

1 AN ACT relating to tax incentives for support provided to victims of domestic
2 violence.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) For purposes of this section:*

7 *(a) "Domestic violence shelter" means:*

8 *1. A tax-exempt organization under Section 501(c)(3) of the Internal*
9 *Revenue Code; and*

10 *2. A facility located in this state that provides services to individuals who*
11 *have been abused by:*

12 *a. A spouse;*

13 *b. A former spouse;*

14 *c. An intimate partner who meets the definition of a member of an*
15 *unmarried couple pursuant to KRS 403.720; or*

16 *d. A member of a dating relationship as defined in KRS 456.010;*

17 *(b) "Qualified contribution" means a monetary donation or donation of real*
18 *property; and*

19 *(c) "Rape crisis center" means a tax-exempt organization under Section*
20 *501(c)(3) of the Internal Revenue Code that is:*

21 *1. Located in this state and provides services in accordance with KRS*
22 *211.600(3); and*

23 *2. Designated as such by the Cabinet for Health and Family Services in*
24 *accordance with KRS 211.600.*

25 *(2) (a) For taxable years beginning on or after January 1, 2025, but before*
26 *January 1, 2029, there shall be allowed a nonrefundable tax credit against*
27 *the taxes imposed in KRS 141.020 or 141.040 and 141.0401 for qualified*

1 contributions made to a domestic violence shelter or rape crisis center in
2 this state with the ordering of the tax credits as provided in Section 6 of this
3 Act.

4 (b) In order for a taxpayer to qualify for the credit under this section, a
5 minimum qualified contribution of one hundred dollars (\$100) shall be
6 required.

7 (c) The credit shall be equal to the qualified contribution not to exceed the
8 lesser of:

9 1. Seventy percent (70%) of the total contributions made for the taxable
10 year; or

11 2. Fifty thousand dollars (\$50,000) per taxable year.

12 (d) Any unused credit in a taxable year may be carried forward to the
13 succeeding taxable year, but shall not extend beyond one (1) taxable year.

14 (e) Any taxpayer claiming a credit under this section shall not also take a
15 deduction under Sections 2 and 3 of this Act for the same contribution.

16 (3) (a) In order for the General Assembly to evaluate the effectiveness of this tax
17 credit, the department shall submit the following information to the
18 Legislative Research Commission for referral to the Interim Joint
19 Committee on Appropriations and Revenue on or before November 1, 2026,
20 and on or before each November 1 thereafter as long as the qualified
21 contribution tax credit may be claimed on a return:

22 1. The location of the taxpayer claiming the tax credit, by county, as
23 reflected on the return filed for the taxable year;

24 2. The amount of qualified contribution tax credits claimed by the
25 taxpayer for the taxable year;

26 3. The total cumulative amount of all qualified contribution tax credits
27 claimed for the taxable year;

- 1 4. a. In the case of all taxpayers other than corporations, based on
- 2 ranges of adjusted gross income of no larger than five thousand
- 3 dollars (\$5,000) for the taxable year, the total amount of
- 4 qualified contribution tax credit claimed and the total number of
- 5 returns claiming this tax credit for each income range; and
- 6 b. In the case of all corporations, based on ranges of net income no
- 7 larger than fifty thousand dollars (\$50,000) for the taxable year,
- 8 the total amount of tax credit claimed and the number of returns
- 9 claiming a tax credit for each net income range.
- 10 (b) The information required to be reported under this section shall not be
- 11 considered confidential taxpayer information and shall not be subject to
- 12 KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes
- 13 prohibiting disclosure or reporting of information.

14 ➔Section 2. KRS 141.019 is amended to read as follows:

15 In the case of taxpayers other than corporations:

- 16 (1) Adjusted gross income shall be calculated by subtracting from the gross income of
- 17 those taxpayers the deductions allowed individuals by Section 62 of the Internal
- 18 Revenue Code and adjusting as follows:
- 19 (a) Exclude income that is exempt from state taxation by the Kentucky
- 20 Constitution and the Constitution and statutory laws of the United States;
- 21 (b) Exclude income from supplemental annuities provided by the Railroad
- 22 Retirement Act of 1937 as amended and which are subject to federal income
- 23 tax by Pub. L. No. 89-699;
- 24 (c) Include interest income derived from obligations of sister states and political
- 25 subdivisions thereof;
- 26 (d) Exclude employee pension contributions picked up as provided for in KRS
- 27 6.505, 16.545, 21.360, 61.523, 61.560, 65.155, 67A.320, 67A.510, 78.610,

