

AN ACT relating to tax increment financing.

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

➔Section 1. KRS 154.30-090 is amended to read as follows:

- (1) (a) Any agency that enters into a tax incentive agreement for the release of incremental revenues shall, after each calendar year~~[-]~~ in which a tax incentive agreement is in effect, notify the authority that incremental revenues are due, and in consultation with the authority, the agency shall determine the amount of the incremental revenues due from the Commonwealth.
- (b) 1. The agency shall present to the authority the total increment due from the Commonwealth. The authority and the department shall, within sixty (60) days of receipt of all required forms, reports, and information, review and verify the information submitted by the agency, and shall certify to the agency in writing the verified amount. If the amount of the increment verified by the authority and the department differs from the amount submitted by the agency, the written verification shall identify the differences and shall state the reasons the increment due as presented by the agency was revised.
2. If the amount of the increment verified by the authority and the department differs from the amount submitted by the agency, the agency shall have thirty (30) days from receipt of the certification and verification to present additional forms, reports, and information to the authority in support of the increment amount determined by the agency. The authority and the department shall review all additional forms, reports, and information submitted by the agency and shall make a final determination and certification of the increment due within thirty (30) days of the receipt of additional information from the agency.

**3. If the authority or department contacts taxpayers in the development area as part of the verification and certification process, the authority or department shall, prior to making such contact, notify the agency in writing that the contact will occur. The notification shall include the name of the taxpayer, and the purpose of the contact.**

**(c) On or before September 1, 2015, the authority shall, in consultation with the department, promulgate an administrative regulation under KRS Chapter 13A identifying all forms, reports, and information that an agency shall submit as part of the increment notification process. The administrative regulation promulgated pursuant to this paragraph shall apply beginning January 1, 2016.**

- (2) Upon **final** certification of the total incremental revenues due from the Commonwealth~~[by the authority]~~, the department~~[of Revenue]~~ shall transfer the incremental revenues to a tax increment financing account established and administered by the Finance and Administration Cabinet for payment of the Commonwealth's portion of the incremental revenues. Prior to disbursement by the Finance and Administration Cabinet of the funds from the tax increment financing account, the authority shall notify the Finance and Administration Cabinet that the agency is in compliance with the terms of the tax incentive agreement. Upon notification, the Finance and Administration Cabinet shall release to the agency the Commonwealth's portion of the total incremental revenues due under the tax incentive agreement.
- (3) The department~~[of Revenue]~~ shall have no obligation to refund or otherwise return any of the incremental revenues to the taxpayer from whom the incremental revenues arose or are attributable. Further, no additional incremental revenues resulting from audit, amended returns, or other activity for any period shall be transferred to the tax increment financing account after the initial release to the

agency of the Commonwealth's increment for that period.