

1 AN ACT relating to housing, making an appropriation therefor, and declaring an  
2 emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO  
5 READ AS FOLLOWS:

6 (1) As used in this section:

7 (a) "Eligible activity" means providing construction loans for development or  
8 rehabilitation of multifamily and single-family housing for individuals or  
9 families with a family income equal to or less than one hundred percent  
10 (100%) of the area median income; and

11 (b) "Eligible entity" means any of the following:

12 1. A unit of local government;

13 2. A local government housing authority;

14 3. Any regional or statewide housing assistance organization; or

15 4. Any organization duly organized and validly existing as a corporation  
16 under the laws of the Commonwealth, any other state, or the United  
17 States whose purpose includes the development, construction,  
18 rehabilitation, or acquisition of housing.

19 (2) There is hereby established in the State Treasury a revolving account to be known  
20 as the affordable housing loan pool fund. This fund shall be administered by the  
21 corporation. The fund shall consist of moneys received from state appropriations,  
22 gifts, grants, federal funds, and all loan repayments, interest, or other return on  
23 the investment of fund moneys under this section.

24 (3) Notwithstanding KRS 45.229, any moneys remaining in the fund at the close of  
25 the fiscal year shall not lapse but shall be carried forward into the succeeding  
26 fiscal year to be used for the purposes set forth in this section.

27 (4) The corporation shall make loans from the fund to eligible entities to carry out

1 eligible activities, with the following loan terms:

2 (a) A loan shall be for a term of no longer than forty-eight (48) months; and

3 (b) Interest rates shall not be greater than fifty percent (50%) of the prime rate  
4 at the time the loan is originated. However, at no time may the interest rate  
5 for a loan originated by the fund be lower than one and one-half percent  
6 (1.5%).

7 (5) Housing units funded under this section shall be deed restricted for a minimum  
8 of fifteen (15) years as follows:

9 (a) All units shall maintain the same demographic restrictions on residents as  
10 required by this section for initial selection; and

11 (b) Amendments to deed restrictions may be granted by the corporation on a  
12 case-by-case basis.

13 (6) All loan repayments, interest, or other return on the investment of fund moneys  
14 shall be deposited in the fund and used for eligible activities in accordance with  
15 this section.

16 (7) The corporation shall:

17 (a) Issue a public notice to eligible entities of the availability of moneys from  
18 the fund at least once per calendar year and provide a reasonable  
19 opportunity for the filing of loan applications, provided sufficient funds are  
20 available;

21 (b) Approve or deny properly submitted and completed loan applications within  
22 one hundred eighty (180) days of receipt;

23 (c) Approve as many loan applications as will effectively use available moneys  
24 in the fund;

25 (d) Approve or deny loan applications by ranking the applications competitively  
26 using criteria established by the corporation with public and stakeholder  
27 feedback; and

1        (e) Require at least an established percentage of all moneys in the fund to be  
2        used for housing in rural areas of the Commonwealth, as defined by the  
3        corporation through an administrative regulation promulgated in  
4        accordance with KRS Chapter 13A.

5        (8) A person or entity shall not discriminate in the sale or rental, or otherwise  
6        making available or denying, a housing unit funded under this section to any  
7        buyer or renter because of race, religion, sex, familial status, disability, or  
8        national origin.

9        (9) The corporation may retain up to ten percent (10%) of the active project funds to  
10       cover the administrative and compliance-related costs of this fund.

11       ➔Section 2. KRS 198A.080 is amended to read as follows:

12       (1) There is hereby created and established a loan fund to be known as the housing  
13       development fund and to be administered by the corporation as a trust fund separate  
14       and distinct from all other moneys, funds, or assets administered by the corporation.

15       (2) (a) The housing development fund shall be comprised of and the corporation is  
16       hereby authorized to receive and accept for the housing development fund the  
17       proceeds of grants, contributions, appropriations, repayment of loans made  
18       from the fund, the proceeds of fund notes, and any other moneys which may  
19       be made available to the corporation for the purposes of the housing  
20       development fund from any other source.

21       (b) The corporation is hereby authorized to receive and accept from any source  
22       whatever any grants or contributions for the housing development fund.

23       (c) 1. The corporation is authorized to provide for the issuance, at one (1) time  
24       or from time to time, of housing development fund notes for the purpose  
25       of providing funds for such fund; provided, however, that not more than  
26       \$5,000,000 fund notes or other borrowings shall be outstanding at any  
27       one (1) time.

