

154.20-240 Annual report by small businesses.

- (1) On or before February 1 of the calendar year succeeding the year in which a credit was awarded, and continuing for four (4) years thereafter, a qualified small business that has received a qualified investment shall file an annual report with the authority.
- (2) (a) This report shall demonstrate that the small business:
 1. Continues to have more than fifty percent (50%) of its assets, operations, and employees in the Commonwealth;
 2. Has at no time received an aggregate amount of qualified investments that has allowed qualified investors to receive more than one million dollars (\$1,000,000) in credits; and
 3. Continues to be actively and principally engaged in a qualified activity.(b) The report shall also provide additional information related to the success of the small business attributable to the investment, including but not limited to:
 1. New jobs created;
 2. Increased sales or other economic activity conducted;
 3. The degree of other private investment attracted; and
 4. Any other information requested by the authority.
- (3) If a qualified small business either:
 - (a) Fails to submit the report mandated by this section in any year; or
 - (b) Fails to meet any of the criteria listed in subsection (2)(a) of this section at any time during any year of the reporting period;the authority shall notify the department, which shall recapture any portion, or the full amount, of the credit awarded for qualified investments in that qualified small business from the qualified investor that received the credit award or any taxpayer receiving the credit through a valid transfer. Any amounts collected from the recapture shall be deposited in the general fund.
- (4) If a qualified small business becomes insolvent and ceases operations at any time before the final required annual report is due, it shall file a written report with the authority attesting to that fact and shall thereafter be exempt from the annual report required by this section, and credits awarded and already claimed for qualified investments in that qualified small business shall not be subject to any recapture. Any credits not claimed as of the date the company became insolvent and ceased operations shall be considered expired and shall not be claimed.

Effective: July 15, 2020

History: Amended 2020 Ky. Acts ch. 76, sec. 3, effective July 15, 2020. -- Created 2014 Ky. Acts ch. 102, sec. 26, effective July 15, 2014.