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Commonwealth of Kentucky  
**Department of Revenue**  
501 High Street, Frankfort, KY 40601  
<https://revenue.ky.gov>

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**Kentucky Revenue Procedure**  
**KY-RP-19-02**

SUBJECT: Deferred Tax Deduction

EFFECTIVE DATE: March 26, 2019

PUBLICATION DATE: April 11, 2019

SUPERSEDES: N/A

REFERENCE: [KRS 141.039\(2\)\(d\)](#) as created by  
[HB 458 from the 2019 Regular Session of the Kentucky General Assembly](#)

SCOPE: The purpose of a Revenue Procedure is to provide procedural guidance to the public and Kentucky Department of Revenue (“DOR”) personnel. It is guidance issued to assist in the administration of laws and administrative regulations (“regulations”) by providing guidance that may be followed in order to comply with the law. It is effective until withdrawn, superseded, or modified by a change in statute, regulation, case law, or other DOR guidance.

**I. PURPOSE**

To provide instructions to comply with the notice requirements of KRS 141.039(2)(d)8 to claim the Deferred Tax Deduction as authorized by HB 458 from the 2019 Regular Session of the Kentucky General Assembly.

**II. LAW**

[KRS 141.039\(2\)\(d\)](#) as created by [HB 458 from the 2019 Regular Session of the Kentucky General Assembly](#)

A new paragraph (d) under KRS 141.039(2) allows publicly traded corporations to claim a deduction for a decrease in their net deferred tax assets or increase in their net deferred tax liabilities calculated in accordance with U.S. generally accepted accounting principles if the change resulted from the adoption of combined business group reporting under KRS 141.202 in 2019. An affiliated group of corporations electing to file a consolidated return under KRS 141.201 is not eligible for this deduction.

**III. PROCEDURES FOR CLAIMING DEDUCTION**

Schedule DTD must be completed and filed with the Department of Revenue on or before July 1, 2019. Enclose with Schedule DTD any supporting schedules or statements. No extension is available to file Schedule DTD after July 1, 2019. Per KRS 141.039(2)(d)7, no adjustments to the calculation are permitted as a result of any events happening subsequent to the calculation. Schedule DTD should be signed, dated, and mailed to the following address.

Kentucky Department of Revenue  
P.O. Box 1074, Station 68  
Frankfort, KY 40602-1074

#### **IV. QUESTIONS**

For questions concerning this guidance, contact Policy at [DORtaxpolicy@ky.gov](mailto:DORtaxpolicy@ky.gov).

ISSUED BY: Office of Tax Policy and Regulation, Kentucky Department of Revenue