

**Commonwealth of Kentucky
Kentucky Department of Revenue**

**INFORMATION FOR FED/STATE
DEVELOPMENT OF MODERNIZED E-FILE
FOR CORPORATE INCOME TAX**

KY PUBLICATION 4163

Software Developer's Guide



**Tax Year 2013
Processing Year 2014**

Revised: June 17, 2014

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Section 1: INTRODUCTION

The Kentucky Department of Revenue (KDOR) in conjunction with the Internal Revenue Service (IRS) accepts state corporate income tax returns and corresponding forms and schedules by method of the Modernized E-File system (MeF). The transmission method is a Web Service using Simple Object Access Protocol (SOAP) with attachments messaging. The return data should be formatted using Extensible Markup Language (XML). Authorized E-File providers, also known as Electronic Return Originators (ERO's) can submit returns to the IRS MeF system for federal and state return processing. State returns can be submitted as a federal return with a state return attached, called a "linked" return, or as a state return, known as an "unlinked" submission. Each return (linked or unlinked) must be in a separate submission. A copy of the federal return and is required for all Kentucky state returns submitted. Multiple submissions may be contained in a single message payload. Software developers must test with the Kentucky Department of Revenue and receive approval prior to submitting live returns.

The material in this publication will provide software developers the necessary information for capturing and formatting Kentucky income tax data and the associated federal information required as part of a Kentucky return. The information included in these specifications does not provide all the various tax instructions and tax law detail necessary in the preparation of the Kentucky corporate return. Please refer to the Department's website at www.revenue.ky.gov for additional forms, schedules and instructions.

This publication does not represent the requirements and procedures issued by the IRS. All IRS requirements must be adhered to in developing the Kentucky return and participating in the fed/state e-file program. See IRS Publications 4163, Modernized e-file Guide for Software Developers and Transmitters.

The current schema version is posted on our Software Developer's Information / Modernized Electronic Filing webpage found at <http://www.revenue.ky.gov/sdi/mef.htm>. The schema will incorporate the Form 720 series (Kentucky Corporate Income Tax Return).

Section 2: OVERVIEW OF 2013TY / 2014PY CHANGES

TESTING

Software developer testing for tax year 2013 will begin (to be determined at this time).
Software developer testing for tax year 2013 ended on (to be determined at this time).

NEW FORMS & SCHEDULES

Form 8879(C)-K – KY Corporate and PTE Declaration for Efile

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-filed) of a Kentucky Form 720 filed by an ERO.

Form 720V – KY Corporate Efile Payment Voucher

Form 720-V, Electronic Filing Payment Voucher, is used by an entity filing an electronic Kentucky tax return (Form 720) to pay the balance of tax due. (Only full-pay returns are being accepted through the corporate efile program at this time.)

Schedule COGS – LLET Cost of Goods Sold

If the company is computing its LLET based on gross profits, Schedule COGS, Limited Liability Entity Tax Cost of Goods Sold, must be attached to the applicable tax return.

KRS 141.0401(1)(d)3 provides that for any activity other than manufacturing, producing, reselling, retailing or wholesaling, no costs shall be included in costs of goods sold. Therefore, taxpayers that provide services or sell intangibles are not allowed to compute cost of goods sold for purposes of computing the limited liability entity tax (LLET). For taxpayers who are engaged in manufacturing, producing, reselling, retailing or wholesaling, KRS 141.0401(1)(d)2 provides that amounts allowable as cost of goods sold must be directly incurred in acquiring or producing a tangible product generating the Kentucky gross receipts. Tangible product means both real and tangible personal property.

This schedule is used by a corporation or a limited liability pass-through entity to compute its Kentucky cost of goods sold and its total cost of goods sold from all sources for purposes of computing the LLET on gross profits.

Schedule FD – Food Donation Tax Credit

This schedule is used by a taxpayer (donor) who provides free of fee or charge edible agriculture products to a nonprofit food program operating in Kentucky as provided by KRS 141.392.

For taxable years beginning on or after January 1, 2014, but before January 1, 2018, any donor shall be allowed a nonrefundable credit (food donation tax credit) against the tax imposed by KRS 141.020 or 141.040 and 141.0401, with the ordering of credits as provided by KRS 141.0205, in the amount equal to ten percent (10%) of the value of the donated edible agricultural products. A qualified taxpayer claiming the food donation tax credit shall attach this schedule to the applicable tax return.

