



KRS 143.030(2) requires that you file Revenue Form 55A100, Coal Tax Return, within 20 days after the end of the month for which the return is due. A signed return must be filed even if no tax is due for the period. Should you have further questions on how to complete and file your coal tax return, or if you wish to file online, please contact the Department of Revenue, Minerals Taxation & GIS Services Branch at (502) 564-8334.

Additional information may be found in KRS 143 at [www.lrc.ky.gov](http://www.lrc.ky.gov).

Include with the return the amount due on line 20 of your coal tax return. Make check payable to "Kentucky State Treasurer." Mail return with payment to Kentucky Department of Revenue, Frankfort, Kentucky, 40619-0001.

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**PART I—TAX COMPUTATION—Check Activity Type Box: Fill-in lines as required for that activity.**

**Line 1**—Enter the total tons severed by you or for you by contract miners. Include only that coal physically located in Kentucky prior to extraction.

**Line 2**—Enter the number of tons of severed coal that were sold during the month. Allocate to each county and each Kentucky Mine File Number involved in Part II of the return.

**Line 3**—Enter the total amount of money received or receivable from the sale of coal severed or processed in Kentucky. Total from Lines 3 and/or 8 must equal Sales Price Total, Part III—Schedule of Coal Sales.

- a. If coal is severed in Kentucky and processed outside Kentucky prior to its sale, compute the taxable gross value of the coal by application of the formula in KRS 143.025.
- b. If coal is severed outside Kentucky and processed in Kentucky, compute the taxable gross value of the coal by application of the formula in KRS 143.025.
- c. If severed and purchased-processed coal of similar grade and quality are commingled prior to its sale, prorate the final selling price based on tonnage.
- d. If severed and purchased-processed coal not of similar grade and quality are commingled prior to its sale, include the fair market value of the severed coal.

**Line 4**—Enter your transportation expense applicable to severed coal. Include the cost of transporting the coal from the mine mouth or pit to the processing plant, tippie or loading dock (if included in line 3). See KRS 143.010 (11) for additional information.

**Line 5**—Subtract line 4 from line 3 and enter result. If you did not process the coal, allocate the amount in Line 5 in Part II. This entry cannot be less than zero.

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**Line 6**—If the mined coal was processed, enter the amount included in line 5 that resulted from processing the coal. This is the increase in the value of the coal that was added by the processing (cost of processing plus profit on processing). Processing includes cleaning, breaking, sizing, dust allaying, treating to prevent freezing, or loading or unloading for any purpose. Allocate this amount in Part II of the return, Gross-Value Processing Severed Coal column.

**Line 7**—Subtract line 6 from line 5 and enter result. This result must then be allocated instead of line 5 in Part II of the return, Gross-Value Processing Severed Coal column.

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**Line 8**—Enter the total amount received from the sale of any purchased-processed coal. If a proration was computed in line 3, include the amount assigned to purchased-processed coal. Total from lines 3 and/or 8 must equal Sales Price Total, Part III—Schedule of Coal Sales.

**Line 9**—Enter the transportation expense applicable to purchased-processed coal included in line 8.

**Line 10**—Enter the amount paid to the registered taxpayer who actually severed the coal. The amount paid by you or by a third party must be identifiable from your records. You must complete Part IV of the return. The amount on line 10 will be equal to the total in the Deductible Cost column. You must also complete Purchasers/Sellers Certificate(s).

**Line 11**—Subtract lines 9 and 10 from line 8 and enter result. Allocate this amount in Part II of the return. If result is negative enter it as a negative and a zero on line 14. Nondeductible cost will include the amounts from a seller for whom you cannot provide a Seller Certificate.

**Line 12**—Multiply the tonnage shown on line 2 by \$.50 (50¢) and enter result. This computation does not apply to purchased-processed coal.

**Line 13**—Multiply the gross value of severed coal on line 5 by .045 (4½%) and enter result. *This entry cannot be less than zero (0).*

**Line 14**—Multiply the gross value of purchased-processed coal on line 11 by .045 (4½%) and enter result. *This entry cannot be less than zero (0).* If line 11 is negative, enter zero.

**Line 15**—Enter total of line 14 plus greater of lines 12 or 13.

**Line 16a**—Enter total credit from Part V. The schedule for Thin Seam Coal Tax Credit must include data for columns 1 through 5. Incomplete data will result in disallowance of the credit. See instructions for Part V.

**Line 16b**—If you have an overpayment on a previous period and prefer to have it moved to another period, please call our office to request. Once you have confirmation, enter that amount here.

