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MEMORANDUM

TO: Members of the Appropriations and Revenue Committee

FROM: Katy Jenkins, Committee Analyst
Appropriations and Revenue Committee

DATE: October 15, 2025

SUBJECT: Staff Summary
Inventory Tax Credit
Claimed for the Year Ended December 31, 2024

The purpose of this memorandum is to relay summary information to members of the Interim Joint Committee on Appropriations and Revenue related to the income tax credit available for those individuals or businesses timely paying the ad valorem tax on tangible personal property in the form of inventory. Under KRS 141.408, beginning on or after January 1, 2018, any taxpayer that timely pays an ad valorem tax to the Commonwealth, or any political subdivision thereof, for property described in KRS 132.020(1)(e) or 132.099 shall be allowed a nonrefundable and nontransferable income tax credit.

The Department of Revenue is statutorily required to report certain taxpayer-specific information to the Interim Joint Committee on Appropriations and Revenue by October 1 of each year. The taxpayer-specific information contained in the Department's 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.

The income tax credit was originally phased in, with the income tax credit equaling the following proration for the first four taxable years:

- Twenty-five percent (25%) of the ad valorem tax timely paid for taxable years beginning on or after January 1, 2018, but before January 1, 2019;
- Fifty percent (50%) of the ad valorem tax timely paid for taxable years beginning on or after January 1, 2019, but before January 1, 2020;

- Seventy-five percent (75%) of the ad valorem tax timely paid for taxable years beginning on or after January 1, 2020, but before January 1, 2021; and
- one hundred percent (100% of the ad valorem tax timely paid for taxable years beginning on or after January 1, 2021.

The chart below contains the cumulative total of tax credits claimed for each year since 2018, providing a historical perspective for the amounts claimed as returns are processed for the current and prior taxable years.

Year	Total Credit
2018	\$3,769,593
2019	12,091,849
2020	21,679,295
2021	19,238,969
2022	24,359,261
2023	20,722,503
2024	7,235,016
Total	109,096,485

It is important to remember that this income tax credit is only useful to those taxpayers having an income tax liability. If the individual or business does not have an income tax liability, a portion or all of the income tax credit may not be claimed in a taxable year producing zero taxable income or a net loss.

The following pages report the total tax credit claimed by county, by location of the property upon which the credit was allowed, and the annual amount claimed from 2018 to 2022.

