

Part I

 KREDA KJDA KIDA KBI KIRA KJRA

| | | |
|-----------------|----------------------------|--|
| Company Name | Project Number | Kentucky Withholding Account Number |
| | Activation Date | |
| Company Address | Period Covered in Part III | Approved Percentage |

Part II

| | | | |
|---|---|---|----|
| 1 | Total wages paid to eligible employees only | 1 | \$ |
| 2 | Total credit calculated by your company <input type="checkbox"/> REFUND | 2 | \$ |
| 3 | Total Kentucky tax withheld and reported under this account number for all employees, eligible and ineligible | 3 | \$ |
| 4 | Total local wage assessment claimed, if eligible | 4 | \$ |

Annual Reconciliation is due by March 15 of each year.

Mail to: Kentucky Department of Revenue
Tax Credits Section
P.O. Box 181, Station 52
Frankfort, KY 40602-0181

Fax to: (502) 564-0058

E-mail to: KRC.WEBResponseEconomicDevelopmentCredits@ky.gov

Signature _____

Date _____

Title _____

E-Mail _____

Part III
Company Name

Project Number

Kentucky Withholding
Account Number

VERIFY AMOUNT CLAIMED

Period Ending

| A Employee Name | B Social Security Number (last 4 digits) | C State of Residency | D Hire Date | E Wages (for the period) | F State Tax Withheld (for the period) | G Credit Claimed (for the period) | H Column E multiplied by your approved percentage | I The lesser of Column H or Column F | J The lesser of Column I or Column G |
|------------------------------|---|--------------------------------------|--------------------------|---------------------------------------|---|--|---|--|--|
|------------------------------|---|--------------------------------------|--------------------------|---------------------------------------|---|--|---|--|--|

NOTE: Companies approved for wage assessment incentives must use the above format to detail the amount of credit claimed. The Department of Revenue prefers to receive these spreadsheets in excel format via email to KRS.Webresponseeconomicdevelopmentcredits@ky.gov to expedite the verification and application of the credit to your withholding account.

Purpose of Form—A company that has received approval from the Cabinet for Economic Development to take wage assessment credits against their withholding account must complete the Wage Assessment Report for each period of their filing frequency. Each Wage Assessment Report must include only one active project. If the company has received approval for multiple projects or credits, a separate report is required for each credit and each project.

This credit does not impact the employees who are part of the credit calculation. The total amount of tax withheld from their wages (regardless of whether it is considered in the credit calculation) should appear in box 17 of their W-2. You will be required to issue an amended W-2 to the employee and provide an amended W-2 to the Department of Revenue if the W-2 does not correctly reflect the amount of money withheld from the employee's wages.

This form is also used for Annual Reconciliation. The withholding tax year is always January 1 through December 31. The Annual Reconciliation must always represent wages for this period when completed on an annual basis even if the company operates on a fiscal year other than a calendar year. The Annual Reconciliation must be completed and submitted by March 15.

Note: Both the Wage Assessment Report and the Annual Reconciliation must include a copy of the applicable tracking schedule (IEIA-T, KBI-T, KIDA-T, KIRA-T, KJDA-T, KJRA-T, or KREDA-T).

Part I

Choose the box that represents the Economic Development Credit for which you have received prior approval.

Enter the company name, company address for issuance of any refund, project number (located on the agreement completed by the Cabinet for Economic Development), activation date, Kentucky withholding account number (issued by the Department of Revenue), and approved percentage for the state portion of the credit (located on the agreement completed by the Cabinet for Economic Development).

Period covered in Part III—Include the date range the wages in Part III represent.

Part II

Line 1—Enter the total of **Part III, column E**.

Line 2—Enter the total of **Part III, column J**. Mark the box if your submission is a refund request.

Line 3—Enter the total amount of Kentucky tax withheld on all employees under the withholding account number before the credit calculation is factored in. This includes employees who may work in a different location or employees who are not included in the credit calculation

if their W-2 is filed under the withholding account listed in Part I.

Line 4—Enter the amount of approved local wage assessment credit for the covered period. There will only be an amount on this line if the company is eligible for local wage assessment credit as outlined in the agreement signed with the Cabinet for Economic Development. This amount is not calculated in Part III of this form.

Provide contact information of the individual the department can contact with questions.

Part III

This spreadsheet includes the information that must be submitted to the department to determine the credit amount the company is eligible to receive.

Note: The department will accept an alternate spreadsheet filed electronically (preferably in Excel format) as long as the spreadsheet is in the same format as Part III.

Column D—If the agreement identifies a base number of employees for which the company cannot claim credit, they must be included in Part III and identified as the employees with the oldest hire date at the approved facility by using column D. The base number of employees must be maintained throughout the term of the agreement. If for any reason an employee who is part of the base leaves the company, the employee with the next oldest hire date must be moved into the base as of the date the former employee left. This could cause some employees to be eligible to receive credit for part of the tax year and be included in the base and ineligible for the credit calculation for part of the tax year.

Column E—If you have been approved for KBI or KJDA, you are required to use **taxable wages**. For all other credits, use **gross wages**. Per KRS 154, each credit must use the wages specified in the Kentucky Statutes.

Column H, I, and J are used to confirm the credit is accurately claimed.

Employees who reside in Illinois, Indiana, Ohio, Michigan, Virginia, West Virginia, and Wisconsin are not included in the credit calculation. These states have a reciprocal agreement with Kentucky; therefore, their withholding is not eligible as part of the credit calculation.

Suspension—If you have received a suspension notice from the Cabinet for Economic Development detailing the dates the company is not eligible to receive credit, the wages included in Part III of this packet must exclude all days the company was in a suspended state.

Note: If the company is approved for a KBI project and received a suspension notice, the company is not eligible to claim wage assessment credit for the entire tax year.