

1 AN ACT relating to an accessible home income tax credit.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Accessible home" means a newly constructed, not previously inhabited,
7 single-family residence located in the Commonwealth that is built in
8 accordance with:

9 1. All applicable provisions of Kentucky building and residential
10 construction codes and standards adopted by the locality in which the
11 residence is built;

12 2. Consideration to universal design and visitability standards; and

13 3. The inclusion of:

14 a. At least one (1) main floor bedroom and accessible bathroom;

15 b. Hallways and passageways with a width of at least thirty-six (36)
16 inches;

17 c. Doors with a clear opening width of at least thirty-two (32)
18 inches;

19 d. Accessible light switches, electrical outlets, and climate controls;

20 e. At least one (1) zero-step entrance; and

21 f. Lowered kitchen counters and sinks; and

22 (b) "Eligible taxpayer" means any individual or business entity that constructs
23 one (1) or more accessible homes in this state for the taxable year.

24 (2) For taxable years beginning on or after January 1, 2026, but before January 1,
25 2030, there shall be allowed a nonrefundable, nontransferable tax credit against
26 the tax imposed under KRS 141.020 or KRS. 141.040 and 141.0401 with the
27 ordering of the credit as provided in Section 2 of this Act.

1 (3) The tax credit shall:

2 (a) Be claimed for the taxable year in which the construction of the accessible
3 home is complete and ready for occupancy;

4 (b) Equal five percent (5%) of total construction costs incurred; and

5 (c) Not exceed five thousand dollars (\$5,000) per accessible home constructed.

6 (4) The construction costs used in the computation of this tax credit shall not:

7 (a) Be used in association with any other tax incentive allowed under this
8 chapter; or

9 (b) Include the costs associated with land acquisition.

10 (5) (a) An eligible taxpayer claiming the accessible home credit shall submit
11 verification of the credit:

12 1. With their tax return; or

13 2. On a separate date and method as prescribed by the department;

14 (b) The required documentation may include:

15 1. Copies of the blueprint, floor plan, or other construction detail
16 statement to verify each accessible home meets the qualifications
17 established in subsection (1) of this section;

18 2. Certificate of occupancy;

19 3. Building permits;

20 4. Receipts or invoices for construction costs; and

21 5. Any other supporting documentation to assist in the verification of the
22 tax credit.

23 (6) (a) The purpose of this tax credit is to promote the construction of accessible
24 housing in the Commonwealth and to provide the ability for older adults to
25 remain safely in their homes as they age.

26 (b) In order for the General Assembly to evaluate the purpose and the
27 effectiveness of the accessible home credit, the department shall submit the

1 following information to the Legislative Research Commission and the
2 Interim Joint Committee on Appropriations and Revenue on or before
3 November 1, 2027, and on or before each November 1 thereafter as long as
4 the credit may be claimed on a return:

5 1. The location of the taxpayer, by county, as reflected on the return filed
6 for the taxable year;

7 2. The amount of accessible home tax credit claimed by the taxpayer, by
8 county, for the taxable year;

9 3. The number of accessible homes constructed by the taxpayer, by
10 county, for the taxable year;

11 4. The total cumulative amount of all accessible home tax credits
12 claimed for the taxable year;

13 5. The total cumulative amount of all accessible homes constructed by all
14 taxpayers for the taxable year; and

15 6. a. In the case of all taxpayers other than corporations, based on
16 ranges of adjusted gross income of no larger than five thousand
17 dollars (\$5,000) for the taxable year, the total amount of
18 accessible home tax credit claimed and the total number of
19 returns claiming this tax credit for each income range.

20 b. In the case of all corporations, based on ranges of net income no
21 larger than fifty thousand dollars (\$50,000) for the taxable year
22 the total amount of tax credit claimed and the number of returns
23 claiming a tax credit for each income range.

24 (c) The information required to be reported under this section shall not be
25 considered confidential taxpayer information and shall not be subject to
26 KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes
27 prohibiting disclosure or reporting of information.

