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M E M O R A N D U M

TO: All Members of the
Interim Joint Committee on Appropriations and Revenue

FROM: Cynthia Brown, Committee Staff Administrator
Appropriations and Revenue Committee

DATE: November 4, 2025

SUBJECT: Staff Summary
Decontamination Tax Credits Approved in 2024

KRS 141.419 creates a tax credit to encourage investment in and the decontamination or remediation of qualifying decontamination property. For taxable years beginning on or after January 1, 2022, but before January 1, 2032, a taxpayer making qualifying expenditures at a qualifying decontamination property is entitled to a refundable credit against the income tax and the limited liability entity tax. The total tax credit shall be an amount equal to the amount of the qualifying expenditures, but is limited to \$30,000,000 for each qualifying property and only up to 25% of the approved credit can be taken in a taxable year. Additionally, any taxpayer approved for the credit cannot also claim or apply for the credit related to remediation or decontamination for the same qualifying property under KRS 141.418.

The Department of Revenue is required to report specific data items to this committee no later than November 1 each year. The Department has submitted that report. However, that report contains sensitive and confidential information. Because the number of taxpayers contained within the report is so few, no information can be shared regarding the location of the project or the amount a credit claimed. Generally, three or more taxpayers are required to claim the tax credit for the department to share the cumulative information on the credit.