



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

**KENTUCKY**  
**Energy Efficiency Products Tax Credit**

Name of Business/Individual	Identification Number (SSN or FEIN)	Kentucky Corporation/LLET Account Number (if applicable)
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**Part I-Qualifications**

	Yes	No
■ Was the installation of the energy efficiency products completed before January 1, 2009? .....		
■ Was the installation of the energy efficiency products completed after December 31, 2009? .....		
■ Have you taken a tax credit as provided by KRS 141.437 for an ENERGY STAR home or the ENERGY STAR manufactured home? .....		

If you answered "yes" to any of the questions above, STOP, you do not qualify for these credits.

If you answered "no" to all of the questions above, go to Part II.

**Part II-Installation of Energy Efficiency Products**

<b>Residence or Single-family or Multifamily Residential Rental Unit:</b>				
1. Qualified upgraded insulation costs .....	1	00		
2. Multiply line 1 by 30% (.30) .....	2	00		
3. Credit from pass-through entities .....	3	00		
4. Add lines 2 and 3 .....	4	00		
5. Maximum Credit amount .....	5	<b>\$100 00</b>		
6. Enter the smaller of line 4 or line 5 .....	6	00		
<b>7. Qualified energy-efficient windows and storm doors .....</b>				
8. Multiply line 7 by 30% (.30) .....	8	00		
9. Credit from pass-through entities .....	9	00		
10. Add lines 8 and 9 .....	10	00		
11. Maximum Credit amount .....	11	<b>\$250 00</b>		
12. Enter the smaller of line 10 or line 11 .....	12	00		
<b>13. Qualified energy property .....</b>				
14. Multiply line 13 by 30% (.30) .....	14	00		
15. Credit from pass-through entities .....	15	00		
16. Add lines 14 and 15 .....	16	00		
17. Maximum Credit amount .....	17	<b>\$250 00</b>		
18. Enter the smaller of line 16 or line 17 .....	18	00		
19. Add lines 6, 12 and 18 .....	19	00		
20. Maximum Credit amount .....	20	<b>\$500 00</b>		
21. Enter the smaller of line 19 or line 20 .....	21	00		
<b>Residence or Single-family Residential Rental Unit:</b>				
22. Qualified active solar space heating system .	22	00		
23. Qualified passive solar space-heating system .	23	00		
24. Qualified combined active solar space-heating and water-heating system .....	24	00		
25. Qualified solar water-heating system .....	25	00		
26. Qualified wind turbine or wind machine .....	26	00		
27. Add lines 22 through 26 .....	27	00		
28. Multiply line 27 by 30% (.30) .....	28	00		
29. Credit from pass-through entities .....	29	00		
30. Add lines 28 and 29 .....	30	00		
31. Qualified solar photovoltaic system-Watts of direct current (DC) _____ X \$3 .....	31	00		
32. Credit from pass-through entities .....	32	00		
33. Add lines 31 and 32 .....	33	00		
34. Enter the larger of line 30 or line 33 .....	34	00		
35. Maximum Credit amount .....	35	<b>\$500 00</b>		
36. Enter the smaller of line 34 or line 35 .....	36	00		



Part II-Installation of Energy Efficiency Products (continued)

<b>Multifamily Residential Rental Unit or Commercial Property:</b>				
37. Qualified active solar space heating system .	37	00		
38. Qualified passive solar space-heating system .	38	00		
39. Qualified combined active solar space-heating and water-heating system .....	39	00		
40. Qualified solar water-heating system .....	40	00		
41. Qualified wind turbine or wind machine .....	41	00		
42. Add lines 37 through 41 .....	42	00		
43. Multiply line 42 by 30% (.30) .....	43	00		
44. Credit from pass-through entities .....	44	00		
45. Add lines 43 and 44 .....	45	00		
46. Qualified solar photovoltaic system-Watts of direct current (DC) _____ X \$3 .....	46	00		
47. Credit from pass-through entities .....	47	00		
48. Add lines 46 and 47 .....	48	00		
49. Enter the larger of line 45 or line 48.....	49	00		
50. Maximum Credit amount.....	50	\$1,000 00		
51. Enter the smaller of line 49 or line 50 .....	51			00
<b>Commercial Property:</b>				
52. <b>Qualified energy-efficient interior lighting system</b> .....	52	00		
53. Multiply line 52 by 30% (.30).....	53	00		
54. Credit from pass-through entities .....	54	00		
55. Add lines 53 and 54 .....	55	00		
56. Maximum Credit amount.....	56	\$500 00		
57. Enter the smaller of line 55 or line 56 .....	57			00
58. <b>Qualified energy-efficient heating, cooling, ventilation, or hot water system</b> .....	58	00		
59. Multiply line 58 by 30% (.30).....	59	00		
60. Credit from pass-through entities .....	60	00		
61. Add lines 59 and 60 .....	61	00		
62. Maximum Credit amount.....	62	\$500 00		
63. Enter the smaller of line 61 or line 62 .....	63			00
64. Add lines 57 and 63 .....	64			00
65. Add lines 21, 36, 51 and 64 .....	65			00

