

141.140 Accounting period for computation of income.

- (1) If the taxpayer makes, or is required to make, a federal income tax return, the taxpayer's income shall be computed for the purposes of this chapter on the basis of the same calendar or fiscal year required by the federal government, and the taxpayer shall employ the same methods of accounting required for federal income tax purposes.
- (2) If a return is made by an individual for a period of less than one (1) year, the net income, computed on the basis of the period for which a separate return is made, shall be placed on an annual basis by multiplying the amount thereof by the number of days in the year and dividing by the number of days included in the period for which the separate return is made. The tax payable shall be such part of the tax computed on the annual basis as the number of days in the period is of the number of days in the year.
- (3) If a return is made by a corporation for a period of less than one (1) year, the taxable net income, computed on the basis of the period for which a return is made, shall be placed on an annual basis by multiplying the amount thereof by the number of days in the year and dividing by the number of days included in the period for which the return is made. The tax payable shall be such part of the tax computed on the annual basis as the number of days in the period is of the number of days in the year.

Effective: March 18, 2005

History: Amended 2005 Ky. Acts ch. 168, sec. 13, effective March 18, 2005. -- Amended 1956 (4th Extra. Sess.) Ky. Acts ch. 4, sec. 7, effective April 23, 1956. -- Amended 1954 Ky. Acts ch. 79, sec. 11. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4281b-8.

Legislative Research Commission Note (3/18/2005). 2005 Ky. Acts ch. 168, sec. 165, provides that this section shall apply to tax years beginning on or after January 1, 2005.