141.3821 Tax credit for certified mixed-use rehabilitation expenses -- Administrative regulations -- Report. (Effective July 1, 2027)

(1) As used in this section:

(a) "Approved taxpayer" means any person or entity:

1. Subject to the taxes imposed in KRS 141.020 or 141.040 and 141.0401; and

2. That is the recipient of a certified rehabilitation credit or transferred credit as determined by the authority in accordance with KRS 154.20-195;

(b) "Authority" has the same meaning as in KRS 154.20-195;

(c) "Certified mixed-use rehabilitation" has the same meaning as in KRS 154.20-195; and

(d) "Eligible rehabilitation expenses" has the same meaning as in KRS 154.20-195.

(2) (a) For taxable years beginning on or after January 1, 2028, but before January 1, 2032, there shall be allowed a refundable, transferable certified rehabilitation credit against the taxes imposed by 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 taxpayer shall:

1. Be equal to the amount determined and approved by the authority in accordance with KRS 154.20-195; and

2. Not exceed twenty-five million dollars ($25,000,000).

(3) A taxpayer receiving the credit may elect to transfer the credit to another taxpayer or insurer as provided by KRS 154.20-195(7)(b).

(4) The department may promulgate administrative regulations in accordance with KRS Chapter 13A to establish policies and procedures to implement this section.

(5) (a) By November 1 of each year in which a certified mixed-use rehabilitation credit is claimed, the department, working with the authority, shall report to the Legislative Research Commission for referral to the Interim Joint Committee on Appropriations and Revenue, the following:

1. The location of each certified mixed-use rehabilitation project;

2. The total amount of credit claimed by project location for the taxable year;

3. The total amount of credit claimed by each approved taxpayer; and

4. The total amount of all credit claimed by all taxpayers for the taxable year.

(b) The information required to be reported under this section 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.

Effective: July 1, 2027

History: Created 2026 Ky. Acts ch. 198, sec. 31, effective July 1, 2027.