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MEMORANDUM

TO: Members of the Appropriations and Revenue Committee

FROM: Jennifer C. Hays, Committee Staff Administrator
Appropriations and Revenue Committee

DATE: November 1, 2023

SUBJECT: Staff Summary
West End Opportunity Program
Development Area Tax Credit

The purpose of this memorandum is to relay summary information to members of the Interim Joint Committee on Appropriations and Revenue related to the tax credits available within the development area as defined in KRS 65.501, commonly known as West End Louisville. KRS 141.398 outlines that the tax credit applies to residential property owned on January 1, 2021, and located within the development area. The tax credit is refundable to the owner of the residential property and equal to the amount in which the property tax timely paid on the residential property in a taxable year exceeds the amount of property tax assessed on that residential property on January 1, 2021.

This tax credit was created during the 2021 Regular Session of the Kentucky General Assembly and this is the first report from the Department of Revenue on this topic. The taxpayer-specific information contained in the annual report remains confidential and is not available for public use. Posting the full report to the Committee's website may violate KRS 131.190. Therefore, this staff summary is provided for informational purposes.

For the taxable year beginning on January 1, 2022, fewer than three taxpayers claimed the development area tax credit for that taxable year. The total tax credit claimed was less than \$1,000.