- 1           2.   The principal of and the interest on any such fund notes shall be payable  
2                   solely from the housing development fund.
- 3           3.   The fund notes of each issue shall be dated, shall mature at such time or  
4                   times not exceeding ten (10) years from their date or dates, and may be  
5                   made redeemable before maturity, at the option of the corporation, at  
6                   such price or prices and under such terms and conditions as may be  
7                   determined by the corporation.
- 8           4.   The corporation shall determine the form and manner of execution of  
9                   the fund notes, including any interest coupons to be attached thereto,  
10                  and shall fix the denomination or denominations and the place or places  
11                  of payment of principal and interest, which may be any bank or trust  
12                  company within or without the state or any agent, including the lender.
- 13          5.   In case any officer whose signature or a facsimile of whose signature  
14                  shall appear on any fund notes or coupons attached thereto shall cease to  
15                  be such officer before the delivery thereof, such signature or such  
16                  facsimile shall nevertheless be valid and sufficient for all purposes the  
17                  same as if he had remained in office until such delivery.
- 18          6.   The fund notes may be issued in coupon or in registered form, or both,  
19                  as the corporation may determine, and provision may be made for the  
20                  registration of any coupon fund notes as to principal alone and also as to  
21                  both principal and interest, and for the reconversion into coupon fund  
22                  notes of any fund notes registered as to both principal and interest, and  
23                  for the interchange of registered and coupon fund notes.
- 24          7.   Any such fund notes shall bear interest at such rate or rates as may be  
25                  determined by the corporation and may be sold in such manner, either at  
26                  public or private sale, and for such price as the corporation shall  
27                  determine to be for the best interest of the corporation and best

1                   effectuate the purposes of this chapter.

2       (3)   The proceeds of any fund notes shall be used solely for the purposes for which  
3           issued and shall be disbursed in such manner and under such restrictions, if any, as  
4           the corporation may provide in the resolution authorizing the issuance of such fund  
5           notes. The corporation may provide for the replacement of any fund notes which  
6           shall become mutilated or shall be destroyed or lost.

7       (4)   Fund notes may be issued under the provisions of this section without obtaining the  
8           consent of any department, division, commission, board, body, bureau, or agency of  
9           the state, and without any other proceedings or the happening of any conditions or  
10          things other than those proceedings, conditions, or things which are specifically  
11          required by this chapter and the provisions of the resolution authorizing the  
12          issuance of such fund notes.

13       (5)   The purpose of the housing development fund is to provide a source from which the  
14           corporation may make loans and grants, and the corporation is authorized to make  
15           loans and grants from the housing development fund, at such interest rate or rates  
16           and such term or terms as may be determined by the corporation to be for the best  
17           interest of the corporation and best effectuate the purpose of this chapter, and with  
18           such security for repayment as the corporation deems reasonably necessary and  
19           practicable, to:

20           (a)   Defray development costs of sponsors, builders, and developers of residential  
21           housing, or

22           (b)   Provide to persons and families of lower and moderate income who are  
23           applying for mortgages, either for purchase or rehabilitation of residential  
24           housing the amounts required to make down payments, pay closing costs, or  
25           make interest payments, or

26           (c)   Make or participate in the making of construction loans which are not  
27           federally insured to sponsors, builders, and developers of land development or

1 residential housing; provided, however, that such loans shall be made only  
2 upon the determination by the corporation that construction loans are not  
3 otherwise available, wholly or in part, from private lenders upon reasonably  
4 equivalent terms and conditions.

5 (6) No temporary loans shall be made by the corporation from the housing  
6 development fund except in accordance with a written agreement which shall  
7 include, without limitation, the following terms and conditions:

8 (a) The proceeds of such loan shall be used only for the purpose for which such  
9 loan shall have been made as provided in the agreement;

10 (b) Such loan shall be repaid in full as provided in the agreement;

11 (c) All repayments in connection with a loan to defray development costs shall be  
12 made concurrent with receipt by the borrower of the proceeds of a  
13 construction loan or mortgage loan, as the case may be, or at such other times  
14 as the corporation deems reasonably necessary or practicable; and

15 (d) Such security for repayment shall be specified and shall be upon such terms  
16 and conditions as the corporation deems reasonably necessary or practicable  
17 to ensure~~insure~~ all repayments.