1 ➔Section 2. KRS 141.0205 is amended to read as follows:

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

5 (1) The nonrefundable business incentive credits against the tax imposed by KRS
6 141.020 shall be taken in the following order:

- 7 (a) The limited liability entity tax credit permitted by KRS 141.0401;
- 8 (b) The economic development credits computed under KRS 141.347, 141.381,
9 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
10 154.12-2088;
- 11 (c) The qualified farming operation credit permitted by KRS 141.412;
- 12 (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 13 (e) The health insurance credit permitted by KRS 141.062;
- 14 (f) The tax paid to other states credit permitted by KRS 141.070;
- 15 (g) The credit for hiring the unemployed permitted by KRS 141.065;
- 16 (h) The recycling or composting equipment credit permitted by KRS 141.390;
- 17 (i) The ~~tax~~ credit for cash contributions in investment funds permitted by KRS
18 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
19 154.20-258;
- 20 (j) The research facilities credit permitted by KRS 141.395;
- 21 (k) The employer High School Equivalency Diploma program incentive credit
22 permitted under KRS 151B.402;
- 23 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 24 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 25 (n) The clean coal incentive credit permitted by KRS 141.428;
- 26 (o) The ethanol credit permitted by KRS 141.4242;
- 27 (p) The cellulosic ethanol credit permitted by KRS 141.4244;

- 1 (q) The energy efficiency credits permitted by KRS 141.436;
- 2 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 3 (s) The Endow Kentucky credit permitted by KRS 141.438;
- 4 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 5 (u) The distilled spirits credit permitted by KRS 141.389;
- 6 (v) The angel investor credit permitted by KRS 141.396;
- 7 (w) The film industry credit permitted by KRS 141.383 for applications approved
- 8 on or after April 27, 2018, but before January 1, 2022;
- 9 (x) The inventory credit permitted by KRS 141.408;
- 10 (y) The renewable chemical production credit permitted by KRS 141.4231;~~and~~
- 11 (z) The qualified broadband investment ~~tax~~ credit permitted by KRS 141.391;

12 **and**

13 **(aa) The accessible home credit permitted by Section 1 of this Act;**

14 (2) After the application of the nonrefundable credits in subsection (1) of this section,

15 the nonrefundable personal tax credits against the tax imposed by KRS 141.020

16 shall be taken in the following order:

- 17 (a) The individual credits permitted by KRS 141.020(3);
- 18 (b) The credit permitted by KRS 141.066;
- 19 (c) The tuition credit permitted by KRS 141.069;
- 20 (d) The household and dependent care credit permitted by KRS 141.067;
- 21 (e) The income gap credit permitted by KRS 141.066; and
- 22 (f) The Education Opportunity Account Program ~~tax~~ credit permitted by KRS
- 23 141.522;

24 (3) After the application of the nonrefundable credits provided for in subsection (2) of

25 this section, the refundable credits against the tax imposed by KRS 141.020 shall be

26 taken in the following order:

- 27 (a) The individual withholding tax credit permitted by KRS 141.350;

- 1 (b) The individual estimated tax payment credit permitted by KRS 141.305;
- 2 (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
3 171.397(1)(b);
- 4 (d) The film industry ~~tax~~ credit permitted by KRS 141.383 for applications
5 approved prior to April 27, 2018, or on or after January 1, 2022;
- 6 (e) The development area ~~tax~~ credit permitted by KRS 141.398;
- 7 (f) The decontamination ~~tax~~ credit permitted by KRS 141.419; and
- 8 (g) The pass-through entity tax credit permitted by KRS 141.209;
- 9 (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the
10 tax imposed by KRS 141.040;
- 11 (5) The following nonrefundable credits shall be applied against the sum of the tax
12 imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)
13 of this section, and the tax imposed by KRS 141.0401 in the following order:
- 14 (a) The economic development credits computed under KRS 141.347, 141.381,
15 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
16 154.12-2088;
- 17 (b) The qualified farming operation credit permitted by KRS 141.412;
- 18 (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 19 (d) The health insurance credit permitted by KRS 141.062;
- 20 (e) The unemployment credit permitted by KRS 141.065;
- 21 (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 22 (g) The coal conversion credit permitted by KRS 141.041;
- 23 (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods
24 ending prior to January 1, 2008;
- 25 (i) The ~~tax~~ credit for cash contributions to investment funds permitted by KRS
26 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
27 154.20-258;

