

139.528 Tax rebate for sale of alternative jet fuel -- Definitions for section -- Use of rebate by commercial airport -- Application -- Administrative regulations -- Request and payment.

- (1) As used in this section:
 - (a) "Agriculturally based alternative jet fuel" has the same meaning as in KRS 141.417;
 - (b) "Alternative jet fuel" has the same meaning as in KRS 141.417;
 - (c) "Commercial airport" has the same meaning as in KRS 183.011; and
 - (d) "Effective date" means the first day of the month following the month in which the department notifies the commercial airport that it is eligible to receive a sales tax rebate.
- (2)
 - (a) Notwithstanding KRS 134.580 and 139.770, effective August 1, 2026, a commercial airport may be granted a sales tax rebate of up to seventy-five percent (75%) of the Kentucky sales tax generated by the sale of agriculturally based alternative jet fuel and alternative jet fuel at a commercial airport located in Kentucky. The tax rebate shall be reduced by the vendor compensation allowed under KRS 139.570 on or after August 1, 2026.
 - (b) The commercial airport shall have no obligation to refund or otherwise return any amount of the sales tax rebate to the persons from whom the sales tax was collected.
 - (c) The total tax rebate for each commercial airport shall be reinvested by the commercial airport to maintain, improve, upgrade, and repair commercial airport facilities and operations.
- (3)
 - (a) To be eligible for a sales tax rebate under this section, the commercial airport shall file an application with the department in the form prescribed by the department through the promulgation of an administrative regulation in accordance with KRS Chapter 13A.
 - (b) The department shall:
 1. Review the application;
 2. Determine whether the applicant meets the requirements of this section; and
 3. Notify the applicant in writing whether the applicant qualifies for a rebate and the effective date of qualification.
- (4) A qualified applicant shall file a request for a sales tax rebate within sixty (60) days following the end of each calendar quarter for sales made during the quarter. The request shall be submitted in the form prescribed by the department through the promulgation of an administrative regulation in accordance with KRS Chapter 13A, and shall include supporting information and documentation as determined necessary by the department to verify the requested tax rebate.
- (5) The department shall review the request, verify the amount of sales tax rebate due to the commercial airport, and pay the amount determined due within forty-five (45) days of receipt of the request and all necessary supporting information.
- (6) Interest shall not be allowed or paid on any sales tax rebate payment made under

this section.

Effective: April 27, 2026

History: Created 2026 Ky. Acts ch. 198, sec. 43, effective April 27, 2026.