



➤ See instructions.

➤ For Coal Purchased During Calendar Year

KRS 141.428

| | | | |
|----------------------------|-------|----------|--|
| Name of Entity | | | Federal Identification Number |
| Number and Street | | | Kentucky Corporation/LLET Account Number |
| City | State | ZIP Code | Telephone Number (Include Area Code) |
| Name and Facility Location | | | |

Type of Entity (check applicable box): Corporation Limited Liability Pass-through Entity General Partnership
 Other ➤

Date Certified by the Energy and Environment Cabinet (Attach certification letter.) _____ / _____ / _____

PART I—Qualifying Tons of Coal Purchased During the Taxable Year and Used to Generate Electricity

| A | B | C | D |
|--------------------------------|---|-----------------------------------|--|
| Name of Supplier | Name and Kentucky Coal Severance Tax Account Number of Taxpayer Subject to Kentucky Coal Severance Tax On Qualifying Coal Purchases | Qualifying Tons of Coal Purchased | For Department of Revenue Use Only Approved Tons Purchased |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 | | | |
| 9 | | | |
| 10 Total Tons Purchased | | | |

I, the undersigned, declare under the penalties of perjury, that I have examined this application, including all accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

| | | |
|---|---------------|------|
| Signature | Title | Date |
| Contact Name (if different from signer) | Email Address | |
| Telephone Number | Fax Number | |

| | | | | | |
|---------------------------|--|---|---------------------------------------|--|----|
| STOP | | | Department of Revenue Use Only | | |
| Part II—Tax Credit | | | | | |
| 1 | Number of tons of approved eligible coal | 1 | | | |
| 2 | Tax credit (line 1 multiplied by \$2) | 2 | | | 00 |

Taxpayer Use Only

| | | | | | |
|--------------------------------|--|------|----|--|----|
| Part III—Recap Schedule | | | | | |
| 1 | Approved credit from Part II, line 2 | 1 | | | 00 |
| 2 | Less: | | | | |
| | (a) Credit against KRS 141.0401, Enter on Schedule TCS, Part II, Column E | 2(a) | 00 | | |
| | (b) Credit against KRS 141.040, Enter on Schedule TCS, Part II, Column F .. | 2(b) | 00 | | |
| | (c) Credit against KRS 141.020 | 2(c) | 00 | | |
| 3 | Credit against KRS 136.120 (line 1 less the greater of line 2(a), 2(b), or 2(c)) | 3 | | | 00 |

No Carryforward Allowed

The Clean Coal Incentive Tax Credit is applied against the individual income tax imposed by KRS 141.020 or the corporation income tax imposed by KRS 141.040 and/or the limited liability entity tax (LLET) imposed by KRS 141.0401, and the public service corporation property tax (state portion only) imposed by KRS 136.120. The amount of credit claimed against the corporation income tax and the LLET can be different.

Purpose of Schedule—This schedule is used by taxpayers to apply for the clean coal incentive tax credit per KRS 141.428 and by the Department of Revenue to determine the approved tons of coal purchased.

Who is Entitled to the Credit

(a) Any electric power company subject to tax per KRS 136.120 and certified as a clean coal facility or any taxpayer that owns or operates a clean coal facility and purchases eligible coal that is used by the taxpayer in a certified clean coal facility; or

(b) A parent company of an entity identified in paragraph (a) if the subsidiary is wholly owned.

Amount of Credit—The credit is equal to \$2 for each ton of qualifying coal. "Qualifying coal" means coal subject to the coal severance tax imposed by KRS 143.020 which is purchased and used by the company to generate electricity.

Due Date of Schedule—The taxpayer must submit this schedule by March 15 of each year to apply for the credit on coal purchases for the prior calendar year.

Where to Submit Schedule—This schedule must be submitted to:

Kentucky Department of Revenue
Office of Property Valuation
Division of Minerals Taxation and GIS Services
501 High Street, Station 33
Frankfort, Kentucky 40601-2103

SPECIFIC INSTRUCTIONS

General Information—The taxpayer must complete all information in the name and address portion of this schedule. If the entity type is not listed, check "Other" and list the entity type.

Maintaining Records—The taxpayer must maintain records reflecting verification of the tons of coal purchased subject to Kentucky coal severance tax imposed by KRS 143.020, including invoices and proof of payments, for a period of five years.

When Credit May be Claimed—The credit cannot be carried forward and must be used on the tax return filed for the period during which the eligible coal was purchased.

Claiming Credit—Corporations and limited liability pass-through entities are entitled to take this credit against both income tax and LLET. The credit claimed may be different because of limitations and cannot reduce the LLET below the \$175 minimum.

Note: Attach certification received from DOR to the return filed.

A pass-through entity must include on each Schedule K-1 the partner's, member's, or shareholder's pro rata share of the approved credit. In addition, a pass-through entity must notify the department electronically of all partners, members, or shareholders who may claim any amount of the approved credit. Failure to provide information to the department in the following manner may constitute the forfeiture of available credits to all partners, members, or shareholders in the pass-through entity.

Email address:
DORTaxCredits@ky.gov

The electronic mail must contain a separate attachment in plain format text or plain ASCII format that includes each partner's, member's, or shareholder's: (a) Name; (b) Address; (c) Telephone number; (d) Identification number; and (e) Distributive share of the tax credit.

PART I—Qualifying Tons of Coal Purchased During the Taxable Year and Used to Generate Electricity

Columns A and B—Enter in Column A the name of each supplier from whom qualifying coal was purchased. If the supplier listed in Column A is the person subject to the Kentucky coal severance tax on the qualifying coal, enter the supplier's Kentucky coal severance tax account number in Column B. If the person subject to the Kentucky coal severance tax on the qualifying coal is different than the supplier listed in Column A, enter in Column B the name and Kentucky coal severance tax account number of the person subject to the Kentucky coal severance tax on the qualifying coal purchased from each supplier. In the event more than one person was subject to the Kentucky coal severance tax on coal purchased from the same supplier, use a separate line to list the supplier, the name, and Kentucky coal severance tax account number of each person subject to the Kentucky coal severance tax on the coal purchased from such supplier.

Column C—Enter on each line in this column the tons of qualifying coal purchased related to each entry in Columns A and B.

Part III—Recap Schedule

Taxes to Which the Credit Applies—KRS 141.428 provides that this credit must first be applied against both the taxes imposed by KRS 141.020 or KRS 141.040 and the tax imposed by KRS 141.0401, with the ordering of credits per KRS 141.0205. Any remaining credit must be applied against the taxes imposed by KRS 136.120.

The credit must meet the entirety of the taxpayer's liability under the first tax listed in consecutive order before applying any remaining credit to the next tax listed in consecutive order. The taxpayer's total liability under each preceding tax must be fully met before the remaining credit can be applied to the subsequent tax listed in consecutive order.