

Kentucky Tax Alert

A REVENUE PUBLICATION FOR THE TAX PROFESSIONAL

January 2017, Vol. 36 No. 2

Tangible Personal Property Tax Filing Requirement Reminder

In accordance with KRS 132.220 (b) 2:

Due Date:
Monday
May 15, 2017

| May 2017 | | | | | | |
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| 28 | 29 | 30 | 31 | | | |

It shall be the duty of all persons owning any tangible personal property taxable in this state to list or have listed the property with the property valuation administrator of the

county of taxable situs or with the department between January 1 and May 15 in each year, except as otherwise prescribed by law.

Form 62A500-P Packet and 62A500-P Fill-in (Excel version) can be located via the department's website at www.revenue.ky.gov by selecting **Forms Search** and then searching the applicable form number. Links to current forms are also available through the same website by selecting **Property and Business Personal Property** from the drop down menu.

For answers to frequently asked questions concerning the assessment of tangible personal property you can visit www.revenue.ky.gov, select **Property** from the top drop down menu, then select **Business Personal Property** and select the link to the pamphlet. You can also contact the Department of Revenue, Office of Property Valuation, Division of State Valuation at (502) 564-2557 for assistance.

Nonresident Withholding Account Numbers Assigned

The Department of Revenue has issued Nonresident Withholding (NRW) account numbers. The numbers are comprised of 9 digits and are to be placed on the 740 NP-WH Estimated Vouchers, Extensions and Returns starting with 2016/2017 NRW forms. It should be noted that this account number **does not** replace the Corporate/LLET account number.

Letters were mailed to taxpayers that were assigned a NRW account number. Please be advised that the letter is not a delinquency notification, but a notification of your account number.

If you feel you were assigned the number in error, please contact the department, Pass Through Entity Branch through DORWEBRESPONSEPASSTHROUGHENTITY@ky.gov or call (502) 564-8139 and select option 1 followed by option 2.

If you need a NRW account number assigned, please contact the department, Registration Section through DOR.WEBRESPONSEREGISTRATION@KY.GOV or call (502) 564-3306.

Inside this issue

| | |
|---|------|
| Tangible Personal Property Tax Filing Requirement Reminder | 1 |
| Nonresident Withholding Account Numbers Assigned..... | 1 |
| Commercial Mobile Radio Service (CMRS) 911..... | 2 |
| Kentucky 2016 Wage and Tax Statement Extensions | 2 |
| Sales and Use Tax Seminars | 3 |
| Individual Income Tax— Identity Confirmation Quiz Information | 3 |
| Kentucky Encourages Electronic Filing of Income Tax Returns | 4 |
| Things to Note | 4 |
| Important 2017 Income Tax Dates | 4 |
| Kentucky Encourages Electronic Filing of Income Tax Returns | 5 |
| 2017 Tax Calendar | 6-11 |
| 2016 Kentucky Tax Alert Index—Volume 35 | 12 |
| 2016 Federal/Kentucky Individual Income Tax Differences | 13 |





Commercial Mobile Radio Service (CMRS) 911

As of January 1, 2017, a commercial mobile radio service (CMRS) 911 prepaid service charge is imposed on all retail transactions involving the purchase or sale of:

- a. Prepaid cellular phones;
- b. Prepaid calling cards for cellular phones;
- c. Additional minutes or airtime for a prepaid cellular phone; or
- d. Additional minutes or airtime for a prepaid calling card for cellular phones.

The service charge is \$0.93 per item on each retail transaction. The service charge is to be paid by the purchaser and collected by the retailer at the time of purchase. For more information regarding the collection and remittance of the CMRS service charge refer

to the November 2016 Kentucky Tax Alert and the December 2016 Sales Tax Facts.

Retailers must file reports and collections electronically through the department's new E-file system. The new E-file system for the CMRS 911 service charge will go live February 1, 2017, and the first CMRS 911 return for the January 2017 period will be due by February 20, 2017. Any businesses engaged in these retail transactions not yet registered to file the CMRS returns and remit the service charges must do so immediately.

For general CMRS 911 service charge questions or assistance with the registration process, please contact the Division of Sales and Use Tax at (502) 564-5170, or, via email at DOR.WebResponseSalesTax@ky.gov.

Kentucky 2016 Wage and Tax Statement Extensions

Upon submission of a request for extension, **which must be made on or before January 31, 2017**, the Department of Revenue ("DOR") may grant extensions to file 2016 Kentucky Wage and Tax Statements (Form W-2 and/or 1099) to **March 3, 2017**. Failure to file on or before the extended deadline of March 3, 2017 will result in the assessment of penalties.

Form 42A806 is not required if filing 2016 Kentucky Wage and Tax Statements electronically on the DOR website reflected below.

