

141.3841 Selling farmer tax credit -- Report.

- (1) The selling farmer tax credit permitted by KRS 154.60-040:
 - (a) Shall be nonrefundable and nontransferable; and
 - (b) May be claimed against the taxes imposed in KRS 141.020 or 141.040 and 141.0401, with the ordering of the credit as provided in KRS 141.0205.
- (2) (a) The maximum amount of credit that may be claimed by a seller in each taxable year is limited to:
 1. No more than the total amount of credit approved by the Kentucky Economic Development Finance Authority;
 2. Twenty-five thousand dollars (\$25,000) cap for each taxable year of the seller when agricultural assets are sold to an actively engaged farmer who does not meet the definition of a beginning farmer;
 3. Fifty thousand dollars (\$50,000) cap for each taxable year of the seller when agricultural assets are sold to a beginning farmer;
 4. One hundred thousand dollars (\$100,000) lifetime cap for each seller selling to an actively engaged farmer; and
 5. Two hundred thousand dollars (\$200,000) lifetime cap for each seller selling to a beginning farmer.
 - (b) The credit shall be first claimed on the tax return for the taxable year during which the credit was approved.
 - (c) Any unused credit in a taxable year may be carried forward for up to five (5) taxable years and, if not utilized within the five (5) year period, shall be lost.
- (3) In order for the General Assembly to evaluate the fulfillment of the purpose stated in KRS 154.60-040, the department shall provide the following information, on a cumulative basis, for each seller, for each taxable year:
 - (a) The location, by county, of the agricultural assets sold to an actively engaged farmer or a beginning farmer and approved for a tax credit under KRS 154.60-040;
 - (b) The total amount of tax credit approved by the Kentucky Economic Development Finance Authority for each seller;
 - (c) The amount of tax credit claimed for each seller in each taxable year; and
 - (d)
 1. In the case of all taxpayers other than corporations, based on ranges of adjusted gross income of no larger than five thousand dollars (\$5,000) for the taxable year, the total amount of tax credits claimed and the number of returns claiming a tax credit for each adjusted gross income range; and
 2. In the case of all corporations, based on ranges of net income no larger than fifty thousand dollars (\$50,000) for the taxable year, the total amount of tax credit claimed and the number of returns claiming a tax credit for each net income range.
- (4) The report required by subsection (3) of this section shall be submitted to the Interim Joint Committee on Appropriations and Revenue beginning no later than

November 1, 2021, and no later than each November 1 thereafter, as long as the credit is claimed on any return processed by the department.

Effective: June 27, 2025

History: Amended 2025 Ky. Acts ch. 98, sec. 29, effective June 27, 2025. -- Created 2020 Ky. Acts ch. 91, sec. 19, effective April 15, 2020.