Enter the amounts from Form 5695-K on the applicable tax return as follows:

Individual, estate or trust filing:

- Form 740-Enter the amount from Line 65 on Form 740, Section A, Line 17.
- Form 740-NP-Enter the amount from Line 65 on Form 740-NP, Section A, Line 17.
- Form 741-Enter the amount from Line 65 on Form 741, Line 18.

Corporation or pass-through entity filing:

- Form 720-Enter the amount from Line 65 on Schedule TCS, Line 16.
- Form 720S-Enter the amounts from Lines 6, 12, 18, 36, 36, 51, 51, 57 and 63 on Form 720S, Schedule K, Lines 26, 27, 28, 29, 30, 31, 32, 33 and 34, respectively; and the amount from Line 65 on Schedule TCS, Line 16.
- Form 725-Enter the amount from Line 65 on Schedule TCS, Line 16.
- Form 740NP-WH-Enter the amount from Line 65 on Form 740NP-WH, Line (10).
- Form 765-Enter the amounts from Lines 6, 12, 18, 36, 36, 51, 51, 57 and 63 on Form 765, Schedule K, Lines 28, 29, 30, 31, 32, 33, 34, 35 and 36, respectively; and the amount from Line 65 on Schedule TCS, Line 16.
- Form 765-GP-Enter the amounts from Lines 6, 12, 18, 36, 36, 51, 51, 57 and 63 on Form 765-GP, Schedule K, Lines 28, 29, 30, 31, 32, 33, 34, 35 and 36, respectively.

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Commonwealth of Kentucky  
DEPARTMENT OF REVENUE

**Purpose of Form**—This form is to be used by a taxpayer to claim a tax credit for installation of energy efficiency products for residential and commercial property as provided by KRS 141.436. The nonrefundable credit shall apply against tax imposed under KRS 141.020 or 141.040, and KRS 141.0401 for taxable years beginning after December 31, 2008, and before January 1, 2016.

## PART I – QUALIFICATIONS

The tax credit provided by KRS 141.436 shall apply in the tax year in which the installation is complete. If the installation was completed before January 1, 2009, or after December 31, 2009, you do not qualify for this credit. If you have taken the ENERGY STAR home or the ENERGY STAR manufactured home tax credit provided by KRS 141.437, you do not qualify for this credit.

## PART II – INSTALLATION OF ENERGY EFFICIENCY PRODUCTS

### Taxpayer's Residence or Single-family or Multifamily Residential Rental Unit:

**Line 1**—Enter the installed cost of qualified upgraded insulation. KRS 141.435(15) provides that “upgraded insulation” means insulation with the following R-value ratings: (a) Attic insulation rated R-38 or higher; (b) Exterior wall, crawl space, and basement exterior wall insulation rated R-13 or higher; and (c) Floor insulation rated R-19 or higher.

**Line 2**—Enter the amount on Line 1 multiplied by 30 percent (.30).

**Line 3**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 26 and Form 765 or Form 765-GP, Schedule K-1, Line 28.

**Line 4**—Enter the total of Lines 2 and 3.

**Line 6**—Enter the smaller of Line 4 or Line 5.

**Line 7**—Enter the installed cost of qualified energy-efficient windows and storm doors. KRS 141.435(8) provides that “energy-efficient windows and storm doors” means windows and storm doors that are: (a) ENERGY STAR-labeled; and (b) Certified by the National Fenestration Rating Council as meeting the North-Central U.S. climate zone performance standards for U-factor (nonsolar heat conductance), solar heat gain coefficient, air leakage, visible-light transmittance, and condensation resistance.