<http://revenue.ky.gov/Business/Pages/Employer-Payroll-Withholding.aspx>

E-filing submissions of 100 or more W-2s or 250 or more 1099s is required. If 2016 Kentucky Wage and Tax Statements cannot be e-filed, and electronic submission is not required, completed paper forms may be mailed to the address listed on the Transmitter Report. Kentucky Wage and Tax statements filed on paper must include a completed Transmitter Report, Form 42A806.

Additional information to keep in mind:

- KY W-2 data files can be submitted on the DOR website: <https://revweb.ky.gov/w2ftp/wfLogon.aspx>
- KY W-2 data files must be submitted in the Social Security Administration's file format EFW2 (with DOR defined fields for the state record); by the preferred method of web filing or on CD mailed to Station 57, 501 High St., Frankfort, KY 40601
- KY 1099 and W-2G data files must be submitted in the Federal Publication 1220 file format (with DOR defined fields for the state record); required on CD mailed to Station 57, 501 High St., Frankfort, KY 40601

Extension granted for the filing of 2016 Kentucky Wage and Tax Statements is NOT an extension for the filing of Revenue Form K-3/K-3E (Employers Return of Income Tax Withheld and Annual Reconciliation). **Revenue Form K-3/K-3E must be filed on or before the original due date, January 31, 2017**. Failure to file Form K-3/K-3E or failure to pay amounts withheld will result in assessment of penalties and interest.



This is the final year the Kentucky Department of Revenue will grant extensions for filing Kentucky Wage and Tax Statements. Beginning in 2018, The Kentucky Department of Revenue will no longer grant extensions; all Kentucky Wage and Tax Statements (W-2 and 1099) will be due on the original due date of January 31st.



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Individual Income Tax Identity Confirmation Quiz Information

The Department of Revenue is committed to the safe processing of all tax returns. To help guard against the growing threat of fraud and identity theft, the department has taken steps to ensure that taxpayers' individual income tax returns are processed safely.

During the department's initial screening of individual income tax returns, some may be identified as needing additional verification. This verification is accomplished through the Identity Confirmation Quiz. A letter will be sent advising the taxpayer that in order for the department to continue processing their return, a short, 5-minute, quiz must be taken and passed. The letter will give specifics as to what the taxpayer should do to take the quiz.

The taxpayer should not ignore this letter. The sooner the quiz is taken and passed, the quicker the department can continue processing the return.

Receiving this letter does not mean the taxpayer has been a victim of identity theft. It only means the department wishes to verify the identity of the person filing before issuing his/her refund.

If the taxpayer receives this letter and has not yet filed a return, he or she should contact the department by email at kyidquiz@ky.gov or by telephone at **(502) 892-3399**.

The department will be posting additional information, as well as a video, about the Identity Confirmation Quiz on our website, www.revenue.ky.gov, in the very near future.

Sales and Use Tax Seminars

Would you like to learn more about Kentucky sales and use tax in 2017?

Free sales and use tax seminars hosted by department staff have been held in recent years and more will be available in 2017. At least two sales and use tax seminars are already scheduled for 2017 and available to the public at no charge. On the afternoon of May 2, 2017, from 2:00 CST to 4:00 CST, a seminar entitled "A Basic Overview of Kentucky Sales and Use Tax" will be held in Owensboro at the Owensboro Community College. Another is scheduled for October 9, 2017 at DOR offices in Frankfort, KY. Please call **(502) 564-5170**, or email DOR.WebResponseSalesTax@ky.gov if you or your client is interested in attending one of these events.

In addition, if there are topics of interest you would like to see addressed, please contact DOR staff at the phone number or email address as indicated. Also, if you would like to see a seminar at another location in the state, please make that request and staff will review possible dates and locations.



Things to Note

Kentucky tax return preparers that are required to file US federal tax returns electronically, must also do so in Kentucky. KRS 131.250(2)(d), 26 USC §6011(e)(3). In 2017, the Department of Revenue will actively assess a return processing fee of \$10 per paper return filed by tax preparers that fail to file electronically. KRS 131.990(7).

The Department of Revenue takes active steps to protect taxpayers, and taxpayer dollars, from fraud and identity theft. This can increase the time it takes to review and process income tax returns and requests for refunds. The department strives to process individual income tax requests efficiently and is committed to processing individual requests for income tax refunds within 2-3 weeks of receiving an electronically filed return and within 8-12 weeks of receipt of a paper return. However, the department will not process 2016 individual income tax refund requests before February 15, 2017.

