

AN ACT relating to the expansion of the film tax credits.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 148.542 is amended to read as follows:

As used in KRS 148.542 to 148.546:

- (1) "Above-the-line production crew" means employees involved with the production of a motion picture or entertainment production whose salaries are negotiated prior to commencement of production, such as actors, directors, producers, and writers;
- (2) "Animated production" means a nationally distributed feature-length film created with the rapid display of a sequence of images using 2-D or 3-D graphics of artwork or model positions in order to create an illusion of movement;
- (3) "Approved company" means an eligible company approved for incentives provided under KRS 141.383 and 148.544;
- (4) "Below-the-line production crew" means employees involved with the production of a motion picture or entertainment production except above-the-line production crew. "Below-the-line production crew" includes but is not limited to:
 - (a) Casting assistants;
 - (b) Costume design;
 - (c) Extras;
 - (d) Gaffers;
 - (e) Grips;
 - (f) Location managers;
 - (g) Production assistants;
 - (h) Set construction staff; and
 - (i) Set design staff;
- (5) "Cabinet" means the Finance and Administration Cabinet;
- (6) "Commercial" means an individual production or series of live-action or animated productions, music videos, infomercials, or interstitials that are:

- (a) Less than thirty-one (31) minutes in length;
 - (b) Made for the purpose of promoting a product, service, or idea; and
 - (c) Produced for regional or national distribution via broadcast, cable, or any digital format, including but not limited to cable, satellite, Internet, or mobile electronic devices;
- (7) "Commonwealth" means the Commonwealth of Kentucky;
- (8) "Compensation" means compensation included in adjusted gross income as defined in KRS 141.010(10);
- (9) "Documentary" means a production based upon factual information and not subjective interjections;
- (10) "Eligible company" means any person that intends to film or produce a motion picture or entertainment production in the Commonwealth;
- (11) "Employee" means the same as defined in KRS 141.010(20);
- (12) **"Enhanced incentive county" has the same meaning as in KRS 154.32-010;**
- (13)** "Feature-length film" means a live-action or animated production that is:
- (a) More than thirty (30) minutes in length; and
 - (b) Produced for distribution in theaters or via digital format, including but not limited to DVD, Internet, or mobile electronic devices;
- (14)**~~(13)~~ "Industrial film" means a business-to-business film that may be viewed by the public, including but not limited to videos used for training or for viewing at a trade show;
- (15)** **"Kentucky-based company" has the same meaning as in KRS 164.6011;**
- (16)**~~(14)~~ (a) "Motion picture or entertainment production" means:
1. The following if filmed in whole or in part, or produced in whole or in part, in the Commonwealth:
 - a. A feature-length film;
 - b. A television program;

- c. An industrial film;
 - d. A documentary; or
 - e. A commercial; or
2. A national touring production of a Broadway show produced in Kentucky;

(b) "Motion picture or entertainment production" does not include the filming or production of obscene material or television coverage of news or athletic events;

~~(17)~~~~(15)~~ "Obscene" means the same as defined in KRS 531.010;

~~(18)~~~~(16)~~ "Office" means the Kentucky Film Office in the Tourism, Arts and Heritage Cabinet;

~~(19)~~~~(17)~~ "Person" means the same as defined in KRS 141.010(15);

~~(20)~~~~(18)~~ (a) "Qualifying expenditure" means expenditures made in the Commonwealth for the following if directly used in or for a motion picture or entertainment production:

1. The production script and synopsis;
2. Set construction and operations, wardrobe, accessories, and related services;
3. Lease or rental of real property in Kentucky as a set location;
4. Photography, sound synchronization, lighting, and related services;
5. Editing and related services;
6. Rental of facilities and equipment;
7. Vehicle leases;
8. Food; and
9. Accommodations.

(b) "Qualifying expenditure" does not include Kentucky sales and use tax paid by the approved company on the qualifying expenditure;

~~(21)~~~~(19)~~ "Qualifying payroll expenditure" means compensation paid to above-the-line crew and below-the line crew while working on a motion picture or entertainment production in the Commonwealth if the compensation is for services performed in the Commonwealth;

(22) "Resident" has the same meaning as in KRS 141.010;

~~(23)~~~~(20)~~ "Secretary" means the secretary of the Tourism, Arts and Heritage Cabinet;

~~(24)~~~~(21)~~ "Tax incentive agreement" means the agreement entered into pursuant to KRS 148.546 between the office and the approved company; and

~~(25)~~~~(22)~~ "Television program" means any live-action or animated production or documentary, including but not limited to:

- (a) An episodic series;
- (b) A miniseries;
- (c) A television movie; or
- (d) A television pilot;

that is produced for distribution on television via broadcast, cable, or any digital format, including but not limited to cable, satellite, Internet, or mobile electronic devices.

