

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **0318**

HOUSE BILL NUMBER **64**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **AN ACT relating to tax credits for airport noise mitigation.**

SPONSOR **Representative J. Donohue**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(\$1,500,000)	(\$3,000,000)
EXPENDITURES			
NET EFFECT		(\$1,500,000)	(\$3,000,000)

() indicates a decrease/negative

MEASURE'S PURPOSE: The purpose of this proposal is to provide a refundable tax credit against the individual income tax or the corporation income tax and limited liability entity tax that is equal to 100% of the taxpayer's costs of mitigating noise associated with being located near a commercial airport but not near enough to qualify for reimbursement of those costs under the airport's noise compatibility plan approved by the Federal Aviation Administration. This proposal would include the taxpayer's costs incurred on or after January 1, 2009. This measure would apply to taxable years beginning on or after January 1, 2017, but before January 1, 2021. The maximum amount of credit awarded to all taxpayers for each taxable year is limited to \$3,000,000.

PROVISIONS/MECHANICS: A new section of KRS Chapter 141 is created to define terms and create a refundable credit against the tax imposed by KRS 141.020, 141.040 and 141.0401, state the purpose of the proposal, and require the Department of Revenue to report information to the Legislative Research Commission on or before December 1 each year. KRS 131.190 is amended to allow the Department of Revenue to report taxpayer information to the Legislative Research Commission. KRS 131.135, 131.618, 131.650, 131.990, 141.389, and 131.020 are

amended to conform. KRS 141.0205 is amended to provide the order in which the credit may be taken.

FISCAL EXPLANATION: This proposal, if enacted, would have no impact to the General Fund in FY 2016-2017 and a negative impact to the General Fund of (\$1,500,000) in FY 2017-2018. For subsequent fiscal years there would be a negative impact to the General Fund of no more than (\$3,000,000) per year.

DATA SOURCE(S): LRC Staff

PREPARER: Charlotte Quarles **NOTE NUMBER:** 4 **REVIEW:** JRS **DATE:** 1/5/2017