SCHEDULE IEIA
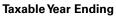
41A720-S50 (10-16)

Commonwealth of Kentucky
DEPARTMENT OF REVENUE

➤ **See instructions.**

➤ **Attach to Form 720.**

Taxable Year Ending

__ __ / __ __
Mo.   Yr.

**TAX CREDIT COMPUTATION SCHEDULE
(FOR AN IEIA PROJECT OF A CORPORATION)**
KRS 154.27-010 to 100

Name of Corporation	Federal Identification Number __ __ − __ __ __ __ __ __ __	Kentucky Corporation/LLET Account Number __ __ __ __ __ __
Location of Project City County	Activation Date of IEIA Incentive Agreement __ __ / __ __ / __ __ Mo. Day Yr.	Economic Development Project Number

PART I—Computation of LLET Excluding IEIA Project

1. LLET from Form 720, Part I, line 1	1	00
2. LLET on IEIA project (see instructions)	2	00
3. LLET excluding LLET on IEIA project (line 1 less line 2)	3	00

PART II—Computation of Taxable Net Income Excluding Net Income from IEIA Project and IEIA Tax Credit

Section A–Computation of Corporation Tax

1. Enter income tax from Form 720, Part II, line 1	1	00
2. LLET of corporation (Part I, line 1)	2	00
3. LLET credit allowed (line 2 less $175, but not more than line 1)	3	00
4. Total corporation tax (lines 1 and 2 less line 3)	4	00

Section B–Computation of Tax Excluding IEIA Project

1. Enter taxable net income from Form 720, Part III, line 25	1	00
2. Enter net income from IEIA project; if loss, enter -0-	2	00
3. Taxable net income excluding net income from IEIA project (line 1 less line 2). If line 2 is greater than line 1, enter -0-	3	00

4. Corporation income tax on amount from line 3:

	Taxable Net Income	Rate	Tax		
(a) First $50,000	_____	X 4%	_____	00	
(b) Next $50,000.......................	_____	X 5%	_____	00	
(c) All income over $100,000...	_____	X 6%	_____	00	
(d) Total income tax liability excluding IEIA project (add lines 4(a) through 4(c))				4(d)	00

5. LLET excluding LLET on IEIA project (Part I, line 3)	5	00
6. Enter LLET from line 5 less $175, but not more than line 4(d)	6	00
7. Total tax excluding IEIA project (lines 4(d) and 5 less line 6)	7	00
8. Total tax attributable to IEIA project (Section A, line 4 less Section B, line 7) Continue to Part III and enter this amount on Part III, line 1	8	00

PART III—Limitation

1. Enter tax liability attributable to IEIA project from Part II, Section B, line 8	1	00
2. Enter limitation from Schedule IEIA-T, Column C	2	00
3. Allowable IEIA tax credit (lesser of line 1 or line 2)	3	00

Enter allowable credit on Schedule TCS, Part I, Column E and Column F

➤ *Economic development project* means a project authorized under the Kentucky Rural Economic Development Act (KREDA), Metropolitan College Consortium Tax Credit (MCC), Kentucky Small Business Tax Credit Program (KSBTC), Kentucky Industrial Development Act (KIDA), Kentucky Economic Opportunity Zone Act (KEOZ), Kentucky Jobs Retention Agreement (KJRA), Kentucky Industrial Revitalization Act (KIRA), Kentucky Jobs Development Act (KJDA), Kentucky Business Investment Program (KBI), Kentucky Reinvestment Act (KRA), Skills Training Investment Credit Act (STICA) and Incentives for Energy Independence Act (IEIA).

INSTRUCTIONS—SCHEDULE IEIA

The IEIA tax credit is applied against the corporation income tax imposed by KRS 141.040 and/or the limited liability entity tax (LLET) imposed by KRS 141.0401. The amount of tax credit against each tax can be different; however, for tracking purposes, the larger amount of credit used against either tax is the amount that is used for the tax year.

PURPOSE OF SCHEDULE—This schedule is used by a corporation which has entered into a financing agreement or a tax incentive agreement for an Incentives for Energy Independence Act (IEIA) project to determine the credit allowed against the Kentucky corporation income tax and LLET attributable to the project in accordance with KRS 141.421.

GENERAL INSTRUCTIONS

Part I—Computation of LLET Excluding IEIA Project

Line 2—Using Schedule LLET, create a new Schedule LLET to compute the LLET of the IEIA project using only the Kentucky gross receipts and Kentucky gross profits of the project. Enter **"IEIA"** at the top center of the Schedule LLET and attach it to the tax return.

Part II—Computation of Taxable Net Income Excluding Net Income from IEIA Project and IEIA Tax Credit

Section B

Line 2—Enter net income from IEIA project. If the corporation's only operation in Kentucky is the IEIA project, the amount entered on Line 1 must be entered on Line 2.

See form for computation.

Part III—Limitation

Calculate IEIA tax credit based on the corporation's tax liability, tax liability attributable to IEIA project and credit limitation from Schedule IEIA-T. Enter credit on Schedule TCS, Part I, Column E and Column F.

A corporation with more than one economic development project must separately compute the tax credit derived from each project. Complete an applicable tax computation schedule (Schedule KREDA, Schedule KIDA, Schedule KEOZ, Schedule KJRA, Schedule KIRA, Schedule KJDA, Schedule KBI, Schedule KRA or Schedule IEIA) for each project. A corporation approved for the Skills Training Investment Credit Act (STICA) or Metropolitan College Consortium Tax Credit (MCC) must attach a copy of the certification(s) from the Bluegrass State Skills Corporation. A corporation approved for the Kentucky Small Business Tax Credit Program (KSBTC) must attach a copy of the certification from the Kentucky Economic Development Finance Authority.

Alternative Methods—In accordance with KRS 141.421(7), if the approved company can show that the nature of the operations and activities of the approved company are such that it is not practical to use separate accounting to determine net income, Kentucky gross receipts or Kentucky gross profits from the facility at which the project is located, the approved company shall determine net income, Kentucky gross receipts or Kentucky gross profits attributable to the project using an alternative method approved by the Department of Revenue. Thus, if any method other than separate accounting is used, **a copy of the letter from the Department of Revenue approving the alternative method must be attached to this schedule.**