County	Total INV Credit	Tax Year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021	Tax Year 2022	Tax Year 2023	Tax Year 2024
Adair	\$ 449,268	\$ 33,749	\$ 78,016	\$ 30,323	\$ 109,545	\$ 134,425	\$ 37,399	\$ 25,810
Allen	\$ 115,357	\$ 11,189	\$ 34,883	\$ 10,553	\$ 8,435	\$ 19,455	\$ 16,018	\$ 14,824
Anderson	\$ 313,598	\$ 6,499	\$ 21,721	\$ 34,185	\$ 97,566	\$ 58,722	\$ 21,589	\$ 73,315
Ballard	\$ 368,411	\$ 6,057	\$ 4,073	\$ 806	\$ 63,699	\$ 271,796	\$ 17,267	\$ 4,713
Barren	\$ 668,251	\$ 44,328	\$ 102,056	\$ 127,075	\$ 133,727	\$ 91,860	\$ 102,913	\$ 66,294
Bath	\$ 50,975	\$ 13,473	\$ 12,124	\$ -	\$ 219	\$ 25,159	\$ -	\$ -
Bell	\$ 217,894	\$ 4,937	\$ 12,545	\$ 49,042	\$ 69,849	\$ 24,876	\$ 47,655	\$ 8,989
Boone	\$ 5,634,270	\$ 151,396	\$ 830,061	\$ 1,491,111	\$ 1,212,752	\$ 1,100,029	\$ 607,473	\$ 241,447
Bourbon	\$ 578,845	\$ 56,516	\$ 26,056	\$ 66,349	\$ 140,944	\$ 94,627	\$ 69,880	\$ 124,472
Boyd	\$ 1,526,509	\$ 73,449	\$ 180,540	\$ 307,161	\$ 293,856	\$ 264,183	\$ 247,672	\$ 159,650
Boyle	\$ 846,629	\$ 23,570	\$ 72,065	\$ 125,517	\$ 253,666	\$ 230,671	\$ 78,352	\$ 62,789
Bracken	\$ 30,404	\$ 56	\$ 135	\$ -	\$ 441	\$ 11,454	\$ 1,363	\$ 16,955
Breathitt	\$ 211,078	\$ 673	\$ 23,358	\$ 28,913	\$ 56,203	\$ 56,339	\$ 24,634	\$ 20,957
Breckinridge	\$ 109,351	\$ 7,151	\$ 13,151	\$ 12,302	\$ 32,202	\$ 24,424	\$ 9,395	\$ 10,727
Bullitt	\$ 17,930,403	\$ 91,683	\$ 2,721,695	\$ 7,096,039	\$ 869,938	\$ 5,337,721	\$ 1,712,964	\$ 100,364
Butler	\$ 44,036	\$ 3,402	\$ 10,980	\$ 5,344	\$ 1,969	\$ 10,372	\$ 9,953	\$ 2,016
Caldwell	\$ 169,863	\$ 5,248	\$ 10,898	\$ 26,655	\$ 36,144	\$ 44,174	\$ 25,388	\$ 21,357
Calloway	\$ 423,458	\$ 14,837	\$ 47,337	\$ 78,044	\$ 105,544	\$ 82,915	\$ 54,820	\$ 39,962
Campbell	\$ 1,310,744	\$ 15,008	\$ 64,056	\$ 177,315	\$ 326,596	\$ 408,871	\$ 264,479	\$ 54,419
Carlisle	\$ 6,060	\$ 196	\$ 1,469	\$ -	\$ 961	\$ 2,023	\$ -	\$ 1,411
Carroll	\$ 261,681	\$ 13,193	\$ 14,307	\$ 37,964	\$ 82,787	\$ 77,676	\$ 25,444	\$ 10,310
Carter	\$ 165,275	\$ 4,592	\$ 23,165	\$ 33,546	\$ 19,150	\$ 40,627	\$ 31,753	\$ 12,442
Casey	\$ 121,647	\$ 11,001	\$ 22,311	\$ 8,593	\$ 13,389	\$ 34,847	\$ 21,026	\$ 10,480
Christian	\$ 1,634,301	\$ 49,983	\$ 101,666	\$ 432,058	\$ 393,670	\$ 312,981	\$ 259,513	\$ 84,430
Clark	\$ 1,053,483	\$ 37,062	\$ 75,075	\$ 206,635	\$ 262,229	\$ 251,820	\$ 113,200	\$ 107,463
Clay	\$ 89,534	\$ 480	\$ 6,007	\$ 23,482	\$ 28,559	\$ 10,600	\$ 13,968	\$ 6,437
Clinton	\$ 11,366	\$ 504	\$ 659	\$ -	\$ 4,024	\$ 938	\$ 2,309	\$ 2,932
Crittenden	\$ 49,495	\$ 1,104	\$ 2,615	\$ 2,417	\$ 11,106	\$ 14,012	\$ 5,800	\$ 12,441
Cumberland	\$ 15,300	\$ 562	\$ 1,107	\$ 2,514	\$ 2,188	\$ 4,691	\$ 2,262	\$ 1,976
Daviess	\$ 2,784,643	\$ 198,846	\$ 291,955	\$ 571,545	\$ 601,722	\$ 465,112	\$ 367,761	\$ 287,702
Edmonson	\$ 13,186	\$ -	\$ -	\$ 3,005	\$ 9,452	\$ 104	\$ 137	\$ 488
Elliott	\$ 6,147	\$ 96	\$ 1,042	\$ -	\$ 3,329	\$ 1,679	\$ -	\$ -
Estill	\$ 145,919	\$ 7,299	\$ 9,680	\$ 10,643	\$ 31,743	\$ 31,646	\$ 39,793	\$ 15,115
Fayette	\$ 8,090,825	\$ 428,984	\$ 1,110,436	\$ 1,038,132	\$ 1,714,489	\$ 1,781,563	\$ 1,148,559	\$ 868,663
Fleming	\$ 150,261	\$ 11,724	\$ 28,435	\$ 10,004	\$ 28,690	\$ 44,462	\$ 4,370	\$ 22,576
Floyd	\$ 610,766	\$ 27,060	\$ 102,987	\$ 90,126	\$ 92,892	\$ 263,142	\$ 28,062	\$ 6,497
Franklin	\$ 413,899	\$ 15,278	\$ 40,847	\$ 87,191	\$ 128,768	\$ 59,416	\$ 62,236	\$ 20,162

