

**Commonwealth of Kentucky
Kentucky Department of Revenue**

**Handbook for Electronic Filers of Income
Tax Returns and Payments**



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Tax Year 2025

Processing Year 2026

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The Kentucky Department of Revenue (KDOR) joined with the Internal Revenue Service (IRS) in 1994 to offer electronic filing of federal and state individual income tax returns. The Federal/State Electronic Filing Program allows taxpayers to file both their federal and state returns electronically. This program is an effort to provide “one-stop shopping” for all tax preparation and filing. Taxpayers, tax practitioners and KDOR benefit from electronic filing.

The Kentucky Handbook for Electronic Filers of Income Tax Returns (KY Publication 1345) is used in conjunction with IRS Publication 1345. Because most functions in the Federal/State Electronic Filing Program are the same, this handbook highlights the special features unique to Kentucky. The information contained herein explains the program.

Safeguarding taxpayers and IRS e-file from identity-theft refund fraud requires that providers be diligent in detecting and preventing identity-theft fraud patterns and schemes. Early detection of these patterns and schemes is critical to stopping them and their adverse impacts, and to protecting taxpayers and IRS/Kentucky e-file.

A “fraudulent return” is a return in which the individual is attempting to file using someone else’s name or SSN on the return or where the taxpayer is presenting documents or information that have no basis in fact.

Providers who collectively transmit more than 2,000 individual income tax returns per year are required to perform analysis to identify potential identity-theft fraud patterns and schemes. They must provide the results relative to any indicators of such fraud to the IRS/Kentucky on a weekly basis, in accordance with requirements distributed to providers.

Section 1 - New for Tax Year 2025

Refund Direct Deposit

Beginning with tax year 2025, taxpayers may request direct deposit refunds for Form Series 720, 720U, 725, PTE, and 740NP-WH. Electronically filed returns should utilize the financial transaction schema to request direct deposit. Paper filed returns must include the newly introduced Form 8050-K to initiate a direct deposit request.

Form 740-PTET is NOT included in the refund direct deposit.

Software providers wishing to utilize this option for e-file should include the scenario in a test submission.

Form 720SL (720EXT)

Please be advised that Form 720SL (720EXT) will no longer be accepted through the Individual channel (IND) of the IRS MeF gateway. This form will only be accepted through the CORP and PART channels. We apologize for any inconvenience that this may cause.

9-Digit Account Numbers

All forms have been updated to accept a 9-digit Corporate/LLET account number. Businesses registered before March 14, 2025 will add three leading zeroes to their Corporate/LLET account number (000123456) while businesses registered afterwards will have a 9-digit account number (620123456).

Federal Conformity

Kentucky updated its federal conformity date to December 31, 2024.

Tax Returns Accepted for E-File in Processing Year 2026

Filing federal individual income tax returns using IRS e-file is limited to tax returns with prescribed due dates in the current year and two previous years per IRS Pub 1345. Kentucky will follow the same limitation of current year plus two previous years. Tax years 2023, 2024 and 2025 are accepted tax years for e-file in processing year 2026.

Filing Deadline for TY2025

The filing deadline for tax year 2025 is April 15, 2026.

New Business Schedules

Form 720-DS ELECT, Distilled Spirits Tax Credit Election
Schedule KQBI, Kentucky Qualified Broadband Investment Tax Credit Application and Schedule

Standard Deduction

The standard deduction increased from \$3,160 to \$3,270.

Family Size Tax Credit

The Family Size Tax Credit is in Section C of the Schedule ITC, page 2. The worksheet will be found in the form instructions for the Schedule ITC.

This credit provides benefit to individuals and families at incomes up to 133 percent of the threshold amount based on the federal poverty level. The 2025 threshold amount is \$15,650 for a family size of one, \$21,150 for a family of two, \$26,650 for a family size of three and \$32,150 for a family size of four or more.

Children of divorced or separated parents can be claimed for the Family Size Tax Credit (FSTC) based on where they resided the majority of the year, not necessarily the parent that claimed the child as a deduction.

Determining the Size of Family Unit:

- 1 - An individual either single or married living apart from his or her spouse for the entire year
- 2 - An individual with one dependent child or a married couple
- 3 - An individual with two dependent children or a married couple with one dependent child
- 4 or more - An individual with three dependent children or a married couple with two dependent children

For purposes of computing the family size tax credit, the maximum family size is four.

The following table lists the percentage used in calculating the FSTC based on family size and modified gross income for tax year 2025.

Family Size	One		Two		Three		Four or More		Credit Percentage is
If MGI . . .	is over	is not over	is over	is not over	is over	is not over	is over	is not over	
Tax Year 2025	\$ —	\$ 15,650	\$ —	\$21,150	\$ —	\$26,650	\$ —	\$32,150	100
	15,650	16,276	21,150	21,996	26,650	27,716	32,150	33,436	90
	16,276	16,902	21,996	22,842	27,716	28,782	33,436	34,722	80
	16,902	17,528	22,842	23,688	28,782	29,848	34,722	36,008	70
	17,528	18,154	23,688	24,534	29,848	30,914	36,008	37,294	60
	18,154	18,780	24,534	25,380	30,914	31,980	37,294	38,580	50
	18,780	19,406	25,380	26,226	31,980	33,046	38,580	39,866	40
	19,406	19,876	26,226	26,861	33,046	33,846	39,866	40,831	30
	19,876	20,345	26,861	27,495	33,846	34,645	40,831	41,795	20
	20,345	20,815	27,495	28,130	34,645	35,445	41,795	42,760	10
	20,815	—	28,130	—	35,445	—	42,760	—	0

Form 461-K

In accordance with Federal CARES Act, the IRS has suspended the excess business loss limitation and the 80% limitation on the NOL. Kentucky did not adopt this federal change. Kentucky Form 461-K was created as Federal Form 461 no longer exists.

Form 461-K is used to calculate excess business loss. Excess business loss is the amount which the total deductions from your trades or businesses are more than your total gross income or gains from your trades or businesses, plus the threshold amount. The threshold amount for 2025 is \$313,000 (\$626,000 for married taxpayers filing jointly or married filing separately on a combined return). Form 461-K should be used if you're a noncorporate taxpayer and your net losses from your trades or business are more than \$313,000 (\$626,000 for married taxpayers filing jointly or married filing separately on a combined return).

Your excess business loss from each year will be treated as a net operating loss carryover. This amount will be entered on the Schedule KNOL.

Electronic Payment of Estimate Tax Payments

Kentucky elected to mirror the federal rules for estimated tax penalty for tax year 2025. This resulted in changes to the Form 2210-K and Form 2220-K, namely the addition of section for calculating the annualized income installment or required annual payment. The form and form instructions provide direction for completion.

Form 740 and Form 740-NP line 34(a) represents the estimated tax penalty as calculated on Form 2210-K.

Four installments of 25% of the estimated tax are due with the following due dates:

- April 15, 2026
- June 15, 2026
- September 15, 2026
- December 15, 2026 (business income tax), January 15, 2027 (individual and fiduciary income tax)

Reference: [KY-TAM-19-02](#), Form 720ES and Form 740ES

Form 8863-K – Education Tuition Tax Credit

Any unused credit carryforward remaining from the 2019 tax return is no longer eligible for a carryforward on Form 8863-K.

