VERSION 1

Commonwealth of Kentucky
Department of Revenue

SOFTWARE DEVELOPER NOTES
Corporate Forms

2018

The following notes may be helpful for your 2018 development efforts.

- **Removed the Domestic Production Activities Deduction and expired credits and updated line references accordingly. (Forms 720, 720-O, 8879(C)-K and Schedules CR, KCR)**

- **Schedule A, Part I, lines 1-12 were separated to distinguish the difference in computation of apportionment fraction for all companies (single sales factor) and for Providers (see KRS 141.121(1)(e)).**

- **Schedule TCS was updated to remove the Coal Incentive and Environmental tax credits and to add the Film Industry and Inventory tax credits.**

- **Schedule O was updated to remove the following: Safe Harbor Lease adjustments, amounts received from Tobacco Master Settlement Agreement, Phase II Settlement, funds of the Commodity Credit Corp for the Tobacco Loss Assistance Program, tobacco quota buy down program, and State Phase II payments received by a producer of tobacco or a tobacco quota owner.**

- **Removed the Housing for Homeless deduction and revised the sections pertaining to Apportionment for Pass-Through and Apportionment for Providers to distinguish the difference in computation of apportionment fraction. (Forms 720S, 720S(K), 765, 765(K), 765-GP, 765-GP(K), and applicable Schedules K-1.**

- **Updated the income tax rate calculation to 5% in credit packages. (KREDA, KIDA, KIRA, KJDA, KRA, KJRA, IEIA, KBI, and FON)**

- **Schedule INV is new for 2018 and is used to calculate the Inventory Tax Credit.**

- **The following forms were discontinued effective 12/31/2017. (Schedules CI, FD, HH, KESA , KEOZ, and Form 8903-K)**

- **Final form versions and instructions will be posted by October 31, 2018, and will include the following. We will also include a list of any changes for faster reference at that time.**
  - **changes to IRS form references**
  - **feedback from software vendors**
  - **any other errors or final changes identified**

- **We value our relationship with you and appreciate your thoughtful comments and feedback.**

- **Once the final version is released by DOR, the DRAFT reference must be removed from the form before releasing to the public.**