



Alabama Department of Revenue  
**Recipient's Share Of Capital Credit For Business Entities,  
Including Trusts**

For the tax year beginning • \_\_\_\_\_, 20\_\_\_\_ and ending • \_\_\_\_\_, 20\_\_\_\_.

**PART I - RECIPIENT INFORMATION**

Recipient's Name: • \_\_\_\_\_ FEIN: • \_\_\_\_\_

**PART II - PROJECT INFORMATION**

Project Number: • \_\_\_\_\_ Project Entity Name: • \_\_\_\_\_ Project's Placed in Service Date: • \_\_\_\_\_

Distributing Entity Name: • \_\_\_\_\_ Distributing Entity FEIN: • \_\_\_\_\_

**PART III - CAPITAL CREDIT CALCULATION**

1. Recipient's share of project income in Alabama (Form K-RCC, Part III, line 3) . . . . .	1	•	
2. Recipient's Alabama tax liability generated by project income. (See Part IV below for allocation method). . . . .	2	•	
3. Recipient's share of capital credit available for this tax year (Form K-RCC, Part III, line 5) . . . . .	3	•	
4. Capital credit eligible to be applied to recipient's tax liability (enter lesser of line 2 and line 3) . . . . .	4	•	

**PART IV - ALLOCATION METHOD SCHEDULE - COMPLETE ONLY IF ALLOCATION METHOD IS USED**

1. Recipient's share of project income in Alabama (from Part III, line 1 above) . . . . .	1		
2. Recipient's total income (from recipient's Alabama income tax return) If C corporation, enter the Alabama income before federal income tax deduction; If fiduciary or estate, add the Alabama taxable income and total ESBT income and enter here	2	•	
3. Allocation percentage (divide line 1 by line 2) If line 1 is greater than line 2, enter 100% . . . . .	3	•	%
4. Recipient's tax liability (from recipient's Alabama income tax return) . . . . .	4	•	
5. Tax liability generated by project income (multiply line 4 by line 3). Enter this amount on Part III, line 2 above. . . . .	5	•	

**Instructions**

This form is used to calculate the recipient's tax liability generated from the qualifying project. Complete a Schedule KRCC-B for each project. Form K-RCC (as received from the distributing entity) and Schedule KRCC-B must be attached to the income tax return. Do not use Schedule KRCC-B if the taxpayer is the project entity. If recipient is using the allocation method to determine the Alabama tax liability generated by project income, complete Part IV. If using the with/without method, see instructions below.

**With/Without Method**

**Step 1** – If the with/without method is chosen, you must complete two federal income tax returns through the tax liability line. The return to be filed with the Internal Revenue Service should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. The federal income tax deduction related to the project income in Alabama is the difference in the amount shown on the return to be filed and the second return. If this taxpayer is a member of a group which files a consolidated federal income tax return, the federal income tax attributable to the project is the increase in the federal income tax apportionable to Alabama based on Alabama taxable income with and without project income.

**Step 2** – Once you have completed the federal returns, you must complete two Alabama income tax returns through the tax liability line. The return to be filed with the Alabama Department of Revenue should include the income from the project operations. A second return must be completed through the tax liability line but should not include the project income in Alabama. The applicable federal income tax deduction should be indicated from the federal returns completed in Step 1. The Alabama tax liability generated by the project income in Alabama is the difference in the amount shown on the return to be filed and the second return. If this taxpayer is a member of a group which files a consolidated Alabama income tax return, the Alabama income tax attributable to the project is the increase in the Alabama income tax apportionable to Alabama based on Alabama taxable income with and without project income. The second returns should be maintained for audit purposes and are not to be filed with the first return.