deductions. Add the amounts shown in the far right column for lines 9 through 20.			21	
22	Ordinary business income (loss). Subtract line 21 from line 8			22	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member manager) is based on all information of which preparer has any knowledge.

► _____ ►
Signature of general partner or limited liability company member manager Date

May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
--

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ►				Firm's EIN ►
Firm's address ►				Phone no.

(FORM 765)
KENTUCKY SCHEDULE K-1

41A765 (K-1)
DEPARTMENT OF REVENUE



2014

► **See instructions.**

**PARTNER'S SHARE OF INCOME,
CREDITS, DEDUCTIONS, ETC.**

For calendar year 2014 or fiscal year beginning _____, 2014, and ending _____, 201 ____.

Partner's identifying number ►	Partnership's FEIN ►	Kentucky Corporation/LLET Account Number ►												
Partner's name, address and ZIP code		Partnership's name, address and ZIP code <i>Check if applicable:</i> <input type="checkbox"/> Qualified investment pass-through entity												
<p>A This partner is a <input type="checkbox"/> general partner <input type="checkbox"/> limited partner <input type="checkbox"/> limited liability company member</p> <p>B Partner's share of liabilities:</p> <p>Nonrecourse \$ _____</p> <p>Qualified nonrecourse financing \$ _____</p> <p>Other \$ _____</p> <p>C What type of entity is this partner?</p> <p><input type="checkbox"/> Individual <input type="checkbox"/> Estate <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation</p> <p><input type="checkbox"/> General Partnership <input type="checkbox"/> Trust <input type="checkbox"/> Other Pass-through Entity</p> <p>D Partner's taxable percentage of partnership's distributive share items below (see instructions)</p> <p>(1) Resident partner 100%</p> <p>(2) Nonresident partner (see Schedule A, Section I, line 12) ► _____ %</p> <p>E Check box if nonresident partner's income is reported on:</p> <p><input type="checkbox"/> Kentucky Nonresident Income Tax Withholding on Distributive Share Income Report and Composite Income Tax Return (Form 740NP-WH and Form PTE-WH)</p>	<p>F Enter partner's percentage of:</p> <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;"></td> <td style="width:20%; text-align: center;">(i) Before change or termination</td> <td style="width:20%; text-align: center;">(ii) End of year</td> </tr> <tr> <td>Profit sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Loss sharing</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> <tr> <td>Ownership of capital</td> <td style="text-align: center;">_____ %</td> <td style="text-align: center;">_____ %</td> </tr> </table>			(i) Before change or termination	(ii) End of year	Profit sharing	_____ %	_____ %	Loss sharing	_____ %	_____ %	Ownership of capital	_____ %	_____ %
	(i) Before change or termination	(ii) End of year												
Profit sharing	_____ %	_____ %												
Loss sharing	_____ %	_____ %												
Ownership of capital	_____ %	_____ %												
<input type="checkbox"/> Final K-1 <input type="checkbox"/> Amended K-1														

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5/16/14

(a) Distributive Share Items	(b) Amount
------------------------------	------------

Income (Loss)

1. Ordinary income (loss) from trade or business activities.....	1	00
2. Net income (loss) from rental real estate activities.....	2	00
3. Net income (loss) from other rental activities	3	00
4. Portfolio income (loss):		
(a) Interest	4(a)	00
(b) Dividends.....	(b)	00
(c) Royalties	(c)	00
(d) Net short-term capital gain (loss)	(d)	00
(e) Net long-term capital gain (loss).....	(e)	00
(f) Other portfolio income (loss) (attach schedule).....	(f)	00
5. Guaranteed payments to partners.....	5	00
6. Section 1231 net gain (loss)(other than due to casualty or theft)	6	00
7. Other income (loss) (attach schedule)	7	00

Deductions

8. Charitable contributions (attach schedule) and housing for homeless deduction (attach Schedule HH).....	8	00
9. IRC Section 179 expense deduction (attach federal Form 4562 and Kentucky Form 4562)	9	00
10. Deductions related to portfolio income (loss) (attach schedule).....	10	00
11. Other deductions (attach schedule)	11	00

Investment Interest

12. (a) Interest expense on investment debts	12(a)	00
(b) (1) Investment income included on lines 4(a), 4(b), 4(c) and 4(f) above	(b)(1)	00
(2) Investment expenses included on line 10 above	(2)	00