Reminder: File the 8863-K to establish the credit for carryforward purposes, so the record will be there for verification when the carryforward is claimed in the future.

Section 1.1 - Reminders

E-File Software

Check the software prior to purchasing to determine if the forms and services supported meet your needs.

Schedule KW-2 – Kentucky Income Tax Withheld

Schedule KW-2 – Kentucky Income Tax Withheld is used to report Kentucky income tax withheld for **paper filed** returns. Schedule KW-2 should be completed using the 2025 W-2 and 1099 forms that have Kentucky income tax withheld.

Schedule KW-2 should be included with mailed returns instead of the income and withholding tax statements (W-2, W-2G, 1099-R, etc.). The taxpayer must keep copies of the Kentucky income and withholding tax statements for the same retention period as the return and provide them to KDOR if requested.

When the return is printed from the software package, the KW-2 should be included in the package if there is a possibility that the return will be filed by mail instead of e-filed.

The Schedule KW-2 is **not** used for **e-filed** returns. All Kentucky withholding claimed on the e-file tax return must be supported by an income and withholding tax statement schema as required in past years.

Section 2 - Kentucky E-File/EPay Important Dates

Kentucky tries to follow the IRS's lead regarding filing dates. An email will be sent to the NACTP group list with set dates, form postings, schema launches, etc.

TY2022 Last Date to Transmit IRS/Kentucky Returns Electronically	12/10/2025
TY2025 Kentucky ATS Start Date	November 2025
TY2025 IRS Controlled Launch Participation	YES
TY2025 KY eFile Production Start Date	February 2026
TY2025 Filing Due Date	4/15/2026

NOTE: These dates are subject to change at any time.

Section 3 - Electronic Filing/Payment Help Desk

The Electronic Filing/Payment Help Desk is for use by electronic transmitters and preparers experiencing problems with the electronic filing of individual income tax returns, business income tax returns, withholding bulk filing, and electronic payments. Taxpayers needing assistance on all tax matters should contact the Taxpayer Assistance Help Desk at 502-564-4581.

E-file Help Desk Phone # 502-564-5370, option 2 for the E-Commerce Branch

- Option 1 – EFT Payments
- Option 2 – Individual/Fiduciary Income Tax E-file
- Option 3 – Business Income Tax E-File
- Option 4 – Withholding Tax – Bulk Filing
- Option 5 – Electronic Payments

Fax # 502-564-0230

E-Payment Help Desk Toll Free # 800-839-4137

**The help desk operating hours are Monday through Friday, 8:00 a.m. through 4:00 p.m. (EST).
The help desk will observe all state holidays.**

Staffing:

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Section 4 – Publications and Links

Kentucky Links

Kentucky Department of Revenue - <https://revenue.ky.gov>

Tax Pros - <https://revenue.ky.gov/TaxProfessionals/Pages/default.aspx>

Kentucky Tax Alerts - <http://revenue.ky.gov/News/Publications/Pages/Tax-Alerts.aspx>

Tax Answers - <https://taxanswers.ky.gov/>

Get Help - <https://revenue.ky.gov/Get-Help/Pages/default.aspx>

Income Tax Refund Status - <https://refund.ky.gov/>

Kentucky E-file and Payment Options - <https://revenue.ky.gov/Collections/Pages/E-file-Payment-Options.aspx>

Kentucky E-Payments – Credit Card and ACH Debits - Kentucky Department of Revenue’s Electronic Payment Application for making payments by credit card or electronic check:
<https://epayment.ky.gov/EPAY>

IRS Links

Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns - <https://www.irs.gov/pub/irs-pdf/p1345.pdf>

Internal Revenue Service - <https://www.irs.gov/>

Tax Pros - <https://www.irs.gov/tax-professionals>

Income Tax Refund Status - <https://www.irs.gov/refunds>

Forms and Instructions - <https://www.irs.gov/forms-instructions>

IRS filing - <https://www.irs.gov/filing>

IRS Payments - <https://www.irs.gov/payments>

Section 5 - Federal/State Electronic Filing

General Information

Tax preparers and transmitters accepted in the IRS Electronic Filing Program will be able to participate in the Federal/State Electronic Filing Program and be able to file both the federal return and the state return in one transmission to the IRS through MeF. **The software used to transmit the data must be certified by both the IRS and Kentucky Department of Revenue (KDOR).** KDOR will provide a certification letter to all approved software developers. This certification should accompany the final version of the software. The IRS will acknowledge acceptance of the federal data and receipt of the state data packet. The IRS acts as a conduit through which KDOR will retrieve the state data packet for processing.

Who May Participate

Federal/state electronic filing for Kentucky returns is available to all interested parties who have been accepted in the federal electronic filing program. There is no additional application for Kentucky. Contact your software provider directly if you have questions regarding availability of state software packages.

State-Only/Unlinked Return Filing

Kentucky continues to accept state-only/unlinked returns for the 2025 tax year. State-only filing is a method to file a state return through the current Fed/State system. The type returns that will be eligible for state-only filing are: 1) previously rejected state e-filed returns, 2) state returns input separately from a previously filed federal return, and 3) state returns where a federal return was not required. **In all transmissions, the federal data must be attached.**

Consult your software provider to determine the availability of state-only filing.

Section 6 - Acceptance Process

In order to participate in the Federal/State Electronic Filing Program, participants must apply to the IRS Electronic Filing Program. Federal Publication 1345, Handbook for Electronic Filers of Individual Income Tax Returns, specifies the application process and requirements for federal participation. The IRS definition of the various categories of electronic filers (electronic return originator, transmitter, or software developer) will apply for Kentucky electronic filing purposes under the federal/state program. KDOR will use the same EFIN and ETIN assigned by the IRS for the Federal/State Electronic Filing Program.

KDOR will recognize the federal acceptance process for the 2025 tax period. Acceptance into the federal program is automatic acceptance into the Kentucky electronic filing program. No separate application form is necessary for the Kentucky program. KDOR will conduct a suitability check on the applicants into the Federal/State Electronic Filing Program. An additional application is not required for the Kentucky Department of Revenue, but a completed Letter of Intent (LOI) is required.

The 2025 Letter of Intent is required. The National and Kentucky LOI are maintained on the FTA secure State Exchange System (SES) with states having access for suitability determination. Authorized tax software industry (Industry) users will have access to the Kentucky LOI on SES for authorized industry members to access. The Kentucky LOI and Attachment A must be completed and provided to KDOR prior to testing.

Authorized tax software industry personnel will provide a contact list to the National Association of Computerized Tax Processors (NACTP). The names of the authorized Industry users will be provided to the states. KDOR will check the authorized list and grant access to the Kentucky (KYST) folders in SES upon request. Kentucky's LOI, draft and final forms, and e-file specifications will be posted to the KYST folder in SES.

Industry is required to test with KDOR prior to distribution of software. Use of untested software will cause the returns to be rejected.

In addition to industry tax software developers, transmitters will be allowed to test with KDOR to ensure they have the ability to retrieve the Kentucky acknowledgment records. Tax preparers and EROs also have the option to test with KDOR but this is not required.