Important 2017 Income Tax Dates

| | |
|---------------------------|--|
| January 23, 2017: | DOR will begin accepting 2016 individual income tax returns |
| January 31, 2017: | 2016 W-2, K-3/K-3E deadline |
| February 15, 2017: | DOR will begin processing requests for individual income tax refunds |
| April 18, 2017: | Deadline for filing income tax return (or request for extension) |
| April 18, 2017: | Deadline for paying tax due (even if extension filed) |

Kentucky Encourages Electronic Filing of Income Tax Returns

Filing income tax returns electronically is better for individual and corporate taxpayers as well as the Commonwealth of Kentucky.

- Returns that are filed electronically are processed much more rapidly than paper filed returns. Refund requests associated with individual returns filed electronically usually process in 2-3 weeks as opposed to 8-12 weeks for paper filed returns.
- Direct deposit for individual income tax refunds is only available through e-filed returns.
- Returns filed electronically ensure a greater level of accuracy than those filed on paper.
- The information from paper filed returns must be reviewed by an individual and the data manually entered before processing to DOR systems. This increases the time it takes to process returns, increases the labor cost, and decreases precision and accuracy of reporting when compared to returns filed electronically.

The Kentucky Department of Revenue urges all taxpayers to electronically file corporate and individual income tax returns because of the clear benefits to taxpayers and the Commonwealth. The DOR has worked diligently to make more corporate and individual income tax return forms available for electronic filing this tax season.

NEW E-File for 2016 Corporate Income Tax Forms & Schedules

- ◇ Form 725 (Kentucky Single Member LLC Individually Owned Income and LLET Return)
- ◇ Form 720 (Mandatory Nexus consolidated return and supporting schedules, including the Form 851-K, Schedule KCR, Schedule CR, and Schedule A-N)
- ◇ Form 40A102 (Extension for Form 765-GP)

NEW E-File for 2016 Individual Income Tax Forms & Schedules

- ◇ Form 740-NP-R (Kentucky Income Tax Return Nonresident-Reciprocal State);
- ◇ Form 740-X (Amended Kentucky Individual Income Tax Return); and
- ◇ Form 725 (Kentucky Single Member LLC Individually Owned Income and LLET Return)

Kentucky Tax Alert comments and suggestions should be addressed to the Office of Tax Policy and Regulation, Department of Revenue, Finance and Administration Cabinet, Frankfort, Kentucky 40601, (502) 564-7268.

Matthew G. Bevin, Governor

**William M. Landrum III, Secretary
Finance and Administration Cabinet**

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The Department of Revenue may be found at: www.revenue.ky.gov



Tax Calendar 2017

J A N U A R Y

- 10 Legal Process Return (December payment)
- 10 Affordable Housing Return
- 17 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 7/31)
- 17 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 1/31)
- 17 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 4/30)
- 17 Estimated Tax/Individuals/One Fourth Est. (Calendar Year)
- 17 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 9/30)
- 20 Alcohol Returns (December payment)
- 20 Cigarette Wholesaler Return (December payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (December payment)
- 20 Motor Vehicle Tire Fee Return (December payment)
- 20 Transient Room Return (December payment)
- 20 Utility Gross Receipts License Tax Return (December payment)
- 20 Insurance Premium Surcharge Return (December payment)
- 20 Coal Severance Tax Returns (December Payment)
- 20 Oil Production Tax Returns (December Payment)
- 20 Monthly Sales and Use Tax Returns (December Payment)
- 20 Quarterly Sales and Use Tax Returns
- 20 Annual Sales and Use Tax Returns
- 20 Health Care Provider Tax Returns (December Payment)
- 25 Monthly Motor Fuels Tax Returns (December Payment)
- 25 Monthly Sales and Use Tax Returns (Accelerated Payment)
- 20 Telecommunications Return (December payment)
- 30 Environmental Remediation Fee Return (December payment)
- 31 Twice-Monthly Income Tax Withholding Returns (Dec. 16 - Dec. 31 Payment and K-2s)
- 31 Income Tax Withholding Returns/Electronic Funds Transfer (EFT) Filers/Annual Reconciliation and K-2s
- 31 Monthly Income Tax Withholding Returns (December Payment and K-2s)
- 31 Quarterly Income Tax Withholding Returns (Quarterly Payment and K-2s)
- 31 Annual Income Tax Withholding Returns (Annual Payment and K-2s)
- 31 Domestic Savings and Loan Returns
- 31 Foreign Savings and Loan Returns