A qualified taxpayer that is a pass-through entity not subject to the tax imposed by KRS 141.040 shall apply the food donation tax credit against the limited liability entity tax imposed by KRS 141.0401, and shall distribute the amount of the approved tax credit to each partner, member or shareholder based on the partner's, member's or shareholder's distributive share of income as determined for the taxable year during which the tax credit is approved, with the ordering of credits as provided by KRS 141.0205.

A tax credit not used by a qualified taxpayer in the current taxable year may be carried forward for up to four (4) succeeding years.

Section 3: CONTACT INFORMATION

Software Developer's website: <http://www.revenue.ky.gov/sdi/>

**Mailing Address: 501 High Street, Station 22
Frankfort, KY 40601-2103
Fax: 502-564-0230**

Electronic Filing System Analyst
Technical Specifications
State Record Layouts
Testing

Primary Contact:

Dawn M. Terry

502-564-7964

DawnM.Terry@ky.gov

Secondary Contact:

Audrey Terry

502-564-7862

AudreyJ.Terry@ky.gov

Section 4: ACCEPTANCE & PARTICIPATION

Kentucky will accept returns electronically from any IRS approved software provider upon completion of testing with the Kentucky Department of Revenue.

Each year vendors are required to update the following information before they begin testing with the Kentucky Department of Revenue:

- SoftwareID
- Primary / Secondary contact name
- Primary / Secondary e-mail addresses
- Primary / Secondary telephone numbers
- Primary fax number
- Software Company Name / Market Name
- Mailing Address
- Company sales phone number
- Company web address

The 'SoftwareID' data element is required in the schema and should be populated with the same software developer code used for Legacy E-File. If you did not participate in Legacy E-File contact Audrey Terry to setup a SoftwareID. The SoftwareID must be all upper case within the XML.

Section 5: DEVELOPER'S RESPONSIBILITIES

Developed software must meet the following requirements:

1. Adhere to all federal and state procedures, requirements and specifications. These requirements are specified in IRS Publication 4163, *Modernized e-File Guide for Software Developers and Transmitters*.
2. Successfully complete all testing.
3. Be developed in accordance with statutory requirements and Kentucky Department of Revenue return preparation instructions.
4. Provide accurate Kentucky tax returns in correct electronic format.
5. Provide data validation, verification, and error detection to prevent transmission of incomplete, inaccurate, or invalid return information.
6. Software provider must be available to correct any software errors, which may occur after production begins, and work with the Kentucky Department of Revenue to follow up on any processing issues that may arise during filing season. If software providers need to re-release corrected software, it should be done in a timely manner and proper notification should be made to all customers.

Section 6: SOFTWARE ACCEPTANCE, TESTING & APPROVAL

1. Software developers that meet the current testing requirements set forth by the IRS are invited to test for Kentucky Department of Revenue acceptance. No formal application is necessary, although, a secondary check against our records will be performed prior to acceptance. The Kentucky test package will be available after the federal package is released to software developers. All transmissions must contain the 'SoftwareID'. This identification must be verified before the first test file is transmitted. A contact name and e-mail address must also be provided for test result notification. **After your software is accepted, an acceptance letter will be issued which must be provided to all software users with the final version of the software.**
2. The Kentucky Department of Revenue will accept test returns for tax year 2013 beginning March 11, 2014. The Kentucky MeF testing system is subject to IRS availability and dates are subject to change. Please e-mail Dawn Terry when sending test returns and include your Software ID and the Submission ID's associated with the test returns being submitted.
3. The test package will consist of PDF copies of state test returns and may also include scenarios for special test conditions.
4. Software developers are encouraged to support all schedules, forms and occurrences. It is important that customers are provided with the complete range of services. Please submit linked and unlinked returns within your test package.
5. If your software does not support all forms and schedules or occurrences, please inform the Kentucky Department of Revenue before the first transmission so we can take the restrictions into consideration when reviewing your test submission.
6. Acknowledgements will be provided for all test returns. The return will be either accepted or rejected. An 'Accepted' acknowledgement does not mean your software is approved for release, it merely means that the system acknowledges having accepted the return for processing.
7. The Kentucky Department of Revenue will provide test results in a timely manner, usually within 48 hours of receipt of the submission. A software provider who successfully completes testing will receive an approval letter via an e-mail to the contacts provided.
8. The range of EINs available for ATS testing will be **00-0150100** through **00-0150999**.