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 5/29/14

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued	(b) Amount	
Tax Credits		
13. Kentucky Small Business Investment Tax Credit	13	00
14. Skills Training Investment Tax Credit.....	14	00
15. Certified Rehabilitation Tax Credit.....	15	00
16. Kentucky Unemployment Tax Credit.....	16	00
17. Recycling/Composting Equipment Tax Credit	17	00
18. Kentucky Investment Fund Tax Credit.....	18	00
19. Coal Incentive Tax Credit.....	19	00
20. Qualified Research Facility Tax Credit	20	00
21. GED Incentive Tax Credit.....	21	00
22. Voluntary Environmental Remediation Tax Credit	22	00
23. Biodiesel Tax Credit	23	00
24. Environmental Stewardship Tax Credit.....	24	00
25. Clean Coal Incentive Tax Credit	25	00
26. Ethanol Tax Credit.....	26	00
27. Cellulosic Ethanol Tax Credit	27	00
Form 5695-K Pass-through Amounts		
28. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 3)	28	00
29. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 9)	29	00
30. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 15)	30	00
31. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 29)	31	00
32. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 32)	32	00
33. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 44)	33	00
34. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 47)	34	00
35. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 54)	35	00
36. Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 60)	36	00
37. ENERGY STAR Home or ENERGY STAR Manufactured Home Tax Credit	37	00
38. Railroad Maintenance and Improvement Tax Credit	38	00
39. Railroad Expansion Tax Credit.....	39	00
40. Endow Kentucky Tax Credit.....	40	00
41. New Markets Development Program Tax Credit.....	41	00
42. Food Donation Tax Credit.....	42	00
Other Items		
43. (a) Type of Section 59(e)(2) expenditures ►	43(a)	
(b) Amount of Section 59(e)(2) expenditures	(b)	00
44. Tax-exempt interest income	44	00
45. Other tax-exempt income	45	00
46. Nondeductible expenses	46	00
47. Property distributions (including cash)	47	00
48. Supplemental information required to be reported to each partner (attach schedule(s)).....	48	
LLET Pass-through Items		
49. Partner's share of partnership's Kentucky sales from Schedule K, Section II, line 1	49	00
50. Partner's share of partnership's total sales from Schedule K, Section II, line 2	50	00
51. Partner's share of partnership's Kentucky property from Schedule K, Section II, line 3	51	00
52. Partner's share of partnership's total property from Schedule K, Section II, line 4	52	00
53. Partner's share of partnership's Kentucky payroll from Schedule K, Section II, line 5	53	00
54. Partner's share of partnership's total payroll from Schedule K, Section II, line 6.....	54	00
55. Partner's share of Kentucky gross profits from Schedule K, Section II, line 7.....	55	00
56. Partner's share of total gross profits from all sources from Schedule K, Section II, line 8.....	56	00
57. Partner's share of limited liability entity tax (LLET) nonrefundable credit from Schedule K, Section II, line 9....	57	00



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5/29/14

PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

(a) Distributive Share Items—continued		(b) Amount	
Resident Partner Adjustment			
58.	Combination of Kentucky Schedule K-1, lines 1 through 6, 9 and portions of lines 7 and 11. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	58	00
59.	Combination of federal Schedule K-1, lines 1 through 10, 12 and portions of lines 11 and 13. Add income amounts and subtract (loss) and deduction amounts (see instructions).....	59	00
60.	Enter difference of lines 58 and 59 here and on appropriate line on Schedule M (see instructions).....	60	00

PARTNER'S INSTRUCTIONS FOR SCHEDULE K-1 (FORM 765)

Who Must File—The partners or members are liable for tax on their share of the partnership income, whether or not distributed, and must include their share on the individual income tax return.

If you were a Kentucky resident for the entire year, your filing requirement depends upon your family size, modified gross income, Kentucky adjusted gross income and income from self-employment.

Any person with gross receipts from self-employment exceeding the threshold amount determined under KRS 141.066 must file a Form 740 regardless of the amount of adjusted gross income or the number of tax credits claimed. Generally, all income of Kentucky residents, regardless of where it was earned, is subject to Kentucky income tax. See Form 740 Instructions.

Nonresidents with income from Kentucky sources and part-year residents receiving income while a Kentucky resident or from Kentucky sources while a nonresident must file a Kentucky return. **Partnership income is not exempted by reciprocal agreements between Kentucky and any other state.** Form 740-NP must be filed by an individual with income from Kentucky sources and a combined gross income from all sources exceeding the threshold amount determined under KRS 141.066. Full-year nonresidents must report all income from Kentucky sources and from property located in Kentucky. Persons moving into Kentucky must report income received from Kentucky sources prior to becoming residents and income received from all sources after becoming Kentucky residents. Residents moving out of Kentucky during the year must report income from all sources while a resident and from Kentucky sources while a nonresident.