- 1 (j) The research facilities credit permitted by KRS 141.395;
- 2 (k) The employer High School Equivalency Diploma program incentive credit
- 3 permitted by KRS 151B.402;
- 4 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 5 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 6 (n) The clean coal incentive credit permitted by KRS 141.428;
- 7 (o) The ethanol credit permitted by KRS 141.4242;
- 8 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 9 (q) The energy efficiency credits permitted by KRS 141.436;
- 10 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit
- 11 permitted by KRS 141.437;
- 12 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 13 (t) The railroad expansion credit permitted by KRS 141.386;
- 14 (u) The Endow Kentucky credit permitted by KRS 141.438;
- 15 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 16 (w) The distilled spirits credit permitted by KRS 141.389;
- 17 (x) The film industry credit permitted by KRS 141.383 for applications approved
- 18 on or after April 27, 2018, but before January 1, 2022;
- 19 (y) The inventory credit permitted by KRS 141.408;
- 20 (z) The renewable chemical production ~~tax~~ credit permitted by KRS 141.4231;
- 21 (aa) The Education Opportunity Account Program ~~tax~~ credit permitted by KRS
- 22 141.522;~~and~~
- 23 (ab) The qualified broadband investment ~~tax~~ credit permitted by KRS 141.391;
- 24 and
- 25 **(ac) The accessible home credit permitted by Section 1 of this Act; and**
- 26 (6) After the application of the nonrefundable credits in subsection (5) of this section,
- 27 the refundable credits shall be taken in the following order:

- 1 (a) The corporation estimated tax payment credit permitted by KRS 141.044;
- 2 (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
3 171.397(1)(b);
- 4 (c) The film industry ~~tax~~ credit permitted by KRS 141.383 for applications
5 approved prior to April 27, 2018, or on or after January 1, 2022;
- 6 (d) The decontamination ~~tax~~ credit permitted by KRS 141.419; and
- 7 (e) The pass-through entity tax credit permitted by KRS 141.209.

8 ➔Section 3. KRS 131.190 is amended to read as follows:

- 9 (1) No present or former commissioner or employee of the department, present or
10 former member of a county board of assessment appeals, present or former property
11 valuation administrator or employee, present or former secretary or employee of the
12 Finance and Administration Cabinet, former secretary or employee of the Revenue
13 Cabinet, or any other person, shall intentionally and without authorization inspect
14 or divulge any information acquired by him or her of the affairs of any person, or
15 information regarding the tax schedules, returns, or reports required to be filed with
16 the department or other proper officer, or any information produced by a hearing or
17 investigation, insofar as the information may have to do with the affairs of the
18 person's business.
- 19 (2) The prohibition established by subsection (1) of this section shall not extend to:
 - 20 (a) Information required in prosecutions for making false reports or returns of
21 property for taxation, or any other infraction of the tax laws;
 - 22 (b) Any matter properly entered upon any assessment record, or in any way made
23 a matter of public record;
 - 24 (c) Furnishing any taxpayer or his or her properly authorized agent with
25 information respecting his or her own return;
 - 26 (d) Testimony provided by the commissioner or any employee of the department
27 in any court, or the introduction as evidence of returns or reports filed with the

- 1 department, in an action for violation of state or federal tax laws or in any
2 action challenging state or federal tax laws;
- 3 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
4 energy resources assessed under KRS 132.820, or owners of surface land
5 under which the unmined minerals lie, factual information about the owner's
6 property derived from third-party returns filed for that owner's property, under
7 the provisions of KRS 132.820, that is used to determine the owner's
8 assessment. This information shall be provided to the owner on a confidential
9 basis, and the owner shall be subject to the penalties provided in KRS
10 131.990(2). The third-party filer shall be given prior notice of any disclosure
11 of information to the owner that was provided by the third-party filer;
- 12 (f) Providing to a third-party purchaser pursuant to an order entered in a
13 foreclosure action filed in a court of competent jurisdiction, factual
14 information related to the owner or lessee of coal, oil, gas reserves, or any
15 other mineral resources assessed under KRS 132.820. The department may
16 promulgate an administrative regulation establishing a fee schedule for the
17 provision of the information described in this paragraph. Any fee imposed
18 shall not exceed the greater of the actual cost of providing the information or
19 ten dollars (\$10);
- 20 (g) Providing information to a licensing agency, the Transportation Cabinet, or
21 the Kentucky Supreme Court under KRS 131.1817;
- 22 (h) Statistics of gasoline and special fuels gallonage reported to the department
23 under KRS 138.210 to 138.448;
- 24 (i) Providing any utility gross receipts license tax return information that is
25 necessary to administer the provisions of KRS 160.613 to 160.617 to
26 applicable school districts on a confidential basis;
- 27 (j) Providing documents, data, or other information to a third party pursuant to an

