

300 KAR 2:010. Kentucky Tourism Development Act Sales Tax Credit Program.

RELATES TO: KRS 139.536, 148.850, 148.851, 148.853, 148.855, 148.857, 148.859, 148.860

STATUTORY AUTHORITY: KRS 148.855(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 148.855(1) requires the Tourism Cabinet to establish standards for the making of an application for inducements and the recommendation to the Kentucky Economic Development Finance Authority of an eligible company and its tourism attraction project pursuant to the Kentucky Tourism Development Act Sales Tax Credit Program. This administrative regulation establishes these standards.

Section 1. Definitions.

- (1) "Agreement" is defined in KRS 148.851(1).
- (2) "Authority" is defined in KRS 148.851(4).
- (3) "Eligible company" is defined in KRS 148.851(6).
- (4) "Inducements" is defined in KRS 148.851(9).
- (5) "Preliminary approval" is defined in KRS 148.851(10).
- (6) "Tourism attraction project" is defined in KRS 148.851(14).

Section 2. Eligibility Standards. When submitting a written request to the authority for consideration of preliminary approval of the eligible company and its tourism attraction project, the secretary of the Tourism Cabinet shall base the request upon the information in the application and any written or oral communications with the eligible company.

Section 3. Kentucky Tourism Development Act Sales Tax Credit Program Application.

- (1) An eligible company wishing to participate in the Kentucky Tourism Development Act Sales Tax Credit Program shall file three (3) copies of an application with the secretary of the Tourism Cabinet.
- (2) The following information and materials shall be submitted as a part of the application:
 - (a) Eligible company name, address, phone and telefax numbers, contact person and federal employer tax identification number;
 - (b) Location of tourism attraction project;
 - (c) Form of organization of eligible company;
 - (d) Previous participation of eligible company in Kentucky tax incentive programs;
 - (e) Ownership of eligible company;
 - (f) Bankruptcy history of eligible company;
 - (g) Governmental denial, suspension or revocation of licenses of eligible company;
 - (h) Attorney for eligible company, including address, phone and telefax numbers;
 - (i) Contact person of bank for eligible company, including address, phone and telefax numbers and contact person;
 - (j) Accountant for eligible company, including address, phone and telefax numbers;
 - (k) Tourism attraction project description;
 - (l) Eligible company ownership or leasing of tourism attraction project;
 - (m) Estimated tourism attraction project costs;
 - (n) Proposed sources of financing tourism attraction project;
 - (o) Contractor for tourism attraction project, including address, phone and telefax numbers and contact person;
 - (p) The total number of jobs projected upon completion of and within two (2) years after completion of the tourism attraction project;
 - (q) Five (5) year history of attendance at tourism attraction project for an expansion;
 - (r) Five (5) year attendance projections for tourism attraction project;
 - (s) Months of the year during which the tourism attraction project is open;

- (t) Marketing plans and media type to be used for the tourism attraction project, including five (5) year proposed advertising budget;
- (u) Value of Kentucky tangible property before and after completion of the tourism attraction project;
- (v) Ten (10) year estimate of tourism attraction project payroll;
- (w) Estimated federal and state income tax liability of eligible company for first three (3) fiscal years of the eligible company after commencement of operations of the tourism attraction project;
- (x) If the tourism attraction project is an expansion, federal and state income tax liability of eligible company for the past three (3) fiscal years;
- (y) Ten (10) year estimated revenue of eligible company subject to Kentucky sales tax from the tourism attraction project;
- (z) Ten (10) year estimated additional revenue the tourism attraction project will generate to the community; and
- (aa) A completed Cabinet for Economic Development Economic Incentive Disclosure Statement as required by 307 KAR 2:020, Section 2.

Section 4. Written Recommendation. The secretary of the Tourism Cabinet shall provide its recommendation required by 1996 Ky. Act ch. 335, sec. 3 based upon:

- (1) The eligible company's satisfaction of the statutory requirements of 1996 Ky. Act ch. 335, sec. 1 to 7;
- (2) The findings of the consultant's report required by 1996 Ky. Act ch. 335, sec. 3; and
- (3) The application submitted to the secretary under Section 3(2) of this administrative regulation, and written and oral communications with the eligible company.

Section 5. Incorporation by Reference.

- (1) The "Application for the Kentucky Tourism Development Act Sales Tax Credit Program (9/96)" is incorporated by reference.
- (2) A copy of the form of application may be inspected, copied or obtained at the office of the Tourism Cabinet, 24th Floor, Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky, between 8 a.m. and 4:30 p.m., Monday through Friday.
(23 Ky.R. 1810; Am. 2459; eff. 12-11-96; Crt eff. 2-12-2020.)