



Entity Filing Return:
Name

Federal Identification Number

Kentucky Corporation/LLET
Account Number

Entity Claiming Credit (if different):
Name

Federal Identification Number

Kentucky Corporation/LLET
Account Number

Type of Credit:

☐ KRED ☐ KIDA ☐ KJRA ☐ KIRA ☐ KJDA ☐ KBI ☐ KRA ☐ IEBA ☐ FON ☐

Project Number: _____

SECTION A—Computation of Kentucky Gross Receipts and Gross Profits

1(a) Gross receipts less returns and allowances	▶ 1(a)		00
(b) Kentucky statutory gross receipts reductions	▶ (b)		00
2 Adjusted gross receipts (line 1(a) less line 1(b))	▶ 2		00
3(a) Cost of goods sold (attach Schedule COGS)	▶ 3(a)		00
(b) Kentucky statutory cost of goods sold reductions	▶ (b)		00
4 Adjusted cost of goods sold (line 3(a) less line 3(b))	▶ 4		00
5 Gross profits (line 2 less line 4)	▶ 5		00

SECTION B—Computation of TOTAL Gross Receipts and Gross Profits

1 Adjusted gross receipts	▶ 1		00
2 Cost of goods sold (attach Schedule COGS)	▶ 2		00
3 Gross profits (line 1 less line 2)	▶ 3		00



If Section B, Line 1 or 3 is \$3,000,000 or less, SKIP Sections C and D and enter \$175 in Section E, Line 1 and on the applicable economic development schedule, Part I, Line 2 or Line 5. Otherwise, continue to Section C on the next page.

**SECTION C—Computation of Gross Receipts LLET**

- 1 If gross receipts from all sources (Section B, line 1) are greater than \$3,000,000, but less than \$6,000,000, enter the following:

$$(\text{Section A, line 2} \times 0.00095) - \left[\frac{\$2,850 \times (\$6,000,000 - \text{Section A, line 2})}{\$3,000,000} \right]$$

but in no case shall the result be less than zero.

▶ 1 00

- 2 If gross receipts from all sources (Section B, line 1) are \$6,000,000 or greater, enter the following: Section A, line 2 x 0.00095.

▶ 2 00

- 3 Enter the amount from line 1 or line 2.

▶ 3 00

SECTION D—Computation of Gross Profits LLET

- 1 If gross profits from all sources (Section B, line 3) are greater than \$3,000,000, but less than \$6,000,000, enter the following:

$$(\text{Section A, line 5} \times 0.0075) - \left[\frac{\$22,500 \times (\$6,000,000 - \text{Section A, line 5})}{\$3,000,000} \right]$$

but in no case shall the result be less than zero.

▶ 1 00

- 2 If gross profits from all sources (Section B, line 3) are \$6,000,000 or greater, enter the following: Section A, line 5 x 0.0075.

▶ 2 00

- 3 Enter the amount from line 1 or line 2.

▶ 3 00

SECTION E—Computation of LLET

- 1 Enter the lesser of Section C, line 3 or Section D, line 3 here and on the applicable economic development schedule, Part I, line 2 or line 5.

▶ 1 00

Purpose of Schedule: This schedule is used to compute the Limited Liability Entity Tax (LLET) attributable to an economic development project. If a taxpayer has one or more projects under the Kentucky Rural Economic Development Act (KREDA), Kentucky Industrial Development Act (KIDA), Kentucky Jobs Retention Agreement (KJRA), Kentucky Industrial Revitalization Act (KIRA), Kentucky Jobs Development Act (KJDA), Kentucky Business Investment Program (KBI), Kentucky Reinvestment Act (KRA), Incentives for Energy-related Business Act (IEBA), or Farming Operation Networking Project (FON), they must complete Schedule L-ECON and include it with the return. Pass through entities must also complete form PTE(K) to determine the amount of income generated by each project.

SPECIFIC LINE INSTRUCTIONS

Section A—Computation of Kentucky Gross Receipts and Gross Profits

Line 1(a)—Enter Kentucky gross receipts less returns and allowances attributable to the project. Gross receipts includes, but is not limited to, sales, rent, proceeds from the sale of real and tangible personal property, interest, and dividends.

Line 1(b)—Enter Kentucky gross receipts that are attributable to the project and are allocable to a “qualified exempt organization” defined in KRS 141.0401(7).

Line 2—Enter adjusted gross receipts attributable to the project. Line 1(a) less Line 1(b).

Line 3(a)—Enter the portion of the amount from Schedule COGS, Column A, Line 8 that represents Kentucky cost of goods sold attributable to the project. For any activity other than manufacturing, producing, reselling, retailing, or wholesaling, no costs can be claimed. KRS 141.0401(1)(d)

Line 3(b)—Enter the Kentucky cost of goods sold associated with the gross receipts attributable to the project that are allocable to a “qualified exempt organization” defined in KRS 141.0401(7).

Line 4—Enter adjusted cost of goods sold attributable to the project. Line 3(a) less Line 3(b).

Line 5—Enter gross profits attributable to the project. Line 2 less Line 4.

Section B—Computation of TOTAL Gross Receipts and Gross Profits

Line 1—Enter adjusted gross receipts attributable to the project. Gross receipts includes, but is not limited to, sales, rent, proceeds from the sale of real and tangible personal property, interest, and dividends.

Line 2—Enter the portion of the amount from Schedule COGS, Column B, Line 8 that represents total cost of goods sold attributable to the project.

Line 3—Enter gross profits attributable to the project. Line 1 less Line 2.

Section C—Computation of Gross Receipts LLET

Line 1—If gross receipts attributable to the project from all sources (Section B, Line 1) are greater than \$3,000,000, but less than \$6,000,000, enter the following: (Section A, Line 2 x 0.00095) – (\$2,850 x ((\$6,000,000 – Section A, Line 2) / \$3,000,000)), but in no case shall the result be less than zero.

Line 2—If gross receipts attributable to the project from all sources (Section B, Line 1) are \$6,000,000 or greater, enter the following: Section A, Line 2 x 0.00095.

Line 3—Enter the amount from Line 1 or Line 2.

Section D—Computation of Gross Profits LLET

Line 1—If gross profits attributable to the project from all sources (Section B, Line 3) are greater than \$3,000,000, but less than \$6,000,000, enter the following: (Section A, Line 5 x 0.0075) – (\$22,500 x ((\$6,000,000 – Section A, Line 5) / \$3,000,000)), but in no case shall the result be less than zero.

Line 2—If gross profits attributable to the project from all sources (Section B, Line 3) are \$6,000,000 or greater, enter the following: Section A, Line 5 x 0.0075.

Line 3—Enter the amount from Line 1 or Line 2.

Section E—Computation of LLET

Line 1—Enter the lesser of Section C, Line 3 or Section D, Line 3 here and on the applicable economic development schedule, Part I, line 2 or line 5.