Fulton	\$	183,320	\$	259	\$	227	\$	48,312	\$	82,754	\$	12,707	\$	39,061	\$	-
Gallatin	\$	1,906,026	\$	160	\$	318,823	\$	389,448	\$	535,422	\$	655,827	\$	1,530	\$	4,815
Garrard	\$	48,908	\$	335	\$	4,868	\$	4,749	\$	12,360	\$	10,565	\$	8,188	\$	7,843
Grant	\$	532,023	\$	50,810	\$	37,201	\$	229,083	\$	70,796	\$	84,211	\$	43,171	\$	16,751
Graves	\$	711,457	\$	21,339	\$	69,528	\$	44,348	\$	50,608	\$	201,242	\$	302,590	\$	21,802
Grayson	\$	1,198,140	\$	73,782	\$	137,208	\$	38,807	\$	341,176	\$	196,045	\$	183,296	\$	227,827
Green	\$	42,837	\$	3,898	\$	5,684	\$	7,932	\$	7,379	\$	10,918	\$	7,026	\$	-
Greenup	\$	672,552	\$	11,450	\$	15,180	\$	221,916	\$	245,411	\$	61,733	\$	83,189	\$	33,675
Hancock	\$	96,815	\$	7	\$	58	\$	1	\$	24,237	\$	68,713	\$	-	\$	3,799
Hardin	\$	2,095,197	\$	97,407	\$	181,311	\$	354,562	\$	642,967	\$	416,032	\$	221,751	\$	181,168
Harlan	\$	329,900	\$	21,577	\$	55,393	\$	58,673	\$	82,566	\$	47,217	\$	41,374	\$	23,100
Harrison	\$	756,888	\$	517	\$	11,452	\$	564,427	\$	70,836	\$	34,988	\$	63,225	\$	11,444
Hart	\$	409,056	\$	4,314	\$	17,502	\$	243,911	\$	81,604	\$	25,136	\$	29,116	\$	7,473
Henderson	\$	1,741,470	\$	39,843	\$	247,290	\$	394,465	\$	457,769	\$	285,677	\$	230,991	\$	85,435
Henry	\$	319,441	\$	4,999	\$	40,669	\$	4,657	\$	179,134	\$	82,986	\$	4,887	\$	2,109
Hickman	\$	277,532	\$	2,403	\$	1,154	\$	58	\$	-	\$	90,516	\$	183,401	\$	-
Hopkins	\$	1,055,237	\$	87,600	\$	80,940	\$	170,496	\$	272,865	\$	166,529	\$	174,249	\$	102,557
Jackson	\$	31,038	\$	1,412	\$	2,165	\$	6,862	\$	772	\$	7,780	\$	12,047	\$	-
Jefferson	\$	24,060,810	\$	585,670	\$	1,718,825	\$	2,755,616	\$	3,198,245	\$	4,503,454	\$	9,968,547	\$	1,330,454
Jessamine	\$	1,403,432	\$	138,376	\$	108,368	\$	252,075	\$	320,480	\$	250,428	\$	224,512	\$	109,193
Johnson	\$	162,608	\$	4,952	\$	9,035	\$	54,800	\$	70,744	\$	12,825	\$	9,734	\$	517
Kenton	\$	1,616,889	\$	66,103	\$	111,822	\$	245,426	\$	537,519	\$	279,095	\$	247,809	\$	129,114
Knott	\$	125,329	\$	439	\$	2,658	\$	5,764	\$	1,715	\$	63,269	\$	8,043	\$	43,442
Knox	\$	248,507	\$	4,009	\$	33,473	\$	50,755	\$	80,022	\$	36,307	\$	41,940	\$	2,002
Larue	\$	167,569	\$	6,929	\$	7,074	\$	8,495	\$	24,684	\$	55,349	\$	62,653	\$	2,384
Laurel	\$	1,163,452	\$	32,176	\$	49,438	\$	191,302	\$	271,612	\$	197,765	\$	171,934	\$	249,224
Lawrence	\$	288,372	\$	24,115	\$	42,698	\$	72,264	\$	55,750	\$	18,510	\$	22,140	\$	52,895
Lee	\$	90,680	\$	6,898	\$	21,921	\$	13,712	\$	23,880	\$	-	\$	24,270	\$	-
Leslie	\$	36,802	\$	400	\$	2,863	\$	6,786	\$	4,126	\$	12,650	\$	9,978	\$	-
Letcher	\$	220,700	\$	5,176	\$	16,602	\$	30,835	\$	75,639	\$	76,504	\$	13,544	\$	2,400
Lewis	\$	185,019	\$	2,811	\$	3,617	\$	490	\$	3,329	\$	3,468	\$	1,727	\$	169,578
Lincoln	\$	248,138	\$	6,188	\$	84,991	\$	34,523	\$	39,686	\$	53,752	\$	18,458	\$	10,540
Livingston	\$	81,098	\$	13,440	\$	2,828	\$	3,183	\$	58,963	\$	2,460	\$	127	\$	97
Logan	\$	710,698	\$	22,758	\$	54,271	\$	50,765	\$	136,926	\$	268,337	\$	97,869	\$	79,772
Lyon	\$	91,829	\$	8,727	\$	10,711	\$	1,530	\$	34,892	\$	17,065	\$	16,100	\$	2,804
McCracken	\$	2,186,223	\$	124,844	\$	317,658	\$	427,572	\$	479,458	\$	410,315	\$	288,852	\$	137,524
McCreary	\$	53,454	\$	10,851	\$	8,369	\$	4,724	\$	13,608	\$	11,305	\$	4,598	\$	-
McLean	\$	186,295	\$	7,624	\$	11,707	\$	8,062	\$	27,398	\$	35,279	\$	43,559	\$	52,666