Section 7: ACKNOWLEDGEMENT SYSTEM

The Kentucky Department of Revenue will generate an acknowledgement of acceptance or rejection for all returns received. The acknowledgement record will be in a format approved and agreed upon by the IRS, state agencies, transmitters and software developers.

Transmitters and software developers should allow 2 days to receive the state acknowledgement before contacting the department to determine why an acknowledgement has not been received.

To check on the status of a Kentucky acknowledgement, contact Dawn Terry or the Electronic Filing Helpdesk by phone or e-mail. Please be prepared to provide the following information in order to track the status of the submission:

- Transmission Date
- Submission ID

Section 8: GENERAL INFORMATION

For corporate income tax, the following forms, schedules and worksheets are included:

720 CORPORATE RETURNS			
	NAME	Form#	DESCRIPTION
1	720	41A720	CORP RETURN
2	765 K-1	42A765(K1)	PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.
3	765GP K-1	42A765-GP(K1)	PARTNER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.
4	2220-K	41A720-S6	UNDERPAYMENT & LATE PAYMENT OF LLET & ESTIMATED PAYMENTS
5	4562-K	4562-K	DEPRECIATION AND AMORTIZATION
6	4797-K	4797-K	SALE OF BUSINESS PROPERTY
7	5695-K	41A720-S8	KY ENERGY EFFICIENT PRODUCTS TAX CREDIT
8	851-K	41A720-S4	KY AFFILIATIONS & PAYMENT SCHEDULE
9	8810-K	8810-K	CORPORATE PASSIVE ACTIVITY LOSS AND CREDIT LIMITATIONS
10	8874(K)-A	41A720-S81	NOTICE OF KENTUCKY NEW MARKETS DEVELOPMENT PROGRAM TAX CREDIT AND CERTIFICATION
11	8874(K)-B	41A720-S82	NOTICE OF KENTUCKY NEW MARKETS DEVELOPMENT PROGRAM TAX CREDIT RECAPTURE
12	8903-K	41A720-S9	KY DOMESTIC PRODUCTION ACTIVITIES DEDUCTION
13	8908-K	41A720-S11	KY ENERGY STAR (HOMES & MANUFACTURED HOMES) TAX CREDIT
14	PTE-WH	40A200	NON-RESIDENT INCOME TAX WITHHOLDING ON DISTRIBUTIVE SHARE INCOME
15	SCH A	41A720A	APPORTIONMENT FACTOR & ALLOCATION
16	SCH A-C	41A720A-C	APPORTIONMENT FACTOR & ALLOCATION CONTINUATION SHEET
17	SCH A-N	41A720A-N	APPORTIONMENT FACTOR SCHEDULE

