141.399 Economic development tax credit -- Duties of department -- Administrative regulations.

(1) As used in this section:

(a) "Approved company" has the same meaning as in KRS 154.32-010;

(b) "Authority" has the same meaning as in KRS 154.32-010; and

(c) "Credit" means the economic development credit provided to an approved company by the authority in accordance with KRS 154.32-070.

(2) (a) For taxable years beginning on or after January 1, 2026, there shall be allowed an economic development credit to an approved company. The credit shall be refundable, nontransferable, and allowed against the tax imposed under KRS 141.020 or 141.040 and 141.0401, with the ordering of the credit as provided in KRS 141.0205.

(b) In the case of a pass-through entity not subject to the tax imposed by KRS 141.040, the credit shall be taken against the tax imposed by KRS 141.0401 and shall be claimed by the partners, members, or shareholders in accordance with their proportionate share of income.

(c) The amount of the credit that may be claimed in a taxable year by the approved company shall be equal to the amount determined in accordance with KRS 154.32-070, as applicable, except the total amount of credits claimed by all approved companies under KRS 154.32-070 shall not exceed four million dollars ($4,000,000) per taxable year, of which no more than one million dollars ($1,000,000) shall be allowed for wages paid to full-time employees in counties other than heritage counties.

(3) (a) The department shall:

1. Promulgate administrative regulations in accordance with KRS Chapter 13A to administer the credit;

2. Work with the authority to determine the approved amount of credit or apportionable share of credit available to be claimed in any taxable year on a return as filed by an approved company or each partner, member, or shareholder of an approved company; and

3. Report the following to the authority on the credits claimed under this section:

a. The total amount of credit awarded for each taxable year, by county;

b. Each taxpayer claiming a credit; and

c. The total amount of wages paid to a full-time employee by an approved company and included in its credit computation.

(b) The information required to be reported under this subsection shall not be considered confidential taxpayer information and shall not be subject to KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes prohibiting disclosure or reporting of information.

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