When to Report—Include your share of the partnership's income or (loss), credits, deductions, etc., as shown by your Schedule K-1 (Form 765) on your Kentucky income tax return for the year in which the tax year of the partnership ends. For example, if you, the partner, are on a calendar year, and the partnership's tax year ends January 31, 2014, you must take the items listed on Schedule K-1 (Form 765) into account on your tax return for calendar year 2014.

At-Risk Limitations—Generally, if you have a loss from any activity carried on as a trade or business or for the production of income by the partnership and you, the partner, have amounts invested in that activity for which you are not at risk, you will be required to complete federal Form 6198, At-Risk Limitations, to figure the allowable loss to report on your Kentucky income tax return. Your deductible loss from each activity for the tax year generally is limited to the amount you are at risk for the activity at the end of the partnership's tax year or the amount of the loss, whichever is less. To help you complete Form 6198, if required, the partnership will provide a schedule showing your share of income, expenses, etc., for each at-risk activity.

NOTE: Form 740 filers see Form 740 instructions for Schedule M, Line 7 and/or Line 19.

Passive Activity Limitations—The passive activity limitations in IRC Section 469 are figured at the partner level and may apply to any loss reported on Lines 1, 2 or 3 and any other related items of income, loss and deductions reported on Schedule K-1 (Form 765). Refer to the federal Partner's Instructions for Schedule K-1 (Form 1065) to determine if the passive activity limitations apply to your share of loss(es) reported on Schedule K-1 (Form 765) and if you must file Form 8582-K, Kentucky Passive Activity Loss Limitations.

SPECIFIC INSTRUCTIONS

Kentucky Resident Partners (Form 740 Filers)—To determine the net difference between the federal Schedule K-1 amounts and the Kentucky Schedule K-1 amounts, complete Lines 58, 59 and 60. This will adjust the items of income, loss and deductions used to compute your federal adjusted gross income to the Kentucky amounts shown in Column (b), Schedule K-1.

Line 58—Include on this line the Kentucky Schedule K-1 amounts from Lines 1 through 6 and 9. Also include the amounts from Lines 7 and 11 that do not pass through to Schedule A as itemized deductions.

Line 59—Include on this line the federal Schedule K-1 amounts from Lines 1 through 10 and 12. Also include the amounts from Lines 11 and 13 that do not pass through to Schedule A as itemized deductions.

NOTE: If Form 8582-K is required, adjust the amounts entered on Lines 58 and 59 to exclude any income, loss, deduction or expense related to a passive activity. Complete the passive activities adjustment worksheet (Form 8582-K, page 2) to determine additions to or subtractions from federal adjusted gross income. **See Form 740 instructions for Schedule M, Line 7 and/or Line 19.**

If amounts on Lines 4(d) and 4(e) are subject to the capital loss limitations, do not include on Lines 58 and 59. Complete federal Schedule D using Kentucky amounts to determine additions to or subtractions from federal adjusted gross income.

Line 60—Enter difference of Lines 58 and 59. If Line 58 is greater than Line 59, enter the difference as an addition to federal adjusted gross income on Schedule M, Line 3. If Line 59 is greater than Line 58, enter the difference as a subtraction on Schedule M, Line 15.

Caution: If the amount on Line 58 is a (loss) and Line 59 is a (loss), the smaller amount of the (loss) is the greater amount, and to determine the difference, subtract the smaller dollar amount from the larger dollar amount. If the amount on Line 58 is an income amount and Line 59 is

8879(C)-K

41A720-S8 (10-14)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

Taxable Year Ending

___ / ___
Mo. Yr.

Kentucky Corporation or Pass-through Entity Tax Return
Declaration For Electronic Filing

➤ See instructions.