18 (7) No funds from the housing development fund shall be used to carry on propaganda  
19 or otherwise attempt to influence legislation.

20 (8) (a) Notwithstanding other provisions of this section, the corporation may make  
21 loans secured by a mortgage from the housing development fund to enable a  
22 person~~[sixty-two (62) years of age or older]~~ who owns the home in which he  
23 or she resides, whose household income ~~[combined with his spouse]~~ does not  
24 exceed one hundred percent (100%) of the area median income~~[six~~  
25 ~~thousand dollars (\$6,000)]~~, and who meets any other reasonable standards  
26 established by the corporation to make repairs to his or her home, including  
27 but not limited to siding, weatherstripping, roofing, gutters, electrical wiring,

1 plumbing, and installation of sewers.

2 (b) The maximum principal amount of such loans shall not exceed twenty-five  
3 thousand dollars (\$25,000)~~[seven thousand dollars (\$7,000)]~~ and the  
4 maximum interest rate shall not exceed three percent (3%). All loans shall be  
5 repayable over a period of thirty (30) years. Upon the death of the borrowers  
6 prior to maturity, the unpaid balance shall be paid in full by the person to  
7 whom the house has passed by devise or descent~~[-~~

8 ~~(c) The corporation shall make loans under this section in an equal number in~~  
9 ~~each of the six (6) congressional districts].~~

10 (9) The corporation shall provide notice of the availability of moneys from the fund  
11 at least twice each calendar year to the general public through press releases,  
12 social media, and other affordable housing organizations.

13 (10) (a) The corporation shall provide technical and administrative assistance to  
14 applicants applying for assistance from the fund.

15 (b) The corporation may use fund moneys to provide technical and  
16 administrative assistance to applicants.

17 (c) Technical and administrative costs may not exceed ten percent (10%) of the  
18 loan funds appropriated for that fiscal year.

19 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 198A IS CREATED TO  
20 READ AS FOLLOWS:

21 (1) As used in this section:

22 (a) "Affordable housing credit" means the credit established in Section 4 of  
23 this Act;

24 (b) "Department" means the Department of Revenue;

25 (c) "Eligibility statement" means the certificate issued by the corporation  
26 indicating approval amount of the affordable housing credit;

27 (d) "Eligible taxpayer" means any taxpayer, corporation, pass-through entity,

1 partner, member, or shareholder that has ownership of the qualified low-  
2 income housing project and has been approved for the federal low-income  
3 housing tax credit for the construction or substantial rehabilitation of a  
4 qualified low-income housing project in this state;

5 (e) "Federal low-income housing tax credit" means the federal credit claimed  
6 in accordance with 26 U.S.C. sec. 42 and awarded by the corporation;

7 (f) "Qualified allocation plan" has the same meaning as in 26 U.S.C. sec. 42;  
8 and

9 (g) "Qualified low-income housing project" has the same meaning as in 26  
10 U.S.C. sec. 42.

11 (2) Beginning with applications received for federal low-income housing tax credit  
12 approval during calendar year 2027, the corporation shall also review and  
13 approve credit for the affordable housing credit.

14 (3) Approval for the affordable housing credit shall be:

15 (a) Awarded in the same manner as the federal low-income housing tax credit,  
16 in accordance with the corporation's qualified allocation plan and subject  
17 to the limits in subsection (5) of this section; and

18 (b) In an amount that shall be determined by the corporation on a project-  
19 specific basis for maximum utilization of available credit.

20 (4) Eligible taxpayers seeking approval of the affordable housing credit shall request  
21 the credit on a separate statement or form as prescribed by the corporation, and  
22 attach it to the federal low-income housing tax credit application.

23 (5) The affordable housing credit is limited to:

24 (a) Two million dollars (\$2,000,000) per eligible taxpayer; and

25 (b) An aggregate total of twenty million dollars (\$20,000,000) for all credits in  
26 each year for which the credit is available.

27 (6) The corporation shall notify taxpayers of the affordable housing credit approval



1 in the same manner as the federal low-income housing tax credit and provide an  
2 eligibility statement.

3 (7) The affordable housing credit is available for taxable years beginning on or after  
4 January 1, 2027, but before January 1, 2031. The corporation shall report to the  
5 department on or before December 1, 2028, and on or before each December 1  
6 thereafter as long as the Kentucky affordable housing credit is available, the  
7 following:

8 (a) The name of the qualified low-income housing project;

9 (b) The name and federal employer identification number of the eligible  
10 taxpayer; and

11 (c) The amount of affordable housing credit awarded.