720 CORPORATE RETURNS

	NAME	Form#	DESCRIPTION
18	SCH BIO	41A720BIO	BIODIESEL CREDIT APP/CERTIFICATE AND LLET
19	SCH CC	41A720CC	COAL CONVERSION TAX CREDIT
20	SCH CCI	41A720-CCI	APPLICATION & CREDIT CERT OF CLEAN COAL INCENTIVE TAX CREDIT
21	SCH CELL	41A720CELL	APPLICATION AND CREDIT CERTIFICATE OF INCOME TAX/LLET CREDIT CELLULOSIC ETHANOL
22	SCH CI	41A720CI	APPLICATION FOR CLEAN COAL INCENTIVE TAX CREDIT
23	SCH COGS	41A720COGS	LLET COST OF GOODS SOLD
24	SCH CR	41A720CR	CONSOLIDATED RETURN - PRO FORMA FEDERAL
25	SCH D-K	SCH D-K	CAPITAL GAINS AND LOSSES
26	SCH ENDOW	41A720-S86	NOTICE OF ENDOW TAX CREDIT & CERTIFICATION
27	SCH ETH	41A720ETH	ETHANOL - APP/CREDIT & CERTIFICATION OF TAX & LLET CREDIT
28	SCH FD	41A720FD	FOOD DONATION TAX CREDIT
29	SCH FON	41A720-S56	TAX CREDIT COMPUTATION SCHEDULE (FOR A FON PROJECT OF A CORPORATION)
30	SCH FON-T	41A720-S58	TAX CREDIT COMPUTATION SCHEDULE (FOR A FON PROJECT OF A CORPORATION) TAX SCHEDULE
31	SCH HH	41A720HH	HOUSING FOR HOMELESS FAMILIES DEDUCTION
32	SCH IEIA	41A720-S50	TAX CREDIT COMPUTATION SCHEDULE (FOR A IEIA PROJECT OF A CORPORATION)
33	SCH IEIA-T	41A720-S51	TAX CREDIT COMPUTATION SCHEDULE (FOR A IEIA PROJECT OF A CORPORATION) TAX SCHEDULE
34	SCH KBI	41A720-S53	TAX CREDIT COMPUTATION SCHEDULE (FOR A KBI PROJECT OF A CORPORATION) TAX SCHEDULE
35	SCH KBI-T	41A720-S55	TAX CREDIT COMPUTATION SCHEDULE (FOR A KBI PROJECT OF A CORPORATION) TAX SCHEDULE
36	SCH KCR	41A720KCR	CONSOLIDATED RETURN SCH
37	SCH KEOZ	41A720-S40	TAX CREDIT COMPUTATION SCHEDULE (FOR A KEOZ PROJECT OF A CORPORATION)
38	SCH KEOZ-T	41A720-S42	TAX CREDIT COMPUTATION SCHEDULE (FOR A KEOZ PROJECT OF A CORPORATION) TAX SCHEDULE
39	SCH KESA	41A720KESA	TAX CREDIT COMPUTATION SCHEDULE (FOR A KESA PROJECT OF A CORPORATION)
40	SCH KESA-T	41A720KESA-T	TAX CREDIT COMPUTATION SCHEDULE (FOR A KESA PROJECT OF A CORPORATION) TAX SCHEDULE
41	SCH KIDA	41A720-S20	TAX CREDIT COMPUTATION SCHEDULE (FOR A KIDA PROJECT OF A CORPORATION)
42	SCH KIDA-T	41A720-S21	TAX CREDIT COMPUTATION SCHEDULE (FOR A KIDA PROJECT OF A CORPORATION) TAX SCHEDULE
43	SCH KIRA	41A720-S24	TAX CREDIT COMPUTATION SCHEDULE (FOR A KIRA PROJECT OF A CORPORATION)
44	SCH KIRA-T	41A720-S25	TAX CREDIT COMPUTATION SCHEDULE (FOR A KIRA PROJECT OF A CORPORATION) TAX SCHEDULE
45	SCH KJDA	41A720-S27	TAX CREDIT COMPUTATION SCHEDULE (FOR A KJDA PROJECT OF A CORPORATION)
46	SCH KJDA-T	41A720-S28	TAX CREDIT COMPUTATION SCHEDULE (FOR A KJDA PROJECT OF A CORPORATION) TAX SCHEDULE

720 CORPORATE RETURNS

	NAME	Form#	DESCRIPTION
47	SCH KJRA	41A720-S45	TAX CREDIT COMPUTATION SCHEDULE (FOR A KJRA PROJECT OF A CORPORATION)
48	SCH KJRA-T	41A720-S46	TAX CREDIT COMPUTATION SCHEDULE (FOR A KJRA PROJECT OF A CORPORATION) TAX SCHEDULE
49	SCH KRA	41A720-S35	TAX CREDIT COMPUTATION SCHEDULE (FOR A KRA PROJECT OF A CORPORATION)
50	SCH KRA-T	41A720-S37	TAX CREDIT COMPUTATION SCHEDULE (FOR A KRA PROJECT OF A CORPORATION) TAX SCHEDULE
51	SCH KREDA	41A720-S16	TAX CREDIT COMPUTATION SCHEDULE (FOR A KREDA PROJECT OF A CORPORATION)
52	SCH KREDA-T	41A720-S17	TAX CREDIT COMPUTATION SCHEDULE (FOR A KREDA PROJECT OF A CORPORATION) TAX SCHEDULE
53	SCH LLET	41A720LLET	LIMITED LIABILITY ENTITY TAX
54	SCH LLET-C	41A720LLET-C	LIMITED LIABILITY ENTITY TAX CONTINUATION SHEET
55	SCH NOL	41A720NOL	NET OPERATING LOSS SCH
56	SCH NOL-CF	41A720NOL-CF	NET OPERATING LOSS SCH CARRY FORWARD
57	SCH O-720	41A720-O	OTHER ADDITIONS AND SUBTRACTIONS TO FEDERAL TAXABLE INCOME
58	SCH QR	41A720QR	QUALIFIED RESEARCH FACILITY TAX CREDIT
59	SCH RC	41A720RC	RECYCLING & COMPOSTING EQUIP/MAJOR RECYCLING PROJECT APP & LLET TAX CREDIT
60	SCH RC-R	41A720RC-R	RECYCLING OR COMPOSITING EQUIP TAX CREDIT RECAPTURE
61	SCH RPC	41A720RPC	RELATED PARTY COSTS DISCLOSURE STATEMENT
62	SCH RR-E	41A720RR-E	RAILROAD EXPANSION APP/CERTIFICATE AND LLET CREDIT
63	SCH RR-I	41A720RR-I	RAILROAD MAINTENANCE & IMPROVEMENT TAX CREDIT
64	SCH TSC	41A720TSC	TAX CREDIT SUMMARY SCH
65	Sch UTC	72A740-UTC	UNEMPLOYMENT TAX CREDIT
66	SCH VERB	41A720VERB	VOLUNTARY ENVIRONMENTAL REMEDIATION TAX CREDIT

