

INSTRUCTIONS—SCHEDULE KRA-T

PURPOSE OF SCHEDULE—This schedule is used by a company which has entered into a reinvestment agreement for a Kentucky Reinvestment Act (KRA) project to maintain a record of the balance of approved costs and income tax, limited liability entity tax and license tax credits for the duration of the agreement. This information is necessary for the company to determine the limitation of the tax credit throughout the life of the project and to allow the Kentucky Department of Revenue to verify that credit has been properly computed.

GENERAL INSTRUCTIONS

A single Schedule KRA-T, Tracking Schedule for a KRA Project, shall be maintained for the duration of each KRA project. Beginning with the first taxable year of the KRA reinvestment agreement, complete Columns A through C using a separate line for each tax year of the reinvestment agreement. The company shall attach a copy of this schedule updated with current year information to the Schedule KRA or Schedule KRA-SP which is filed with the Kentucky tax return for the year.

For Form 720, all tax credits are entered on Schedule TCS, Tax Credit Summary Schedule. The total tax credits calculated may exceed the amount that can be used. Credits must be claimed in the order prescribed by KRS 141.0205. Total credits claimed cannot reduce the LLET below the \$175 minimum. Total credits claimed cannot reduce the income tax liability below zero.

SPECIFIC INSTRUCTIONS

Column A—Enter on each line the ending date (month and year) of the taxable year for which the information requested in Columns B through E is entered.

Column B—This column will be blank for the first taxable year of the agreement. For each year thereafter, if the amount entered in Column D for the prior year exceeds the amount entered in Column E for the prior year, enter the difference. If the amount entered in Column E for the prior year equals the amount entered in Column D for the prior year, enter zero (-0-).

Column C—Enter the total amount of approved costs in accordance with the agreement for the taxable year.

Column D—Enter the result of adding the amounts entered in Columns B and C. Also, enter on Schedule KRA, Part III, Line 2, or Schedule KRA-SP, Part I, Line 8, whichever is applicable.

Column E—The KRA tax credit is applied against the corporation income tax imposed under KRS 141.040 and/or the limited liability entity tax imposed under KRS 141.0401. The tax credit calculated for each tax can be different; however, for tracking purposes, the maximum amount used against either tax is recorded as amount claimed. Enter the greater of Column E or Column F from Schedule TCS for this project.