➔Section 2. KRS 148.544 is amended to read as follows:

- (1) The purposes of KRS 141.383 and 148.542 to 148.546 are to:
 - (a) Encourage the film and entertainment industry to choose locations in the Commonwealth for the filming and production of motion picture or entertainment productions;
 - (b) Encourage the development of a film and entertainment industry in Kentucky;
 - (c) Encourage increased employment opportunities for the citizens of the Commonwealth within the film and entertainment industry; and
 - (d) Encourage the development of a production and postproduction infrastructure in the Commonwealth for film production and touring Broadway show

production facilities containing state-of-the-art technologies.

(2) The Kentucky Film Office is hereby established in the Tourism, Arts and Heritage Cabinet to administer, together with the Finance and Administration Cabinet and the Tourism Development Finance Authority, the tax incentive established by KRS 141.383 and 148.542 to 148.546.

(3) To qualify for the tax incentive provided in subsection (4) of this section, the following requirements shall be met:

(a) For an approved company that is also a Kentucky-based company that:

1. Films or produces a feature-length film, television program, or industrial film in whole or in part in the Commonwealth, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be one hundred twenty-five thousand dollars (\$125,000);

2. Films or produces a commercial in whole or in part in the Commonwealth that is distributed regionally or nationally, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be one hundred thousand dollars (\$100,000);

3. Produces a national touring production of a Broadway show in whole or in part in the Commonwealth, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be twenty thousand dollars (\$20,000); or

4. Films or produces a documentary in whole or in part in the Commonwealth, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be ten thousand dollars (\$10,000);

(b) For an approved company that is not a Kentucky-based company that:

1. Films or produces a feature-length film, television program, or industrial film in whole or in part in the Commonwealth~~[motion picture production, except for a commercial or documentary]~~, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be two hundred fifty thousand dollars (\$250,000)~~[five hundred thousand dollars (\$500,000)]~~;
- 2.~~[(b)]~~ ~~[For an approved company that]~~ Films or produces a commercial in whole or in part in the Commonwealth that is distributed regionally or nationally, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be one hundred thousand dollars (\$100,000)~~[two hundred thousand dollars (\$200,000)]~~; or~~[and]~~
- 3.~~[(c)]~~ ~~[For an approved company that]~~ Films or produces a documentary in whole or in part in the Commonwealth or that produces a national touring production of a Broadway show, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be twenty thousand dollars (\$20,000)~~[fifty thousand dollars (\$50,000)]~~.
- (4) (a) The incentive available under KRS 141.383 and 148.542 to 148.546 is a refundable credit against the Kentucky income tax imposed under KRS 141.020 or 141.040, and the limited liability entity tax imposed under KRS 141.0401, as provided in KRS 141.383.
- (b) 1. For a motion picture or entertainment production filmed or produced in its entirety in an enhanced incentive county, the amount of the incentive shall be equal to thirty-five percent (35%) of the approved company's:
- a. Qualifying expenditures;
- b. Qualifying payroll expenditures paid to resident and nonresident below-the-line production crew; and

- c. Qualifying payroll expenditures paid to resident and nonresident above-the-line production crew not to exceed one million dollars (\$1,000,000) in payroll expenditures per employee.
2. a. To the extent the approved company films or produces a motion picture or entertainment production in part in an enhanced incentive county and in part a Kentucky county that is not an enhanced incentive county, the approved company shall be eligible to receive the incentives provided in this paragraph for those expenditures incurred in the enhanced incentive county and all other expenditures shall be subject to the incentives provided in paragraph (c) of this subsection.
- b. The approved company shall track the requisite expenditures by county. If the approved company can demonstrate to the satisfaction of the cabinet that it is not practical to use a separate accounting method to determine the expenditures by county, the approved company shall determine the correct expenditures by county using an alternative method approved by the cabinet.
- (c) For a motion picture or entertainment production filmed or produced in whole or in part in any Kentucky county other than in an enhanced incentive county, the amount of the incentive shall **be equal to** ~~not exceed~~:
1. Thirty percent (30%)~~Twenty percent (20%)~~ of the approved company's:
 - a. Qualifying expenditures;
 - b. ~~2. Twenty percent (20%) of the approved company's~~
Qualifying payroll expenditures paid to below-the-line production crew that are not residents; and
 - c. ~~3. Twenty percent (20%) of the approved company's~~