Kentucky participates in ATS testing. Testing information will be posted on SES or can be obtained by contacting the Kentucky Department of Revenue. Kentucky will accept criteria-based tests for tax year 2025. Testing instructions will be outlined in the KY MeF Guide for Tax Software Developers and Transmitters posted to SES prior to the ATS start date.

Section 7 - Filing an Electronic Return

Composition of an Electronic Return

An electronic return consists of data transmitted electronically to KDOR, using the IRS as a conduit. Linked and Unlinked returns are accepted.

Electronic Portion of Return / What is Accepted for E-file?

The following forms and schedules can be transmitted electronically and are considered the electronic portion of the tax return:

Current Year Forms/Schedules/Worksheets Accepted for E-file

- All federal individual income tax forms and schedules allowed by IRS Publication 1345, Section 18

Main Forms

- Form 740, Kentucky Individual Income Tax Return
- Form 740-NP, Kentucky Individual Income Tax Return – Nonresident and Part-Year Resident Return
- Form 740-NP-R, Kentucky Individual Income Tax Return – Nonresident – Reciprocal
- Form 741, Kentucky Fiduciary Income Tax Return
- Form EPAY, Kentucky Electronic Payment Request Form
- Form 720, Kentucky Corporation Income Tax and LLET Return
- Form PTE, Kentucky Pass-through Entity Income Tax and LLET Return
- Form 720U, Kentucky Unitary Combined Corporation Income Tax and LLET Return
- Form 720-SL/720-EXT, Extension of Time to File Kentucky Corporation/LLET Return
- Form 725, Kentucky Single Member LLC Individually Owned LLET Return
- Form 740EXT/40A102, Application for Extension of Time to File Individual, General Partnership, and Fiduciary Income Tax Returns for Kentucky
- Form 740NPWH, Kentucky Nonresident income tax withholding on distributive share income report
- Form 740-PTET, Kentucky Pass-Through Entity Tax
- 740NP-WH-EXT, Extension of Time to File Kentucky Form 740NP-WH
- 740-PTET-EXT, Extension of Time to File Kentucky Form 740-PTET

Supporting Forms and Schedules

- Form 2210-K, Underpayment of Estimated Tax by Individuals
- Form 2220-K, Underpayment and Late Payment of Estimated Income Tax and LLET
- Form 4562-K, Kentucky Depreciation & Amortization
- Form 461-K, Kentucky Limitation on Business Losses
- Form 4797-K, Kentucky Sales of Business Property
- Form 4972-K, Kentucky Tax on Lump-Sum Distributions
- Form 720-DS ELECT, Distilled Spirits Tax Credit Election

- Form 722, Election to File Consolidated Kentucky Corporation Income and Limited Liability Entity Tax Return
- Form PTE(K), Schedule K for Pass-through Entities with Economic Development Projects
- Form 740-PTET-ELECT, Kentucky Pass-Through Entity Tax Election to Pay Income Tax at the Entity Level
- Form 750, Business Development Corporation Tax Return
- Form 8050-K, Kentucky Direct Deposit of Corporate Income, Limited Liability Entity, or Nonresident Withholding Tax Refund
- Form 851(K), Kentucky Affiliations and Payment Schedule
- Form 8582K, Kentucky Passive Activity Loss Limitations
- Form 8810K, Corporate Passive Activity Loss and Credit Limitation
- Form 8863K, Kentucky Education Tuition Tax Credit
- Form 8874K(A), Notice of Kentucky New Markets Development Program Tax Credit and Certification
- Form 8874K(B), Notice of Kentucky New Markets Development Program Tax Credit Recapture
- Form 8874K(C), Kentucky New Markets Development Program Tax Credit Request for Refund of Performance Fee
- Form 8879(C)-K, Kentucky Corporation or Pass-through Entity Tax Return Declaration for Electronic Filing
- Form 8879-F, Kentucky Fiduciary Income Tax Declaration for Electronic Filing
- Form 8879-K, Kentucky Individual Income Tax Declaration for Electronic Filing
- Form 8948 (K-C), Request for Waiver of Electronic Filing Requirement
- Form K-LOA, Loan-Out Affidavit/Allocation
- Form 8948-K, Preparer Explanation for Not Filing Electronically
- Form NRWH-P, Individual Nonresident Income Tax Withholding Underpayment Penalty Calculations
- Form PTE-WH, Kentucky Non-Resident Income Tax Withholding on Distributive Share Income
- Form PTET-CR, Pass-Through Entity Tax on Distributive Share Income
- Form PTE-K1, Owner's Share of Income, Credits, Deductions, etc
- Form PTET-P, Pass-Through Entity Tax Underpayment Penalty Calculations
- Schedule 720S DK, Capital Gains and Losses
- Schedule PTE K1, Shareholder's Share of Income, Credits, Deductions, etc.
- Schedule 725DK, Capital Gains and Losses
- Schedule 765DK, Capital Gains and Losses
- Schedule A (Form 740), Kentucky Itemized Deductions
- Schedule A (Form 740-NP), Kentucky Itemized Deductions
- Schedule A (Form 720), Apportionment and Allocation for corporations and pass-through entities taxable both within and without Kentucky
- Schedule BIO, Application and Credit Certificate of Income Tax/LLET Credit Biodiesel
- Schedule CC, Coal Conversion Tax Credit

- Schedule CCI, Application and Credit Certificate of Clean Coal Incentive Tax Credit
- Schedule CHEM, Renewable Chemical Production Tax Credit Certificate and Schedule
- Schedule CELL, Application and Credit Certificate of Income Tax/LLET Credit Cellulosic Ethanol
- Schedule COGS, Limited Liability Entity Tax Cost of Goods Sold
- Schedule CR, Pro Forma Federal Consolidated Return Schedule
- Schedule D, Kentucky Capital Gains and Losses
- Schedule DE, Kentucky Disregarded Entities
- Schedule DK, Kentucky Capital Gains and Losses
- Schedule DS, Distilled Spirits Tax Credit
- Schedule ENDOW, Notice of ENDOW Kentucky Tax Credit and Certification KRS 141.438
- Schedule ETH, Application and Credit Certificate of Income Tax/LLET Credit Ethanol
- Schedule FON, Tax Credit Computation Schedule for a FON Project of a Corporation
- Schedule FON-SP, Tax Computation Schedule (For A FON Project Of A Pass-Through Entity)
- Schedule FON-T, Tracking Schedule for a FON Project
- Schedule IEBA, Tax Credit Computation Schedule for an IEBA Project of a Corporation
- Schedule IEBA-SP, Tax Computation Schedule for an IEBA Project of a Pass-Through Entity
- Schedule IEBA-T, Tracking Schedule for an IEBA Project
- Schedule INV, Kentucky Inventory Tax Credit
- Schedule ITC, Kentucky Individual Tax Credit Schedule
- Schedule J, Kentucky Farm Income Averaging
- Schedule K1, Kentucky Beneficiary's Share of Income, Deductions, Credits, Etc.
- Schedule KBI, Tax Credit Computation Schedule for a KBI Project of a Corporation
- Schedule KBI-SP, Tax Computation Schedule for a KBI Project of a Pass-Through Entity
- Schedule KBI-T, Tracking Schedule for a KBI Project
- Schedule KCR, Consolidated Return Schedule
- Schedule KIDA, Tax Credit Computation Schedule for a KIDA Project of a Corporation
- Schedule KIDA-SP, Tax Computation Schedule for a KIDA Project of a Pass-Through Entity
- Schedule KIDA-T, Tracking Schedule for a KIDA Project
- Schedule KIRA, Tax Credit Computation Schedule for a KIRA Project of a Corporation
- Schedule KIRA-SP, Tax Computation Schedule for a KIRA Project of a Pass-Through Entity
- Schedule KIRA-T, Tracking Schedule for a KIRA Project
- Schedule KJDA, Tax Credit Computation Schedule for a KJDA Project of a Corporation
- Schedule KJDA-SP, Tax Computation Schedule for a KJDA Project of a Pass-Through Entity
- Schedule KJDA-T, Tracking Schedule for a KJDA Project
- Schedule KJRA, Tax Credit Computation Schedule for a KJRA Project of a Corporation
- Schedule KJRA-SP, Tax Computation Schedule for a KJRA Project of a Pass-Through Entity
- Schedule KJRA-T, Tracking Schedule for a KJRA Project
- Schedule KNOL, Kentucky Net Operating Loss

