

141.419 Definitions for section -- Refundable credit for qualifying expenditures at qualifying decontamination property -- Administrative regulations -- Reporting.

- (1) As used in this section:
 - (a) "Assignee" means the taxpayer to whom the credit allowed under this section is transferred;
 - (b) "Exempt entity" means any tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, any political subdivision of the Commonwealth, any state or local agency, board, or commission, or any quasi-governmental entity;
 - (c) "Qualifying expenditures" has the same meaning as in KRS 224.1-420;
 - (d) "Qualifying decontamination property" has the same meaning as in KRS 224.1-420; and
 - (e) "Taxpayer" means any:
 1. Entity that is subject to the taxes imposed by KRS 141.020 or KRS 141.040 and 141.0401; or
 2. Exempt entity and may include any individual, corporation, limited liability company, business development corporation, partnership, limited partnership, sole proprietorship, association, joint stock company, receivership, trust, professional service organization, or other legal entity through which business is conducted that claims the credit or transfers the credit under this section.
- (2) For taxable years beginning on or after January 1, 2022, but before January 1, 2032, a taxpayer making a qualifying expenditure at a qualifying decontamination property shall be allowed a refundable credit against the taxes imposed by KRS 141.020 or 141.040 and 141.0401, with the ordering of credits as provided in KRS 141.0205.
- (3) The department may promulgate administrative regulations in accordance with the provisions of KRS Chapter 13A to establish policies and procedures to implement the provisions of this section.
- (4) Any taxpayer approved for credit under this section shall not also claim or apply for credit related to the remediation or decontamination of the same qualifying property under KRS 141.418.
- (5) The taxpayer receiving the credits may assign, sell, or transfer, in whole or in part, the tax credit to any other taxpayer. Within thirty (30) days of credit transfer, the assignor shall provide written notice to the department of its intent to transfer or sell the tax credit along with supporting documentation prescribed by the department which shall include but not be limited to:
 - (a) Date on which the transfer is effective;
 - (b) Assignee's name, taxpayer identification number, address, and bank routing and transfer number; and
 - (c) Total amount of credit to be transferred.

- (6) (a) The purpose of this credit is to encourage investment in and decontamination or remediation of qualifying decontamination property. In order for the General Assembly to evaluate the fulfillment of the purpose stated in this section, the department shall provide the following information on a cumulative basis for each taxable year to provide a historical impact of the tax credit to the Commonwealth:
1. The number of tax returns, by the tax type of return filed, claiming the credit for each taxable year;
 2. The total amount of credit claimed on returns filed for each taxable year;
 3. The cumulative number of projects by county, as identified by the county in which the qualifying decontamination project is located, for each taxable year;
 4. The cumulative total of credits claimed by county, as identified by the county in which the qualifying decontamination project is located for each taxable year;
 5.
 - a. In the case of taxpayers other than corporations, based on ranges of adjusted gross income of no larger than five thousand dollars (\$5,000), the total amount of credits claimed for each adjusted gross income range for each taxable year; and
 - b. In the case of corporations, based on ranges of net income of no larger than fifty thousand dollars (\$50,000), the total amount of credits claimed for each net income range for each taxable year; and
 6. Any other taxpayer information necessary for the General Assembly to evaluate this credit.
- (b) The report required by paragraph (a) of this subsection shall be submitted to the Interim Joint Committee on Appropriations and Revenue no later than November 1, 2024, and annually thereafter as long as the decontamination tax credit is claimed on any tax return filed.

Effective: July 14, 2022

History: Created 2022 Ky. Acts ch. 212, sec. 52, effective July 14, 2022.