51A109 (1-21)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE

APPLICATION FOR ENERGY DIRECT PAY AUTHORIZATION

(Sales and Use Tax and Utility Gross Receipts License Tax)

TEAM KENTUCKY

This form should be submitted only by persons engaged in the business of manufacturing, industrial processing, mining, or refining who document that the cost to them of energy or energy-producing fuel exceeds 3 percent of the cost of production. A Retail Sales and Use Tax Permit must be obtained by all persons who obtain an Energy Direct Pay Authorization. If you require a Retail Sales and Use Tax Permit and have not submitted a Kentucky Registration Application (Revenue Form 10A100), submit that form with this application. **If you choose to apply for the UGRLT exemption, you must register for a UGRLT number and you will be required to file monthly UGRLT returns via KY E-Tax. ****

Name of Business

Enter Exact Name of Business ( ) Telephone Number

Location of Facility
(authorization is site specific)

Number and Street | City | County | State | ZIP Code

Mailing Address
(if different from above)

P.O. Box or Number and Street | City | County | State | ZIP Code

Nature of Business at this Location

IMPORTANT: An accurate description of your business is necessary.

Questionnaire

(1) Are books kept on a calendar year basis? ☐ Yes ☐ No
If "No," give fiscal year ending date: (Month) _____ (Day) _____
(2) Indicate the last period for which a Kentucky income tax return was filed. _____
(3) Was a balance sheet for the business included in the last income tax return filed? ☐ Yes ☐ No
If "No," submit a copy of the most recent balance sheet with this application.
(4) How many business locations do you operate in Kentucky? _____
At how many of these locations do(es) manufacturing, industrial processing, mining, or refining occur? _____
(5) In what school district is the plant facility located?** _____

Identification Numbers

Utility Gross Receipts License Tax (UGRLT) Number *(if already issued)*** _____
Sales and Use Tax Permit Account Number _____
Kentucky Corporation Income Tax Number _____

Supplier and Amount of Energy or Energy-Producing Fuel
(Submit copies of vendor invoices)

Name of Supplier	Address of Supplier	Type of Energy or Energy-Producing Fuel Purchased	Cost of Energy or Energy-Producing Fuel Purchased in Previous Year
		Total Amount	

Sales and Use Tax EDP Computation

(1) Cost of Production in Previous Year Excluding Cost of Energy or Energy-Producing Fuel..... _____
(Attach separate schedule detailing Cost of Production) (See Instructions)
(2) Enter 3% of Cost of Production Excluding Energy or Energy-Producing Fuel *(Line 1 x 3%)* ..... _____
(3) Estimated Monthly Cost of Energy or Energy-Producing Fuel Subject to Sales Tax *(Line 2 ÷ 12)* ..... _____

UGRLT EDP Computation**

****If you choose to apply for the UGRLT exemption, you must register for a UGRLT number and you will be required to file monthly UGRLT returns electronically via KY E-Tax.****
Do you wish to apply for the UGRLT exemption at this time? Circle Yes or No ..... Yes No
If "Yes", then questions (4) through (9) must be completed for this document to be considered an application for UGRLT EDP.**

(4) Total Cost of Energy Purchased in Previous Year ..... _____
(5) Less Energy not Subject to UGRLT ***(See Instructions)*** ..... _____
(6) Balance of Energy Subject to UGRLT *(Line 4 - Line 5)* ..... _____
(7) Cost of Production for UGRLT Computation (*Line 1 + Line 5*) ..... _____
(8) Enter 3% of Cost of Production for UGRLT *(Line 7 x 3%)* ..... _____
(9) Estimated Monthly Cost of Energy Subject to UGRLT (*Line 8 ÷ 12)* ..... _____

I hereby certify that the above statements are correct to the best of my knowledge and belief and that I am duly authorized to sign this application. I agree that, in consideration for issuance of this Energy Direct Pay Authorization, I will directly report and pay to the Department of Revenue the sales or use tax and/or the UGRLT, on any energy or energy-producing fuel purchased by me without payment of sales or use tax pursuant to KRS 139.480 and Regulation 103 KAR 30:140, and, if applicable, the UGRLT pursuant to KRS 160.613.