- Schedule KRA, Tax Credit computation Schedule for a KRA Project of a Corporation
- Schedule KRA-SP, Tax Computation Schedule for a KRA Project of a Pass-Through Entity
- Schedule KRA-T, Tracking Schedule for a KRA Project
- Schedule KREDA, Tax Credit Computation Schedule for a KREDA Project of a Corporation
- Schedule KREDA-SP, Tax Computation Schedule for a KREDA Project of a Pass-Through Entity
- Schedule KREDA-T, Tracking Schedule for a KREDA Project
- Schedule KQBI, Kentucky Qualified Broadband Investment Tax Credit Application and Schedule
- Schedule L-C, Limited Liability Entity Tax - Continuation Sheet
- Schedule L-ECON, Limited Liability Entity Tax for an Economic Development Project
- Schedule M, Kentucky Federal Adjusted Gross Income Modifications
- Schedule NOL, Net Operating Loss Schedule
- Schedule P, Kentucky Pension Income Exclusion
- Schedule QR, Qualified Research Facility Tax Credit
- Schedule RC, Application for Income Tax/LLET Credit for Recycling and/or Composting Equipment or Major Recycling Project
- Schedule RC-R, Recycling or Composting Equipment Tax Credit Recapture
- Schedule RPC, Related Party Costs Disclosure Statement
- Schedule RR-E, Application and Credit Certificate of Income Tax / LLET Credit Railroad Expansion
- Schedule RR-I, Railroad Maintenance and Improvement Tax Credit
- Schedule TCS, Tax Credit Summary Schedule
- Schedule UTC, Unemployment Tax Credit
- Schedule VERB, Voluntary Environmental Remediation Tax Credit (Brownfield)
- Worksheet A, Tax Paid to Other State
- Worksheet C, Limited Liability Entity Tax Credit
- Worksheet INV, Kentucky Inventory Tax Credit

Wage and Tax Statements Accepted for E-file:

- W2
- W2-G
- 1099-B
- 1099-DIV
- 1099-G
- 1099-INT
- 1099-MISC
- 1099-NEC
- 1099-OID
- 1099-R

Prior Year Returns Accepted for E-file:

- TY2023 and TY2024 Individual income tax returns (740, 740-NP, 740-NP-R, Amended 740, Amended 740-NP)
- TY2023 and TY2024 Fiduciary income tax returns (741, Amended 741)
- TY2023 and TY2024 Business income tax returns (720, 720U, 725, 740NPWH, 740-PTET, PTE- Amended 720, 720U, 725, 740NPWH, 740-PTET, PTE)

Software packages may or may not support all forms available for Kentucky electronic filing. **Check your software package for forms availability.** Any electronic tax returns submitted without all required forms will be rejected. The tax software will provide the taxpayer with the rejection reason. A list of rejection codes can be found on the SES.

Filing Amended Returns

Individual Income Tax Returns

If you discover that you omitted deductions or otherwise improperly prepared your return, you may obtain a refund by filing an amended return within four years of the due date of the original return. You are required to file an amended return if you omitted income.

For e-file, wait for the receipt of the acknowledgement of the original return before submitting an amended return. The original return may be rejected. In that situation, you can correct the original and resubmit it, eliminating the need to file an amended return. If the original return is accepted, then the amended return should be filed.

Two lines are included on the Form 740 and Form 740-NP for use when amending the return. These lines should **not** be used on the original return. Complete the entire return including the two lines listed below to arrive at the new refund or liability amount. Refunds on amended returns will be issued by paper check.

Form 740:

- Line 29 was added to list the amount of overpayment shown on the original return
- Line 31(h) was added to list the amount paid with the original return plus any additional payments made after the original return was filed.

Form 740-NP:

- Line 29 was added to list the amount of overpayment shown on the original return
- Line 31(i) was added to list the amount paid with the original return plus any additional payments made after the original return was filed.

An additional field exists for the taxpayer to enter the reason for amending the original return when e-filing the return.

Use the correct form for the tax year you are amending. For tax year 2017 through current year, use Form 740 and check the box for amended. To amend the Form 740-NP for any tax year, use Form 740-NP and check the box for amended.

Kentucky accepts the e-file of Form 740 and Form 740-NP with the amended box checked for tax years 2023, 2024, and 2025. All other tax years must be mailed to the Kentucky Department of Revenue.

Income and Withholding Tax Statements

All Kentucky withholding claimed on the tax return **must** be supported by an income and withholding tax statement. The following income and withholding tax statements are available as schemas: W-2, W-2G, 1099-R, 1099-B, 1099-G, 1099-INT, 1099-MISC, 1099-OID, 1099-DIV, Form PTET-CR, and Form PTE-WH when the return is e-filed. If the software does not support the income and withholding tax statement, a PDF attached to the electronic submission will be accepted. The submission of a PDF document will delay the processing of the tax return as it will have to be manually reviewed by KDOR staff. Check with your software provider to determine what is supported by the software.

The software should include a Schedule KW-2 for tax years 2023, 2024, and 2025 returns if the return is printed and not e-filed. The Schedule KW-2 should be included with the mailed return instead of the income and withholding tax statements. The income and withholding statements should be retained with the file copy of the return.

Driver's License/State Issued Identification Number

The individual income tax return forms 740, 740-NP and 740-NP-R allows taxpayers to provide their driver's license or state issued ID number if they choose. While providing a driver's license or state issued ID number is **optional**, doing so may expedite return processing. The Kentucky Department of Revenue uses the driver's license or state issued ID number to screen returns for tax fraud and identity theft problems. Returns that do not include a driver's license or state issued ID number will not be scrutinized more than returns that do include a driver's license or state issued ID number.

Kentucky has implemented many internal measures along with collaborating with outside sources to prevent tax fraud and identity theft. Safeguarding tax information is very important to the Kentucky Department of Revenue.