- 1 and 161.540 upon a ruling by the Internal Revenue Service or the federal
2 courts that these contributions shall not be included as gross income until such
3 time as the contributions are distributed or made available to the employee;
- 4 (e) Exclude Social Security and railroad retirement benefits subject to federal
5 income tax;
- 6 (f) Exclude any money received because of a settlement or judgment in a lawsuit
7 brought against a manufacturer or distributor of "Agent Orange" for damages
8 resulting from exposure to Agent Orange by a member or veteran of the
9 Armed Forces of the United States or any dependent of such person who
10 served in Vietnam;
- 11 (g) 1. a. For taxable years beginning after December 31, 2005, but before
12 January 1, 2018, exclude up to forty-one thousand one hundred ten
13 dollars (\$41,110) of total distributions from pension plans, annuity
14 contracts, profit-sharing plans, retirement plans, or employee
15 savings plans; and
- 16 b. For taxable years beginning on or after January 1, 2018, exclude
17 up to thirty-one thousand one hundred ten dollars (\$31,110) of
18 total distributions from pension plans, annuity contracts, profit-
19 sharing plans, retirement plans, or employee savings plans.
- 20 2. As used in this paragraph:
- 21 a. "Annuity contract" has the same meaning as set forth in Section
22 1035 of the Internal Revenue Code;
- 23 b. "Distributions" includes but is not limited to any lump-sum
24 distribution from pension or profit-sharing plans qualifying for the
25 income tax averaging provisions of Section 402 of the Internal
26 Revenue Code; any distribution from an individual retirement
27 account as defined in Section 408 of the Internal Revenue Code;

- 1 and any disability pension distribution; and
- 2 c. "Pension plans, profit-sharing plans, retirement plans, or employee
- 3 savings plans" means any trust or other entity created or organized
- 4 under a written retirement plan and forming part of a stock bonus,
- 5 pension, or profit-sharing plan of a public or private employer for
- 6 the exclusive benefit of employees or their beneficiaries and
- 7 includes plans qualified or unqualified under Section 401 of the
- 8 Internal Revenue Code and individual retirement accounts as
- 9 defined in Section 408 of the Internal Revenue Code;
- 10 (h) 1. a. Exclude the portion of the distributive share of a shareholder's net
- 11 income from an S corporation subject to the franchise tax imposed
- 12 under KRS 136.505 or the capital stock tax imposed under KRS
- 13 136.300; and
- 14 b. Exclude the portion of the distributive share of a shareholder's net
- 15 income from an S corporation related to a qualified subchapter S
- 16 subsidiary subject to the franchise tax imposed under KRS
- 17 136.505 or the capital stock tax imposed under KRS 136.300.
- 18 2. The shareholder's basis of stock held in an S corporation where the S
- 19 corporation or its qualified subchapter S subsidiary is subject to the
- 20 franchise tax imposed under KRS 136.505 or the capital stock tax
- 21 imposed under KRS 136.300 shall be the same as the basis for federal
- 22 income tax purposes;
- 23 (i) Exclude income received for services performed as a precinct worker for
- 24 election training or for working at election booths in state, county, and local
- 25 primaries or regular or special elections;
- 26 (j) Exclude any capital gains income attributable to property taken by eminent
- 27 domain;

- 1 (k) 1. Exclude all income from all sources for members of the Armed Forces
2 who are on active duty and who are killed in the line of duty, for the
3 year during which the death occurred and the year prior to the year
4 during which the death occurred.
- 5 2. For the purposes of this paragraph, "all income from all sources" shall
6 include all federal and state death benefits payable to the estate or any
7 beneficiaries;
- 8 (l) Exclude all military pay received by members of the Armed Forces while on
9 active duty;
- 10 (m) 1. Include the amount deducted for depreciation under 26 U.S.C. sec. 167
11 or 168; and
12 2. Exclude the amounts allowed by KRS 141.0101 for depreciation;
- 13 (n) Include the amount deducted under 26 U.S.C. sec. 199A;
- 14 (o) Ignore any change in the cost basis of the surviving spouse's share of property
15 owned by a Kentucky community property trust occurring for federal income
16 tax purposes as a result of the death of the predeceasing spouse;
- 17 (p) Allow the same treatment allowed under Pub. L. No. 116-260, secs. 276 and
18 278, related to the tax treatment of forgiven covered loans, deductions
19 attributable to those loans, and tax attributes associated with those loans for
20 taxable years ending on or after March 27, 2020, but before January 1, 2022;
21 and
- 22 (q) For taxable years beginning on or after January 1, 2020, but before March 11,
23 2023, allow the same treatment of restaurant revitalization grants in
24 accordance with Pub. L. No. 117-2, sec. 9673 and 15 U.S.C. sec. 9009c,
25 related to the tax treatment of the grants, deductions attributable to those
26 grants, and tax attributes associated with those grants; and
- 27 (2) Net income shall be calculated by subtracting from adjusted gross income all the