F E B R U A R Y

- 1 Minerals and Gas Severance Tax Returns (December Payment)
- 1 Annual Report of Distilled Spirits in Bonded Warehouses (as of 1/1/07)
- 10 Legal Process Return (January payment)
- 10 Twice-Monthly Income Tax Withholding Returns (January 1 - January 31 Payment/EFT Payment)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 8/31)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 2/28)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 5/31)
- 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 10/31)
- 15 Monthly Income Tax Withholding Returns (January Payment)
- 20 Alcohol Returns (January payment)
- 20 Cigarette Wholesaler Return (January payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (January payment)
- 20 Utility Gross Receipts License Tax Return (January payment)
- 20 Insurance Premium Surcharge Return (January payment)
- 22 Coal Severance Tax Returns (January Payment)
- 22 Oil Production Tax Returns (January Payment)
- 21 Monthly Sales and Use Tax Returns (January Payment)
- 21 Telecommunications Return (January payment)
- 21 Motor Vehicle Tire Fee Return (January payment)
- 21 Transient Room Return (January payment)
- 21 Commercial Mobile Radio Service 911 Fee Return (January Payment)
- 21 Health Care Provider Tax Returns (January Payment)
- 27 Monthly Motor Fuels Tax Returns (January Payment)
- 27 Monthly Sales and Use Tax Returns (Accelerated Payment)
- 27 Twice-Monthly Income Tax Withholding Returns (February 1 - February 15 Payment/EFT Payment)

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

Tax Calendar 2017

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- 1 Minerals and Gas Severance Tax Returns (January Payment)
- 1 Bank Deposit Returns
- 1 Insurance Premiums Return
- 10 Legal Process Return (February payment)
- 10 Twice-Monthly Income Tax Withholding Returns (February 16 - February 28 Payment/EFT Payment)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 9/30)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 3/31)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 6/30)
- 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 11/30)
- 15 Monthly Income Tax Withholding Returns (February Payment)
- 15 Bank Franchise Tax Returns
- 20 Alcohol Returns (February payment)
- 20 Cigarette Wholesaler Return (February payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (February payment)
- 20 Motor Vehicle Tire Fee Return (February payment)
- 20 Transient Room Return (February payment)
- 20 Utility Gross Receipts License Tax Return (February payment)
- 20 Insurance Premium Surcharge Return (February payment)
- 21 Coal Severance Tax Returns (February Payment)
- 21 Oil Production Tax Returns (February Payment)
- 20 Monthly Sales and Use Tax Returns (February Payment)
- 20 Telecommunications Return (February payment)
- 20 Commercial Mobile Radio Service 911 Fee Return (February Payment)
- 20 Health Care Provider Tax Returns (February Payment)
- 27 Twice-Monthly Income Tax Withholding Returns (March 1 - March 15 Payment/EFT Payment)
- 27 Monthly Motor Fuels Tax Returns (February Payment)
- 27 Monthly Sales and Use Tax Returns (Accelerated Payment)

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- 1 Domestic Life Insurance Returns
- 1 Minerals and Gas Severance Tax Returns (February Payment)
- 10 Legal Process Return (March payment)
- 10 Affordable Housing Return
- 10 Twice-Monthly Income Tax Withholding Returns (March 16 - March 31 Payment/EFT Payment)
- 18 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 10/31)
- 18 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 4/30)
- 18 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 7/31)
- 18 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 12/31)
- 18 Monthly Income Tax Withholding Returns (March Payment)
- 18 Estimated Tax/Individuals/One Fourth Est.
- 18 Annual Individual Income Tax Returns
- 20 Alcohol Returns (March payment)
- 20 Cigarette Wholesaler Return (March payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (March payment)
- 20 Motor Vehicle Tire Fee Return (March payment)
- 20 Transient Room Return (March payment)
- 20 Utility Gross Receipts License Tax Return (March payment)
- 20 Insurance Premium Surcharge Return (March payment)
- 20 Monthly Sales and Use Tax Returns (March Payment)
- 20 Telecommunications Return (March payment)
- 20 Commercial Mobile Radio Service 911 Fee Return (March Payment)
- 20 Quarterly Sales and Use Tax Returns
- 20 Coal Severance Tax Returns (March Payment)
- 20 Oil Production Tax Returns (March Payment)
- 20 Health Care Provider Tax Returns (March Payment)
- 25 Twice-Monthly Income Tax Withholding Returns (April 1 - April 15 Payment/EFT Payment)
- 25 Monthly Motor Fuels Tax Returns (March Payment)
- 25 Monthly Sales and Use Tax Returns (Accelerated Payment)
- 30 Electric Plant Board Property Tax Returns (as of 1/1/07)
- 30 Public Service Company Property Tax Returns
- 30 Railroad Car Line Property Tax Returns