Non-electronic Portion of Return

The non-electronic portion of the return consists of the following:

- Form 8879-K, Kentucky Individual Income Tax Declaration for Electronic Filing
- Form 8879-F, Kentucky Fiduciary Income Tax Declaration for Electronic Filing
- Form 8879(C)-K, Kentucky Corporation's, Partnership's, or LLC's Tax Return Declaration for Electronic Filing
- Form EPAY- The hardcopy of the Form EPAY with the applicable signatures.
- Supporting schedules and documents requiring signatures such as the 8879's mentioned above.

- Any other informational documents that the taxpayer voluntarily includes with the return as supporting material.

Guidelines for Form 8879-K / Form 8879-F / Form 8879(C)-K / Form 40A102 / Form EPAY

Note: These forms contain direct deposit and/or direct debit information and should be printed for any taxpayer that selects these options.

Form 8879-K / Form 8879-F / Form 8879(C)-K

- Fed/State E-filed returns with a federal PIN – For returns filed via this method, the Kentucky 8879 (8879-K/8879-F/8879(C)-K) is **not** required. The use of the federal PIN meets signature requirements for the Kentucky return.
- Fed/State E-filed returns without a federal PIN – For returns filed via this method, the Kentucky 8879 is required. **This document does not need to be mailed to KDOR at the time of the filing.** It may be requested at a later date. EROs must retain them for a period of three years. State copies of the wage statements, supporting schedules, documents requiring signatures and other informational documents should be attached to the Kentucky 8879 and be retained by the ERO for a period of three years.
- Online Filing – For returns filed via this method, the Kentucky 8879 is required. This document does **not** need to be mailed to KDOR. Taxpayers must retain the form for a period of three years.
- The Kentucky 8879 may be signed using any electronic signature method authorized by the Internal Revenue Service (IRS) for signing federal Form 8879 as outlined in IRS Publication 1345.

Form 740EXT/40A102 and 720EXT/720-SL

- A copy of the form should be signed and retained by the taxpayer and/or tax preparer if the state extension is being filed electronically. It may be requested at a later date. The retention period is the same as the tax return retention period.

Form EPAY

The purpose of this form is to authorize the Kentucky Department of Revenue and its designated Financial Agent to initiate an ACH electronic funds withdrawal to the financial institution account indicated by the taxpayer for payment of taxes and estimate tax other than at the time of filing the individual income tax return. This e-file option allows the taxpayer to request a direct debit before or after the return has been filed.

If the request to make the withdrawal is being made at the time of filing the individual income tax return, Form 8879-K, Kentucky Individual Income Tax Declaration for Electronic Filing must be completed instead of Form EPAY.

The following is the sequence of events in the handling of Form EPAY:

- An ERO prepares the Form EPAY and computes the taxes based on the information the taxpayer provides or accepts an already prepared Form EPAY for the purpose of transmitting it electronically.
- Use the same name on Form EPAY and the income tax return. This will aid in matching the payment to the correct account.
- After the Form EPAY has been prepared and before it is transmitted, the taxpayer must verify the information and sign Form EPAY.
- A copy of the Form EPAY must be provided to the taxpayer.
- Retain the signed form for a period of 3 years.

Form EPAY authorizing the electronic tax payment is completed for the purposes of taxpayer verification and signature. Practitioners are prohibited from allowing taxpayers to sign a blank Form EPAY. It is permissible to have the taxpayer review the completed form on the display terminal. The taxpayer should always review the completed Form EPAY before signing it.

A Submission Identification Number (Submission ID) should be assigned to Form EPAY. This Submission ID should be entered on the form and the copy provided to the taxpayer. If the form is rejected and resubmitted, a new Submission ID must be assigned. If multiple payments are made throughout the year, a new Form EPAY should be used each time.

Additional Requirements:

- The signed copy of the form must be retained for a period of 3 years from the date the form is accepted for processing by Kentucky. An acknowledgement record will be provided for every submission.
- Do not mail the form to the Department unless requested to do so. If requested, a copy of the form must be provided to KDOR within 5 days of the request.
- If the taxpayer is using an ERO, it is the responsibility of the ERO to retain the form and provide the taxpayer with a copy of the signed document.
- If the taxpayer is paying on an existing bill, the notice number of the bill should be provided with the payment.
- If the ERO is the paid preparer, the ERO may check the "Also paid preparer" check box and complete only the ERO section. However, the PTIN number should also be provided in the ID # field.
- Use only the official Form EPAY or an approved substitute form that duplicates the official form in format, language, content and size. Photocopies are acceptable.
- A copy of the individual income tax form or bill should **not** be attached to the electronic filed Form EPAY.

NOTE: Due to federal electronic banking regulations, question 10 must be answered on Form EPAY if the taxpayer elects to pay via direct debit.

- If a taxpayer elects to pay via direct debit and answers yes for question 10, direct debit is not an option. The taxpayer must submit payment via check or money order or pay the amount due via credit card by visiting our website.

Exclusions from Electronic Filing of Individual Income Tax Return

In addition to the returns excluded from federal electronic filing listed in IRS Publication 1345 for tax year 2025 (2026 filing season), the following are specific Kentucky forms which are also excluded:

Individual Income Tax

- Individual Income Tax Returns prior to TY2023
- Injured Spouse Declaration

Business Income Tax

- Prior Year Returns – Business Income Tax Returns prior to TY2023

Fiduciary Income Tax

- Prior Year Returns – Fiduciary Income Tax Returns prior to TY2023

Section 8 - Transmitting the Kentucky Electronic Return

Kentucky returns included in the Federal/State Electronic Filing Program are transmitted to the IRS, along with the federal return. Transmissions shall be accomplished according to IRS procedures.

Kentucky will accept state-only/unlinked returns for the 2025 tax year. Consult your tax software to determine the availability of state-only/unlinked filing.

Once the IRS has provided an acknowledgment to the ERO, the state data segment is available to KDOR for retrieval within 24 business hours. **KDOR will not receive any state data associated with a rejected federal return.**

The IRS acknowledges only that it received the state data for both Fed/State and state-only transmissions. The IRS acknowledgment is not an indication that the KDOR has “accepted” your state return. You must receive the Kentucky acknowledgment to be assured your state return has been accepted. Contact KDOR if you receive a federal acknowledgment but no state acknowledgment within three business days from the time acknowledgment is received from the IRS.

Acknowledgment of Receipt and Acceptance/Rejection of the Kentucky Return

The Kentucky receipt and acknowledgment system is designed to inform transmitters that the Kentucky return has been received and either accepted or rejected by the KDOR. Kentucky's acknowledgment system is handled through the IRS. We will be using the same format that is described by the IRS for all acknowledgments.

Transmitters are encouraged to retrieve their acknowledgment records regularly. Transmitters should notify their EROs of the return's acceptance within two business days after obtaining the acknowledgment. EROs are instructed to wait until they receive the acknowledgment record before the corresponding Kentucky Form 8879 is held for the retention period. (See Section 9).

Upon receipt of the Kentucky submission from the IRS, KDOR will generate an acknowledgment record to the IRS for retrieval by transmitters. Two acknowledgment records will be provided for each submission. The first is the acknowledgement of the receipt of the submission and is completed immediately upon the retrieval of the submission or shortly thereafter depending on the intake volume.