Madison	\$	1,209,616	\$	78,142	\$	100,252	\$	194,783	\$	253,268	\$	277,875	\$	188,836	\$	116,461
Magoffin	\$	238,287	\$	1,385	\$	11,820	\$	14,803	\$	12,559	\$	168,351	\$	22,142	\$	7,227
Marion	\$	286,688	\$	8,101	\$	16,380	\$	33,483	\$	54,999	\$	35,325	\$	101,527	\$	36,872
Marshall	\$	558,638	\$	38,448	\$	61,767	\$	61,816	\$	139,786	\$	164,093	\$	79,424	\$	13,304
Martin	\$	67,468	\$	3,190	\$	4,366	\$	7,423	\$	16,149	\$	7,674	\$	10,625	\$	18,041
Mason	\$	238,631	\$	14,918	\$	16,742	\$	46,694	\$	67,147	\$	37,339	\$	45,177	\$	10,614
Meade	\$	170,727	\$	13,659	\$	24,449	\$	17,591	\$	35,456	\$	51,188	\$	24,459	\$	3,925
Menifee	\$	14,722	\$	-	\$	199	\$	-	\$	2,849	\$	3,566	\$	3,457	\$	4,651
Mercer	\$	191,320	\$	3,149	\$	10,069	\$	26,644	\$	56,465	\$	34,606	\$	28,953	\$	31,434
Metcalfe	\$	48,906	\$	12,396	\$	3,949	\$	5,425	\$	2,224	\$	11,336	\$	10,504	\$	3,071
Monroe	\$	501,128	\$	11,004	\$	41,312	\$	28,888	\$	118,985	\$	148,675	\$	80,462	\$	71,803
Montgomery	\$	277,379	\$	36,258	\$	31,570	\$	64,518	\$	117,399	\$	12,785	\$	6,576	\$	8,273
Morgan	\$	96,239	\$	5,597	\$	13,556	\$	7,674	\$	23,119	\$	28,928	\$	17,253	\$	112
Muhlenberg	\$	412,285	\$	14,793	\$	53,358	\$	95,644	\$	114,414	\$	78,428	\$	43,327	\$	12,321
Nelson	\$	1,307,210	\$	35,997	\$	103,405	\$	139,526	\$	233,886	\$	341,603	\$	211,081	\$	241,712
Nicholas	\$	13,871	\$	-	\$	2,958	\$	-	\$	7,942	\$	1,281	\$	732	\$	958
Ohio	\$	221,943	\$	8,134	\$	11,203	\$	27,995	\$	72,183	\$	39,855	\$	41,622	\$	20,950
Oldham	\$	582,426	\$	7,446	\$	49,059	\$	61,942	\$	160,103	\$	133,285	\$	85,234	\$	85,357
Owen	\$	105,580	\$	2,540	\$	10,235	\$	19,726	\$	17,085	\$	19,056	\$	25,566	\$	11,372
Owsley	\$	2,181	\$	128	\$	264	\$	-	\$	558	\$	1,042	\$	189	\$	-
Pendleton	\$	40,261	\$	285	\$	979	\$	88	\$	7,757	\$	16,809	\$	9,596	\$	4,747
Perry	\$	306,266	\$	36,365	\$	24,221	\$	48,958	\$	116,048	\$	32,269	\$	40,105	\$	8,299
Pike	\$	547,845	\$	29,319	\$	44,970	\$	43,971	\$	251,475	\$	94,196	\$	70,453	\$	13,461