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

Tax Calendar 2017

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- 1 Environmental Remediation Fee
- 1 Income Tax Withholding Returns/Electronic Funds Transfer (EFT) Filers/First Quarter Reconciliation
- 1 Quarterly Income Tax Withholding Returns
- 1 Minerals and Gas Severance Tax Returns (March Payment)
- 10 Twice-Monthly Income Tax Withholding Returns (April 16 - April 30 Payment/EFT Payment)
- 10 Legal Process Return (April payment)
- 15 Tangible Personal Property Tax Return (Taxpayer will be billed later)
- 15 Communication Service Providers and Multichannel Video Programming Service Providers Returns
- 15 Commercial Watercraft Returns
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 11/30)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 5/31)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 8/31)
- 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 1/31)
- 15 Monthly Income Tax Withholding Returns (April Payment)
- 22 Alcohol Returns (April payment)
- 22 Cigarette Wholesaler Return (April payment)
- 22 Tobacco Products, Snuff, and Chewing Tobacco Return (April payment)
- 22 Motor Vehicle Tire Fee Return (April payment)
- 22 Transient Room Return (April payment)
- 22 Utility Gross Receipts License Tax Return (April payment)
- 22 Insurance Premium Surcharge Return (April payment)
- 22 Monthly Sales and Use Tax Returns (April Payment)
- 22 Telecommunications Return (April payment)
- 22 Commercial Mobile Radio Service 911 Fee Return (April Payment)
- 22 Coal Severance Tax Returns (April Payment)
- 22 Oil Production Tax Returns (April Payment)
- 22 Health Care Provider Tax Returns (April Payment)
- 25 Twice-Monthly Income Tax Withholding Returns (May 1 - May 15 Payment/EFT Payment)
- 25 Monthly Motor Fuels Tax Returns (April Payment)
- 25 Monthly Sales and Use Tax Returns (Accelerated Payment)

J U N E

- 1 Minerals and Gas Severance Tax Returns (April Payment)
- 1 Estimated Insurance Premiums (1st Installment)
- 12 Legal Process
- 12 Twice-Monthly Income Tax Withholding Returns (May 16 - May 31 Payment/EFT Payment)
- 15 Bank Franchise Tax Return (If filed for 90-day extension)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 12/31)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 6/30)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 9/30)
- 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 2/28)
- 15 Estimated Tax/Individuals/One Fourth Est.
- 15 Monthly Income Tax Withholding Returns (May Payment)
- 20 Alcohol Returns (May payment)
- 20 Cigarette Wholesaler Return (May payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (May payment)
- 20 Motor Vehicle Tire Fee Return (May payment)
- 20 Transient Room Return (May payment)
- 20 Utility Gross Receipts License Tax Return (May payment)
- 20 Insurance Premium Surcharge Return (May payment)
- 20 Monthly Sales and Use Tax Returns (May Payment)
- 20 Telecommunications Return (May payment)
- 20 Commercial Mobile Radio Service 911 Fee Return (May Payment)
- 20 Coal Severance Tax Returns (May Payment)
- 20 Oil Production Tax Returns (May Payment)
- 20 Health Care Provider Tax Returns (May Payment)
- 26 Twice-Monthly Income Tax Withholding Returns (June 1 - June 15 Payment/EFT Payment)
- 26 Monthly Motor Fuels Tax Returns (May Payment)
- 26 Monthly Sales and Use Tax Returns (Accelerated Payment)

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

Tax Calendar 2017

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1 Minerals and Gas Severance Tax Returns (May Payment)
 1 Cigarette License Annual Renewal Applications and License Fee
 10 Affordable Housing
 10 Legal Process
 10 Twice-Monthly Income Tax Withholding Returns (June 16 - June 30 Payment/EFT Payment)
 17 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 1/31)
 17 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 7/31)
 17 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 10/31)
 17 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 3/31)
 17 Monthly Income Tax Withholding Returns (June Payment)
 20 Alcohol Returns (June payment)
 20 Cigarette Wholesaler Return (June payment)
 20 Tobacco Products, Snuff, and Chewing Tobacco Return (June payment)
 20 Motor Vehicle Tire Fee Return (June payment)
 20 Transient Room Return (June payment)
 20 Utility Gross Receipts License Tax Return (June payment)
 20 Insurance Premium Surcharge Return (June payment)
 20 Coal Severance Tax Returns (June Payment)
 20 Oil Production Tax Returns (June Payment)
 20 Monthly Sales and Use Tax Returns (June Payment)
 20 Telecommunications Return (June payment)
 20 Commercial Mobile Radio Service 911 Fee Return (June Payment)
 20 Quarterly Sales and Use Tax Returns
 20 Health Care Provider Tax Returns (June Payment)
 25 Twice-Monthly Income Tax Withholding Returns (July 1 - July 15 Payment/EFT Payment)
 25 Monthly Motor Fuels Tax Returns (June Payment)
 25 Monthly Sales and Use Tax Returns (Accelerated Payment)
 31 Quarterly Income Tax Withholding Returns
 31 Income Tax Withholding Returns/Electronic Funds Transfer (EFT) Filers/Second Quarter Reconciliation
 31 Environmental Remediation Fee