The second is the acceptance/rejection acknowledgement. The acknowledgement record should be processed within two business days from the time the submission is receipted or shortly thereafter depending on the intake volume.

The system will provide codes of "A" for accepted, "R" for rejected. The records with acknowledgement codes of rejected will not be accepted for processing and a reason for the rejection will be provided. The acknowledgement code of "A" means that the return has been accepted for processing by KDOR but not necessarily that the return is error free.

NOTE: All transmitters will be allowed to perform state testing to ensure they can access and retrieve the state acknowledgment record.

Non-receipt of Kentucky Acknowledgment Record

If any of the following error conditions occur, follow the resolution process indicated below.

- Kentucky acknowledgment records are received for some, but not all returns filed on a given date. Note that Kentucky has a manual review process for some edit failures that will delay the acknowledgement during peak filing periods.
- IRS acknowledgment records were received more than four business days ago and no Kentucky acknowledgment records have been received.
- A transmission day is skipped (i.e., received acknowledgment records for a Monday and a Wednesday but none for a Tuesday transmission).

In all instances, the IRS acknowledgment record should be received before you contact the Kentucky Department of Revenue.

Resolution Process

To check the status of a Kentucky acknowledgment record, contact the Electronic Filing Help Desk after the 2-business day timeframe has expired. Provide the Submission ID and date of transmission when inquiring about a missing acknowledgement.

Paper Returns to Replace Rejected Returns

If it is determined the return is not eligible for state-only filing, you may be required to file a paper return. The paper return should include a printout of the return (including a copy of the federal return and all supporting schedules) and Schedule KW-2 or copies of all income/withholding tax statements (Forms W-2, W-2G, 1099-R, etc.). Include a note on the return explaining that it was electronically filed on (date) and rejected. The date the return was originally e-filed will be used as the filing date.

Mail paper returns to replace the rejected electronic returns to the following address based on the type of return:

Individual Income Tax Returns:

Refund/Other Returns

Kentucky Department of Revenue
Frankfort, KY 40618-0006

Pay Returns

Kentucky Department of Revenue
Frankfort, KY 40619-0008

Reciprocal State Return (Form 740-NP-R)

Kentucky Department of Revenue
Frankfort, KY 40620-0012

Business Income Tax Returns:

Refund/Other Returns

Kentucky Department of Revenue
Frankfort, KY 40618-0010

Pay Returns

Kentucky Department of Revenue
Frankfort, KY 40620-0021

Fiduciary Income Tax Returns:

All Returns

Kentucky Department of Revenue
Frankfort, KY 40620-0016

Changes to Electronic Filed Returns

After electronic filed returns are transmitted, they cannot be recalled or intercepted in process. If the electronic filer or taxpayer wishes to change any entries after a return has been accepted, an amended return must be filed. No action should be taken to change the computation between the date transmitted and the date the KDOR acknowledges the return.

Section 9 – Kentucky Form 8879 (8879-K, 8879-F, 8879(C)-K) - Kentucky Income Tax Declaration for Electronic Filing

NOTE: Due to federal electronic banking regulations, Part II, lines 10a and 10b must be answered on Kentucky Form 8879 and Part II, 5(a) on Form 8879(C)-K. If the taxpayer elects to receive a refund via direct deposit, the taxpayer must answer line 10a and if paying via direct debit, must answer lines 5(a) and 10b.

- If the taxpayer elects a direct deposit of their refund and answers yes on line 10a, a paper check will be issued.
- If a taxpayer elects to pay via direct debit and answers yes on line 10b, KDOR will notify the taxpayer that they must submit payment via check or money order, or pay the amount due via credit card by visiting our website.

Kentucky Form 8879 is the signature portion of the return. If required, it must be completed and signed by all appropriate parties before the return is transmitted electronically. It also serves to transmit the taxpayer's banking information for direct deposits and direct debits.

Kentucky Form 8879:

- Authenticates the return;
- Authorizes the ERO to file the return electronically on behalf of the taxpayer; and
- Authorizes KDOR to inform the ERO whether a taxpayer's return has been accepted.

Returns requiring forms or schedules excluded in Section 7 must be filed in paper format. Electronic filers must not use Kentucky Form 8879 to submit forms or schedules which are excluded from electronic filing.

KY Form 8879 authorizes the KDOR to discuss tax return information with the ERO.

Use only the official Kentucky Form 8879 or an approved substitute form that duplicates the official form in format, language, content, and size. Photocopies are acceptable.

The following is the sequence of events in the handling of the Kentucky Form 8879:

- An ERO prepares the return and computes the taxes based on the information the taxpayer provides or accepts an already prepared tax return for the purpose of transmitting it electronically.
- After the return has been prepared and before it is transmitted, the taxpayer must verify the information on the return and sign the Kentucky Form 8879.

- For individual income tax returns, the signature of both taxpayers is required on returns filed “Married, filing joint return” or “Married, filing separately on a combined return.”
- For Form 8879(C)-K, the Authorized Business Representative’s signature is required.
- For Form 8879-F, the Fiduciary or Agent’s signature is required.
- A copy of the prepared return must be provided to the taxpayer.

The Kentucky Form 8879 is completed for the electronic tax return for the purposes of taxpayer verification and signature. See Section 7 for details on when to use the Kentucky Form 8879. A blank Kentucky Form 8879 is the same as a blank tax return. Practitioners are prohibited from allowing taxpayers to sign a blank tax return. However, it is permissible to have the taxpayer review the completed tax return on the display terminal. The taxpayer should also review the completed Kentucky Form 8879 before signing it.

The Submission Identification Number (Submission ID) assigned to the taxpayer’s federal return will also be used for the Kentucky return. This Submission ID should be entered on Form 8879. If the electronic return is rejected by the IRS and a new Submission ID is assigned, you must use the Submission ID accepted by the IRS on the Kentucky electronic return and Form 8879.

Following the guidelines for Kentucky Form 8879 (see Section 7), the ERO is required to retain this form for a period of three years.

If requested by the KDOR, the ERO must provide the department with a copy of the Kentucky Form 8879 or a new Kentucky Form 8879 within five days of the department’s request for the form.

Section 10 - Refund Options

Individual Income Tax

Taxpayers may elect to receive their overpayments refunded in various methods:

- Applied to their next tax year’s estimated tax
- Mailed to them in the form of a refund check
- Deposited directly into a bank account

Business Income Tax and Fiduciary Income Tax

- Applied to their next tax year’s estimated tax
- Mailed to them in the form of a refund check
- Deposited directly into a bank account

Direct Deposit

The same verification procedures outlined in IRS Publication 1345 must be followed. Taxpayers’ Kentucky refunds do not have to be direct deposited in the same bank account as their federal refunds.

KDOR's acknowledgment of the electronic return will not indicate whether the refund will be direct deposited.

Direct deposit is only available for e-file for Individual Tax. For Business Tax, direct deposit is available for e-file and paper filed returns. E-filed returns will utilize the refund option in the financial transaction schema. Paper filed returns will use Form 8050-K to request the refund.

