

SCHEDULE KJRA

41A720-S45 (10-15)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

____ / ____
Mo. Yr.

**TAX CREDIT COMPUTATION SCHEDULE
(FOR A KJRA PROJECT OF A CORPORATION)**

KRS 154.25-010 to 050

- See instructions.
- Attach to Form 720.

| | | |
|-------------------------|---|--|
| Name of Corporation | Federal Identification Number ____ - _____ | Kentucky Corporation/LLET Account Number _____ |
| Location of Project | Activation Date of KJRA Incentive Agreement ____ / ____ / ____ Mo. Day Yr. | Economic Development Project Number |
| City _____ County _____ | | |

PART I—Computation of LLET Excluding KJRA Project

| | | | |
|---|---|--|----|
| 1. LLET from Form 720, Part I, line 1 | 1 | | 00 |
| 2. LLET on KJRA project (see instructions) | 2 | | 00 |
| 3. LLET excluding LLET on KJRA project (line 1 less line 2) | 3 | | 00 |

PART II—Computation of Taxable Net Income Excluding Net Income from KJRA Project and KJRA Tax Credit

Section A—Computation of Corporation Tax

| | | | |
|--|---|--|----|
| 1. Enter income tax from Form 720, Part II, line 1 | 1 | | 00 |
| 2. LLET of corporation (Part I, line 1) | 2 | | 00 |
| 3. LLET credit allowed (line 2 less \$175, but not more than line 1) | 3 | | 00 |
| 4. Total corporation tax (lines 1 and 2 less line 3) | 4 | | 00 |

Section B—Computation of Tax Excluding KJRA Project

| | | | |
|--|------|--------------------|------|
| 1. Enter taxable net income from Form 720, Part III, line 25 | 1 | | 00 |
| 2. Enter net income from KJRA project; if loss, enter -0- | 2 | | 00 |
| 3. Taxable net income excluding net income from KJRA project (line 1 less line 2). If line 2 is greater than line 1, enter -0- | 3 | | 00 |
| 4. Corporation income tax on amount from line 3: | | | |
| (a) First \$50,000 | | Taxable Net Income | Rate |
| (b) Next \$50,000 | 00 | X 4% | Tax |
| (c) All income over \$100,000 ... | 00 | X 5% | 00 |
| (d) Total income tax liability excluding KJRA project (add lines 4(a) through 4(c)) | 4(d) | | 00 |
| 5. LLET excluding LLET on KJRA project (Part I, line 3) | 5 | | 00 |
| 6. Enter LLET from line 5 less \$175, but not more than line 4(d) | 6 | | 00 |
| 7. Total tax excluding KJRA project (lines 4(d) and 5 less line 6) | 7 | | 00 |
| 8. Total tax attributable to KJRA project (Section A, line 4 less Section B, line 7) Continue to Part III and enter this amount on Part III, line 1 | 8 | | 00 |

PART III—Limitation

| | | | |
|---|---|--|----|
| 1. Enter tax liability attributable to KJRA project from Part II, Section B, line 8 | 1 | | 00 |
| 2. Enter limitation from Schedule KJRA-T, Column F | 2 | | 00 |
| 3. Allowable KJRA tax credit (lesser of line 1 or line 2) | 3 | | 00 |

Enter allowable credit on Schedule TCS, Part I, Column E and Column F

➤ *Economic development project* means a project authorized under the Kentucky Rural Economic Development Act (KREDA), Metropolitan College Consortium Tax Credit (MCC), Kentucky Small Business Investment Credit Program (KSBIC), Kentucky Industrial Development Act (KIDA), Kentucky Economic Opportunity Zone Act (KEOZ), Kentucky Jobs Retention Agreement (KJRA), Kentucky Industrial Revitalization Act (KIRA), Kentucky Jobs Development Act (KJDA), Kentucky Business Investment Program (KBI), Kentucky Reinvestment Act (KRA), Skills Training Investment Credit Act (STICA) and Incentives for Energy Independence Act (IEIA).

INSTRUCTIONS—SCHEDULE KJRA

The KJRA tax credit is applied against the corporation income tax imposed by KRS 141.040 and/or the limited liability entity tax (LLET) imposed by KRS 141.0401. The amount of tax credit against each tax can be different; however, for tracking purposes, the maximum amount of credit used against either tax is the amount that is used for the tax year.

PURPOSE OF SCHEDULE—This schedule is used by a corporation which has entered into a tax incentive agreement for a Kentucky Jobs Retention Agreement (KJRA) project to determine the credit allowed against the Kentucky corporation income tax and LLET attributable to the project in accordance with KRS 141.402.

GENERAL INSTRUCTIONS**Part I—Computation of LLET Excluding KJRA Project**

Line 2—Using Schedule LLET, create a new Schedule LLET to compute the LLET of the KJRA project using only the Kentucky gross receipts and Kentucky gross profits of the project. Enter “**KJRA**” at the top center of the Schedule LLET and attach it to the tax return.

Part II—Computation of Taxable Net Income Excluding Net Income from KJRA Project and KJRA Tax Credit**Section B**

Line 2—Enter net income for KJRA project. If the corporation’s only operation in Kentucky is the KJRA project, the amount entered on Line 1 must be entered on Line 2.

See form for computation.

Part III—Limitation

Calculate KJRA tax credit based on the corporation’s tax liability, tax liability attributable to KJRA project and credit limitation from Schedule KJRA-T. Enter credit on Schedule TCS, Part I, Column E and Column F.

A corporation with more than one economic development project must separately compute the tax credit derived from each project. Complete an applicable tax computation schedule (Schedule KREDA, Schedule KIDA, Schedule KEOZ, Schedule KJRA, Schedule KIRA, Schedule KJDA, Schedule KBI, Schedule KRA, or Schedule IEIA) for each project. A corporation approved for the Skills Training Investment Credit Act (STICA) or Metropolitan College Consortium Tax Credit (MCC) must attach a copy of the certification(s) from the Bluegrass State Skills Corporation. A corporation approved for the Kentucky Small Business Investment Credit Program (KSBI) must attach a copy of the certification from the Kentucky Economic Development Finance Authority.

Alternative Methods—In accordance with KRS 141.402(7), if the approved company can show that the nature of the operations and activities of the approved company are such that it is not practical to use separate accounting to determine net income, Kentucky gross receipts or Kentucky gross profits from the facility at which the project is located, the approved company shall determine net income, Kentucky gross receipts or Kentucky gross profits attributable to the project using an alternative method approved by the Department of Revenue. Thus, if any method other than separate accounting is used, **a copy of the letter from the Department of Revenue approving the alternative method must be attached to this schedule.**