



# TAX INCREMENT FINANCING (TIF)

Presented by Department for Financial Services  
Kentucky Cabinet for Economic Development



**JUST THE FACTS:**

The background of the slide features a collage of business-related images. At the top, a pair of black-rimmed glasses rests on a document containing a green bar chart and a circular gauge showing 62%. Below the glasses, there are stacks of coins and a blue calculator. At the bottom, a black pen lies on a document with a red line graph and a grey bar chart. The entire scene is overlaid with a semi-transparent blue rectangle that contains the text.

# WHAT IS TIF?

Tax Increment Financing (TIF) is an economic development tool to use future gains in taxes to finance the current public infrastructure improvements for development that will create those gains.

# TYPES OF DEVELOPMENT AREA

- Local Only Development Areas
- Blighted Urban Redevelopment Areas\*

\* *May be eligible for state participation*

# STATE PARTICIPATION PROGRAMS

- Real Property Ad Valorem Tax Revenues
- Signature Projects
- Mixed-Use Redevelopment in Blighted Urban Areas

# THE PROCESS

- Establish local TIF
- Engage CED to discuss a potential state TIF prior to submitting application
- KEDFA preliminary approval\*
- Independent consultant determines if project will have net positive impact to the state\*
- Consultant report presented to KEDFA during closed session\*
- CED staff negotiates TIF incentives and finalizes agreement
- KEDFA final approval
- Activation of TIF project and eligible for increment

\* *Does not apply to Real Property Ad Valorem Tax Revenue TIF projects*

# **UPDATE AND EFFECT**

- Update on TIF districts and the effect of the pandemic on the TIF program

# TIF FAQs

- Addresses various questions about the TIF program and process.
- [LINK TO FAQs](#)





# THANK YOU

**Cabinet for Economic Development**

Old Capitol Annex  
300 West Broadway  
Frankfort, KY 40601

TEAM   
**KENTUCKY**  
CABINET FOR ECONOMIC DEVELOPMENT