12 (8) The corporation shall also report to the department, on an annual basis, any  
13 qualified low-income housing project that is no longer in compliance in  
14 accordance with the federal low-income housing tax credit guidelines established  
15 in 26 U.S.C. sec. 42, and include:

16 (a) The name of the qualified low-income housing project;

17 (b) The name and federal employer identification number of the eligible  
18 taxpayer;

19 (c) The amount of affordable housing credit subject to recapture which shall be  
20 based on the portion of federal low-income housing tax credit also subject  
21 to recapture; and

22 (d) The date for which the low-income housing project was found to be  
23 noncompliant.

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

26 (1) As used in this section:

27 (a) "Corporation" means the Kentucky Housing Corporation established in

1           KRS 198A.030;

2           (b) "Eligibility statement" has the same meaning as in Section 3 of this Act;

3           (c) "Eligible taxpayer" has the same meaning as in Section 3 of this Act;

4           (d) "Federal low-income housing tax credit" has the same meaning as in  
5           Section 3 of this Act; and

6           (e) "Qualified low-income housing project" has the same meaning as in 26  
7           U.S.C. sec. 42.

8   (2) (a) For taxable years beginning on or after January 1, 2027, but before  
9           January 1, 2031, there shall be allowed a nonrefundable, transferable  
10          affordable housing credit allowed against the tax imposed in KRS 141.020  
11          or 141.040 and 141.0401, with the ordering of the credit as provided in  
12          Section 5 of this Act.

13          (b) The credit shall be:

14                  1. Awarded by the corporation on a project specific basis;

15                  2. Subject to the limits in Section 3 of this Act;

16                  3. Claimed in the taxable year in which the qualified low-income  
17                  housing project is placed in service; and

18                  4. Available for carryforward for a period not to exceed ten (10)  
19                  consecutive years, after which any excess credit shall be lost.

20          (3) The affordable housing credit shall not be used in conjunction with any other  
21          credit established within this chapter for the construction or substantial  
22          rehabilitation of a qualified low-income housing project.

23          (4) If the eligible taxpayer is a pass-through entity, and the credit is not transferred  
24          in accordance with subsection (5) of this section, the credit shall be distributed to  
25          each partner, member, or shareholder in accordance with that partner's,  
26          member's, or shareholder's distributive share for the taxable year in which credit  
27          is awarded.

1 (5) At the option of the eligible taxpayer, all or a portion of the credit may be  
2 transferred or allocated to another party. The eligible taxpayer shall notify the  
3 department within thirty (30) days of the date of transfer and include:

4 (a) The name, address, and federal employer identification number of the party  
5 to which the credits are transferred;

6 (b) The amount of credit transferred; and

7 (c) Any additional information the department may require.

8 (6) If the federal low-income housing tax credit is recaptured, the same portion of  
9 the state affordable housing credit shall also be recaptured in accordance with  
10 Section 3 of this Act and repaid by the eligible taxpayer.

11 (7) The recapture of the affordable housing credit shall be paid for the taxable year  
12 in which the noncompliance occurred and shall be reflected as an increase in the  
13 eligible taxpayer's tax liability. Additional tax, interest, and penalties shall be  
14 assessed against the eligible taxpayer and not any transfer recipient.

15 (8) In order to verify the affordable housing credit, the department may:

16 (a) Require a copy of the eligibility statement; and

17 (b) Work with the corporation.

18 (9) The department may promulgate administrative regulations in accordance with  
19 KRS Chapter 13A to implement policies and procedures that assist with the  
20 administration of this credit.

21 (10) (a) By November 1 of each year in which an affordable housing credit is  
22 claimed, the department shall report to the Legislative Research  
23 Commission for referral to the Interim Joint Committee on Appropriations  
24 and Revenue:

25 1. The total number of returns claiming the affordable housing credit;

26 2. The location and name of each qualified low-income housing project;

27 3. The amount of credit claimed for each qualified low-income housing

1 project, by county location of the low-income housing project;

2 4. The total amount of credit claimed for each taxable year for each  
3 qualified housing project; and

4 5. a. In the case of taxpayers other than corporations, based on  
5 ranges of adjusted gross income of no larger than five thousand  
6 dollars (\$5,000) for the taxable year, the total amount of credits  
7 claimed and the number of returns claiming a credit for each  
8 adjusted gross income range; and

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

13 (b) The information required to be reported under this section shall not be  
14 considered confidential taxpayer information and shall not be subject to  
15 KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes  
16 prohibiting disclosure or reporting of information.