Direct deposit is not an option for Form 740-PTET.

Some items which could cause KDOR to deny a direct deposit request:

- Direct deposit is not an option for the Form 740-NP, Form 740-NP-R, Form 741 or amended returns.
- KDOR reserves the right to deny direct deposit requests at our discretion.
- An invalid account number or bank routing number was provided.
- The amount of the refund is adjusted by the tax processing system.
- All or part of the overpayment is applied to the taxpayer's delinquent Kentucky taxes or the taxpayer's debts to other state agencies and/or the IRS.
- A Kentucky individual income tax return was not filed for the previous tax year.

The taxpayer may determine the reason for the conversion by calling the Department of Revenue's Taxpayer Assistance Section at (502) 564-4581 between 8:00 a.m. and 5:00 p.m., Monday through Friday, Eastern Standard Time.

Verify all banking information before transmitting returns.

Section 11 – Refund Information

Refund Delays

It is anticipated that refunds from Kentucky returns filed in the Federal/State Electronic Filing Program will be issued within 2 – 3 weeks for direct deposits and 4 weeks for paper checks from the time the return is received. However, the following conditions may delay refunds and/or change refund amounts on electronically filed returns:

- The taxpayer owes delinquent Kentucky taxes.
- The taxpayer owes a debt to another state agency or to the IRS.
- The estimated tax payments claimed on the return do not match the estimated tax payments recorded on KDOR's estimated tax file.
- The refund amount is adjusted when the electronic return is processed.
- Common problems are addresses containing a rural route. While the KDOR recognizes that some rural routes still exist in Kentucky, most rural routes have been eliminated and assigned a street name with a house number. Preparers should verify that the rural route is still a valid address before utilizing this address on the taxpayer's return. Another common problem is an address that contains both a post office box number and a street address.

Enter the street name and house number on the first address line and enter the post office box number on the second address line.

Refund Inquiries

Check the status of your refund for a current year return by accessing “Where’s My Refund?” at the following link <https://refund.ky.gov/>

The following information from your return will be required:

- Your Social Security number shown on the return.
- The **exact** whole-dollar amount to be refunded to you.

To check the status of a previous year return, call 502-564-4581 and speak to an examiner.

Section 12 – Payment Information

Payment of Balance Due Amounts

The taxpayer is responsible for paying the amount due the KDOR on or before April 15, 2026 to avoid penalties and interest. Details of each payment option are listed below.

A ‘tax due notice’ will **not** be sent to the taxpayer prior to the April 15th filing deadline. The taxpayer should submit payment using one of the payment options listed below prior to April 15, 2026, to avoid penalties and interest.

Failure to abide by these requirements may delay the processing of the income tax return and/or payment.

Direct Debit of Your Financial Institution Account

Taxpayers may elect to have the payment debited directly from their financial institution.

- **At the time of electronically filing the income tax return**
 - The payment **must** be the amount due as indicated on the return. No partial payments.
 - Allow up to two weeks for your debit payment to be withdrawn from your account.
 - A debit request on an individual or fiduciary income tax return received prior to April 15, 2026 can be warehoused through the April 15th due date. Warehoused payments are not accepted for business income tax returns. The debit will be processed when the return is processed. Payments with a requested debit date prior to the due date that are received prior to April 15, 2026 will be considered timely even if they are processed at a later date.
 - Debit requests received after April 15, 2026 will not be warehoused. The debit will occur once the return processing is complete. Use the current date or transmitting date as the direct debit date so the return will not be rejected for an invalid requested debit date.

- The direct debit is authorized on the Kentucky Form 8879. The completed/signed form must be retained for 3 years.
- **At times other than when electronically filing the income tax return**
 - Taxpayers may file a Form EPAY to request a payment be debited from their financial institution account at other times throughout the year other than with the electronic filing of the individual income tax return.
 - The direct debit is authorized on the Form EPAY. The completed/signed form must be retained for 3 years.

Refer to Section 7 for additional information on the Kentucky Form 8879 and Form EPAY.

Payment by Check/Money Order

Form KBR-V (formerly 720-V), 740NPWH-V, KPTET-V, 740-V, and 741-V are payment coupons that should be made available for printing through the ERO's software package when an e-file return is generated with a tax due. Taxpayers may elect to pay by check or money order.

- **Taxpayers who file their individual income tax return electronically but elect to pay by check/money order**
 - Make check/money order payable to Kentucky State Treasurer
 - Write "KY Income Tax-2025" on the check/money order
 - Include your social security number on the check/money order
 - Use the same name on the Kentucky tax return and the Form 740-V
 - Do not staple or clip the check and the Form 740-V to each other.
 - Do not include a copy of the electronically filed return with the payment. This will delay processing of the electronic voucher and payment.
 - Taxpayers should mail the check or money order with the Form 740-V to the following address:
Kentucky Department of Revenue
Frankfort, KY 40620-0011
- **Taxpayers who file their fiduciary income tax return electronically but elect to pay by check/money order**
 - Make check/money order payable to Kentucky State Treasurer
 - Write "2025 Form 741" on the check/money order
 - Include your name, address, and FEIN on the check/money order
 - Use the same name on the Kentucky Form 741 tax return and the Form 740-V
 - Do not staple or clip the check and the Form 741-V to each other.
 - Do not include a copy of the electronically filed return with the payment. This delays processing of the electronic voucher and payment.
 - Taxpayers should mail the check or money order with the Form 741-V to the following address:
Kentucky Department of Revenue

- **Taxpayers who file their business income tax return electronically but elect to pay by check/money order**
 - Make check/money order payable to Kentucky State Treasurer
 - Include your name, address, and FEIN on the check/money order
 - Use the same name on the Kentucky Business tax return and the Form KBR-V
 - Do not staple or clip the check and the Form KBR-V to each other.
 - Do not include a copy of the electronically filed return with the payment. This delays processing of the electronic voucher and payment.
 - Taxpayers should mail the check or money order with the Form KBR-V to the following address:
Kentucky Department of Revenue
Frankfort, KY 40620-0021
- **Taxpayers who file their non-resident withholding tax return electronically but elect to pay by check/money order**
 - Make check/money order payable to Kentucky State Treasurer
 - Include your name, address, and FEIN on the check/money order
 - Use the same name on the Kentucky 740NPWH tax return and the Form 740NPWH-V
 - Do not staple or clip the check and the Form 740NPWH-V to each other.
 - Do not include a copy of the electronically filed return with the payment. This delays processing of the electronic voucher and payment.
 - Taxpayers should mail the check or money order with the Form 740NPWH-V to the following address:
Kentucky Department of Revenue
Frankfort, KY 40619-0006
- **Taxpayers who file their pass-through entity tax return electronically but elect to pay by check/money order**
 - Make check/money order payable to Kentucky State Treasurer
 - Include your name, address, and FEIN on the check/money order
 - Use the same name on the Kentucky 740-PTET tax return and the Form KPTE-V
 - Do not staple or clip the check and the Form KPTE-V to each other.
 - Do not include a copy of the electronically filed return with the payment. This delays processing of the electronic voucher and payment.
 - Taxpayers should mail the check or money order with the Form KPTE-V to the following address:
Kentucky Department of Revenue
Frankfort, KY 40619-0006

Payment by Credit Card or ACH Debit

Taxpayers may pay their individual income tax by MasterCard, Visa, Discover or American Express credit card or by ACH Debit through April 15, 2026. Access the Department of Revenue's secure Web site (www.revenue.ky.gov) to make credit card payments and electronic check payments over the Internet. Click on the *KY E-Tax* logo then select E-Payments-Credit Cards and ACH Debits link. If the taxpayer does not have access to the Internet, they may call the Taxpayer Assistance Branch (502) 564-4581 for assistance with payments.