Qualifying payroll expenditures paid to above-the-line production crew **that are not residents**, not to exceed **one million dollars (\$1,000,000)**~~one hundred thousand dollars (\$100,000)~~ in payroll expenditures per employee; **and**

2. Thirty-five percent (35%) of the approved company's:

a. Qualifying payroll expenditures paid to resident below-the-line production crew; and

b. Qualifying payroll expenditures paid to resident above-the-line production crew not to exceed one million dollars (\$1,000,000) in payroll expenditures per employee.

~~(d)~~~~(b)~~ The Tourism Development Finance Authority may accept applications, authorize the execution of tax incentive agreements, and enter into tax incentive agreements beginning on June 26, 2009; however, no credit amount shall be claimed by the taxpayer as a refund or paid by the Department of Revenue prior to July 1, 2010.

➔Section 3. KRS 148.546 is amended to read as follows:

- (1) An eligible company shall, at least thirty (30) days prior to incurring any expenditure for which recovery will be sought, file an application for tax incentives with the office. The application shall include:
- (a) The name and address of the applicant;
 - (b) **Verification that the applicant is a Kentucky-based company;**
 - (c) The production script or a detailed synopsis of the script;
 - ~~(d)~~~~(e)~~ **The locations where the filming or production will occur;**
 - (e) The anticipated date on which filming or production shall begin;
 - ~~(f)~~~~(d)~~ The anticipated date on which the production will be completed;
 - ~~(g)~~~~(e)~~ The total anticipated qualifying expenditures;
 - ~~(h)~~~~(f)~~ The total anticipated qualifying payroll expenditures for **resident and**

nonresident above-the-line crew **by county**;

~~(i)(g)~~ The total anticipated qualifying payroll expenditures for **resident and nonresident** below-the-line crew **by county**;

~~(j)(h)~~ The address of a Kentucky location at which records of the production will be kept;

~~(k)(i)~~ An affirmation that if not for the incentive offered under KRS 148.542 to 148.546, the eligible company would not film or produce the production in the Commonwealth; and

~~(l)(j)~~ Any other information the office may require.

- (2) The office shall notify the eligible company within thirty (30) days after receiving the application of its status.
- (3)
 - (a) Upon review of the application and any additional information submitted, the office shall present the application and its recommendation to the Tourism Development Finance Authority established by KRS 148.850 which may, by resolution, authorize the execution of a tax incentive agreement between the Tourism Development Finance Authority and the approved company.
 - (b)
 1. The total amount of tax credits authorized by the Tourism Development Finance Authority during fiscal year 2010-2011 shall not exceed five million dollars (\$5,000,000).
 2. The total amount of tax credits authorized by the Tourism Development Finance Authority during the fiscal year 2011-2012 shall not exceed seven million five hundred thousand dollars (\$7,500,000).
- (4) The tax incentive agreement shall include the following provisions:
 - (a) The duties and responsibilities of the parties;
 - (b) A detailed description of the motion picture or entertainment production for which incentives are requested;
 - (c) The anticipated qualifying expenditures and qualifying payroll expenditures

for resident and nonresident~~[both]~~ above-the-line and below-the-line crews by county;

- (d) The minimum combined total of qualifying expenditures and qualifying payroll expenditures necessary for the approved company to qualify for incentives;
- (e) That the approved company shall have no more than two (2) years from the date the tax incentive agreement is executed to start the motion picture or entertainment production;
- (f) That the approved company shall have no more than four (4) years from the execution of the tax incentive agreement to complete the motion picture or entertainment production;
- (g) That the motion picture or entertainment production shall not include obscene materials and shall not negatively impact the economy or the tourism industry of the Commonwealth;
- (h) That the execution of the agreement is not a guarantee of tax incentives and that actual receipt of the incentives shall be contingent upon the approved company meeting the requirements established by the tax incentive agreement;
- (i) That the approved company shall submit to the office within one hundred eighty (180) days of the completion of the motion picture or entertainment production a detailed cost report of the qualifying expenditures, qualifying payroll expenditures, and final script;
- (j) That the approved company shall provide the office with documentation that the approved company has withheld income tax as required by KRS 141.310 on all qualified payroll expenditures for which an incentive under KRS 141.383 and 148.544 is sought;
- (k) That, if the office determines that the approved company has failed to comply

with any of its obligations under the tax incentive agreement:

1. The office may deny the incentives available to the approved company;
 2. Both the office and the cabinet may pursue any remedy provided under the tax incentive agreement;
 3. The office may terminate the tax incentive agreement; and
 4. Both the office and the cabinet may pursue any other remedy at law to which it may be entitled;
- (l) That the office shall monitor the tax incentive agreement;
- (m) That the approved company shall provide to the office and the cabinet all information necessary to monitor the tax incentive agreement;
- (n) That the office may share information with the cabinet or any other entity the office determines is necessary for the purposes of monitoring and enforcing the terms of the tax incentive agreement;
- (o) That the motion picture or entertainment production shall contain an acknowledgment that the motion picture or entertainment production was produced or filmed~~[or the touring show was produced]~~ in the Commonwealth of Kentucky;
- (p) *That the approved company shall include screen credits in its final production that:*
- 1. Indicate that the approved company received tax incentives from the Commonwealth of Kentucky; and*
 - 2. Display the "Unbridled Spirit" logo;*
- (q) Terms of default;
- ~~(r)(e)~~ The method and procedures by which the approved company shall request and receive the incentive provided under KRS 141.383 and 148.544;
- ~~(s)(r)~~ That the approved company may be required to pay an administrative fee as authorized under subsection (5) of this section; and

- ~~(t)~~~~(s)~~ Any other provisions deemed necessary or appropriate by the parties to the tax incentive agreement.
- (5) The office may require the approved company to pay an administrative fee, the amount of which shall be established by administrative regulation promulgated in accordance with KRS Chapter 13A. The administrative fee shall not exceed one-half of one percent (0.5%) of the estimated amount of tax incentive sought or five hundred dollars (\$500), whichever is greater.
- (6) Prior to commencement of activity as provided in a tax incentive agreement, the tax incentive agreement shall be submitted to the Government Contract Review Committee established by KRS 45A.705 for review, as provided in KRS 45A.695, 45A.705, and 45A.725.
- (7) The office shall notify the cabinet upon approval of an approved company. The notification shall include the name of the approved company, the name of the motion picture or entertainment production, the estimated amount of qualifying expenditures, the estimated date on which the approved company will complete filming or production, and any other information required by the cabinet.
- (8) Within one hundred eighty days (180) days of completion of the motion picture or entertainment production, the approved company shall submit to the office a detailed cost report of:
- (a) Qualifying expenditures;
 - (b) Qualifying payroll expenditures for ***resident and nonresident*** above-the-line crew ***by county***;
 - (c) Qualifying payroll expenditures for ***resident and nonresident*** below-the-line crew ***by county***; and
 - (d) The final script.
- (9) (a) The office, together with the secretary, shall review all information submitted for accuracy and shall confirm that all relevant provisions of the tax incentive

agreement have been met.

- (b) Upon confirmation that all requirements of the tax incentive agreement have been met, the office, and the secretary shall review the final script, and if they determine that the motion picture or entertainment production does not:
 - 1. Contain visual or implied scenes that are obscene; or
 - 2. Negatively impact the economy or the tourism industry of the Commonwealth;

the office shall forward the detailed cost report to the cabinet for calculation of the refundable credit.

- (10) The cabinet shall verify that the approved company withheld the proper amount of income tax on qualifying payroll expenditures, and the cabinet shall notify the office of the total amount of refundable credit available on qualifying expenditures and qualifying payroll expenditures.
- (11) On or before October 1, 2010, and on or before each October 1 thereafter, for the immediately preceding fiscal year, the office shall report to the Tourism Development Finance Authority:
 - (a) The number of tax incentive agreements that have been executed;
 - (b) The estimated amount of tax incentives that have been requested under KRS 141.383 and 148.542 to 148.546; and
 - (c) The amount of tax incentives approved under KRS 139.538, 141.383, and 148.542 to 148.546.
- (12) (a) By November 1 of each year, the authority shall file an annual report with the Governor and the Legislative Research Commission. The report shall be submitted in cooperation with the Cabinet for Economic Development and included in the single annual report required in KRS 154.12-2035. The report shall also be available on the Tourism, Arts and Heritage Cabinet's Web site.
- (b) The report shall include information for all motion picture or entertainment

production projects approved.

