

**Wage Assessment Report and Annual Reconciliation  
for Economic Incentive Credits**

Calendar Year \_\_\_\_\_

**Part I**☐ KREDA ☐ KJDA ☐ KIDA ☐ KBI ☐ KIRA ☐ KJRA ☐ IEBA☐ Check the box if this is  
an Amended 42A900

Company Name

Project Number

Kentucky Withholding  
Account Number

Activation Date

Company Address

Period Covered in Part III

Approved  
Percentage**Part II**

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

**Annual Reconciliation 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](mailto:KRC.WEBResponseEconomicDevelopmentCredits@ky.gov)

Signature \_\_\_\_\_

Date \_\_\_\_\_

Name (Please Print) \_\_\_\_\_

Telephone Number \_\_\_\_\_

Title \_\_\_\_\_

E-Mail \_\_\_\_\_

Fax Number \_\_\_\_\_

**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

**NOTE:** Companies approved for wage assessment incentives must use the above format to detail the amount of credit claimed. The Department of Revenue prefers to receive these spreadsheets in excel format via email to [KRC.WEBResponseEconomicDevelopmentCredits@ky.gov](mailto:KRC.WEBResponseEconomicDevelopmentCredits@ky.gov) to expedite the verification and application of the credit to your withholding account.

**Purpose of Form**—A company that has received approval from the Cabinet for Economic Development to take wage assessment credits against their withholding account must complete the Wage Assessment Report for each period of their filing frequency. Each Wage Assessment Report must include only one active project. If the company has received approval for multiple projects or credits, a separate report is required for each credit and each project.

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 employee's wages.

This form is also used for Annual Reconciliation. The withholding tax year is always January 1 through December 31. The Annual Reconciliation must always represent wages for this period when completed on an annual basis even if the company operates on a fiscal year other than a calendar year. The Annual Reconciliation must be completed and submitted by March 15.

**Note:** Both the Wage Assessment Report and the Annual Reconciliation must include a copy of the applicable tracking schedule (IEIA-T, IEBA-T, KBI-T, KIDA-T, KIRA-T, KJDA-T, KJRA-T, or KREDA-T). Failure to provide applicable tracking schedules will result in denial of credit requests and refunds.

## Part I

### Check the amended box if this is an amended form.

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

Enter the company name, company address for issuance of any refund, 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

**Line 1**—Enter the total of **Part III, column E**. Include project employees and base employees not eligible for incentive credits per agreement.

**Line 2**—Enter the total of **Part III, column J**. Mark the box if your submission is a refund request. If the box is not checked, the report will be processed as a reconciliation and no refund will be issued.

**Line 3**—Enter the total amount of Kentucky tax withheld on all employees under the withholding account number before the credit calculation is factored in. 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.

**Line 4**—Enter the amount of approved local wage assessment credit for the covered period. There will only be an amount on this line if the company is eligible for local wage assessment credit as outlined in the agreement signed with the Cabinet for Economic Development. This amount is not calculated in Part III of this form.

Provide contact information of the 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 (preferably in Excel format) as long as the spreadsheet is in the same format as Part III.

**Column D**—Enter the hire date of each project employee and sort the spreadsheet with oldest hire date listed first. Base employees must be included. 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 employee 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. To avoid a delay in processing, remove any duplicate employees entered in Part III.

**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. Include project employees and base employees not eligible for incentive credits per agreement.

**Column H, I, and J** are used to confirm the credit is accurately claimed. The total amount of credit recorded on Part II, Line 2, is the lesser of credit claimed or state tax withheld. The credit amount cannot exceed the amount of state tax withheld per employee.

Employees who reside in Illinois, Indiana, Ohio, Michigan, Virginia, West Virginia, and Wisconsin are not included in the credit calculation. These states have a reciprocal agreement with Kentucky; therefore, their withholding is not eligible as part of the credit calculation. KRS. 154.032-010(24) was amended to include remote workers. These workers may be included in agreements with the Kentucky Economic Development Finance Authority.

**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.