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1 Minerals and Gas Severance Tax Returns (June Payment)
 10 Legal Process
 10 Twice-Monthly Income Tax Withholding Returns (July 16 - July 31 Payment/EFT Payment)
 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 2/28)
 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 8/31)
 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 11/30)
 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 4/30)
 15 Monthly Income Tax Withholding Returns (July Payment)
 15 Franchise Tax and Local Bank Deposits Returns
 21 Alcohol Returns (July payment)
 21 Cigarette Wholesaler Return (July payment)
 21 Tobacco Products, Snuff, and Chewing Tobacco Return (July payment)
 21 Motor Vehicle Tire Fee Return (July payment)
 21 Transient Room Return (July payment)
 21 Utility Gross Receipts License Tax Return (July payment)
 21 Insurance Premium Surcharge Return (July payment)
 21 Monthly Sales and Use Tax Returns (July Payment)
 21 Telecommunications Return (July payment)
 21 Commercial Mobile Radio Service 911 Fee Return (July Payment)
 21 Health Care Provider Tax Returns (July Payment)
 22 Coal Severance Tax Returns (July Payment)
 22 Oil Production Tax Returns (July Payment)
 25 Twice-Monthly Income Tax Withholding Returns (August 1 - August 15 Payment/EFT Payment)
 25 Monthly Motor Fuels Tax Returns (July Payment)
 25 Monthly Sales and Use Tax Returns (Accelerated Payment)

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

Tax Calendar 2017

S E P T E M B E R

- 1 Minerals and Gas Severance Tax Returns (July Payment)
- 11 Legal Process
- 11 Twice-Monthly Income Tax Withholding Returns (August 16 - August 31 Payment/EFT Payment)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 3/31)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 9/30)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 12/31)
- 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 5/30)
- 15 Estimated Tax/Individuals/One Fourth Est.
- 15 Monthly Income Tax Withholding Returns (August Payment)
- 20 Alcohol Returns (August payment)
- 20 Cigarette Wholesaler Return (August payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (August payment)
- 20 Motor Vehicle Tire Fee Return (August payment)
- 20 Transient Room Return (August payment)
- 20 Utility Gross Receipts License Tax Return (August payment)
- 20 Insurance Premium Surcharge Return (August payment)
- 20 Coal Severance Tax Returns (August Payment)
- 20 Oil Production Tax Returns (August Payment)
- 20 Monthly Sales and Use Tax Returns (August Payment)
- 20 Telecommunications Return (August payment)
- 20 Commercial Mobile Radio Service 911 Fee Return (August Payment)
- 20 Health Care Provider Tax Returns (August Payment)
- 25 Twice-Monthly Income Tax Withholding Returns (September 1 - September 15 Payment/EFT Payment)
- 25 Monthly Sales and Use Tax Returns (Accelerated Payment)
- 26 Monthly Motor Fuels Tax Returns (August Payment)

O C T O B E R

- 2 Minerals and Gas Severance Tax Returns (August Payment)
- 10 Twice-Monthly Income Tax Withholding Returns (September 16 - September 30 Payment/EFT Payment)
- 10 Legal Process Return (September payment)
- 10 Affordable Housing Return
- 16 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 4/30)
- 16 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 1/31)
- 16 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 10/31)
- 16 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 6/30)
- 16 Monthly Income Tax Withholding Returns (September Payment)
- 20 Alcohol Returns (September payment)
- 20 Cigarette Wholesaler Return (September payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (September payment)
- 20 Motor Vehicle Tire Fee Return (September payment)
- 20 Transient Room Return (September payment)
- 20 Utility Gross Receipts License Tax Return (September payment)
- 20 Insurance Premium Surcharge Return (September payment)
- 20 Coal Severance Tax Returns (September Payment)
- 20 Oil Production Tax Returns (September Payment)
- 20 Monthly Sales and Use Tax Returns (September Payment)
- 20 Telecommunications Return (September payment)
- 20 Commercial Mobile Radio Service 911 Fee Return (September Payment)
- 20 Quarterly Sales and Use Tax Returns
- 20 Health Care Provider Tax Returns (September Payment)
- 25 Twice-Monthly Income Tax Withholding Returns (October 1 - October 15 Payment/EFT Payment)
- 25 Monthly Motor Fuels Tax Returns (September Payment)
- 25 Monthly Sales and Use Tax Returns (Accelerated Payment)
- 30 Environmental Remediation Fee
- 31 Income Tax Withholding Returns/Electronic Funds Transfer (EFT) Filers/Third Quarter Reconciliation
- 31 Quarterly Income Tax Withholding Returns

