



42A740-S21
Department of Revenue

KENTUCKY
TAX ON LUMP-SUM DISTRIBUTIONS

(From Qualified Plans of Participants
Born Before January 2, 1936)

See federal instructions. Attach to Form 740, Form 740-NP or Form 741.

Enter name of recipient of distribution. Social Security or federal identification number

PART I - Qualifications - An individual who qualifies to file federal Form 4972 qualifies to file Form 4972-K.

- 1. Are you filing federal Form 4972? Yes No
If "yes," you are qualified to file Form 4972-K. If "no," do not complete the rest of this form. See instructions for Schedule M, line 11 (Form 740-NP, page 4, line 10(b)).

PART II - Excludable Lump-Sum Income - Complete this part after you have completed Schedule P.

Table with 2 columns: Description and Amount. Rows include: Enter the amount from Schedule P, line 3; Subtract line 2 from \$41,110; Enter the amount from line 8(a) plus line 9; Enter the lesser of line 3 or line 4; Amount of line 5 to be applied to capital gain distributions; Amount of line 5 to be applied to regular lump-sum distributions.

PART III - Complete this part only if you chose the 20% federal capital gain election.

Table with 2 columns: Description and Amount. Rows include: (a) Capital gain part from Box 3, Form 1099-R; (b) Enter the exclusion from line 6; (c) Subtract line 8(b) from line 8(a). Enter here and include on Schedule M, line 7 (Form 740-NP, page 4, line 16, Column B or Form 741, Schedule M, line 3).

PART IV - Complete this part to choose the 10-year option.

Table with 2 columns: Description and Amount. Rows include: Ordinary income from Form 1099-R, Box 2a minus Box 3; Death benefit exclusion for a beneficiary of a plan participant who died before August 21, 1996; Subtract line 10 from line 9 (total federal taxable amount); Enter the exclusion from line 7; Subtract line 12 from line 11 (total Kentucky taxable amount); Current actuarial value of annuity, if applicable (from Form 1099-R, Box 8); Add lines 13 and 14 (adjusted total taxable amount); Multiply line 15 by 50% (.50), but do not enter more than \$10,000; Subtract \$20,000 from line 15. Enter difference. If line 15 is \$20,000 or less, enter zero; Multiply line 17 by 20% (.20); Subtract line 18 from line 16 (minimum distribution allowance); Subtract line 19 from line 15; Federal estate tax attributable to lump-sum distribution; Subtract line 21 from line 20; Divide line 14 by line 15 and enter the result as a decimal (round to four places); Multiply line 19 by the decimal amount on line 23; Subtract line 24 from line 14; Multiply line 22 by 10% (.10); Tax on amount on line 26. Use the tax rate schedule in the instructions; Multiply line 27 by 10. If no entry on line 14, skip lines 29 through 31, and enter this amount on line 32; Multiply line 25 by 10% (.10); Tax on amount on line 29. Use the tax rate schedule in the instructions; Multiply line 30 by 10; Tax on lump-sum distribution. Subtract line 31 from line 28. Enter here and on Form 740, line 13 or Form 741, line 17(b). Form 740-NP, include tax in the amount on Form 740-NP, page 1, line 14. (multiple recipients, see federal instructions)