

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2024 REGULAR SESSION**

MEASURE

2024 BR NUMBER 1903

HOUSE BILL NUMBER 667

TITLE AN ACT relating to the Kentucky work opportunity tax credit.

SPONSOR Representative Josh Branscum

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 _____

FISCAL ESTIMATES	2023-2024	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			(\$5,000,000)	
EXPENDITURES				
NET EFFECT			(\$5,000,000)	

() indicates a decrease/negative

PURPOSE OF MEASURE: House Bill 667 proposes a nonrefundable Kentucky work opportunity tax credit for taxable years beginning on or after January 1, 2025, but before January 1, 2029. A taxpayer will be allowed this credit if they are allowed the federal work opportunity tax credit for qualified wages paid to an employee who is a resident of this state.

FISCAL EXPLANATION: House Bill 667 specifies that the Kentucky work opportunity tax credit shall not exceed \$500 per eligible employee per taxable year. There is also an aggregate total of \$5 million allowed in tax credits per taxable year. Due to this credit cap, \$5 million would be the maximum negative fiscal impact to the General Fund as a result of this legislation.

DATA SOURCE(S): LRC Staff

PREPARER: Sarah Watts **NOTE NUMBER:** 139 **REVIEW:** JH **DATE:** 3/8/2024