

**139.5325 Sales tax incentives for qualified attraction -- Applications -- Eligibility -- Report -- Sunset.**

- (1) As used in this section:
  - (a) "Entertainment event":
    1. Means a live performance or exhibition of musical, theatrical, cultural, culinary, or other artistic presentation; and
    2. Does not include sporting events or tournaments;
  - (b) "Facility operator" means a person who owns or operates a venue;
  - (c) "Qualifying attraction" means a series of entertainment events which is:
    1. Held at a venue over a duration of at least two (2) consecutive days;
    2. Hosted by a sponsoring entity pursuant to an agreement with a facility operator that authorizes the sponsoring entity to conduct one (1) or more series of entertainment events annually during at least five (5) consecutive years; and
    3. Open to the public upon purchase of tickets, with attendance totaling at least sixty thousand (60,000) admissions over the duration of each series of entertainment events;
  - (d) "Sponsoring entity" means the person hosting a qualifying attraction; and
  - (e) "Venue" means:
    1. Public property located in a consolidated local government or an urban-county government which is owned, operated, or controlled by the consolidated local government, the urban-county government, or the Commonwealth;
    2. A park located in a consolidated local government that is:
      - a. Open to the general public; and
      - b. Owned, operated, or controlled by any nonprofit corporation established under KRS 273.161 to 273.390;
    3. Property located in a consolidated local government or an urban-county government that is owned, operated, or controlled by a public university; or
    4. Privately owned property located in a consolidated local government or an urban-county government that is suitable for hosting entertainment events and qualifying attractions.
- (2) Notwithstanding KRS 134.580 and 139.770:
  - (a) A sponsoring entity and facility operator shall be granted a sales tax incentive totaling fifty percent (50%) of the Kentucky sales tax generated by the sale of admissions to a qualifying attraction held at a venue, and the sales of tangible personal property and services at the qualifying attraction, including but not limited to the sale of food and beverage concessions, souvenirs, camping, and parking;
  - (b) The amount of the sales tax incentive authorized in paragraph (a) of this subsection shall be allocated as follows:

1. Fifty percent (50%) shall be paid to the facility operator and utilized to support operations and maintenance at the venue; and
  2. Fifty percent (50%) shall be paid to the sponsoring entity of the qualifying attraction from which the sales taxes were generated;
- (c) Only one (1) incentive request shall be made for each qualifying attraction each year;
  - (d) The sponsoring entity and facility operator shall have no obligation to refund or otherwise return any amount of the sales tax incentive to the persons from whom the sales tax was collected;
  - (e) The sales tax incentive shall be reduced by the vendor compensation allowed under KRS 139.570; and
  - (f) Interest shall not be allowed or paid on any sales tax incentive payment made under this section.
- (3) The department shall accept initial applications for sales tax incentives under this section for qualifying attractions held on or after July 1, 2025.
  - (4) To be eligible for a sales tax incentive under this section, the sponsoring entity shall file an initial application with the department, which:
    - (a) Includes sufficient information regarding the qualifying attraction to demonstrate whether it qualifies for the sales tax incentive; and
    - (b) Is filed at least sixty (60) days prior to the date of the first entertainment event constituting the qualifying attraction.
  - (5) Within thirty (30) days of receipt of the initial application, the department shall notify the sponsoring entity of its preliminary approval or denial of the qualifying attraction.
  - (6) If the initial application is denied, the department shall provide the reason for the denial.
  - (7) After approval of its initial application and the completion of the qualifying attraction, a sponsoring entity shall apply for a sales tax incentive no earlier than thirty (30) days following the end of the month during which sales taxes that were generated from the qualifying attraction are collected. The application may aggregate eligible sales taxes from previous months if the events comprising the qualifying attraction were held in more than one (1) month.
  - (8) The department shall review each application for a sales tax incentive and determine if it meets the requirements of this section, pending the verification of required attendance.
  - (9) In determining eligibility for a sales tax incentive authorized under this section, the department shall waive the duration and attendance requirements listed in subsection (1)(c)1. and 3. of this section if the person requesting an incentive demonstrates that any delays, cancellations, or postponements were due to inclement weather or other extraordinary events beyond the control of the parties involved and that the weather or other extraordinary events rendered the satisfaction of the requirement impossible.
  - (10) Both the initial application and the sales tax incentive application shall be in the

form prescribed by the department through the promulgation of an administrative regulation in accordance with KRS Chapter 13A.

- (11) The department shall verify the amount of sales tax incentive and pay the allocations determined to be due in accordance with subsection (2)(b) of this section within forty-five (45) days of receipt of the later of:
  - (a) The application submitted under subsection (7) of this section; or
  - (b) All necessary supporting information required by the department to determine that the sponsoring entity is eligible for the incentive.
- (12)
  - (a) Prior to November 1, 2026, and continuing each November 1 thereafter to November 1, 2035, the department shall provide an annual report detailing information related to each qualifying attraction receiving incentives during the fiscal year concluding on June 30 of the reporting period.
  - (b) The department shall include the following information in the report:
    1. The name of the qualifying attraction;
    2. The venue where the qualifying attraction was held;
    3. The name of the facility operator;
    4. The name of the sponsoring entity;
    5. The duration of the qualifying attraction and the number of admissions over that duration;
    6. The amount of incentive paid to the facility operator; and
    7. The amount of incentive paid to the sponsoring entity.
  - (c) The information required to be reported under this subsection shall not be considered confidential taxpayer information and shall not be subject to KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes prohibiting disclosure or reporting of information.
- (13) The provisions of this section shall expire on June 30, 2035, and a qualifying attraction held after June 30, 2035, shall not be eligible for the incentives authorized in this section.
- (14) The General Assembly is committed to the research and development of tourism policies, including the aspiration to hold other entertainment events across the Commonwealth and especially in rural Kentucky.

**Effective:** July 1, 2025

**History:** Created 2025 Ky. Acts ch. 98, sec. 26, effective July 1, 2025; and amended ch. 159, sec. 2, effective July 1, 2025.

**Legislative Research Commission Note (7/1/2025).** This statute was created by 2025 RS HB 775 (2025 Ky. Acts ch. 98, sec. 26) and subsequently amended by 2025 RS HB 606 (2025 Ky. Acts ch. 159, sec. 2), and the amendment has been incorporated in codification.