Name of Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number
Address (Number, Street and Room or Suite No.)		City, State and ZIP Code

PART I - Please check the appropriate box indicating which tax return is being electronically filed: 720 720S 725 765 765-GP

Section A - Tax return information for form 720			LLET	Corporate Income
1. Kentucky taxable income	Part III, line 25	1	\$0 00	00
2. Total tax liability	Part I, line 6 and/or Part II, line 8	2	00	00
3. Penalty	Total of Penalty in Tax Payment Summary	3	00	00
4. Interest	Total of Interest in Tax Payment Summary	4	00	00
5. Subtotal	Subtotal of Penalty & Interest in Tax Payment Summary	5	00	00
6. Tax due	Total Payment in Tax Payment Summary	6	00	00
Section B - Tax return information for form 720S			LLET	Corporate Income
1. Kentucky ordinary income (loss)	Part I, line 10	1	\$0 00	00
2. Total tax liability	Part II, line 6 and/or Part III, line 9	2	00	00
3. Penalty	Total of Penalty in Tax Payment Summary	3	00	00
4. Interest	Total of Interest in Tax Payment Summary	4	00	00
5. Subtotal	Subtotal of Payments in Tax Payment Summary	5	00	00
6. Tax due	Total Payment in Tax Payment Summary	6	00	00
Section C - Tax return information for form 725			LLET	Income
1. Total net distributive income	Part I, line 11	1	\$0 00	00
2. Total tax liability	Part II, line 12	2	00	\$0 00
3. Penalty	Total of Penalty in Tax Payment Summary	3	00	\$0 00
4. Interest	Total of Interest in Tax Payment Summary	4	00	\$0 00
5. Subtotal	Subtotal of Payments in Tax Payment Summary	5	00	\$0 00
6. Tax due	Total Payment in Tax Payment Summary	6	00	\$0 00
Section D - Tax return information for form 765			LLET	Income
1. Kentucky ordinary income (loss)	Part I, line 10	1	\$0 00	00
2. Total tax liability	Part II, line 12	2	00	\$0 00
3. Penalty	Total of Penalty in Tax Payment Summary	3	00	\$0 00
4. Interest	Total of Interest in Tax Payment Summary	4	00	\$0 00
5. Subtotal	Subtotal of Payments in Tax Payment Summary	5	00	\$0 00
6. Tax due	Total Payment in Tax Payment Summary	6	00	\$0 00
Section E - Tax return information for form 765-GP			LLET	Income
1. Federal ordinary income (loss)	Part I, line 1	1	\$0 00	00
2. Kentucky ordinary income (loss)	Part I, line 11	2	\$0 00	00

PART II - Direct Debit of Tax Amount Due (See Instructions)

1. Routing transit number (RTN) The first two numbers of the RTN must be 01 through 12 or 21 through 32.

2. Depositor account number (DAN)

3. Type of account: Savings Checking

4. Debit amount _____

5. In order to comply with electronic banking regulations, please answer the following question.
 a. Direct Debit—Will these funds come from an account located outside of the United States? Yes No

PART III - Declaration of Authorized Representative of Entity (Sign only after Parts I and II are completed.)

I authorize the Kentucky Department of Revenue and its designated Financial Agent to initiate an ACH electronic funds withdrawal entry to the financial institution account indicated above for payment of the state taxes owed on this return. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

If this is a balance due return, I understand that if the Department of Revenue does not receive the full and timely payment of the tax liability, the entity will remain liable for the tax liability and all applicable interest and penalties.

I, the undersigned, declare under the penalties of perjury, that I am an officer of the above corporation, partner or member of the above limited liability pass-through entity, or partner of the above general partnership and that I have examined a copy of the corporation's, limited liability pass-through entity's, or general partnership's electronic tax return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true correct and complete. I further declare that the amounts in Part I above are the amounts shown on the copy of the Form 720, 720S, 725, 765 or 765-GP electronic tax return.

Signature of Authorized Representative _____ Date _____

Type or Print the Name and Title of the Authorized Representative Signing this Document _____

PART IV - Declaration and Signature of Electronic Return Originator (ERO) and Paid Preparer

I, the undersigned, declare that I have reviewed the above tax return and that the entries on Part I above are correct and complete. If I am only the ERO, I am not responsible for reviewing the tax return and only declare that this tax return accurately reflects the data on the tax return. The corporate officer of the above corporation, partner or member of the above limited liability pass-through entity, or partner of the above general partnership will have signed this form before I submit the tax return. I will give the corporate officer of the above corporation, partner or member of the above limited liability pass-through entity, or partner of the above general partnership all forms, including accompanying schedules and statements, filed with the Kentucky Department of Revenue. If I am also the paid preparer, I declare under the penalties of perjury that I have examined this tax return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Check if also a paid preparer.

Check if self-employed.