Signature _____ Title _____

Print Name _____ Date _____

E-mail Address _____

Mail to:
Kentucky Department of Revenue
Division of Sales and Use Tax
PO Box 1303
Frankfort, KY 40602-1303

If you choose to apply for the UGRLT energy exemption, you must complete all sections denoted with a double asterisk (**) and you will be required to file monthly UGRLT returns electronically via KY E-Tax.

INSTRUCTIONS

Complete all information requested on the reverse side of this form. Include copies of invoices for all energy purchases made in the last completed fiscal or calendar year. Attach a schedule showing the account classification and amount (based on the last completed calendar or fiscal year) of all costs included in computing the cost of production except for the cost of energy or energy-producing fuel. **The cost of production must be computed on the basis of plant facilities. The term "plant facilities" means all permanent structures affixed to real property at one location. Therefore, if you operate more than one facility, an application must be completed on each location for which you are seeking the Energy Direct Pay Authorization.**

The following accounts or similar classifications should be included in the cost of production computation:

Direct Materials
Direct Labor
Overhead Expenses:
- Depreciation for Plant Equipment
- Insurance for Plant Equipment
- Taxes for Plant Equipment
- Rent or Depreciation for Plant Building
- Heat, Lights, and Water
- Compensation Insurance
- Indirect Materials
- Indirect Labor
- Miscellaneous Factory Expenses
- Administrative Expenses Allocated to Cost of Production
- Office Expenses Allocated to Cost of Production

SPECIAL INSTRUCTIONS FOR COAL MINES AND QUARRIES

The following accounts must also be included in the cost of production: Rents, Royalties, Cost Depletion, Reclamation and Severance Tax.

****UGRLT EDP ONLY****
SPECIAL INSTRUCTIONS FOR FACILITIES UTILIZING OTHER FUELS AS AN ENERGY SOURCE

When calculating the amount of energy relative to the UGRLT energy exemption, please note that energy or energy-producing fuel such as diesel fuel, coal, coke, fuel oil, kerosene, propane, steam, nitrogen and bottled gases are not subject to the UGRLT, therefore they are excluded in the calculation of energy costs. However, such energy costs are included in the cost of production, as evidenced by the addition of Line 5 to Line 1 to obtain the UGRLT cost of production on Line 7. If your allowable cost of energy exceeds the 3 percent cost of production, you qualify for the energy exemption for the UGRLT.

IF YOUR APPLICATION IS APPROVED:

(1) You will be permitted to purchase all energy or energy-producing fuel for the qualifying facility without payment of the sales or use tax, and if applicable, the UGRLT. You will be required to estimate the cost of such energy or energy-producing fuel which does not exceed 3 percent of the cost of production, and remit the applicable tax on the estimated amount monthly to the Department of Revenue.

(2) A letter of authorization for each applicable exemption will be mailed to you. You must forward a copy of the letter(s) to each of your suppliers of energy or energy-producing fuel, and the letter(s) must be maintained by the suppliers to verify non-taxability of the energy purchases.

(3) You will be required to report the Estimated Monthly Cost of Energy or Energy-Producing Fuel Subject to Tax each month on Line 23b of the Sales and Use Tax Return (Form 51A102) and, if applicable, on Line 5b of the monthly UGRLT return. An annual return for each authorized tax exemption must be filed within four months after the end of your calendar or fiscal year reconciling the estimated cost of energy or energy-producing fuel subject to tax with the actual cost subject to tax for the period. These forms (Form 51A109 and Form 73A902) will be available on the Department of Revenue web site: ***www.revenue.ky.gov***. Any additional tax due must be paid with the annual return(s). If amounts were overpaid on the monthly returns, a refund will be issued or, for UGRLT EDP only, credit may be taken on the estimate for the succeeding year.