

141.408 Inventory tax credit -- Applies on or after January 1, 2018 -- Pass-through entities, allowable credit -- Annual report.

- (1) There shall be allowed a nonrefundable and nontransferable credit against the tax imposed by KRS 141.020 or 141.040 and 141.0401, with the ordering of the credits as provided in KRS 141.0205, for any taxpayer that, on or after January 1, 2018, timely pays an ad valorem tax to the Commonwealth or any political subdivision thereof for property described in KRS 132.020(1)(e) or 132.099.
- (2) The credit allowed under subsection (1) of this section shall be in an amount equal to:
 - (a) Twenty-five percent (25%) of the ad valorem taxes timely paid for taxable years beginning on or after January 1, 2018, and before January 1, 2019;
 - (b) Fifty percent (50%) of the ad valorem taxes timely paid for taxable years beginning on or after January 1, 2019, and before January 1, 2020;
 - (c) Seventy-five percent (75%) of the ad valorem taxes timely paid for taxable years beginning on or after January 1, 2020, and before January 1, 2021; and
 - (d) One hundred percent (100%) of the ad valorem taxes timely paid, for taxable years beginning on or after January 1, 2021.
- (3) If the taxpayer is a pass-through entity, the taxpayer may apply the credit against the limited liability entity tax imposed by KRS 141.0401, and shall pass the credit through to its members, partners, or shareholders in the same proportion as the distributive share of income or loss is passed through.
- (4) No later than October 1, 2019, and annually thereafter, the department shall report to the Interim Joint Committee on Appropriations and Revenue:
 - (a) The name of each taxpayer taking the credit permitted by subsection (1) of this section;
 - (b) The location of the property upon which the credit was allowed; and
 - (c) The amount of credit taken by that taxpayer.

Effective: June 27, 2019

History: Amended 2019 Ky. Acts ch. 151, sec. 55, effective June 27, 2019. -- Created 2018 Ky. Acts ch. 171, sec. 115, effective April 14, 2018; and ch. 207, sec. 115, effective April 27, 2018.

Legislative Research Commission Note (4/27/2018). This statute was created by 2018 Ky. Acts ch. 171, sec. 115 and ch. 207, sec. 115, which are nearly identical and have been codified together.