To make a credit card payment, the following information is required: credit card type, credit card number, expiration date, and the cardholder's address as it appears on the credit card billing statement. To make an ACH Debit payment, the following information is needed: bank account number and bank routing number.

Electronic Estimated Tax Payments

The Form 740-ES-Kentucky Estimated Tax Voucher is used when making installment payments for estimated tax for both individual income tax and fiduciary income tax. A common error in past years was the failure to include the Form 740-ES with the check when making estimated payments for fiduciary income tax.

Taxpayers may schedule up to four equal direct debit of estimate tax at the time their state individual income tax return is electronically filed. Direct debit of estimate tax can be scheduled in addition to a direct debit of the tax amount due or direct deposit of refund, but the financial institution information (routing number, account number, and type of account) must be the same in all the requested transactions. Direct debit of estimate tax may also be scheduled in the absence of a direct deposit of refund or direct debit of tax amount due transaction.

To revoke (cancel) a payment, the taxpayer must contact the Kentucky Department of Revenue at (502) 564-4581 no later than 2 business days prior to the payment (debit) date.

The scheduled payment dates for the 2025 estimated tax payment period are

- April 15, 2026
- June 15, 2026
- September 15, 2026
- December 15, 2026 for business income tax and January 15, 2027 for individual income tax

Section 13 – ERO Information

What Electronic Return Originators Must Provide to the Taxpayer

The ERO must furnish the taxpayer with documentation of all completed Kentucky forms and schedules filed for the taxpayer. This material should be provided to taxpayers at the time they sign the Kentucky Form 8879 or use one of the electronic pin signature methods made available by the IRS.

The ERO must also provide the taxpayer with a copy of the following material filed with KDOR:

- The applicable completed Form 8879-K, 8879-F or 8879(C)-K, if required
- Other documents containing required signatures.
- Any other documents which are not Kentucky forms or schedules.

In addition, the ERO should advise the taxpayer to retain copies of the following material:

- Income/Tax statements (Form W-2, W-2G, 1099-R, etc).
- Any other documents, not required by KDOR, which the taxpayer voluntarily includes as supporting material.
- The signed Kentucky Form 8879, if required.

Immediately upon learning that a return was not accepted by KDOR, the ERO must advise the taxpayer that their return was not accepted, **(if the return is not eligible for state-only filing)** and that a paper return must be filed. The taxpayer should allow up to twelve weeks for any Kentucky refund to be issued on a paper return.

If an electronically filed return was acknowledged as accepted by the KDOR, the ERO should advise the taxpayer to wait three weeks from the acknowledgment date before making an inquiry about his/her refund.

It is the responsibility of the electronic return originator to follow all guidelines in IRS Publication 1345.

Section 14 – Penalties/Fees

Penalties for Disclosure or Use of Information

Guidelines outlined in IRS Revenue Procedure 2007-40 should be followed as well as Kentucky Revised Statute 131.190.

Penalties for Late Filing, Late Payment and Fraudulent Returns

This provision provides due notice that all additions to tax, penalties, and criminal provisions applicable to paper filers are also applicable to electronic filers. Specifically, penalties and interest for late filing, late payment, and underpayment of estimate tax will be assessed.

Penalties will be assessed against any person filing an incomplete or misleading return. Additionally, any person who willfully subscribes or presents a fraudulent return will be subject to prosecution and penalties. Other criminal provisions will be applicable to the extent that a person attempts to commit forgery and falsify signatures on any electronic filing form, check or direct deposit form.

Electronic Filing Mandate - Forms 8948-K and 8948(K-C) - Preparer Explanation for Not Filing Electronically

Tax preparers that file more than ten individual income tax returns are required to file their client's returns electronically. A preparer who fails or refuses to comply with the mandate shall pay a return processing fee of \$10 for each return not filed as required, unless it is shown that failure is due to reasonable cause.

The Form 8948-K should be completed to explain why a particular individual return is being filed by paper. The form must be attached and mailed with the paper return. A common error found in previous years is the omission of the reason. A reason for not filing by e-file is required.

If you feel you have a valid reason to be exempted from the individual income tax electronic filing mandate, complete a letter of explanation and a request for waiver by contacting Ashleigh Johnson at Ashleigh.Johnson@ky.gov.

In tax year 2021, the new Form 8948(K-C) was announced for business income tax return electronic filing waiver requests. The form is only applicable for Forms 720, 720U, 725, 740NPWH, 740-PTET, and PTE and must include a valid reason as to why the taxpayer is not able to file electronically.

Once completed, the form must be emailed to KRC.WEBResponseCorporationTax@ky.gov or DORWEBRESPONSEPASSTHROUGHENTITY@ky.gov. The KDOR will review the request for approval or denial and provide a response to the contact provided on the request. A copy of the approved form signed by KDOR must be attached to the paper-filed return. If denied, the company should file electronically.

Section 15 – Inquiries

Taxpayer Assistance

Taxpayers may confirm acknowledgment of their Kentucky returns with their practitioner or transmitter and are advised to wait three weeks from the transmission date before calling or writing KDOR to inquire about their refund status.

If a taxpayer and/or spouse owes money to KDOR, other state agency, IRS, etc., the amount may be deducted from the refund. This debt will delay processing of the taxpayer's refund because all claims against the refund must be resolved before a refund check can be processed. Electronically filed returns experiencing errors in KDOR income tax system will be given first priority for resolution.

Refund Inquiries

Refer to Section 11 – Refund Information

APPENDIX A

MeF Rejection Codes

A list of the Reject Codes and Reject Reasons is posted to SES.

APPENDIX B

Sample Addresses

Prefix Names:

EXAMPLE:	O'Brien	KEY:	Obrien
	Van Winkle		Vanwinkle
	Mc Donald		McDonald

Street:

EXAMPLE:	120 South Fourth Street
KEY:	120 S Fourth Street

EXAMPLE:	23 East 4th Street
KEY:	23 E 4th St

EXAMPLE:	2466 1/2 West Highway North
KEY:	2466 West Hwy N

EXAMPLE:	C/O George Smith
KEY:	CO George Smith

EXAMPLE:	C/O Jones Mfg Co
KEY:	Jones Mfg Co

EXAMPLE:	C/O 123 Main St
KEY:	123 Main St

EXAMPLE:	12 North St Apt #4
KEY:	12 North St Apt 4

EXAMPLE:	34 Hopewell-Bohon Rd
KEY:	34 Hopewell Bohon Rd

EXAMPLE:	543 Lovelace-Florence Station Rd
KEY:	543 Lovelace Florence Sta Rd