



Alabama Department of Revenue  
**Recipient's Share Of Capital Credit For  
Individual Taxpayers**

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

**PART I - RECIPIENT INFORMATION**

Recipient's Name: • \_\_\_\_\_ Social Security Number: • \_\_\_\_\_

**PART II - PROJECT INFORMATION**

	Project 1	Project 2	Project 3
Project Number . . . . .	•	•	•
Project's Placed in Service Date . . . . .	•	•	•
Project Entity Name . . . . .	•	•	•
Distributing Entity Name . . . . .	•	•	•
Distributing Entity FEIN . . . . .	•	•	•

**PART III - CAPITAL CREDIT CALCULATION**

	Project 1	Project 2	Project 3
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 •	•	•
5. Total Capital credit eligible to be applied to recipient's tax liability. Total line 4 for all projects. Enter this amount here and on Schedule OC, Section B, Part V, line V1 . . . . .	5 •		

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

	Project 1	Project 2	Project 3
1. Recipient's share of project income in Alabama (from Part III, line 1 above) . . . . .	1		
2. Recipient's adjusted gross income (from recipient's Alabama income tax return). . . . .	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 schedule is used to calculate the recipient's tax liability generated from the qualifying project. Schedule KRCC-I and a copy of Form K-RCC (as received from the distributing entity) for each project must be attached to the income tax return. 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.

**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. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. 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.

**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. Any deductions limited by the amount of adjusted gross income must also be adjusted in the second return before computing the tax liability. 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. The second returns should be maintained for audit purposes and are not to be filed with the first return.