- (c) The report shall include the following information:
1. For each approved motion picture or entertainment production project:
 - a. The name of the approved company and a brief description of the project;
 - b. The amount of approved costs included in the agreement; and
 - c. The total amount recovered under the tax incentive agreement;
 2. The number of applications for projects submitted during the prior fiscal year;
 3. The number of projects finally approved during the prior fiscal year; and
 4. The total dollar amount approved for recovery for all projects approved during the prior fiscal year, and cumulatively under KRS 141.383 and 148.542 to 148.546 since its inception, by year of approval.
- (d) The information required to be reported under this section 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.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Apparently wholesome food" means prepared food that meets all quality and labeling standards imposed by federal, state, and local laws and regulations even though the food may not be readily marketable due to appearance, age, freshness, grade, size, surplus, or other conditions;

(b) "Prepared food" means:

- 1. Food which is cooked or heated by the qualifying taxpayer;**
- 2. Two (2) or more ingredients mixed together to be eaten as a single**

item; or

3. Any ingredients supplied for ingestion or chewing by humans that are consumed for their taste or nutritional value;

(c) "Qualifying taxpayer" means any restaurant making a donation of apparently wholesome food in Kentucky; and

(d) "Restaurant" means any facility:

1. Which is operated for profit;

2. Where the usual and customary business is the serving of meals to consumers;

3. Which has a kitchen within the facility; and

4. Which receives at least seventy percent (70%) of its gross receipts from the sale of prepared food and beverages.

(2) For taxable years beginning on or after January 1, 2015, but before January 1, 2019, there shall be a refundable, but nontransferable, apparently wholesome food tax credit allowed against the tax imposed by KRS 141.020 or 141.040 and 141.0401, with the ordering of the credit as provided by Section 5 of this Act, for each qualifying taxpayer in an amount equal to twenty percent (20%) of the fair market value of apparently wholesome food donated in Kentucky.

(3) If the qualifying taxpayer claims the tax credit provided by subsection (2) of this section, the qualifying taxpayer shall only be allowed a charitable deduction on the Kentucky income tax return equal to eighty percent (80%) of the allowable federal charitable contribution deduction claimed related to the apparently wholesome food.

(4) If the taxpayer is a pass-through entity not subject to the tax under KRS 141.040, the amount of approved credit shall be applied against the tax imposed by KRS 141.0401 at the entity level, and shall also be distributed to each partner, member, or shareholder based on the partner's, member's, or shareholder's distributive

share of the income of the pass-through entity.

→Section 5. KRS 141.0205 is amended to read as follows:

If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of the credits shall be determined as follows:

- (1) The nonrefundable business incentive credits against the tax imposed by KRS 141.020 shall be taken in the following order:
 - (a) 1. For taxable years beginning after December 31, 2004, and before January 1, 2007, the corporation income tax credit permitted by KRS 141.420(3)(a);
 2. For taxable years beginning after December 31, 2006, the limited liability entity tax credit permitted by KRS 141.0401;
 - (b) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.400, 141.401, 141.402, 141.403, 141.407, 141.415, 154.12-2088, and 154.27-080;
 - (c) The qualified farming operation credit permitted by KRS 141.412;
 - (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
 - (e) The health insurance credit permitted by KRS 141.062;
 - (f) The tax paid to other states credit permitted by KRS 141.070;
 - (g) The credit for hiring the unemployed permitted by KRS 141.065;
 - (h) The recycling or composting equipment credit permitted by KRS 141.390;
 - (i) The tax credit for cash contributions in investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
 - (j) The coal incentive credit permitted under KRS 141.0405;
 - (k) The research facilities credit permitted under KRS 141.395;
 - (l) The employer GED incentive credit permitted under KRS 164.0062;