ERO's signature _____ Date _____ I.D. Number of ERO _____

Firm's name (or your name if self-employed) _____ FEIN _____

Address _____ ZIP Code _____

I, the undersigned, declare under the penalties of perjury that I have examined this tax return, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Preparer's signature _____ Date _____ I.D. Number of Preparer _____

Firm's name (or your name if self-employed) _____ FEIN _____

Address _____ ZIP Code _____

INSTRUCTIONS – Form 8879(C)-K

PURPOSE OF SCHEDULE

An authorized representative of the entity and the electronic return originator (ERO) shall use Form 8879(C)-K as a declaration document and signature authorization for an electronic filing (e-file) of a Kentucky Form 720, 720S, 725, 765 or 765-GP filed by an ERO.

Do not send this form to the Kentucky Department of Revenue. The ERO shall retain Form 8879(C)-K for 4 years from the return due date or the Kentucky Department of Revenue receipt date, whichever is later.

ERO RESPONSIBILITIES

The ERO will:

- Enter the name, Federal Identification Number, Kentucky Corporation/LLET Account Number (if applicable), address and ZIP code of the entity at the top of the form.
- Check the appropriate box indicating which tax return is being electronically filed.
- Complete Part I using the amounts from the entity's Kentucky tax return.
- Complete Part II using the entity's Routing transit number (RTN) and Depositor account number (DAN).
- Check the box in Part IV if the ERO is also the paid preparer.
- Check the box in Part IV if the ERO is self-employed.
- Complete Part IV including a signature, date and I.D. Number of ERO.
- Enter in Part IV the ERO's firm name (NOT the individual preparing the return), FEIN, address and ZIP code.
- If the ERO is not the preparer, have the preparer complete Part IV including the signature, date and I.D. Number of Preparer. Enter in Part IV the preparer's firm name (or the preparer's name if self-employed), FEIN, address and ZIP code.
- Give the authorized representative of the entity Form 8879(C)-K for completion and review – this can be done by hand delivery, U.S. mail, private delivery service, email or Internet website.
- Provide the authorized representative of the entity with a corrected copy of the Form 8879(C)-K if changes are made to the tax return (for example, based on the authorized representative's review).
- Provide the authorized representative of the entity with a copy of the signed Form 8879(C)-K upon request.

AUTHORIZED REPRESENTATIVE OF ENTITY RESPONSIBILITIES

The authorized representative will:

- Verify the accuracy of the entity's Kentucky tax return.
- Verify the amounts in Part I using the amounts from the entity's Kentucky tax return.
- Verify the entity's Routing transit number (RTN) and Depositor account number (DAN) in Part II.

- Sign and date Form 8879(C)-K in Part III.
- Type or print authorized representative's name and title in Part III.
- Return the completed Form 8879(C)-K to the ERO by hand delivery, U.S. mail, private delivery service or fax.

The Kentucky entity's tax return shall not be transmitted to the Kentucky Department of Revenue until the ERO receives the authorized representative's signed Form 8879(C)-K.

PART I – Tax Return Information

Enter the required data from Kentucky Form 720, 720S, 725, 765 or 765-GP in Section A - Form 720, Section B - Form 720S, Section C - Form 725, Section D - Form 765 or Section E- Form 765-GP.

PART II – Direct Debit of Tax Amount Due

The entity can choose to pay the amount due by completing Part II, Lines 1 through 5, and checking the box on Part III. The entity can choose direct debit for Kentucky regardless of the choice for federal purposes. The entity must ensure that the following information relating to the financial institution's account is provided in the tax preparation software: Routing transit number (RTN), Depositor account number (DAN), Type of account (Savings or Checking) and Debit amount.

The payment amount will be processed (debited from the designated bank account) upon acceptance of the tax return for processing.

PART III – Declaration of Authorized Representative of Entity

The authorized representative of the entity shall sign and date Form 8879(C)-K after reviewing the tax return and before it is transmitted to the Kentucky Department of Revenue.

PART IV – Declaration and Signature of Electronic Return Originator (ERO) and Paid Preparer

This ERO shall sign and date Form 8879(C)-K.

If the ERO is also the paid preparer, the ERO must check the paid preparer box, but is not required to complete and sign the paid preparer's section. If self-employed, check the self-employed box.

A paid preparer who is not the ERO must complete and sign the paid preparer's section.

If the ERO cannot obtain the paid preparer's signature on Form 8879(C)-K, a copy of the tax return with the paid preparer's signature should be attached to the 8879(C)-K.