



▶ See federal instructions for Schedule J.

Enter name(s) as shown on tax return.

Your Social Security Number

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1	Enter your taxable income from Form 740, line 11 .....	1		00
2	Enter your <b>elected farm income</b> . Do not exceed amount on federal Schedule J, line 2(a)* .....	2		00
3	Subtract line 2 from line 1. If zero or less, enter -0- .....	3		00
4	Compute the tax on the amount on line 3 using the 2025 tax rate of 4% (.04) .....	4		00
5	If you used Schedule J to figure your tax for: <ul style="list-style-type: none"> <li>2024, enter the amount from your 2024 Schedule J, line 11.</li> <li>2023 but not 2024, enter the amount from your 2023 Schedule J, line 15.</li> <li>2022 but not 2023 or 2024, enter the amount from your 2022 Schedule J, line 3 .....</li> </ul>	5		00
	Otherwise, enter the taxable income from your <b>2022</b> Form 740, line 11. If zero or less, see instructions.			
6	Divide the amount on line 2 by 3.0 .....	6		00
7	Add lines 5 and 6. If zero or less, enter -0- .....	7		00
8	Compute the tax on the amount on line 7 using the <b>2022</b> tax rate of 5% (.05) .....	8		00
9	If you used Schedule J to figure your tax for: <ul style="list-style-type: none"> <li>2024, enter the amount from your 2024 Schedule J, line 15.</li> <li>2023 but not 2024, enter the amount from your 2023 Schedule J, line 3 .....</li> </ul>	9		00
	Otherwise, enter the taxable income from your <b>2023</b> Form 740, line 11. If zero or less, see instructions.			
10	Enter the amount from line 6 .....	10		00
11	Add lines 9 and 10. If less than zero, enter as a negative amount .....	11		00
12	Compute the tax on the amount on line 11 using the <b>2023</b> tax rate of 4.5% (.045) .....	12		00
13	If you used Schedule J to figure your tax for 2024, enter the amount from your 2024 Schedule J, line 3. Otherwise, enter the taxable income from your 2024 Form 740, line 11. If zero or less, see instructions .....	13		00
14	Enter the amount from line 6 .....	14		00
15	Add lines 13 and 14. If less than zero, enter as a negative amount .....	15		00
16	Compute the tax on the amount on line 15 using the <b>2024</b> tax rate of 4% (.04) .....	16		00
17	Add lines 4, 8, 12 and 16 .....	17		00
18	If you used Schedule J to figure your tax for: <ul style="list-style-type: none"> <li>2024, enter the amount from your 2024 Schedule J, line 12.</li> <li>2023 but not 2024, enter the amount from your 2023 Schedule J, line 16.</li> <li>2022 but not 2023 or 2024, enter the amount from your 2022 Schedule J, line 4. Otherwise, enter the tax from your <b>2022</b> Form 740, line 12 .....</li> </ul>	18		00
19	If you used Schedule J to figure your tax for: <ul style="list-style-type: none"> <li>2024, enter the amount from your 2024 Schedule J, line 16.</li> <li>2023 but not 2024, enter the amount from your 2023 Schedule J, line 4.</li> </ul>	19		00
	Otherwise, enter the tax from your <b>2023</b> Form 740, line 12 .....			
20	If you used Schedule J to figure your tax for 2024, enter the amount from your 2024 Schedule J, line 4. Otherwise, enter the tax from your <b>2024</b> Form 740, line 12 .....	20		00
21	Add lines 18 through 20 .....	21		00
22	Subtract line 21 from line 17. If the result is less than the tax on the taxable income on line 1, enter the tax on Form 740, line 12 and check the box .....	22		00

\* **Caution:** If income from another state is included in the elected farm income on line 2, you must also compute the tax without the other state's income to determine the state tax limitation for credit for taxes paid to other states.

**Purpose of Form**—Use Form Schedule J to elect to figure your 2025 Kentucky income tax by averaging, over the previous 3 years, all or part of your 2025 Kentucky taxable income from your trade or business of farming or fishing. This election may give you a lower tax if your 2025 Kentucky income from farming or fishing is high and your taxable income for one or more of the 3 prior years was low.

**Important Reminders when completing Kentucky Schedule J:**

- You must file a federal Schedule J in order to complete a Kentucky Schedule J.
- Use Kentucky figures when completing Kentucky Schedule J.
- If income from another state is included in the elected farm income on line 2, you must also compute the tax without the other state's income to determine the state tax limitation for credit for tax paid to other states.
- You may need copies of your original or amended income tax returns for 2022, 2023 and 2024 to figure your tax on Kentucky Schedule J.
- Keep a copy of your 2025 income tax return to use for your income averaging in 2026, 2027 or 2028.
- For definitions of farming business, fishing business and elected farm income, see federal instructions.
- For tax years 2018 through 2022 the tax rate is a flat 5% (.05).
- For tax year 2023, the tax rate is a flat 4.5% (.045).
- For tax years 2024 and 2025, the tax rate is a flat 4% (.04).

**GENERAL INSTRUCTIONS**

**Line 2, Elected Farm Income**—See federal instructions.

**Line 4**—Compute the tax using the 2025 rate of 4% (.04).

**Line 5**—If you used Schedule J to figure your tax for:

- 2024 (that is, you entered the amount from the 2024 Schedule J, line 22 on line 12 of your 2024 Form 740), enter on line 5 the amount from your 2024 Schedule J, line 11.
- 2023 but not 2024, enter on line 5 the amount from your 2023 Schedule J, line 15.
- 2022 but not 2023 or 2024, enter on line 5 the amount from your 2022 Schedule J, line 3.

Otherwise, enter the taxable income from your **2022** Form 740, line 11. If the amount entered is zero or less, see federal instructions.

**Line 8**—Compute the tax on line 7 using the 2022 tax rate of 5% (.05).

**Line 9**—If you used Schedule J to figure your tax for:

- 2024 (that is, you entered the amount from the 2024 Schedule J, line 22 on line 12 of your 2024 Form 740), enter on line 9 the amount from your 2024 Schedule J, line 15.
- 2023 but not 2024, enter on line 9 the amount from your 2023 Schedule J, line 3.

Otherwise, enter the taxable income from your **2023** Form 740, line 11. If the amount entered is zero or less, see federal instructions.

**Line 12**—Compute the tax on line 11 using the 2023 tax rate of 4.5% (.045).

**Line 13**—If you used Schedule J to figure your tax for:

- 2024 (that is, you entered the amount from the 2024 Schedule J, line 22 on line 12 of your 2024 Form 740), enter on line 13 the amount from your 2024 Schedule J, line 3.

Otherwise, enter the taxable income from your **2024** Form 740, line 11. If the amount entered is zero or less, see federal instructions.

**Line 16**—Compute the tax on line 15 using the 2024 tax rate of 4% (.04).

**Line 18**—If you used Schedule J to figure your tax for:

- 2024, enter the amount from your 2024 Schedule J, line 12.
- 2023 but not 2024, enter the amount from your 2023 Schedule J, line 16.
- 2022 but not 2023 or 2024, enter the amount from your 2022 Schedule J, line 4.

Otherwise, enter the tax from your **2022** Form 740, line 12.

**Line 19**—If you used Schedule J to figure your tax for:

- 2024, enter the amount from your 2024 Schedule J, line 16.
- 2023 but not 2024, enter the amount from your 2023 Schedule J, line 4.

Otherwise, enter the tax from your **2023** Form 740, line 12.

**Line 20**—If you used Schedule J to figure your tax for:

- 2024, enter the amount from your 2024 Schedule J, line 4.

Otherwise, enter the tax from your **2024** Form 740, line 12.