**Line 8**—Enter the amount on Line 7 multiplied by 30 percent (.30).

**Line 9**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 27 and Form 765 or Form 765-GP, Schedule K-1, Line 29.

**Line 10**—Enter the total of Lines 8 and 9.

**Line 12**—Enter the smaller of Line 10 or Line 11.

**Line 13**—Enter the installed cost of qualified energy property. KRS 141.435(12) provides that “qualified energy property” means the following property that meets the performance, quality, and certification standards of and that would have been eligible for the federal tax credit for residential energy property expenditures under 26 U.S.C. § 25C, as it existed on December 31, 2007: (a) An electric heat pump water heater; (b) An electric heat pump; (c) A closed loop geothermal heat pump; (d) An open loop geothermal heat pump; (e) A direct expansion

(DX) geothermal heat pump; (f) A central air conditioner; (g) A natural gas, propane, or oil furnace or hot water heater; (h) A hot water boiler including outdoor wood-fired boiler units; or (i) An advanced main air circulating fan.

**Line 14**—Enter the amount on Line 13 multiplied by 30 percent (.30).

**Line 15**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 28 and Form 765 or Form 765-GP, Schedule K-1, Line 30.

**Line 16**—Enter the total of Lines 14 and 15.

**Line 18**—Enter the smaller of Line 16 or Line 17.

**Line 19**—Enter the total of Lines 6, 12, and 18.

**Line 21**—Enter the smaller of Line 19 or Line 20.

### Taxpayer's Residence or Single-family Residential Rental Unit:

**Line 22**—Enter the installed cost of an active solar space-heating system. KRS 141.435(1) provides that “active solar space-heating system” means a system that: (a) Consists of solar energy collectors that collect and absorb solar radiation combined with electric fans or pumps to transfer and distribute that solar heat; (b) May include an energy storage space-heating system to provide heat when the sun is not shining; and (c) Is installed by a certified installer.

**Line 23**—Enter the installed cost of a passive solar space-heating system. KRS 141.435(11) provides that “passive solar space-heating system” means a system that: (a) Takes advantage of the warmth of the sun through the use of design features such as large south-facing windows and materials in the floors or walls that absorb warmth during the day and release that warmth at night; (b) Includes one or more of the following designs: (i) Direct gain which stores and slowly releases heat energy collected from the sun shining directly into the building and warming materials such as tile or concrete; (ii) Indirect gain which uses materials that are located between the sun and the living space such as a wall to hold, store, and release heat; or (iii) isolated gain which collects warmer air from an area that is remote from the living space, such as a sunroom attached to a house, and the warmer air flows naturally to the rest of the house; and (c) Meets guidelines and technical requirements for passive solar design.

**Line 24**—Enter the installed cost of a combined active solar space-heating and water-heating system. KRS 141.435(3) provides that a “combined active solar space-heating and water-heating system” means a system that meets the requirements of both an active solar space-heating system and a solar water-heating system and is installed by a certified installer.

**Line 25**—Enter the installed cost of a solar water-heating system. KRS 141.435(14) provides that a “solar water-heating system” means a system that: (a) Uses solar-thermal energy to heat water; (b) Is an indirect pressurized glycol system that uses propylene glycol or an indirect drainback system that uses distilled water or propylene glycol; (c) Uses OG-100 solar thermal collectors that are certified by the Solar Rating and Certification Corporation and covered by a manufacturer's warranty of not less than five years; (d) Is installed by a certified installer; and (e) Is warranted by the certified installer for a period of not less than two years.

**Line 26**—Enter the installed cost of a wind turbine or wind machine. KRS 141.435(16) provides that a “wind turbine” or

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“wind machine” means a turbine or machine used for generating electricity that: (a) Is certified as meeting the U.S. Wind Industry Consensus Standards developed by the American Wind Energy Association in partnership with the U.S. Department of Energy; (b) Is covered by a manufacturer’s warranty of not less than five years; (c) Is in compliance with all relevant building codes, height restriction variances, other special code requirements, and zoning ordinances; (d) Has been installed in accordance with all building codes and all permits were received prior to the start of construction and installation; (e) Is in compliance with all applicable Federal Aviation Administration regulations; (f) Meets all requirements of Article 705 of the National Electrical Code for electrical components and installations; and (g) Is rated and listed by Underwriters Laboratories.

