

# Kentucky Tax Alert

A REVENUE PUBLICATION FOR THE TAX PROFESSIONAL

March 2013, Vol. 32, No. 2

## **ELECTRONIC FUND TRANSFERS NOW AVAILABLE TO LIMITED LIABILITY ENTITIES**

The Department of Revenue has expanded the Electronic Funds Transfer (EFT) to allow Limited Liability Entities (LLE) to pay estimated tax payments and extension payments. This option became available in January 2013.

Any company wishing to file and pay through EFT must go to the Department's website to register for this payment option. Go to [www.revenue.ky.gov/tps](http://www.revenue.ky.gov/tps) to access the link for the Tax Payment Solution system.

For additional information, call 502-564-8139.

## **REMINDER: APRIL 15 IS DEADLINE FOR FILING INCOME TAXES**

*New online program lets filers track status of refund*

The Kentucky Department of Revenue reminds everyone that income taxes are due Monday, April 15, 2013. New this year is "Where's My Refund," an online resource that allows taxpayers to check the status of their 2012 individual income tax refund.

Taxpayers may log on to [www.revenue.ky.gov](http://www.revenue.ky.gov) and click on "Where's My Refund" to obtain the most current and up-to-date information about their 2012 refund. A primary Social Security number and the exact amount of the refund are needed to retrieve this information.

Filing electronically continues to grow in popularity with nearly 78 percent of individual filers taking advantage of e-filing with the Department of Revenue for tax year 2011. For tax year 2012, already more than 921,000 Kentuckians have filed their individual income tax returns. Nearly 852,000 of those have been e-filed resulting in 93 percent of individual filers taking advantage of filing online.

The Department of Revenue typically processes electronic returns within 7 to 10 days, while the average time for a refund to be issued on filed paper returns is 4 to 6 weeks. E-filing is the fastest, safest and easiest way for individuals and tax preparers to file returns. Through e-filing, taxpayers can choose to have refunds deposited directly into their bank account or have payments debited if they owe.

Additionally, more than one million Kentucky taxpayers may be eligible to prepare and file their taxes electronically at no cost thanks to a public-private partnership called the Free File Alliance. Income limits apply. To find out if you qualify, visit [www.revenue.ky.gov](http://www.revenue.ky.gov).

The Department of Revenue offers free tax preparation help and e-filing for Kentuckians who generally make \$51,000 or less. Taxpayers can take advantage of this service at any of the 10 taxpayer assistance centers located throughout the state. Both state and federal individual income tax forms are prepared. Appointments are required for tax preparation assistance. To find locations and telephone numbers for each taxpayer service center, go to [www.revenue.ky.gov/aboutus/taxpayerservicecenters.htm](http://www.revenue.ky.gov/aboutus/taxpayerservicecenters.htm).

All Kentucky income tax forms are available at [www.revenue.ky.gov/forms](http://www.revenue.ky.gov/forms) or by calling 502-564-3658. Forms are also available at any of the ten taxpayer assistance offices.

## **TAX CREDITS REMINDER**

Many of the tax credits that can be claimed on individual and corporate tax returns require a taxpayer to receive approval before the credit can be claimed. Claiming a credit that one is not entitled to can result in the disallowance of the credit and possible reduction of a refund request or additional tax due. To determine if a tax credit requires approval, please refer to the instructions for the applicable tax return.

### **TABLE OF CONTENTS**

|  |          |
|--|----------|
| <b>Electronic Fund Transfers Now Available To Limited Liability Entities .....</b> | <b>1</b> |
| <b>Reminder: April 15 Is Deadline For Filing Income Taxes .....</b>                | <b>1</b> |
| <b>Tax Credits Reminder.....</b>   | <b>1</b> |
| <b>Income Tax Filing Date For Farmers and Fishermen Extended .....</b>             | <b>2</b> |
| <b>Gasoline Excise Tax Rate.....</b>   | <b>2</b> |

## INCOME TAX FILING DATE FOR FARMERS AND FISHERMEN EXTENDED

*Kentucky Department of Revenue follows IRS change*

Kentucky farmers and fishermen can file and pay their 2012 state income taxes by April 15, 2013 instead of March 1, 2013, the Kentucky Department of Revenue announced on Feb. 18, 2013.

The six-week extension parallels a similar IRS date change for federal taxes for farmers and fishermen, after the late passage of the recently enacted American Taxpayer Relief Act. "Our state's farmers and fishermen have experienced a difficult year. Many of them suffered through tornadoes, damaging winds, and drought – all of which can take a toll on their small businesses," said Tom Miller, commissioner, Kentucky Department of Revenue. "We want to make sure they have time to gather all the information they need to make a fair accounting of their work this year. The Department of Revenue often coordinates its tax form numbers and filing dates with ones used by the IRS, and we are happy to extend this filing date for our state's farmers and fishermen."



Normally, farmers and fishermen who elect not to make quarterly estimated tax installment payments are required to file their returns and pay the full amount of tax due by March 1. If

they do not comply, they are subject to a penalty. Because of last-minute changes made by Congress which affected several federal tax forms, the IRS is extending that deadline to April 15, 2013.

A taxpayer qualifies as a farmer or fisherman for tax year 2012 if two-thirds of the taxpayer's total gross income was from farming or fishing for either 2011 or 2012. Farmers and fishermen requesting this penalty waiver must attach Form 2210-K to their return and check the third box on the form.



## GASOLINE EXCISE TAX RATE

Under KRS 138.210 and KRS 138.220, the Department of Revenue is responsible for establishing the average wholesale price (AWP) of gasoline for the purposes of calculating the gasoline excise tax rate. The current price calculation is based on sales data accumulated for the month of January 2013 and a grade and formulation weighted average reflecting gasoline consumption patterns. For the quarter of April 1 through June 30, 2013 the gasoline and liquefied petroleum (LP) tax rate remains \$0.285/gal. and the special fuel tax remains \$0.255/gal. These rates stay in effect for the quarter April 1 through June 30, 2013.

Kentucky Tax Alert comments and suggestions should be addressed to the Office of Income Taxation/Training Branch, Finance Cabinet, Department of Revenue, Frankfort, Kentucky, (502) 564-0937.

**STEVEN L. BESHEAR, Governor**

**LORI FLANERY, Secretary**

**Finance and Administration Cabinet**

**THOMAS B. MILLER, Commissioner**

**Department of Revenue**

**Pamela Trautner, Editor**

**Sarah Gilkison, Publications Coordinator**

**Production/Design: Support Services**

The Kentucky Department of Revenue does not discriminate on the basis of race, color, national origin, sex, age, religion, disability, sexual orientation, gender identity, veteran status, genetic information or ancestry in employment or the provision of services.

The Department of Revenue may be found at...

[www.revenue.ky.gov](http://www.revenue.ky.gov)