Powell	\$	45,469	\$	1,917	\$	5,719	\$	4,551	\$	2,203	\$	22,780	\$	-	\$	8,299
Pulaski	\$	758,455	\$	32,041	\$	95,798	\$	66,071	\$	261,707	\$	148,056	\$	88,234	\$	66,547
Robertson	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Rockcastle	\$	17,062	\$	682	\$	2,344	\$	5,610	\$	3,014	\$	2,131	\$	1,788	\$	1,494
Rowan	\$	358,715	\$	60,834	\$	153,587	\$	15,813	\$	73,522	\$	33,001	\$	7,560	\$	14,397
Russell	\$	544,233	\$	10,132	\$	27,430	\$	15,567	\$	56,042	\$	230,656	\$	148,153	\$	56,254
Scott	\$	1,367,604	\$	24,270	\$	485,277	\$	454,937	\$	131,362	\$	114,466	\$	76,971	\$	80,321
Shelby	\$	452,719	\$	17,944	\$	34,323	\$	46,612	\$	92,756	\$	81,774	\$	106,320	\$	72,990
Simpson	\$	205,551	\$	285	\$	17,359	\$	51,689	\$	87,668	\$	38,690	\$	5,018	\$	4,842
Spencer	\$	17,833	\$	46	\$	4,013	\$	-	\$	2,745	\$	4,694	\$	2,162	\$	4,173
Taylor	\$	407,489	\$	114,312	\$	106,132	\$	65,158	\$	79,910	\$	30,184	\$	6,508	\$	5,285
Todd	\$	415,970	\$	18,691	\$	31,616	\$	42,102	\$	52,592	\$	179,679	\$	46,656	\$	44,634
Trigg	\$	68,736	\$	2,254	\$	9,295	\$	3,469	\$	15,057	\$	15,245	\$	18,343	\$	5,073
Trimble	\$	28,935	\$	667	\$	3,325	\$	1,245	\$	3,286	\$	12,045	\$	3,997	\$	4,370
Union	\$	548,901	\$	93,060	\$	37,190	\$	76,993	\$	58,426	\$	109,678	\$	148,408	\$	25,145

Warren	\$	2,514,677	\$	81,502	\$	332,914	\$	610,937	\$	379,744	\$	724,086	\$	221,965	\$	163,529
Washington	\$	118,891	\$	23,751	\$	19,928	\$	11,846	\$	20,469	\$	30,776	\$	6,786	\$	5,334
Wayne	\$	174,479	\$	3,694	\$	9,803	\$	8,558	\$	6,947	\$	61,821	\$	44,770	\$	38,886
Webster	\$	150,866	\$	4,508	\$	12,430	\$	-	\$	19,032	\$	33,799	\$	41,287	\$	39,810
Whitley	\$	606,955	\$	30,642	\$	75,775	\$	16,889	\$	99,797	\$	164,631	\$	115,879	\$	103,342
Wolfe	\$	2,181	\$	50	\$	-	\$	-	\$	361	\$	676	\$	460	\$	634
Woodford	\$	457,856	\$	21,276	\$	45,411	\$	7,682	\$	50,696	\$	114,496	\$	103,047	\$	115,248
TOTALS	\$	109,062,070	\$	3,769,593	\$	12,091,849	\$	21,679,295	\$	19,238,969	\$	24,349,299	\$	20,722,503	\$	7,210,562