- 1 order issued by a court of competent jurisdiction;
- 2 (k) Publishing administrative writings on its official website in accordance with
- 3 KRS 131.020(1)(b); or
- 4 (l) Providing information to the Legislative Research Commission under:
- 5 1. KRS 139.519 for purposes of the sales and use tax refund on building
- 6 materials used for disaster recovery;
- 7 2. KRS 141.436 for purposes of the energy efficiency products credits;
- 8 3. KRS 141.437 for purposes of the ENERGY STAR home and the
- 9 ENERGY STAR manufactured home credits;
- 10 4. KRS 141.383 for purposes of the film industry incentives;
- 11 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
- 12 credit~~[tax credits]~~ and the job assessment fees;
- 13 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 14 7. KRS 141.396 for purposes of the angel investor ~~[tax]~~credit;
- 15 8. KRS 141.389 for purposes of the distilled spirits credit;
- 16 9. KRS 141.408 for purposes of the inventory credit;
- 17 10. KRS 141.390 for purposes of the recycling and composting
- 18 credits~~[credit]~~;
- 19 11. KRS 141.3841 for purposes of the selling farmer ~~[tax]~~credit;
- 20 12. KRS 141.4231 for purposes of the renewable chemical production ~~[tax]~~
- 21 ~~]credit;~~
- 22 13. KRS 141.524 for purposes of the Education Opportunity Account
- 23 Program ~~[tax]~~credit;
- 24 14. KRS 141.398 for purposes of the development area ~~[tax]~~credit;
- 25 15. KRS 139.516 for ~~[the]~~purposes of the sales and use tax exemptions
- 26 for~~[exemption on]~~ the commercial mining of cryptocurrency;
- 27 16. KRS 141.419 for purposes of the decontamination ~~[tax]~~credit;

1 17. KRS 141.391 for purposes of the qualified broadband investment ~~tax~~
2 ~~credit;~~~~and~~

3 18. KRS 139.499 for purposes of the sales and use tax
4 exemptions~~exemption~~ for a qualified data center project; and

5 **19. Section 1 of this Act for purposes of the accessible home credit.**

6 (3) The commissioner shall make available any information for official use only and on
7 a confidential basis to the proper officer, agency, board or commission of this state,
8 any Kentucky county, any Kentucky city, any other state, or the federal
9 government, under reciprocal agreements whereby the department shall receive
10 similar or useful information in return.

11 (4) Access to and inspection of information received from the Internal Revenue Service
12 is for department use only, and is restricted to tax administration purposes.
13 Information received from the Internal Revenue Service shall not be made available
14 to any other agency of state government, or any county, city, or other state, and
15 shall not be inspected intentionally and without authorization by any present
16 secretary or employee of the Finance and Administration Cabinet, commissioner or
17 employee of the department, or any other person.

18 (5) Statistics of crude oil as reported to the department under the crude oil excise tax
19 requirements of KRS Chapter 137 and statistics of natural gas production as
20 reported to the department under the natural resources severance tax requirements
21 of KRS Chapter 143A may be made public by the department by release to the
22 Energy and Environment Cabinet, Department for Natural Resources.

23 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
24 submissions for the 1989 tax year, the department may make public or divulge only
25 those portions of mine maps submitted by taxpayers to the department pursuant to
26 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
27 out parcel areas. These electronic maps shall not be relied upon to determine actual

1 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
2 required under KRS Chapters 350 and 352 shall not be construed to constitute land
3 surveying or boundary surveys as defined by KRS 322.010 and any administrative
4 regulations promulgated thereto.