Please note that in the above table of 720 series of forms there are K1s listed for the 765 and 765GP series. This is because in some instances these K1s may be required when filing the 720 form.

At this time, all schedules for filing a Kentucky corporate income tax return have been included in the schemas.

All Kentucky withholding claimed should be supported by an income tax statement. The following income statements are available as schemas: Form PTE-WH, Sch K1 (765), and Sch K1 (765GP).

Many of the tax credits that can be claimed on corporate income tax returns require a taxpayer to receive approval before the credit can be claimed. If approval is required, it should be completed/received prior to claiming the credit on the income tax return. To determine if a tax credit requires pre-approval, please refer to the instructions for the applicable tax return. Return processing could possibly be delayed for credit verification of

tax credits if they are listed on the Schedule TCS. The Schedule TCS also asks for the Project Number (Element Name <EconDevNumber>) which is set for 15 alpha/numeric characters. Precede the filer's project number with zeros if the number provided is not the full 15 character length.

The Kentucky Department of Revenue will accept the following return types:

- **Linked (Fed/State):** An original federal return submitted with one original state return.
- **Unlinked (State Only):** A copy of the federal return is still required with an unlinked return submission.

Required Data Elements

- There are certain elements in the Form 720 schema that are listed as optional, however they should **ALWAYS** be completed and transmitted.
- At this time, Kentucky does not allow electronic filing of the Form 410A720SL, Application for Extension of Time to File Corporate Income Tax Returns. However, if the taxpayer has filed this form with the state or has filed a federal extension (Form 7004), please mark the federal/state extension field (Federal Extension Indicator) in the Form 720 schema and the late filing penalty will not be assessed during processing.

Decimal places and percentages

- Please refer to individual schemas for specifics.

Numeric Fields

- Amount fields should be set as whole dollar. Kentucky numeric fields accommodate up to 15 total digits.

Attachments

We will accept PDF documents as binary attachments, limited to those documents that are not included in our schema. A processing delay will occur for those submissions that have attachments with Kentucky withholding so that the attachment can be manually reviewed.

- Currently Kentucky is asking that the following forms be submitted via PDF within each submission regardless if an XML schema is present for the form:

- | | | | | |
|-----------|----------------|------------|----------------|------------|
| ◆ KY 4562 | ◆ Federal 4562 | ◆ KY 4797 | ◆ Federal 4797 | ◆ 5695-K |
| ◆ KY SchD | ◆ Federal SchD | ◆ 8903-K | ◆ Federal 851 | ◆ 8908-K |
| ◆ Sch BIO | ◆ Sch CC | ◆ Sch CCI | ◆ Sch CI | ◆ Sch CELL |
| ◆ Sch ETH | ◆ Sch HH | ◆ Sch QR | ◆ Sch RPC | ◆ Sch RCR |
| ◆ Sch RCC | ◆ Sch UTC | ◆ Sch VERB | | |

Rejected Returns

See the complete list of business rules with corresponding reject codes listed on the software developer's page listed on our website. <http://revenue.ky.gov/sdi/mef.htm>

Sample:

ErrorCategory	ErrorMessage
XML Validation	<Actual XML Error Message>
Duplicate Return	Original Return already received for this tax year by FEIN.

