8863-K
42A740-S24
Department of Revenue

➤ **Attach to Form 740 or Form 740-NP.**

2016

KENTUCKY EDUCATION TUITION TAX CREDIT

Enter name(s) as shown on Form 740 or Form 740-NP, page 1.	Your Social Security Number

Caution: You **cannot** take the 2016 Kentucky Education Tuition Tax Credit if you are not eligible for the Federal Education Credits. **You must attach the federal Form 8863.**

Carryforward Information: If you have an unused credit from prior year(s), complete Page 2, Part V to determine your carry-forward amount. You must have completed Form 8863-K in prior years to claim any allowable unused credit carryforward.

PART I—Qualifications

	Yes	No
• Are all expenses claimed on this form for an eligible educational institution located within the Commonwealth of Kentucky (Kentucky institution)?		
• Are all of the expenses claimed on this form for undergraduate studies?		
• Is your Kentucky filing status single; married filing separately on a combined return; or married filing a joint return?		

If you answered "No" to any of these questions above, **STOP**, you do not qualify for this credit.
If you answered "Yes" to all questions above, go to Part II.

PART II—American Opportunity Credit (List only expenses for undergraduate studies from Kentucky institutions)

1. (a) Student Name SSN	(c) Qualified Expenses (see instructions). **Do not** enter more than $4,000 for each student.	(d) Subtract $2,000 from column (c); if zero or less enter -0-	(e) Multiply column (d) by 25% (.25)	(f) If column (d) is zero enter the amount from column (c); otherwise, add $2,000 to column (e) and enter result
	.00	.00	.00	.00
(b) Institution Name and Address				

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	.00	.00	.00	.00
(b) Institution Name and Address				

2. Add the amounts on line 1, column (f)	2	.00
3. Enter the decimal amount from line 6 of the federal Form 8863. If this line is blank, enter -0- and go to line 4; you cannot take any American Opportunity Credit	3	—•— — —
4. **Tentative American Opportunity Credit.** Multiply line 2 by line 3 and enter here (Note: The result on line 4 cannot exceed the amount of the federal Form 8863, line 7). If you are taking the Lifetime Learning Credit for another student, complete Part III; otherwise, enter amount from line 4 on line 11	4	.00

PART III—Lifetime Learning Credit (List only expenses for undergraduate studies from Kentucky institutions)

5. (a) Student Name	(b) Student SSN	(c) Name and Address of Kentucky Institution	(d) Qualified Expenses (See instructions)
			.00
			.00

6. Add the amounts on line 5, column (d) and enter total here	6	.00
7. Enter the smaller of line 6 or $10,000	7	.00
8. Multiply line 7 by 20% (.20) and enter here	8	.00
9. Enter the decimal amount from line 17 of the federal Form 8863. If this line is blank, enter -0- and go to line 10; you cannot take any Lifetime Learning Credit	9	—•— — —
10. **Tentative Lifetime Learning Credit.** Multiply line 8 by line 9 and enter here (Note: The result on line 10 cannot exceed the amount of the federal Form 8863, line 18)	10	.00
11. **Total Tentative Kentucky Education Tuition Tax Credits. Add lines 4 and 10.**	11	.00

PART IV—Allowable Education Credits

12. Multiply the amount on line 11 by 25% (.25) and enter total here	12	.00
13. Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22	13	.00
14. Enter amount from Part V, line 34. If Part V, line 34 is blank, enter -0-	14	.00
15. Subtract line 14 from line 13	15	.00
16. Enter the smaller of line 15 or line 12	16	.00
17. Add lines 14 and 16. Enter here and on Form 740 or Form 740-NP, line 23. **This is your allowable 2016 Kentucky Education Tuition Tax Credit**	17	.00
18. If line 15 is smaller than line 12, subtract line 15 from line 12. This is the amount of **unused credit carryforward from 2016 to 2017**. Enter here and on the 2016 Carryforward Worksheet, Line E, provided below	18	.00

