

**CORPORATION INCOME/LIMITED LIABILITY ENTITY TAX
ESTIMATED TAX VOUCHER****2020**

Who Must File— Every corporation or pass-through entity subject to the corporation income tax imposed by KRS 141.040 and/or the limited liability entity tax (LLET) imposed by KRS 141.0401 must make estimated tax payments if the combined liability per these statutes can reasonably be expected to exceed \$5,000.

NOTE: Limited liability pass-through entities per KRS 141.010(16) are subject to the LLET per KRS 141.0401. Corporations as defined in KRS 141.010(4) are subject to the taxes imposed by KRS 141.040 and KRS 141.0401. Corporations will have the same account number for the LLET and corporation income tax. DO NOT USE the Secretary of State Organization Number for the Kentucky Corporation/LLET Account Number.

Payment Dates for Calendar Year Filers—If the entity's estimated tax exceeds \$5,000, the following payment dates are applicable:

First Installment	April 15	25% of Estimated Tax Due
Second Installment	June 15	25% of Estimated Tax Due
Third Installment	September 15	25% of Estimated Tax Due
Fourth Installment	December 15	25% of Estimated Tax Due

Fiscal Year Filers—Use the 15th day of the 4th, 6th, 9th, and 12th months of your tax year.

NOTE: If a payment date falls on a holiday or weekend, the applicable payment date is the next working day.

LLET rates are as follows:

Kentucky Gross Receipts	.00095 (.095%)
Kentucky Gross Profits	.0075 (.75%)

Corporation income tax rate:

.05 (5%)

Installment Vouchers—Enter the amount(s) paid with the voucher in the correct field to identify the payment as LLET and/or corporation income tax. Calculate these amounts using the worksheet on page 3.

**MAKE CHECK PAYABLE TO: KENTUCKY STATE TREASURER
MAIL TO: KENTUCKY DEPARTMENT OF REVENUE, FRANKFORT, KENTUCKY 40620-0021**

Enterprise Electronic Payment System (EEPS)—Corporation income tax and LLET estimated payments can be made using EEPS. To use EEPS, go to www.revenue.ky.gov and click on the E-File and Payments tile. From the selections of tax types available, click "Corporation Income Tax" or "LLET" and select the Electronic Payment link. To make payments, the FEIN is required along with the Kentucky Corporation/LLET 6-digit account number.

Electronic Funds Transfer (EFT)—Kentucky estimated payments may be made by EFT for corporation income tax and LLET. For questions concerning EFT, contact the Department of Revenue at 1-800-839-4137 or (502) 564-6020.



NOTE: Do not submit the estimated tax voucher if you make an electronic payment.

Recalculating Estimated Tax—If, after the corporation or pass-through entity calculates and pays its estimated tax, it finds that its tax liability for the year will be more or less than originally estimated, it may have to recalculate its required installments. If earlier installments were underpaid, the corporation or pass-through entity may owe a penalty. An immediate payment should be made to reduce the amount of penalty resulting from the underpayment of earlier installments, whether caused by a change in estimate, failure to make a payment, or a mistake.

Overpayment of Estimated Tax—A corporation or pass-through entity that has overpaid its estimated tax may apply for a quick refund if the overpayment is at least 10% of its expected tax liability and at least \$500. To apply, file Form 40A100, Application for Refund of Income Taxes and LLET.

INSTRUCTIONS

Specific line by line instructions for *Corporation Income/ Limited Liability Entity Tax Estimated Tax Worksheet* on page 3.

NOTE: If using the Annualized Income Installment Method and/or the Adjusted Seasonal Installment Method for Corporations, only complete Column A, lines 1 through 4, and proceed to page 5 for further instructions.

Line 1(a)—Specify if Kentucky Gross Receipts (KGR) or Kentucky Gross Profits (KGP) are entered for taxable LLET in Column A, Line 1(b).

Line 1(b)—Enter the amount of current year estimated taxable net income and KGR or KGP.

Line 2—Calculate the taxes using the applicable tax rates from page 1.

NOTE: If estimated total gross receipts or gross profits are less than \$3,000,000, skip Column A, line 3 and enter \$175 in Column A, line 4.

