



Kentucky Tax Alert



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Tips for Filing Amended Returns

Did you forget to include an item on your 2002 Kentucky individual income tax return? Consider filing an amended return and paying any additional tax owed as soon as possible to reduce penalties and stop interest. Each year thousands of Kentucky taxpayers receive information after they file their return that results in either an additional refund or an additional amount due.

KRC personnel will correct mathematical errors on the return during processing such as errors in computing tax or low income credit. This may eliminate the need to file an amended return. For all other types of corrections, file **Form 740-X, Amended Kentucky Individual Income Tax Return**. If you are a nonresident or part-year resident taxpayer, use **Form 740-NP** and check the amended return box. When completing an amended form, include copies of any schedules that you are changing or any Forms W-2/K-2 you did not include with your original return and a complete explanation of the changes.



On Form 740-X, page 1, enter the seven-digit validating number of the original filed return, if available. The validating number is either stamped on the face of the taxpayer's cancelled check for pay returns, or printed on the face of the taxpayer's refund check. This number will assist KRC personnel in locating the original return.

Some of the most common reasons for filing amended Kentucky returns are to:

- submit additional Forms W-2/K-2, Wage and Tax Statement;
- adjust the number of dependents or tax credits claimed;
- report additional income such as interest or income from estates, trusts, partnerships, or S corporations;
- itemize deductions;
- claim pension exclusions;
- claim credit for taxes paid to other states; and
- change filing status.

Forms are available from Support Services Branch for bulk mailings at (502) 564-3658, *TaxFax*, fax-on-demand service at (502) 564-4459, KRC's Online Taxpayer Service

Center at www.revenue.ky.gov or one of KRC's regional taxpayer service centers:

For assistance with completing Form 740-X or Form 740-NP, call or visit any of the following taxpayer service centers:

Ashland
134 Sixteenth Street
(606) 920-2037

Bowling Green
201 West Professional Park Court
(270) 746-7470

Central Kentucky—Frankfort
200 Fair Oaks Lane, First Floor
(502) 564-4581

Corbin
15100 North US 25E, Suite 2
(606) 528-3322

Hopkinsville
181 Hammond Drive
(270) 889-6521

Louisville
620 South Third Street, Suite 102
(502) 595-4512

Northern Kentucky—Florence
Turfway Ridge Office Park
7310 Turfway Rd., Suite 190
(859) 371-9049

Owensboro
401 Frederica Street
Building C, Suite 201
(270) 687-7301

Paducah
Clark Business Complex, Suite G
2928 Park Avenue
(270) 575-7148

Pikeville
Uniplex Center
126 Trivette Drive, Suite 203
(606) 433-7675

Tax Relief for Residents of Presidentially Declared Disaster Areas

Severe winter ice and snow storms, heavy rain, flooding, tornadoes, and mud and rock slides swept through Kentucky on February 15-26, 2003, on May 4-27, 2003, and on June 14, 2003. Consequently, President Bush declared several Kentucky counties that sustained severe damages as major disaster areas. Special tax relief is available for Kentucky residents affected by the disasters.

The disaster areas include the counties of:

Anderson	Fleming	Knox	Nelson
Bath	Floyd	Larue	Nicholas
Bourbon	Garrard	Lawrence	Owsley
Boyd	Grant	Lee	Pendleton
Boyle	Graves	Leslie	Perry
Bracken	Grayson	Letcher	Pike
Breathitt	Green	Lewis	Powell
Breckinridge	Greenup	Madison	Robertson
Bullitt	Hardin	Magoffin	Rowan
Caldwell	Harlan	Martin	Scott
Carlisle	Harrison	Mason	Shelby
Carter	Hart	McLean	Spencer
Casey	Henderson	Meade	Union
Clark	Hopkins	Menifee	Washington
Clay	Jefferson	Mercer	Webster
Crittenden	Jessamine	Monroe	Whitley
Elliott	Johnson	Montgomery	Wolfe
Estill	Knott	Morgan	Woodford
Fayette			

According to the Federal Emergency Management Agency (FEMA), additional county designations may be made at a later date. Check for Federal Register Notices on the FEMA Web site, <http://www.fema.gov>, for presidential disaster declarations and any subsequent amendments.

For the purposes of this tax relief, affected taxpayers include individuals and businesses located in the disaster area, whose tax records are located in the disaster area, and relief workers. Affected taxpayers have the option of claiming disaster-related casualty losses on either their 2002 or 2003 federal and Kentucky income tax returns. Claiming the loss on an original or amended 2002 return will get the taxpayer an earlier refund, but waiting to claim the loss on the 2003 return could result in a greater tax savings, depending on other income factors.

Individuals may deduct personal property losses that are not covered by insurance or other reimbursements, but they must first subtract \$100 for each casualty event and then subtract 10 percent of their adjusted gross income from their total casualty losses for the year. For details on figuring a casualty loss deduction, see IRS Publication 547, "Casualties, Disasters and Thefts."

Taxpayers claiming the disaster loss on an amended 2002 return should put the words "Disaster Loss" in red ink at the top of the form so that KRC can expedite the processing of the refund. For more information on tax deductions, call Taxpayer Assistance at (502) 564-4581.

Declining State Property Tax Rate Set at 13.3 Cents for 2003

The 2003 state real property tax rate has been set at 13.3 cents per each \$100 of assessed value. KRS 132.020 requires the Revenue Cabinet to set the real property rate no later than July 1 of each year. According to Secretary Mayton, "The estimated total real property assessment for the 2003 tax year is approximately \$160 billion, up from \$151 billion in 2002. The rate for 2002 was 13.5 cents per each \$100 of assessed value."

KRC Offices Closed Sept. 1 for Labor Day

Pursuant to KRS 18A.190, all KRC offices are closed on Monday, Sept. 1, 2003, in observance of Labor Day.