

1 AN ACT relating to tax credits.

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

3 ➔Section 1. KRS 154.20-236 is amended to read as follows:

4 (1) The total amount of tax credit that may be awarded by the authority in each calendar
5 year, pursuant to KRS 154.20-230 to 154.20-240, to:

6 (a) ***For calendar years prior to 2017, to:***

7 **1.** All qualified investors shall be no more than three million dollars
8 (\$3,000,000); and

9 **2.~~1(b)~~** Any individual qualified investor shall be no more than two
10 hundred thousand dollars (\$200,000); **and**

11 **(b) For calendar years 2017 and thereafter, to any individual qualified investor**
12 **shall be no more than two hundred thousand dollars (\$200,000).**

13 (2) The total amount of tax credit that may be awarded by the authority to:

14 (a) All qualified investors pursuant to KRS 154.20-230 to 154.20-240; and

15 (b) All investors in all investment funds pursuant to KRS 154.20-250 to 154.20-
16 284;

17 shall be no more than forty million dollars (\$40,000,000) in total for all years. Once
18 this total amount of tax credit has been awarded by the authority pursuant to KRS
19 154.20-230 to 154.20-240 and KRS 154.20-250 to 154.20-284, no further awards of
20 any tax credit shall be made.

21 (3) The authority shall, by promulgation of an administrative regulation, develop a
22 standard procedure for:

23 (a) Small businesses and investors to request certification for participation in the
24 program;

25 (b) Qualified investors to request certification of a planned investment as being a
26 qualified investment, and to apply for a credit; and

27 (c) The award of credits to qualified investors making qualified investments.

- 1 (4) At a minimum, the procedure shall:
- 2 (a) Require small businesses and investors to demonstrate to the authority that
- 3 they, and any planned investment, satisfy all requirements provided in KRS
- 4 154.20-234;
- 5 (b) Provide small businesses and investors with a standard written application
- 6 form to request certification and apply for a credit;
- 7 (c) Require the payment of a fee; and
- 8 (d) Mandate a time period for the duration of certifications granted to small
- 9 businesses and investors, and the procedures for recertification thereof.
- 10 (5) The amount of credit awarded shall be equal to:
- 11 (a) Forty percent (40%) of the amount of the qualified investment, if the principal
- 12 place of business of the qualified small business is outside an enhanced
- 13 incentive county; or
- 14 (b) Fifty percent (50%) of the amount of the qualified investment, if the principal
- 15 place of business of the qualified small business is in an enhanced incentive
- 16 county.
- 17 (6) Upon approval of a credit, the authority shall reduce the amount of available credit
- 18 by the amount of credit approved to the qualified investor.
- 19 (7) The authority may, in effectuating this section, contract with a science and
- 20 technology organization as defined in KRS 164.6011 to administer and manage the
- 21 certification and application procedure established by the authority. However, the
- 22 final approval of all credits shall be made solely by the authority.