



- See instructions.
- Attach to Form 720, 720U, PTE, 725, 740, 740-NP, or 741.

**KRS 141.422 to 141.425
103 KAR 15:140**

Name of Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number (if applicable)
Mailing Address	_____	_____
Location Address	Taxed as: <input type="checkbox"/> Corporation <input type="checkbox"/> Limited Liability Pass-through Entity <input type="checkbox"/> General Partnership <input type="checkbox"/> Other _____ <input type="checkbox"/> Individual	

Kentucky Special Fuels Dealer's License Account Number _____

At anytime during this calendar year, did your biodiesel or renewable diesel fail to meet the ASTM standard? Yes No
If yes, list dates _____

Part I—Gallons Produced and/or Blended in Kentucky During the Calendar Year

1	Number of gallons of B100 biodiesel produced meeting ASTM standard	1	
2	Number of gallons of B100 biodiesel blended with diesel*	2	
	* A blender must provide proof that the B100 as part of the blended biodiesel meets the ASTM standard.		
3	Number of gallons of renewable diesel produced meeting ASTM standard.....	3	
4	Total biodiesel produced and/or blended and renewable diesel produced (add lines 1, 2, and 3).....	4	

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—Biodiesel Gallons Approved			
1	Biodiesel gallons approved by Department of Revenue.....	1	
Part III—Biodiesel Approved Credit Certificate			
1	(a) Requested credit for biodiesel producer and/or blender (numerator)	(a)	$\left(\frac{\text{(a)}}{\text{(b)}} \right) \times \$10,000,000 =$
	(b) Total requested credit for all producers and/or blenders (denominator)	(b)	
			Approved Credit
By: _____		Date: _____	

TAXPAYER USE ONLY

Part IV—Biodiesel Credit Used By Taxpayer

1	LLET Credit —Enter on Schedule TCS, Part II, Column E	1		00
2	Corporation Income Tax Credit —Enter on Schedule TCS, Part II, Column F	2		00
3	Individual Income Tax Credit —Enter on Form 740, 740-NP, or 741	3		00

No Credit Allowed

The biodiesel tax credit is a nonrefundable credit 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. The amount of tax credit claimed against the corporation income tax and LLET can be different.

Purpose of Schedule—The application and credit certification schedule is used to report the number of gallons of biodiesel produced and/or B100 blended and renewable diesel produced in this state meeting the current ASTM standards. Re-blending of blended biodiesel does not qualify for this credit. The Department of Revenue will certify the amount of biodiesel and renewable diesel credit for each taxpayer. It is effective for biodiesel produced and/or blended and renewable diesel produced on or after January 1, 2008. The taxpayer is not entitled to the credit for biodiesel produced and/or blended and renewable diesel produced in another state.

The credit rate is \$1 per gallon with a total cap for all taxpayers not to exceed \$10,000,000 annually. There is no carryforward for any unused credit.

To ensure proper processing, fax or email Schedule BIO to the Department of Revenue no later than January 15 following the close of the preceding calendar year. Credit certification cannot be guaranteed for schedules sent through regular mail. Schedules postmarked or sent after January 15 are void.

Fax number: 502-564-0058

Email address:
DORTaxCredits@ky.gov

The Department of Revenue will confirm receipt of the application. If you do not receive confirmation within two weeks of submitting the application, contact the Division of Corporation Tax at 502-564-8139 or via email at DORTaxCredits@ky.gov.

The Department of Revenue will issue the credit certificate, listing the amount of credit available, by April 15 following the close of the preceding calendar year. Attach the credit certificate to the tax return claiming the credit.

General Instructions—Check the appropriate entity type. If the entity type is not listed, check the "Other" box and list the entity type.

Federal Identification Number—For an individual, enter the Social Security number; for all other entities, enter the FEIN.

Testing—The regulation 103 KAR 15:140 provides that a copy of the laboratory results for July 1 and December 31 of each calendar year must be attached to the application, Schedule BIO, and submitted to the Department of Revenue. Failure to provide proof of meeting the ASTM standard on July 1 and December 31 of each calendar year with the application will result in the denial of the credit for gallons of biodiesel or renewable diesel back to the previous testing date of July 1 or December 31.

Part I—Gallons Produced and/or Blended in Kentucky During the Calendar Year

Line 1—Enter the number of gallons of B100 biodiesel produced in this state for the calendar year.

Line 2—Enter the number of gallons of B100 biodiesel used in the blended biodiesel produced in this state for the calendar year. Re-blending of blended biodiesel does not qualify for this credit.

Line 3—Enter the number of gallons of renewable diesel produced in this state for the calendar year.

Part II and Part III

These parts are completed by the Department of Revenue to determine the biodiesel and renewable diesel credit for each taxpayer. Part III is used if the total amount of approved credit for all biodiesel producers and blenders and renewable diesel producers exceeds the annual biodiesel, renewable diesel, and renewable chemical production tax credit cap.

Part II—Biodiesel Gallons Approved

Line 1—This is the amount of biodiesel and renewable diesel gallons approved by the Department of Revenue for credit. If the approved credit exceeds the annual biodiesel, renewable diesel, and renewable chemical production tax credit cap, then the credit is determined by the department in Part III. It is a nonrefundable credit.

A pass-through entity must include on each Schedule K-1 the partner's, member's, shareholder's, or beneficiary's pro rata share of the approved credit. In addition, a pass-through entity must notify the department electronically of all partners, members, shareholders, or beneficiaries who may claim any amount of the approved credit. Failure to provide information to the department in the following manner will constitute the forfeiture of available credits to all partners, members, shareholders, or beneficiaries 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, shareholder's, or beneficiary's: (a) Name; (b) Address; (c) Telephone number; (d) Identification number; and (e) Distributive share of the tax credit.

Part III—Biodiesel Approved Credit Certificate

The Department of Revenue determines the total approved credit. If it exceeds the renewable chemical production, biodiesel, and renewable diesel shared tax credit cap of \$10,000,000, the department will compute each taxpayer's approved credit based upon a fraction, the numerator (Line 1(a)) being the credit requested by the taxpayer and the denominator (Line 1(b)) being the total credit requested by all taxpayers. The renewable chemical production, biodiesel, and renewable diesel production tax credit cap is multiplied by this fraction to determine each producer's and/or blender's approved credit.

Part IV—Biodiesel Credit Used By Taxpayer

Line 1—Enter the amount of credit claimed for the taxable year against the LLET on Schedule TCS, Part II, Column E. The credit amount cannot reduce the LLET below the \$175 minimum.

Line 2—Enter the amount of credit claimed for the taxable year against the corporation income tax on Schedule TCS, Part II, Column F.

Line 3—Enter the amount of credit claimed for the taxable year on Form 740, 740-NP, or 741.

DRAFT
7/23