Line 3—Enter Statutory Credits. This may include economic development tax credits, farming operation networking tax credit, certified rehabilitation tax credit, unemployment tax credit, recycling/composting equipment tax credit, coal conversion tax credit, enterprise zone tax credit, Kentucky investment fund tax credit, qualified research facility tax credit, GED incentive tax credit, voluntary environmental remediation tax credit, biodiesel tax credit, clean coal incentive tax credit, ethanol tax credit, cellulosic ethanol tax credit, railroad maintenance and improvement tax credit, railroad expansion tax credit, ENDOW Kentucky tax credit, new markets development program tax credit, distilled spirits tax credit, film industry tax credit, and inventory tax credit. **Do not include the nonrefundable LLET credit.**

Line 4—Columns A and B: Subtract Line 3 from Line 2. Column A, Line 4 is estimated LLET.

Line 5—Enter Column A, Line 4 less \$175 in Column B. If negative, enter zero.

Line 6—Enter estimated income tax in Columns B; subtract Line 5 from Line 4. If negative, enter zero.

Line 7—Column C: Enter the total current year estimated tax, Column A, Line 4 plus Column B, Line 6. Note: If less than \$5,000, the entity is not required to make estimated payments.

Line 8—Column A: Enter the entity's LLET shown on the 2019 tax return.

Line 9—Column B: Enter the entity's income tax shown on the 2019 tax return. If the tax is zero or the tax year was less than 12 months, skip this line.

Line 10—Column C: Enter the entity's LLET and income tax shown on the 2019 tax return, Column A, Line 8 plus Column B, Line 9. If Line 9 is blank, skip this line.

Line 11—Enter the smaller of Column C, Line 7 or Column C, Line 10. If the entity is required to skip Line 10, enter amount from Line 7, Column C.

CORPORATION INCOME/LIMITED LIABILITY ENTITY TAX ESTIMATED TAX WORKSHEET

Estimated Installments (See instructions.)

	LLET	Income Tax	Total
	Column A	Column B	Column C
1(a) Specify if Kentucky Gross Receipts (KGR) or Kentucky Gross Profits (KGP) are entered for taxable LLET in Column A, line 1(b)			
1(b) Enter amount of current year estimated taxable net income and KGR or KGP			
2 Calculate the taxes using the applicable rates specified on page 1.....			
3 Statutory Credits.....			
4 Columns A and B: Subtract line 3 from line 2. Column A, line 4 is estimated LLET			
5 Nonrefundable LLET credit. Columns B: Enter Column A, line 4 less \$175. If negative, enter zero			
6 Estimated income tax. Columns B: Subtract line 5 from line 4. If negative, enter zero			
7 Column C: Enter the total current year estimated tax, Column A, line 4 plus Column B, line 6. Note: If the result is less than \$5,000, the entity is not required to make estimated tax payments.....			
8 Column A: Enter the entity's LLET shown on the 2019 tax return			
9 Column B: Enter the entity's income tax shown on the 2019 tax return. If the tax is zero or the tax year was less than 12 months, skip this line.....			
10 Column C: Enter the entity's LLET and income tax shown on the 2019 tax return, Column A, line 8 plus Column B, line 9. If line 9 is blank, skip this line....			
11 Required installments: Enter the smaller of Column C, line 7 or Column C, line 10. If the entity is required to skip Column C, line 10, enter amount from Column C, line 7 in Column C			

Instructions for A—LLET Installments 1 through 4, Column B in Required Installments Breakdown Box Below:

If Column C, Line 11 is equal to Column C, Line 7, enter 25% of Column A, Line 4 in each Installment 1, 2, 3, and 4, A-LLET, Column B below. Otherwise, if an alternative method is NOT used per Federal, enter 25% of Column A, Line 8 in each Installment 1, 2, 3, and 4, A-LLET, Column B below.

If an alternative method is used per Federal, enter Line 5 of each column of the Adjusted Seasonal Installment Method and/or Annualized Method Worksheet (see page 5) into applicable row of each Installment 1, 2, 3, and 4, A-LLET, Column B below.

Instructions for B—Income Installments 1 through 4, Column B in Required Installments Breakdown Box Below:

If Column C, Line 11 is equal to Column C, Line 7 AND:

If an alternative method is NOT used per Federal, enter 25% of Column B, Line 6 in each Installment 1, 2, 3, and 4, B-Income, Column B below, OR

If an alternative method is used per Federal, enter Line 4 of each column of the Adjusted Seasonal Installment Method and/or Annualized Method Worksheet (see page 5) into applicable row of each Installment 1, 2, 3, and 4, B-Income, Column B below.