- (m) The voluntary environmental remediation credit permitted by KRS 141.418;
 - (n) The biodiesel and renewable diesel credit permitted by KRS 141.423;
 - (o) The environmental stewardship credit permitted by KRS 154.48-025;
 - (p) The clean coal incentive credit permitted by KRS 141.428;
 - (q) The ethanol credit permitted by KRS 141.4242;
 - (r) The cellulosic ethanol credit permitted by KRS 141.4244;
 - (s) The energy efficiency credits permitted by KRS 141.436;
 - (t) The railroad maintenance and improvement credit permitted by KRS 141.385;
 - (u) The Endow Kentucky credit permitted by KRS 141.438;
 - (v) The New Markets Development Program credit permitted by KRS 141.434;
 - (w) The food donation credit permitted by KRS 141.392;
 - (x) The distilled spirits credit permitted by KRS 141.389; and
 - (y) The angel investor credit permitted by KRS 141.396.
- (2) After the application of the nonrefundable credits in subsection (1) of this section, the nonrefundable personal tax credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual credits permitted by KRS 141.020(3);
 - (b) The credit permitted by KRS 141.066;
 - (c) The tuition credit permitted by KRS 141.069;
 - (d) The household and dependent care credit permitted by KRS 141.067; and
 - (e) The new home credit permitted by KRS 141.388.
- (3) After the application of the nonrefundable credits provided for in subsection (2) of this section, the refundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual withholding tax credit permitted by KRS 141.350;
 - (b) The individual estimated tax payment credit permitted by KRS 141.305;
 - (c) For taxable years beginning after December 31, 2004, and before January 1,

- 2007, the corporation income tax credit permitted by KRS 141.420(3)(c);
- (d) The certified rehabilitation credit permitted by KRS 171.3961 and 171.397(1)(b); ~~and~~
- (e) The film industry tax credit permitted~~allowed~~ by KRS 141.383; and
- (f) *The apparently wholesome food tax credit permitted by Section 4 of this Act.***
- (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the tax imposed by KRS 141.040.
- (5) The following nonrefundable credits shall be applied against the sum of the tax imposed by KRS 141.040 after subtracting the credit provided for in subsection (4) of this section, and the tax imposed by KRS 141.0401 in the following order:
- (a) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.400, 141.401, 141.402, 141.403, 141.407, 141.415, 154.12-2088, and 154.27-080;
- (b) The qualified farming operation credit permitted by KRS 141.412;
- (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- (d) The health insurance credit permitted by KRS 141.062;
- (e) The unemployment credit permitted by KRS 141.065;
- (f) The recycling or composting equipment credit permitted by KRS 141.390;
- (g) The coal conversion credit permitted by KRS 141.041;
- (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods ending prior to January 1, 2008;
- (i) The tax credit for cash contributions to investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
- (j) The coal incentive credit permitted under KRS 141.0405;
- (k) The research facilities credit permitted under KRS 141.395;
- (l) The employer GED incentive credit permitted under KRS 164.0062;

- (m) The voluntary environmental remediation credit permitted by KRS 141.418;
 - (n) The biodiesel and renewable diesel credit permitted by KRS 141.423;
 - (o) The environmental stewardship credit permitted by KRS 154.48-025;
 - (p) The clean coal incentive credit permitted by KRS 141.428;
 - (q) The ethanol credit permitted by KRS 141.4242;
 - (r) The cellulosic ethanol credit permitted by KRS 141.4244;
 - (s) The energy efficiency credits permitted by KRS 141.436;
 - (t) The ENERGY STAR home or ENERGY STAR manufactured home credit permitted by KRS 141.437;
 - (u) The railroad maintenance and improvement credit permitted by KRS 141.385;
 - (v) The railroad expansion credit permitted by KRS 141.386;
 - (w) The Endow Kentucky credit permitted by KRS 141.438;
 - (x) The New Markets Development Program credit permitted by KRS 141.434;
 - (y) The food donation credit permitted by KRS 141.392; and
 - (z) The distilled spirits credit permitted by KRS 141.389.
- (6) After the application of the nonrefundable credits in subsection (5) of this section, the refundable credits shall be taken in the following order:
- (a) The corporation estimated tax payment credit permitted by KRS 141.044;
 - (b) The certified rehabilitation credit permitted by KRS 171.3961 and 171.397(1)(b);~~and~~
 - (c) The film industry tax credit permitted~~allowed~~ in KRS 141.383; and
 - (d) The apparently wholesome food tax credit permitted by Section 4 of this Act.**

➔Section 6. Sections 1 to 3 of this Act apply to taxable periods beginning on or after January 1, 2015.