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

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

21 (1) The nonrefundable business incentive credits against the tax imposed by KRS  
22 141.020 shall be taken in the following order:

23 (a) The limited liability entity tax credit permitted by KRS 141.0401;

24 (b) The economic development credits computed under KRS 141.347, 141.381,  
25 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and  
26 154.12-2088;

27 (c) The qualified farming operation credit permitted by KRS 141.412;

- 1 (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 2 (e) The health insurance credit permitted by KRS 141.062;
- 3 (f) The tax paid to other states credit permitted by KRS 141.070;
- 4 (g) The credit for hiring the unemployed permitted by KRS 141.065;
- 5 (h) The recycling or composting equipment credit permitted by KRS 141.390;
- 6 (i) The ~~tax~~ credit for cash contributions in investment funds permitted by KRS
- 7 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
- 8 154.20-258;
- 9 (j) The research facilities credit permitted by KRS 141.395;
- 10 (k) The employer High School Equivalency Diploma program incentive credit
- 11 permitted under KRS 151B.402;
- 12 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 13 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 14 (n) The clean coal incentive credit permitted by KRS 141.428;
- 15 (o) The ethanol credit permitted by KRS 141.4242;
- 16 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 17 (q) The energy efficiency credits permitted by KRS 141.436;
- 18 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 19 (s) The Endow Kentucky credit permitted by KRS 141.438;
- 20 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 21 (u) The distilled spirits credit permitted by KRS 141.389;
- 22 (v) The angel investor credit permitted by KRS 141.396;
- 23 (w) The film industry credit permitted by KRS 141.383 for applications approved
- 24 on or after April 27, 2018, but before January 1, 2022;
- 25 (x) The inventory credit permitted by KRS 141.408;
- 26 (y) The renewable chemical production credit permitted by KRS 141.4231;~~and~~
- 27 (z) The qualified broadband investment tax credit permitted by KRS 141.391;

1                   and

2                   (aa) The affordable housing credit permitted by Section 4 of this Act;

3       (2) After the application of the nonrefundable credits in subsection (1) of this section,  
4       the nonrefundable personal tax credits against the tax imposed by KRS 141.020  
5       shall be taken in the following order:

- 6           (a) The individual credits permitted by KRS 141.020(3);  
7           (b) The credit permitted by KRS 141.066;  
8           (c) The tuition credit permitted by KRS 141.069;  
9           (d) The household and dependent care credit permitted by KRS 141.067;  
10          (e) The income gap credit permitted by KRS 141.066; and  
11          (f) The Education Opportunity Account Program ~~tax~~ credit permitted by KRS  
12             141.522;

13       (3) After the application of the nonrefundable credits provided for in subsection (2) of  
14       this section, the refundable credits against the tax imposed by KRS 141.020 shall be  
15       taken in the following order:

- 16           (a) The individual withholding tax credit permitted by KRS 141.350;  
17           (b) The individual estimated tax payment credit permitted by KRS 141.305;  
18           (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and  
19             171.397(1)(b);  
20           (d) The film industry ~~tax~~ credit permitted by KRS 141.383 for applications  
21             approved prior to April 27, 2018, or on or after January 1, 2022;  
22           (e) The development area ~~tax~~ credit permitted by KRS 141.398;  
23           (f) The decontamination ~~tax~~ credit permitted by KRS 141.419; and  
24           (g) The pass-through entity tax credit permitted by KRS 141.209;

25       (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the  
26       tax imposed by KRS 141.040;

27       (5) The following nonrefundable credits shall be applied against the sum of the tax

1 imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)  
2 of this section, and the tax imposed by KRS 141.0401 in the following order:

- 3 (a) The economic development credits computed under KRS 141.347, 141.381,  
4 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and  
5 154.12-2088;
- 6 (b) The qualified farming operation credit permitted by KRS 141.412;
- 7 (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 8 (d) The health insurance credit permitted by KRS 141.062;
- 9 (e) The unemployment credit permitted by KRS 141.065;
- 10 (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 11 (g) The coal conversion credit permitted by KRS 141.041;
- 12 (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods  
13 ending prior to January 1, 2008;
- 14 (i) The ~~tax~~ credit for cash contributions to investment funds permitted by KRS  
15 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS  
16 154.20-258;
- 17 (j) The research facilities credit permitted by KRS 141.395;
- 18 (k) The employer High School Equivalency Diploma program incentive credit  
19 permitted by KRS 151B.402;
- 20 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 21 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 22 (n) The clean coal incentive credit permitted by KRS 141.428;
- 23 (o) The ethanol credit permitted by KRS 141.4242;
- 24 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 25 (q) The energy efficiency credits permitted by KRS 141.436;
- 26 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit  
27 permitted by KRS 141.437;

- 1 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 2 (t) The railroad expansion credit permitted by KRS 141.386;
- 3 (u) The Endow Kentucky credit permitted by KRS 141.438;
- 4 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 5 (w) The distilled spirits credit permitted by KRS 141.389;
- 6 (x) The film industry credit permitted by KRS 141.383 for applications approved
- 7 on or after April 27, 2018, but before January 1, 2022;
- 8 (y) The inventory credit permitted by KRS 141.408;
- 9 (z) The renewable chemical production tax credit permitted by KRS 141.4231;
- 10 (aa) The Education Opportunity Account Program tax credit permitted by KRS
- 11 141.522;~~and~~
- 12 (ab) The qualified broadband investment ~~tax~~ credit permitted by KRS 141.391;
- 13 and
- 14 **(ac) The affordable housing credit permitted by Section 4 of this Act; and**
- 15 (6) After the application of the nonrefundable credits in subsection (5) of this section,
- 16 the refundable credits shall be taken in the following order:
- 17 (a) The corporation estimated tax payment credit permitted by KRS 141.044;
- 18 (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
- 19 171.397(1)(b);
- 20 (c) The film industry ~~tax~~ credit permitted by KRS 141.383 for applications
- 21 approved prior to April 27, 2018, or on or after January 1, 2022;
- 22 (d) The decontamination ~~tax~~ credit permitted by KRS 141.419; and
- 23 (e) The pass-through entity tax credit permitted by KRS 141.209.
- 24 ➔Section 6. KRS 131.190 is amended to read as follows:
- 25 (1) No present or former commissioner or employee of the department, present or
- 26 former member of a county board of assessment appeals, present or former property
- 27 valuation administrator or employee, present or former secretary or employee of the



1 Finance and Administration Cabinet, former secretary or employee of the Revenue  
2 Cabinet, or any other person, shall intentionally and without authorization inspect  
3 or divulge any information acquired by him or her of the affairs of any person, or  
4 information regarding the tax schedules, returns, or reports required to be filed with  
5 the department or other proper officer, or any information produced by a hearing or  
6 investigation, insofar as the information may have to do with the affairs of the  
7 person's business.

8 (2) The prohibition established by subsection (1) of this section shall not extend to:

- 9 (a) Information required in prosecutions for making false reports or returns of  
10 property for taxation, or any other infraction of the tax laws;
- 11 (b) Any matter properly entered upon any assessment record, or in any way made  
12 a matter of public record;
- 13 (c) Furnishing any taxpayer or his or her properly authorized agent with  
14 information respecting his or her own return;
- 15 (d) Testimony provided by the commissioner or any employee of the department  
16 in any court, or the introduction as evidence of returns or reports filed with the  
17 department, in an action for violation of state or federal tax laws or in any  
18 action challenging state or federal tax laws;
- 19 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or  
20 energy resources assessed under KRS 132.820, or owners of surface land  
21 under which the unmined minerals lie, factual information about the owner's  
22 property derived from third-party returns filed for that owner's property, under  
23 the provisions of KRS 132.820, that is used to determine the owner's  
24 assessment. This information shall be provided to the owner on a confidential  
25 basis, and the owner shall be subject to the penalties provided in KRS  
26 131.990(2). The third-party filer shall be given prior notice of any disclosure  
27 of information to the owner that was provided by the third-party filer;