**Line 16**—Enter the total of lines 16a and 16b.

**Line 17**—Enter amount on line 15 minus amount on line 16.

**Line 18a**—KRS 131.180 provides civil penalties for:

*Failure to File or Failure to Furnish Information*—5 percent of the estimated tax due assessed by the Department of Revenue for each 30 days or fraction thereof that the return or report is not filed. The maximum penalty is 50 percent of the tax assessed. The minimum penalty is \$100.

*Late Filing*—2 percent of the total tax due for each 30 days or fraction thereof that a tax return or report is late. The maximum penalty is 20 percent of the total tax due. The minimum penalty is \$10.

**Line 18b**—*Late Payment*—2 percent of the total tax due for each 30 days or fraction thereof that a payment is late. However, the penalty does not apply if the taxpayer timely pays at least 75 percent of the tax due. The maximum penalty is 20 percent of the tax not timely withheld, collected or paid. The minimum penalty is \$10.

*Negligence (by a taxpayer or other person)*—10 percent of the tax assessed resulting from the negligence. There is no maximum and no minimum for this penalty.

**Line 18c**—*Interest*— Any tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010(6) from the due date until paid. You may leave this section blank to be calculated by DOR.

NOTE: Filling in 18 is optional, you will receive a bill.

**Line 19**—Add amounts on lines 18a, 18b, and 18c and enter result.

**Line 20**—Enter total of line 17 plus line 19. Attach payment for total due. Make check payable to "Kentucky State Treasurer."

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**PART II—COUNTY ALLOCATION**

*Persons Who Only Sever Coal*—Allocate the tonnage reported on line 2, Part I, the KY Mine File number(s) associated with that coal (required), the gross value of severed coal reported on line 5, Part I, to the county or counties where the coal was physically located prior to extraction.

*Persons Who Both Sever and Process Coal*—Allocate the tonnage reported on line 2, Part I, include the KY Mine File number(s) associated with the severed coal (required), the gross value of severed coal reported on line 7, Part I, to the county or counties where the coal was physically located prior to extraction. Also, allocate the gross value attributable to processing reported on line 6, Part I, to the county or counties where the coal was processed. If you process purchased coal, allocate the gross value of the purchased-processed coal reported on line 11, Part I, to the county or counties where the coal was processed. No consideration should be given to the point of severance.

**If there are multiple KY Mine File numbers associated with one county, list them individually, and include the break out of tons, and gross value for each number.**

*Persons Who Only Process Purchased Coal*—Allocate the gross value of purchased-processed coal reported on line 11, Part I, to the county or counties where the coal was processed. No consideration should be given to the point of severance.

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### PART III—SCHEDULE OF COAL SALES

If the company has activity to report, a completed Schedule of Coal Sales reporting **all** sales during the reporting period is required.

The name and address of the person or company to whom the coal was sold must be listed as well as the quantity of coal sold and the amount received. The Seller's identification number to be reported must be the KDOR assigned Seller's ID number if the company is registered, or the federal employer's identification number.

The total sales price reported on this form must equal the amount reported on line 3 and/or 8, Part I.

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### PART IV—SCHEDULE OF PURCHASED COAL

If coal was purchased for processing and resale, complete Part IV to determine the amount to be entered on line 10, Part I. Nondeductible cost will include the amounts from a seller for whom you cannot provide a Seller/Purchaser Certificate.

#### Purchases Supported by a Certificate

Seller/Purchaser Certificates (Form 55A004) are available online at [www.revenue.ky.gov/forms](http://www.revenue.ky.gov/forms).

**Lines 1-20**—When *Box 1* of the Coal Severance Tax Seller/Purchaser Certificate is checked, the Seller's identification number to be reported must be the KDOR assigned Seller's ID number of the person from whom you purchased the coal. Enter the seller's name and address along with the number of tons purchased in the appropriate columns. Enter the amount paid in the Deductible Cost column.

When *Box 2* of the Coal Severance Tax Seller/Purchaser Certificate is checked, the Seller's ID number to be reported must be the KDOR assigned Seller's ID number. If not registered in Kentucky then the Social Security number or, if a partnership or corporation, the federal employer's identification number must be reported. Enter the seller's name and address along with the number of tons purchased in the appropriate column.

When *Box 3* is checked, report using the same methods described for Boxes 1 and 2. The situation would be if a processor sold to another unrelated processor. This one is not common.

When *Box 4* is checked, report in the same manner as the purchased-processed coal. The sale of this coal is also taxable.

*Box 5*—The amount of the deduction for the cost of coal purchased from a broker is limited to the cost of the coal which the broker obtained from registered taxpayers or from out-of-state producers. The broker's sources for the coal must be listed on the Broker's Purchase schedule. The instructions for filling out the Broker's Purchase schedule may be found on the Broker's Purchase schedule.