If Column C, Line 11 is equal to Column C, Line 10 AND:

if Column B, Line 9 is skipped, enter 25% of Column C, Line 7 in each Installment 1, 2, 3, and 4, B-Income, Column B below, OR

if Column B, Line 9 is not skipped, enter 25% of Column B, Line 9 in each Installment 1, 2, 3, and 4, B-Income, Column B below.

Instructions for Required Installments Breakdown box, Columns C and D

Column C—Enter the estimated payments timely paid by each installment due date for each tax in applicable rows. A prior year carryforward is considered a timely paid estimated payment for the first installment. If amount of payment exceeds specified installment due, enter the excess in Column C on the next line for applicable tax added to any additional timely payments.

Column D—Subtract Column C from Column B for each row and enter here. These payments are the estimated payments due that should be listed on each installment voucher.

REQUIRED INSTALLMENTS BREAKDOWN					
		Due Date	25%	Prior Year Carryforward/Estimated Payments	Payment Voucher Amounts
		Column A	Column B	Column C	Column D
INSTALLMENT 1	A-LLET	15th day of the 4th month of the Tax Year	A	A	A
	B-Income		B	B	B
INSTALLMENT 2	A-LLET	15th day of the 6th month of the Tax Year	A	A	A
	B-Income		B	B	B
INSTALLMENT 3	A-LLET	15th day of the 9th month of the Tax Year	A	A	A
	B-Income		B	B	B
INSTALLMENT 4	A-LLET	15th day of the 12th month of the Tax Year	A	A	A
	B-Income		B	B	B

Annualized Income Installment Method and/or Adjusted Seasonal Installment Method for Corporations—If the corporation uses the annualized income installment method and/or the adjusted seasonal installment method, or is a “large corporation” per IRC § 6655, see Federal Instructions for Form 1120-W for guidance. An entity may calculate income tax installments based on the adjusted seasonal installment method and/or annualized income installment method by converting Federal Form 1120-W, Schedule A, to a Kentucky form by entering Kentucky at the top center of the worksheet above “Adjusted Seasonal Installment Method and Annualized Income Installment Method.”

Converted Form 1120-W, Schedule A Exception Instructions:

- Part I – Adjusted Seasonal Installment Method
 - (1) Part I, Line 10 (Use 5% instead of 21%);
 - (2) Skip Part I, Lines 16 and 18;
- Part II – Annualized Income Installment Method
 - (3) Part II, Line 24 (Use 5% instead of 21%);
 - (4) Skip Part II, Lines 26 and 28;
- Part III – Required Installments
 - (5) Skip Part III, Lines 33-38; and then
 - (6) Complete the Kentucky Adjusted Seasonal Installment Method and/or Annualized Income Installment Method Worksheet below.

Adjusted Seasonal Installment Method and/or Annualized Income Installment Method Worksheet

	Installment 1	Installment 2	Installment 3	Installment 4
	Column A	Column B	Column C	Column D
1 Enter the amounts from each Column of Kentucky Form 1120-W, Schedule A, Part III, Line 32 in each column here....				
2 Enter statutory credits in each column. Refer to Line 3 in Specific Instructions on page 2.....				
3 Divide <i>Corporation Income/Limited Liability Entity Tax Estimated Tax Worksheet</i> , Column A, Line 4 less \$175 by 4 and enter in each column. Round to nearest whole dollar.....				
4 Subtract in each column, Lines 2 and 3 from Line 1 and enter in each column. If negative, enter zero. This is estimated income				
5 Divide <i>Corporation Income/Limited Liability Entity Tax Estimated Tax Worksheet</i> , Column A, Line 4 by 4 and enter in each column. This is estimated LLET				
6 Add lines 4 and 5 and enter in each column. Note: If the total of all columns is less than \$5,000, the corporation is not required to make estimated payments.....				

Enter Line 4 of each column above in Column B of the applicable row of the Required Installments Breakdown Box, B—Income and enter Line 5 of each column above in Column B of the applicable row of the Required Installments Breakdown Box, A—LLET found at the bottom of page 4.

The Kentucky converted Federal Form 1120-W must be attached to your Kentucky 720 or 720U return when filed to avoid interest and penalties for underpayment of estimated tax.

A Corporation electing a different annualization period on Federal Form 8842, Election to use Different Annualization Periods for Corporate Estimated Tax, must make the election on or before the due date of the first required installment payment. Once the election is made, the election is irrevocable for the particular tax year. A copy of your Form 8842 election is a required attachment to your Kentucky 720 or 720U return to avoid interest and penalties for underpayment of estimated tax.