

**141.063 Skills training investment credits allowed by KRS 154.12-204 to 154.12-208
-- Application to income tax obligations -- Annual report.**

- (1) As used in this section, unless the context requires otherwise:
 - (a) "Approved company" has the same meaning as in KRS 154.12-204;
 - (b) "Corporation" has the same meaning as in KRS 154.12-204;
 - (c) "Occupational upgrade training" has the same meaning as in KRS 154.12-204;
 - (d) "Qualified company" has the same meaning as in KRS 154.12-204;
 - (e) "Skills training investment credit" has the same meaning as in KRS 154.12-204; and
 - (f) "Skills upgrade training" has the same meaning as in KRS 154.12-204.
- (2) For taxable years beginning on or after July 1, 2022, the corporation shall not accept applications for the skills training investment credits allowed by KRS 154.12-204 to 154.12-208.
- (3) The amount of skills training investment credit awarded by the corporation under KRS 154.12-204 to 154.12-208 shall be credited on the tax return of the approved company in the year the corporation's closeout of approved training costs were incurred. The skills training investment credits allowed shall only be used by the approved company that has been awarded the credits in accordance with KRS 154.12-204 to 154.12-208. The skills training investment credits shall be applied to the income tax imposed by KRS 141.020 or 141.040. The credit may also be applied to the limited liability entity tax imposed by KRS 141.0401, with the order of the credits as provided in KRS 141.0205. These credits shall be in addition to all other tax credits granted under the laws of the Commonwealth.
- (4) The skills training investment credit may be carried forward for three (3) successive fiscal years by the approved company if the amount allowable as credits exceeds the income tax liability of the approved company in the tax year during which the final closeout of the approved training costs were incurred. Any excess credits shall not be refundable or carried forward beyond the third fiscal year.
- (5) A qualified company shall not be entitled to receive the grant-in-aid under KRS 154.12-207 or skills training investment credits if the qualified company requires the employee to reimburse the employer or otherwise pay for any costs or expenses incurred in connection with the occupational upgrade training or skills upgrade training.
- (6) To the extent that any expenditures of a qualified company constitute approved costs and are the basis for the skills upgrade or occupational upgrade training under KRS 154.12-207, these expenditures shall only be eligible as the basis for either grants-in-aid or skills training investment credits.
- (7) By October 1 of each year, the Department of Revenue shall certify to the corporation the amount of any skills training investment credits taken pursuant to KRS 154.12-207 on tax returns filed during the fiscal year ending June 30 of that year.
- (8) The Department of Revenue may promulgate administrative regulations in

accordance with KRS Chapter 13A to adopt forms and procedures for the reporting of the credit authorized in KRS 154.12-204 to 154.12-208.

- (9) (a) In order for the General Assembly to evaluate the fulfillment of the purposes of this section, the department shall submit the following information, related to each taxable year that a grant-in-aid under KRS 154.12-207 or skills training investment credit is claimed on any income tax return filed:
1. The cumulative amount of tax credits by taxable year claimed by entity type, including:
 - a. Person;
 - b. Corporation;
 - c. Limited liability company;
 - d. Partnership;
 - e. Limited partnership;
 - f. Sole proprietorship;
 - g. Holding company;
 - h. Joint stock company;
 - i. Professional services corporation; or
 - j. Any other legal entity through which business is conducted;
 2. The number of returns filed claiming a tax credit for each taxable year by entity type;
 3. In the case of a taxpayer other than a corporation, based on the mailing address of the return, the total amount of credits claimed by county;
 4. In the case of a taxpayer other than a corporation, based on ranges of adjusted gross income of no larger than five thousand dollars (\$5,000), the total amount of credit claimed for each adjusted gross income range by taxable year; and
 5. In the case of a corporation, based on ranges of net income no larger than fifty thousand dollars (\$50,000), the total amount of credit claimed for each net income range.
- (b) The report required by paragraph (a) of this subsection shall be submitted to the Interim Joint Committee on Appropriations and Revenue beginning no later than November 1, 2018, and no later than each November 1 thereafter, as long as the skills training investment credit is claimed on any return processed by the department.

Effective: July 14, 2018

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