- 1 (f) Providing to a third-party purchaser pursuant to an order entered in a  
2 foreclosure action filed in a court of competent jurisdiction, factual  
3 information related to the owner or lessee of coal, oil, gas reserves, or any  
4 other mineral resources assessed under KRS 132.820. The department may  
5 promulgate an administrative regulation establishing a fee schedule for the  
6 provision of the information described in this paragraph. Any fee imposed  
7 shall not exceed the greater of the actual cost of providing the information or  
8 ten dollars (\$10);
- 9 (g) Providing information to a licensing agency, the Transportation Cabinet, or  
10 the Kentucky Supreme Court under KRS 131.1817;
- 11 (h) Statistics of gasoline and special fuels gallonage reported to the department  
12 under KRS 138.210 to 138.448;
- 13 (i) Providing any utility gross receipts license tax return information that is  
14 necessary to administer the provisions of KRS 160.613 to 160.617 to  
15 applicable school districts on a confidential basis;
- 16 (j) Providing documents, data, or other information to a third party pursuant to an  
17 order issued by a court of competent jurisdiction;
- 18 (k) Publishing administrative writings on its official website in accordance with  
19 KRS 131.020(1)(b); or
- 20 (l) Providing information to the Legislative Research Commission under:
- 21 1. KRS 139.519 for purposes of the sales and use tax refund on building  
22 materials used for disaster recovery;
- 23 2. KRS 141.436 for purposes of the energy efficiency products credits;
- 24 3. KRS 141.437 for purposes of the ENERGY STAR home and the  
25 ENERGY STAR manufactured home credits;
- 26 4. KRS 141.383 for purposes of the film industry incentives;
- 27 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization

- 1 credit and the job assessment fees;
- 2 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 3 7. KRS 141.396 for purposes of the angel investor credit;
- 4 8. KRS 141.389 for purposes of the distilled spirits credit;
- 5 9. KRS 141.408 for purposes of the inventory credit;
- 6 10. KRS 141.390 for purposes of the recycling and composting credits;
- 7 11. KRS 141.3841 for purposes of the selling farmer credit;
- 8 12. KRS 141.4231 for purposes of the renewable chemical production
- 9 credit;
- 10 13. KRS 141.524 for purposes of the Education Opportunity Account
- 11 Program credit;
- 12 14. KRS 141.398 for purposes of the development area credit;
- 13 15. KRS 139.516 for purposes of the sales and use tax exemptions for the
- 14 commercial mining of cryptocurrency;
- 15 16. KRS 141.419 for purposes of the decontamination credit;
- 16 17. KRS 141.391 for purposes of the qualified broadband investment credit;
- 17 18. KRS 139.499 for purposes of the sales and use tax exemptions for a
- 18 qualified data center project;~~and~~
- 19 19. KRS 139.5325 for purposes of the sales and use tax incentive for a
- 20 qualifying attraction;and

21 **20. Section 4 of this Act for purposes of the affordable housing credit.**

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

- 27 (4) Access to and inspection of information received from the Internal Revenue Service

1 is for department use only, and is restricted to tax administration purposes.  
2 Information received from the Internal Revenue Service shall not be made available  
3 to any other agency of state government, or any county, city, or other state, and  
4 shall not be inspected intentionally and without authorization by any present  
5 secretary or employee of the Finance and Administration Cabinet, commissioner or  
6 employee of the department, or any other person.

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

12 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map  
13 submissions for the 1989 tax year, the department may make public or divulge only  
14 those portions of mine maps submitted by taxpayers to the department pursuant to  
15 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-  
16 out parcel areas. These electronic maps shall not be relied upon to determine actual  
17 boundaries of mined-out parcel areas. Property boundaries contained in mine maps  
18 required under KRS Chapters 350 and 352 shall not be construed to constitute land  
19 surveying or boundary surveys as defined by KRS 322.010 and any administrative  
20 regulations promulgated thereto.

21 ➔Section 7. There is hereby appropriated General Fund moneys from the Budget  
22 Reserve Trust Fund Account established by KRS 48.705 in the amount of \$100,000,000  
23 in fiscal year 2026-2027 to the Affordable Housing Loan Pool Fund for the purposes set  
24 forth in Section 1 of this Act.

25 ➔Section 8. There is hereby appropriated General Fund moneys from the Budget  
26 Reserve Trust Fund Account established by KRS 48.705 in the amount of \$2,000,000 in  
27 fiscal year 2026-2027 to the Housing Development Fund for the purposes set forth in

1 Section 2 of this Act.

2 ➔Section 9. Whereas providing timely funding for housing initiatives in the  
3 Commonwealth is important for the citizens of this state, an emergency is declared to  
4 exist, and this Act takes effect July 1, 2026.