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

Tax Calendar 2017

N O V E M B E R

- 1 Minerals and Gas Severance Tax Returns (September Payment)
- 13 Legal Process Return (October payment)
- 13 Twice-Monthly Income Tax Withholding Returns (October 16 - October 31 Payment/EFT Payment)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 5/31)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 2/28)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 11/30)
- 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 7/31)
- 15 Monthly Income Tax Withholding Returns (October Payment)
- 21 Coal Severance Tax Returns (October Payment)
- 21 Oil Production Tax Returns (October Payment)
- 20 Monthly Sales and Use Tax Returns (October Payment)
- 20 Telecommunications Return (October payment)
- 20 Commercial Mobile Radio Service 911 Fee Return (October Payment)
- 20 Alcohol Returns (October payment)
- 20 Cigarette Wholesaler Return (October payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (October payment)
- 20 Motor Vehicle Tire Fee Return (October payment)
- 20 Transient Room Return (October payment)
- 20 Utility Gross Receipts License Tax Return (October payment)
- 20 Insurance Premium Surcharge Return (October payment)
- 20 Health Care Provider Tax Returns (October Payment)
- 27 Twice-Monthly Income Tax Withholding Returns (November 1 - November 15 Payment/EFT Payment)
- 27 Monthly Motor Fuels Tax Returns (October Payment)
- 27 Monthly Sales and Use Tax Returns (Accelerated Payment)

D E C E M B E R

- 1 Minerals and Gas Severance Tax Returns (October Payment)
- 11 Legal Process Return (November payment)
- 11 Twice-Monthly Income Tax Withholding Returns (November 15 - November 30 Payment/EFT Payment)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 6/30)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 3/31)
- 15 Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 12/31)
- 15 Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 8/31)
- 15 Monthly Income Tax Withholding Returns (November Payment)
- 20 Alcohol Returns (November payment)
- 20 Cigarette Wholesaler Return (November payment)
- 20 Tobacco Products, Snuff, and Chewing Tobacco Return (November payment)
- 20 Motor Vehicle Tire Fee Return (November payment)
- 20 Transient Room Return (November payment)
- 20 Utility Gross Receipts License Tax Return (November payment)
- 20 Insurance Premium Surcharge Return (November payment)
- 20 Coal Severance Tax Returns (November Payment)
- 20 Oil Production Tax Returns (November Payment)
- 20 Monthly Sales and Use Tax Returns (November Payment)
- 20 Telecommunications Return (November payment)
- 20 Commercial Mobile Radio Service 911 Fee Return (November Payment)
- 20 Health Care Provider Tax Returns (November Payment)
- 27 Twice-Monthly Income Tax Withholding Returns (December 1 - December 15 Payment/EFT Payment)
- 27 Monthly Motor Fuels Tax Returns (November Payment)
- 27 Monthly Sales and Use Tax Returns (Accelerated Payment)

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

2016 Kentucky Tax Alert Index—Volume 35

Calendars and Deadlines

2016 Tax Calendar..... January
 Kentucky Extensions for Taxpayers in Louisiana
 Federal Disaster Areas..... September

Corporation Income Tax and Pass-through Entity Limited Liability Entity Tax

Business Forms Electronically Accepted by DOR
 for Tax Year 2015..... January
 Electronic Filing of Corporate Income and Limited
 Liability Income Tax Returns..... March
 Kentucky Corporation Tax Reminders for 2015 Forms March
 Corporate Income/LLET Tax Return Submission
 Addresses March
 Kentucky Corporation Tax Form Changes..... November
 Filing and Processing Tips..... November
 Updated Return Mailing Addresses..... November

Educational Programs

University of Kentucky 50th Annual 2016 Income
 Tax Seminars September
 2016 UK Income Tax Seminar Program Registration
 Form September

Electronic Filing

New Feature Coming in the Near Future – E-File!..... September
 Electronic Filing of CMRS 911 Prepaid Service
 Charge Returns..... November

Individual Income Tax

Taxpayers Have Another Way to Receive Their
 2015 Individual Income Tax Refund..... January
 2015 Federal/Kentucky Individual Income Tax
 Differences January
 Individual Income Tax Filing Tips..... March
 2016 Itemized Deductions Limitation Threshold
 Adjusted for Inflation..... September
 2017 Standard Deduction for Individual Income
 Tax..... September
 Filing and Processing Tips..... November
 Kentucky's 2016 Pension Exclusion..... November
 Standard Deduction Increase for 2017 Tax Year.....November
 Estimated Tax Payment Deadlines.....November
 Updated Return Mailing Addresses.....November

Legislative and Legal Issues

A Review of Tax Law Changes Income Tax..... July
 All Taxes Business Friendly Regulation Change in
 Senate Bill 129.....July
 Red Tape Reduction Initiative.....July