PART V—Credit Carryforward from Prior Years

19. Enter tentative tax from Form 740 or Form 740-NP, page 1, line 22	19	.00
20. Enter your credit carryforward from 2011	20	.00
21. Enter your credit carryforward from 2012	21	.00
22. Enter your credit carryforward from 2013	22	.00
23. Enter your credit carryforward from 2014	23	.00
24. Enter your credit carryforward from 2015	24	.00
25. Add lines 20 through 24 and enter total here	25	.00
26. Subtract line 20 from line 19. If zero or less, enter -0-	26	.00
27. **Enter 2012 credit carryforward to 2017.** Subtract line 26 from line 21. If zero or less, enter -0-	27	.00
28. Subtract line 21 from line 26. If zero or less, enter -0-	28	.00
29. **Enter 2013 credit carryforward to 2017.** Subtract line 28 from line 22. If zero or less, enter -0-	29	.00
30. Subtract line 22 from line 28. If zero or less, enter -0-	30	.00
31. **Enter 2014 credit carryforward to 2017.** Subtract line 30 from line 23. If zero or less, enter -0-	31	.00
32. Subtract line 23 from line 30. If zero or less, enter -0-	32	.00
33. **Enter 2015 credit carryforward to 2017.** Subtract line 32 from line 24. If zero or less, enter -0-	33	.00
34. Enter the smaller of line 19 or line 25	34	.00

2016 Carryforward Worksheet

A.	**From Part V, Line 27, 2012 to 2017**	.00
B.	**From Part V, Line 29, 2013 to 2017**	.00
C.	**From Part V, Line 31, 2014 to 2017**	.00
D.	**From Part V, Line 33, 2015 to 2017**	.00
E.	**From Part IV, Line 18, 2016 to 2017**	.00

If you have a carryforward of credit, maintain a copy of this worksheet or Form 8863-K for your records. This information will be needed to prepare future returns.

Instructions for Form 8863-K

Purpose of Form—Use Form 8863-K to calculate and claim your 2016 education tuition tax credits. The education credits are: the American Opportunity Credit and the Lifetime Learning Credit. These credits are based on qualified undergraduate education expenses paid to an eligible postsecondary educational institution located in Kentucky. If you elected to claim the education credit for federal purposes rather than the tuition and fees deduction, you must make that same election for Kentucky purposes.

Part I, Qualifications—All questions in Part I must be answered "Yes" to be eligible to claim the Kentucky education tuition tax credit.

Qualified Education Expenses—See the federal instructions to determine the qualified expenses for the American Opportunity Credit and the Lifetime Learning Credit. The allowable expenses may be different for each credit.

Eligible Educational Institution located in Kentucky—An eligible educational institution is generally any accredited public, nonprofit, or private college, university, vocational school, or other postsecondary institution. The institution must be eligible to participate in a student aid program administered by the Department of Education. **The institution attended must be physically located in Kentucky to qualify.**

Part II, American Opportunity Credit—You must enter the student's name and Social Security number, the name and address of the Kentucky institution, and the qualified expenses. Use the federal instructions to determine if each student meets the qualifications. **For Kentucky, the credit is limited to 25% of the allowable federal credit with a maximum amount allowed of $625 for each qualifying student.**

Part III, Lifetime Learning Credit—You must enter the student's name and Social Security number, the name and address of the Kentucky institution, and the qualified expenses. Use the federal instructions to determine if each student meets the qualifications. **For Kentucky, the credit is limited to 25% of the allowable federal credit with a maximum allowed of $500 per return.**

Part IV, Allowable Education Credits—

Line 12—Multiply Line 11 by 25% (.25). This is your tentative Kentucky allowable credit.

Line 13—Enter the tentative tax from Form 740 or Form 740-NP, page 1, Line 22.

Line 14—Enter the amount from page 2, Part V, Line 34. This is the allowable credit carryforward from prior year(s). If there is no carryforward, enter zero.

Line 15—Subtract Line 14 from Line 13.

Line 16—Enter the smaller of Line 15 or Line 12.

Line 17—Add Lines 14 and 16. **Enter here and on Form 740 or Form 740-NP, Line 23.** This is your allowable 2016 education credit.

Line 18—If Line 15 is smaller than Line 12, subtract Line 15 from Line 12. This is the amount of unused credit carryforward from 2016 to 2017. Maintain records for following years.

Part V, Credit Carryforward from Prior Years—The Kentucky education tuition tax credit can be carried forward for up to 5 years if unused during the preceding tax year(s). You must have completed Form 8863-K for any prior year(s) in which you are claiming a credit carryforward.