

1           AN ACT relating to revenue.

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

3           ➔Section 1. KRS 141.068 is amended to read as follows:

4       (1) As used in this section, unless the context requires otherwise:

5           (a) "Authority" means the Kentucky Economic Development Finance Authority  
6           as created pursuant to KRS 154.20-010;

7           (b) "Investor" has the same meaning as set forth in KRS 154.20-254;

8           (c) "Investment fund" has the same meaning as set forth in KRS 154.20-254;

9           (d) "Investment fund manager" has the same meaning as set forth in KRS 154.20-  
10           254; and

11           (e) "Tax credit" means the credits provided for in KRS 154.20-258.

12       (2) (a) An investor which is an individual or a corporation shall be entitled to the  
13           credit certified by the authority under KRS 154.20-258 against the tax due  
14           computed as provided by KRS 141.020 or 141.040, respectively, and against  
15           the tax imposed by KRS 141.0401, with the ordering of credits as provided in  
16           KRS 141.0205.

17       (b) The amount of the certified tax credit that may be claimed in any tax year of  
18           the investor shall be determined in accordance with the provisions of KRS  
19           154.20-258.

20       (3) (a) In the case of an investor that is a pass-through entity not subject to the tax  
21           imposed by KRS 141.040, the amount of the tax credit certified by the  
22           authority under KRS 154.20-258 shall be taken by the pass-through entity  
23           against the limited liability entity tax imposed by KRS 141.0401, and shall  
24           also be apportioned among the partners, members, or shareholders at the same  
25           ratio as the partners', members', or shareholders' distributive shares of income  
26           are determined for the tax year during which the amount of the credit is  
27           certified by the authority.



the amount of committed cash contributions to each investment fund, and the total qualified investments made by each investment fund, including initial and subsequent investments, for each small business;

(e) A list detailing each investor within each investment fund, the amount of investment made by each investor, and the amount of tax credit awarded each investor;

(f) Whether the authority has suspended the availability of any credits, terminated any agreements, or pursued any other remedy because the investment fund manager failed to comply with the agreement;

(g) By taxable year, the amount of tax credit claimed by each investor by type of tax, including income tax, any taxes imposed on financial institutions, or insurance taxes;

(h) The number of small businesses that are active, inactive, or closed that have received investments from an investment fund;

(i) The number and location of each new small business established or expanded;

(j) The number and location of each new job created;

(k) The number of new products and technologies created; and

(l) The total amount of tax credit awarded for each fiscal year.

(7) If either the department or the Cabinet for Economic Development does not currently have the data to fulfill the reporting requirement of subsection (6) of this section, the department and the cabinet shall work jointly to obtain the data in an expedient manner to provide the report on or before the May 1, 2019, report date.