Property Tax

Tangible Personal Property Tax Filing
 Requirement Reminder.....January
 Property Tax Filing Deadline Has Passed for
 Tangible Personal Property Tax..... July
 Property Tax.....July
 De Minis Safe Harbor Limit for Tangible Property..... November

Registration

Features of Kentucky Business One Stop
 ServicesSeptember
 Kentucky Business One Stop..... November

Sales and Use Tax

Kentucky Provides Look-Up Table to
 Simplify Use Tax Reporting..... January
 Sales and Use Tax..... July
 Sales and Use Tax E-Tax Reminder..... July

Tax Credits

Economic Development..... July

Tax Rates

Tax Interest Rate Set for 2017..... November

Telecommunication Tax

CMRS 911 Prepaid Service Charge..... November
 Electronic Filing of CMRS 911 Prepaid Service
 Charge Returns..... November

Withholding

Form 1099-G..... March
 Updated Return Mailing Addresses..... November

2016 Federal/Kentucky Individual Tax Differences

Kentucky income tax law is based on the federal income tax law in effect on December 31, 2013. The Department of Revenue generally follows the administrative regulations and rulings of the Internal Revenue Service in those areas where no specific Kentucky law exists.

The chart below provides a quick reference guide to the major federal/Kentucky differences. It is not intended to be all inclusive. Items not listed may be referred to the Department of Revenue to determine Kentucky tax treatment.

| Provision | Federal Tax Treatment | Kentucky Tax Treatment |
|--|--|---|
| 1. Interest from Federal Obligations | Taxable | Exempt |
| 2. Retirement Income from: Commonwealth of Kentucky Retirement Systems Kentucky Local Government Retirement Systems Federal and Military Retirement Systems | Taxable Taxable Taxable | ----- Partially exempt if retired after 12/31/97; exempt if retired before 1/1/98; Schedule P may be required ----- |
| 3. Pensions and Annuities Starting After 7/1/86 And Before 1/1/90 4. Other Pension and Annuity Income | 3-year recovery rule eliminated Taxable | 3-year recovery rule retained 100% excludable up to \$41,110 per taxpayer; Schedule P may be required |
| 5. Benefits from U.S. Railroad Retirement Board may be required | May be taxable | Exempt; Schedule P |
| 6. Social Security Benefits | May be taxable | Exempt |
| 7. Capital Gains on Sale of Kentucky Turnpike Bonds | Taxable | Exempt |
| 8. Other States' Municipal Bond Interest Income | Exempt | Taxable |
| 9. Kentucky Local Government Lease Interest Payments | Taxable | Exempt |
| 10. Long-Term Care Insurance Premiums Paid With After-Tax Dollars | Limited deduction as self-employed health insurance | 100% adjustment to gross income |
| 11. Medical and Dental Insurance Premiums Paid With After-Tax Dollars | Limited deduction as self-employed health insurance | 100% adjustment to gross income |
| 12. Capital Gains on Property Taken by Eminent Domain | Taxable | Exempt |
| 13. Election Workers—Income for Training or Working at Election Booths | Taxable | Exempt |
| 14. Artistic Contributions | Noncash contribution allowed as itemized deduction | Appraised value allowed as itemized deduction or adjustment to income |
| 15. State Income Taxes | Deductible | Nondeductible |
| 16. Leasehold Interest—Charitable Contribution | May be deductible | Deductible; Schedule HH required |
| 17. Kentucky Unemployment Tax Credit | No credit allowed | \$100 per certified employee; Schedule UTC required |
| 18. Work Opportunity Credit (federal Form 5884) | Tax credit allowed; wage expense reduced by amount of credit | No credit allowed; entire wage expense is deductible |
| 19. Welfare to Work Credit (federal Form 8861) | Tax credit allowed; wage expense reduced by amount of credit | No credit allowed; wage expense reduced by amount of federal credit |
| 20. Child and Dependent Care Credit | Tax credit based on expenses | 20% of federal credit |
| 21. Family Size Tax Credit | No credit allowed | Decreasing tax credit allowed |
| 22. Education Tuition Tax Credit | Tax credit based on expenses | Credit allowed; Form 8863-K required |
| 23. Taxpayer Who May be Claimed as Dependent on Another's Return (i.e., full-time student) | May not claim self | May claim self |
| 24. Child's Income Reported by Parent | Permitted; taxed at parent's rate | Not permitted |
| 25. National Tobacco Settlement TLAP Income Quota Buyout (including imputed interest) | Taxable | Exempt |
| 26. Domestic Production Activities Deduction | Deductible | Deductible; may be limited |
| 27. Active Duty Military Pay | Taxable | Exempt |
| 28. Certain Business Expenses of Reservists | Deductible | Nondeductible |