

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2020 REGULAR SESSION**

**MEASURE**

2020 BR NUMBER 355

HOUSE BILL NUMBER 48

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

**SPONSOR** Representative Jeffery Donohue

**FISCAL SUMMARY**

STATE FISCAL IMPACT:  YES  NO  UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY:  ACTUARIAL ANALYSIS  
 LOCAL MANDATE  CORRECTIONS IMPACT  HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: \_\_\_\_\_

FUND(S) IMPACTED:  GENERAL  ROAD  FEDERAL  RESTRICTED \_\_\_\_\_

<b>FISCAL ESTIMATES</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>		(\$100,000)	(\$3,000,000)	(\$3,000,000)
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>		(\$100,000)	(\$3,000,000)	(\$3,000,000)

( ) indicates a decrease/negative

**PURPOSE OF MEASURE:** 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 percent 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, 2010. This measure would apply to taxable years beginning on or after January 1, 2020, but before January 1, 2024. The maximum amount of credit awarded to all taxpayers for each taxable year is limited to \$3,000,000.

**FISCAL EXPLANATION:** This proposal, if enacted, would have a negative impact to the General Fund in Fiscal Year 2021, estimated to be approximately \$100,000. Since the proposal includes costs incurred from 2010 onwards, some taxpayers may adjust their estimated payments for taxable year 2019 that they pay during Fiscal Year 2021. Beginning in FY 2022, this proposal is estimated to have a negative impact to the General Fund of \$3,000,000, the full impact of the annual credit cap. 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:** Jennifer Hays **NOTE NUMBER:** 34 **REVIEW:** JAB **DATE:** 1/16/2020