Exclusions from Electronic Filing

- Returns for a tax year not supported by MeF
- Consolidated returns which consist of the following forms/schedules:
 - Form 851-K
 - Schedule KCR
 - Schedule A-N
 - Schedule CR

Federal Forms & Schedules Required

- Kentucky requires a complete copy of the XML federal return and wage and income statements to be sent along with the Kentucky XML return whether sent as a "linked" or "unlinked" submission.

Amended & Prior Year Returns

- No decision has been made at this time regarding amended and prior-year returns being accepted in MeF. If Kentucky decides to support these types of returns, it will only be for tax years supported by MeF.

Perfection Period

- Kentucky follows the IRS 10 day perfection period on rejected corporate income tax returns with the exception of filing extensions (Federal Form 7004/KY Form 720SL) which is a 5 day perfection period.

Direct Deposit and Direct Payment

- Kentucky accepts only direct payment (ACH debit) requests on Form 720 MeF returns. The Financial Transaction is restricted to allow only one state payment. Currently we are unable to accept future dated debit transactions. The debit transaction will post at the time the return is accepted. **At this time, Kentucky is not able to process International ACH Transactions. Therefore, the checkbox for "NotIAIndicator" should be checked on all Financial Transactions.**
 - **Direct Deposits are not accepted for tax year 2013.**

Signature Process

- PIN Signature process used for the federal return is accepted for the Kentucky signature requirement.
- Form 8879(C)-K is the required signature / attachments document.
- No signature document should be mailed to Kentucky unless requested.

- Kentucky is only processing Form 720 and therefore only Section A, Lines 1-6 should be completed.
 - **Note regarding direct debit: Penalty and interest amounts are not reflected for either LLET or Corporate Income tax in Part 1 Section A. Therefore, if penalty and interest is owed, the amount reflected will be less then the amount being authorized for direct debit. (The direct debit on Form 8879(C)-K amount will be equal to total payment amount on Tax Summary section on page 1 of 720.)**

Important Dates for TY2013

For Taxable Period beginning January 1, 2013, and ending December 31, 2013

Begin Federal/State software testing for Form 720	March 10, 2014
Begin transmitting Form 720 returns to IRS/KDOR	May 6, 2014
Last Day to transmit Kentucky returns electronically	TBD
Last Day for all fed/state rejected returns to be re-transmitted and accepted	TBD

NOTE: These dates are subject to change at any time.

Electronic Filing Program Publications and Forms

IRS Form	Name	State Equivalent
Pub 4163	Modernized e-File Guide for Software Developers & Transmitters	KY-Pub 4163
Pub 5078	Corporate Income Test Package	Testing information can be found on the KYDOR website
Form 1040-ES/ 1120W	Payment Voucher	Form KY-720-V

- The message must contain a header, a body, and an attachment. See Modernized E-File Logical ICD Model for message layout and message technical specifications.
- ERO's and transmitters must be approved with the IRS in order to transmit MeF returns.
- The Kentucky Department of Revenue will produce an acknowledgement of acceptance or rejection for each state submission. The transmitter may then retrieve Kentucky's acknowledgement from the IRS.
- The Kentucky Department of Revenue requests that vendors not submit form tags for any schedules, worksheets or forms that are not used in the return.

Section 10: Kentucky Form Edits

This Section contains field information rules that should be followed by all developers on the primary Kentucky return and supporting schedules when electronic return data is processed. This should be used as a guide to assist tax software developers.

Form 720

Software packages may or may not support all forms available for Kentucky electronic filing. Any electronic tax returns submitted without all required forms will be rejected. See the following website for a list of rejection codes: <http://revenue.ky.gov/sdi/mef.htm>

Financial Transaction Record

The financial transaction record has been altered to allow only one direct debit payment account. Amount fields should be sent as whole dollar amounts for Kentucky purposes. All Routing Transit Numbers (RTNs) must begin with "01" through "12" or "21" through "32" and are a maximum of nine (9) digits. All Depositor Account Numbers (DANs) are a maximum of seventeen (17) digits.

No partial payments are accepted when filing the return. If a state payment is requested, the state payment amount (element name PaymentAmount) must equal the Total Payment amount (element name TotalPymtLLETCorplnc) reported on the Tax Summary section of Form 720. Both these payment amounts must be **whole dollar amounts** for Kentucky purposes. If the payment amount does not equal the Total Payment amount, the ACH debit will be rejected but that does not mean the return would be rejected. If the state payment is rejected, the taxpayer will need to remit payment by submitting Form 720-V by the appropriate due date to avoid a late payment penalty.