

Part I

 KREDA KJDA KIDA KBI KIRA KJRA KEOZ

Company Name	Project Number	Kentucky Withholding Account Number
	Activation Date	
	Period Covered in Part III	Approved Percentage

Part II

1. Total annual wages paid to eligible employees only	\$
2. Total annual credit calculated by your company <input type="checkbox"/> REFUND	\$
3. Total annual Kentucky tax withheld and reported under this account number for all employees, eligible and ineligible	\$
4. Total local wage assessment claimed, if eligible	\$

Annual Report is due by March 15 of each year.

Mail to: Kentucky Department of Revenue
Tax Credits Section
P.O. Box 181, Station 52
Frankfort, KY 40602-0181

Fax to: (502) 564-0058

E-mail to: KRC.WEBResponseEconomicDevelopmentCredits@ky.gov

Signature _____

Date _____

Title _____

E-Mail _____

Telephone Number _____

Fax Number _____

Wage Assessment Annual Report Spreadsheet

Part III Company Name		Project Number	Kentucky Withholding Account Number		VERIFY AMOUNT CLAIMED									
Period Ending					A Employee Name	B Social Security Number (last 4 digits)	C State of Residency	D Hire Date	E Wages (for the period)	F State Tax Withheld (for the period)	G Credit Claimed (for the period)	H Column E multiplied by your approved percentage	I The lesser of Column H or Column F	J The lesser of Column I or Column G
					TOTALS									

General—A company that has received approval from the Cabinet for Economic Development to take wage assessment credits against their withholding account must fill out the Wage Assessment Annual Report for each year of eligibility. This credit does not impact the employees who are part of the credit calculation. The total amount of tax withheld from their wages (regardless of whether it is considered in the credit calculation) should appear in box 17 of their W-2. You will be required to issue an amended W-2 to the employee and provide an amended W-2 to the Department of Revenue if the W-2 does not correctly reflect the amount of money withheld from the employees' wages.

Each Annual Report should only include one active project. If the company has received approval for multiple projects or credits, a separate annual report must be filed for each credit and each project.

Note: The withholding tax year is always January 1 through December 31. The Wage Assessment Annual Report should always represent wages for this period when completed on an annual basis.

Part I—

Choose the box that represents the Economic Development Credit for which you have received preapproval.

Enter the company name, project number (located on the agreement completed by the Cabinet for Economic Development), activation date, Kentucky withholding account number (issued by the Department of Revenue), and approved percentage for the state portion of the credit (located on the agreement completed by the Cabinet for Economic Development).

Period covered in Part III—Include the date range the wages in Part III represent.

Part II—

Box 1: The total of **Part III, column E** should be entered in this box.

Box 2: The total of **Part III, column J** should be entered in this box. Mark the box if your submission is a refund request.

Box 3: The total amount of Kentucky tax withheld on all employees under the withholding account number before the credit calculation is factored in should be entered in this box. This includes employees who may work in a different location or employees who are not

included in the credit calculation if their W-2 is filed under the withholding account listed in Part I.

Provide contact information of individual the department can contact with questions.

Part III—

This spreadsheet includes the information that must be submitted to the department to determine the credit amount the company is eligible to receive.

Note: The department will accept an alternate spreadsheet filed electronically as long as the spreadsheet is in the same format as Part III.

Column D—If the agreement identifies a base number of employees for which the company cannot claim credit, they must be included in Part III and identified as the employees with the oldest hire date at the approved facility by using column D. The base number of employees must be maintained throughout the term of the agreement. If for any reason an employee who is part of the base leaves the company, the employees with the next oldest hire date must be moved into the base as of the date the former employee left. This could cause some employees to be eligible to receive credit for part of the tax year and be included in the base and ineligible for the credit calculation for part of the tax year.

Column E—If you have been approved for KBI or KJDA, you are required to use **taxable wages**. For all other credits, use **gross wages**. Per KRS 154, each credit must use the wages specified in the Kentucky Statutes.

Column H, I, and J are used to confirm the credit is accurately claimed.

Employees who reside in Illinois, Indiana, Ohio, Michigan, Virginia, West Virginia, and Wisconsin should not be included in the credit calculation. These states have a reciprocal agreement with Kentucky; therefore, their withholding is not eligible to be part of the credit calculation.

Suspension—If you have received a suspension notice from the Cabinet for Economic Development detailing the dates the company is not eligible to receive credit, the wages included in Part III of this packet must exclude all days the company was in a suspended state.

Note: If the company is approved for a KBI project and received a suspension notice, the company is not eligible to claim wage assessment credit for the entire tax year.