

141.3841 Selling farmers tax credit.

- (1) The selling farmers 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 selling farmer 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) in any taxable year; and
 3. No more than one hundred thousand dollars (\$100,000) total tax credit over the lifetime of the selling 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 selling farmer, for each taxable year:
 - (a) The location, by county, of the agricultural assets sold to 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 selling farmer;
 - (c) The amount of tax credit claimed for each selling farmer 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: April 15, 2020

History: Created 2020 Ky. Acts ch. 91, sec. 19, effective April 15, 2020.