**Line 27**—Enter the total of Lines 22 through 26.

**Line 28**—Enter the amount on Line 27 multiplied by 30 percent (.30).

**Line 29**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 29 and Form 765 or Form 765-GP, Schedule K-1, Line 31.

**Line 30**—Enter the total of Lines 28 and 29.

**Line 31**—Enter the total watts of direct current (DC) (enter watts in space provided on this line) of the rated capacity of a solar photovoltaic system multiplied by \$3. KRS 141.435(13) provides that a “solar photovoltaic system” means a system for electricity generation that: (a) Includes solar photovoltaic panels, structural attachments, electric wiring, inverters for converting direct current output to alternating current, and appropriate controls and safety measures for output monitoring; (b) Meets the requirements of Article 690 of the National Electrical Code; (c) Uses solar photovoltaic panels and inverters that are rated and listed by Underwriters Laboratories; and (d) Is installed by a certified installer.

**Line 32**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 30 and Form 765 or Form 765-GP, Schedule K-1, Line 32.

**Line 33**—Enter the total of Lines 31 and 32.

**Line 34**—Enter the larger of Line 30 or Line 33.

**Line 36**—Enter the smaller of Line 34 or Line 35.

**Multifamily Residential Rental Unit or Commercial Property:**

**Line 37**—Enter the installed cost of an active solar space-heating system. See instructions for Line 22 to determine qualified cost.

**Line 38**—Enter the installed cost of a passive solar space-heating system. See instructions for Line 23 to determine qualified cost.

**Line 39**—Enter the installed cost of a combined active solar space-heating and water-heating system. See instructions for Line 24 to determine qualified cost.

**Line 40**—Enter the installed cost of a solar water-heating system. See instructions for Line 25 to determine qualified cost.

**Line 41**—Enter the installed cost of a wind turbine or wind machine. See instructions for Line 26 to determine qualified cost.

**Line 42**—Enter the total of Lines 37 through 41.

**Line 43**—Enter the amount on Line 42 multiplied by 30 percent (.30).

**Line 44**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 31 and Form 765 or Form 765-GP, Schedule K-1, Line 33.

**Line 45**—Enter the total of Lines 43 and 44.

**Line 46**—Enter the total watts of direct current (DC) (enter watts in space provided on this line) of the rated capacity of a solar photovoltaic system multiplied by \$3. See instructions for Line 31 to determine qualified cost.

**Line 47**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 32 and Form 765 or Form 765-GP, Schedule K-1, Line 34.

**Line 48**—Enter the total of Lines 46 and 47.

**Line 49**—Enter the larger of Line 45 or Line 48.

**Line 51**—Enter the smaller of Line 49 or Line 50.

**Commercial Property:**

**Line 52**—Enter the installed cost of an energy-efficient interior lighting system. KRS 141.435(6) provides that “energy-efficient interior lighting system” means an interior lighting system that meets the maximum reduction in lighting power density requirements for the federal energy-efficient commercial building deduction under 26 U.S.C. § 179D, as in effect December 31, 2007.

**Line 53**—Enter the amount on Line 52 multiplied by 30 percent (.30).

**Line 54**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 33 and Form 765 or Form 765-GP, Schedule K-1, Line 35.

**Line 55**—Enter the total of Lines 53 and 54.

**Line 57**—Enter the smaller of Line 55 or Line 56.

**Line 58**—Enter the installed cost of an energy-efficient heating, cooling, ventilation, or hot water system. KRS 141.435(7) provides that “energy-efficient heating, cooling, ventilation, or hot water system” means a heating, cooling, ventilation, or hot water system that meets the requirements for the federal energy-efficient commercial building deduction under 26 U.S.C. § 179D, as in effect December 31, 2007.

**Line 59**—Enter the amount on Line 58 multiplied by 30 percent (.30).

**Line 60**—Enter the total of the amounts from Form 720S, Schedule K-1, Line 34 and Form 765 or Form 765-GP, Schedule K-1, Line 36.

**Line 61**—Enter the total of Lines 59 and 60.

**Line 63**—Enter the smaller of Line 61 or Line 62.

**Line 64**—Enter the total of Lines 57 and 63.

**Line 65**—Enter the total of Lines 21, 36, 51 and 64.