

300 KAR 2:040. Kentucky film industry incentives application and fees.

RELATES TO: KRS 148.544

STATUTORY AUTHORITY: KRS 148.546

NECESSITY, FUNCTION, AND CONFORMITY: KRS 148.546 requires the Film Office within the Tourism, Arts and Heritage Cabinet to establish standards for the making of an application for incentives and to set forth the fees for application for incentives. This administrative regulation establishes these standards.

Section 1. Definitions.

- (1) "Application" means the Kentucky Film Office Film Production Company Refundable Tax Credit Application.
- (2) "Authority" means the Kentucky Tourism Development Finance Authority.
- (3) "Eligible company" is defined by KRS 148.542(10).
- (4) "Motion Picture or Entertainment Production" is defined by KRS 148.542(14).
- (5) "Office" is defined by KRS 148.542(16).

Section 2. Application.

- (1) An eligible company wishing to receive incentives for filming a motion picture or entertainment production in the Commonwealth shall file three (3) copies of the application with the office at least thirty (30) days prior to incurring any expenditure.
- (2) In addition to the information included in the application as set forth in KRS 148.546, an eligible company shall promptly submit any supporting documentation or information requested by the Office.

Section 3. Recommendation. Prior to making a recommendation on whether to enter into a tax incentive agreement with the eligible company to the Authority, the office shall fully consider:

- (1) The eligible company's ability to meet the expenditure requirements of KRS 148.544(3);
- (2) The written application submitted by the eligible company; and
- (3) All other supplemental information submitted by the eligible company.

Section 4. Agreement.

- (1) Upon recommendation of the Film Office, the Authority may authorize by resolution the execution of a tax incentive agreement which shall include the provisions required by KRS 148.546(4).
- (2) Upon execution of the agreement, the eligible company shall submit the greater of:
 - (a) \$500; or
 - (b) One-half (0.5) percent of the estimated amount of tax incentive sought.
- (3) If the eligible company wishes to increase the amount of qualified expenditures, the eligible company:
 - (a) Shall apply for the increase at least thirty (30) days prior to spending any amounts for which an incentive is sought;
 - (b) Shall not be eligible for amounts spent in excess of the initial total of approved expenditures prior to the execution of an amended agreement; and
 - (c) Shall submit an additional fee which shall be the greater of:
 1. \$500; or
 2. One-half (0.5) percent of the estimated amount of increased tax incentive sought.

Section 5. Incorporation by Reference.

- (1) The "Kentucky Film Office Film Production Company Refundable Tax Credit Application", 07/09, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the office of the Tourism Cabinet, 24th Floor, Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.
(37 Ky.R. 962; eff. 11-5-2010; Crt eff. 2-12-2020.)