#### Purchases Not Supported by a Certificate

**Lines 1-20**—The seller's identification number to be reported is the Social Security number of the individual from whom you purchased the coal or, if the corporation or partnership, the federal employer's identification number. Enter the seller's name and address along with the number of tons purchased in the appropriate columns. Enter the amount paid in the Nondeductible Cost column, lines 1-20, Part IV, Schedule of Purchased Coal.

#### Computation of Cost of Purchased Coal

**Line 21**—Enter the total of lines 1-20 for the Deductible Cost column only.

**Line 22**—Enter the amount of purchased coal originating from registered taxpayers in inventory at beginning of the month.

**Line 23**—Add lines 21 and 22.

**Line 24**—Enter the amount of purchased coal originating from registered taxpayers in inventory at end of month.

**Line 25**—Subtract line 24 from line 23. Enter here and on line 10, Part I.

Attach copies of the Seller/Purchaser Certificates, signed with original signatures, to the coal tax return on which the deduction is first claimed. You may wish to retain copies for your own records. It will not be necessary to complete a new certificate if you make additional purchases from a seller who has checked either box 1–3, provided a properly completed seller's certificate is on file with the department and the information reported on the original certificate remains unchanged. However, you should indicate those sellers where a certificate has previously been filed by placing an asterisk (\*) next to their name.

A new certificate must be completed each time purchases are made from a seller who has checked boxes 4 or 5. However, not more than one certificate per month needs to be completed provided the entire month's activity is shown on that certificate. The department may, for good cause satisfactory to the department, grant an extension of 30 days. After that period, the taxpayer may be billed for the amount on line 10.

It is emphasized that a deduction for purchased coal will not be allowed for those purchases that originate from parties severing coal within this state who are not registered or which cannot be traced to a person who severed the coal outside this state. The department reserves the right to audit all coal tax returns along with their supporting documents, schedules and attachments and to issue assessments when appropriate until barred from doing so by the statute of limitations.

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### PART V—SCHEDULE FOR THIN SEAM COAL TAX CREDIT

This nonrefundable severance tax credit is only allowed for coal newly permitted after July 1, 2000. It is available only for underground mining. Contact our office before taking this credit.

If you are eligible for this credit, you must complete **Part V—Schedule for Thin Seam Coal Tax Credit. Incomplete data will result in disallowance of this credit.**

Coal mined from *above-drainage* seams using deep mining or underground mining methods, and having a seam thickness of 27 inches to 30 inches, qualifies for a credit equal to 2.25 percent. If the seam thickness is less than 27 inches, the credit is equal to 3 percent.

Coal mined from *below-drainage* seams (does not outcrop at the surface within a mine permit area and that is accessed by mine slopes or other opening that penetrates the coal seam a minimum of 30 feet below the surface drainage area) using deep mining or underground mining methods, and having a seam thickness between 32 inches and 36 inches, qualifies for a credit equal to 2.25 percent. If the seam thickness is between 27 inches and 32 inches, the credit is equal to 3 percent. For coal seams less than 27 inches, the credit is equal to 3.75 percent.

Complete Part V, Schedule for Thin Seam Coal Tax Credit by listing the seam name in the appropriate seam thickness column. List Kentucky Mine File Number, county in which the coal was severed, tons sold, and gross value of those tons. The Schedule for Thin seam Coal Tax Credit must include data for columns 1 through 5. Multiply the gross value by the credit percent to obtain the credit amount. Enter the total credit amount for Part V, Schedule for Thin Seam Coal Tax Credit, on Part I, line 16a.

Column 4, Tons Sold on Part V, cannot exceed Severed Tons Sold, Part II, for a specific county and KY Mine File number.

The following formula shall be used to calculate Gross Value on Column 5, Part V:

**Activity Type 1** – Divide Line 5 by Line 2, on Part I, to calculate the average dollars per ton. Multiply Tons Sold, Column 4, Part V by the average dollars per ton and enter in Column 5.

**Activity Types 2 and 3** – Divide Line 7 by Line 2, on Part I, to calculate the average dollars per ton. Multiply Tons Sold, Column 4, Part V by the average dollars per ton and enter in Column 5.

Column 5, Gross Value on Part V, cannot exceed Gross Value–Severed Coal, Part II, for a specific county and KY Mine File number.

Coal thickness shall be based on the **weighted average** isopach mapping of actual coal thickness by mine as certified by a professional engineer for each reporting period. The taxpayer shall attach a copy of the certified isopach maps for each reporting period to the return filed for that period. The taxpayer shall take the credit in conjunction with the taxpayer's monthly return.

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