1 deductions allowed individuals by Chapter 1 of the Internal Revenue Code, as
2 modified by KRS 141.0101, except:

- 3 (a) Any deduction allowed by 26 U.S.C. sec. 164 for taxes;
- 4 (b) Any deduction allowed by 26 U.S.C. sec. 165 for losses, except wagering
5 losses allowed under Section 165(d) of the Internal Revenue Code;
- 6 (c) Any deduction allowed by 26 U.S.C. sec. 213 for medical care expenses;
- 7 (d) Any deduction allowed by 26 U.S.C. sec. 217 for moving expenses;
- 8 (e) Any deduction allowed by 26 U.S.C. sec. 67 for any other miscellaneous
9 deduction;
- 10 (f) Any deduction allowed by the Internal Revenue Code for amounts allowable
11 under KRS 140.090(1)(h) in calculating the value of the distributive shares of
12 the estate of a decedent, unless there is filed with the income return a
13 statement that the deduction has not been claimed under KRS 140.090(1)(h);
- 14 (g) Any deduction allowed by 26 U.S.C. sec. 151 for personal exemptions and
15 any other deductions in lieu thereof;
- 16 (h) Any deduction allowed for amounts paid to any club, organization, or
17 establishment which has been determined by the courts or an agency
18 established by the General Assembly and charged with enforcing the civil
19 rights laws of the Commonwealth, not to afford full and equal membership
20 and full and equal enjoyment of its goods, services, facilities, privileges,
21 advantages, or accommodations to any person because of race, color, religion,
22 national origin, or sex, except nothing shall be construed to deny a deduction
23 for amounts paid to any religious or denominational club, group, or
24 establishment or any organization operated solely for charitable or educational
25 purposes which restricts membership to persons of the same religion or
26 denomination in order to promote the religious principles for which it is
27 established and maintained;~~and~~

1 (i) Any deduction allowed by 26 U.S.C. sec. 170 and claimed as a qualified
2 contribution under Section 1 of this Act; and

3 (j) A taxpayer may elect to claim the standard deduction allowed by KRS
4 141.081 instead of itemized deductions allowed pursuant to 26 U.S.C. sec. 63
5 and as modified by this section.

6 ➔Section 3. KRS 141.039 is amended to read as follows:

7 In the case of corporations:

- 8 (1) Gross income shall be calculated by adjusting federal gross income as defined in
9 Section 61 of the Internal Revenue Code as follows:
- 10 (a) Exclude income that is exempt from state taxation by the Kentucky
11 Constitution and the Constitution and statutory laws of the United States;
 - 12 (b) Exclude all dividend income;
 - 13 (c) Include interest income derived from obligations of sister states and political
14 subdivisions thereof;
 - 15 (d) Exclude fifty percent (50%) of gross income derived from any disposal of
16 coal covered by Section 631(c) of the Internal Revenue Code if the
17 corporation does not claim any deduction for percentage depletion, or for
18 expenditures attributable to the making and administering of the contract
19 under which such disposition occurs or to the preservation of the economic
20 interests retained under such contract;
 - 21 (e) Include the amount calculated under KRS 141.205;
 - 22 (f) Ignore the provisions of Section 281 of the Internal Revenue Code in
23 computing gross income;
 - 24 (g) Include the amount of depreciation deduction calculated under 26 U.S.C. sec.
25 167 or 168;
 - 26 (h) Allow the same treatment allowed under Pub. L. No. 116-260, secs. 276 and
27 278, related to the tax treatment of forgiven covered loans, deductions

1 attributable to those loans, and tax attributes associated with those loans for
2 taxable years ending on or after March 27, 2020, but before January 1, 2022;
3 and

4 (i) For taxable years beginning on or after January 1, 2020, but before March 11,
5 2023, allow the same treatment of restaurant revitalization grants in
6 accordance with Pub. L. No. 117-2, sec. 9673 and 15 U.S.C. sec. 9009c,
7 related to the tax treatment of the grants, deductions attributable to those
8 grants, and tax attributes associated with those grants; and

9 (2) Net income shall be calculated by subtracting from gross income:

10 (a) The deduction for depreciation allowed by KRS 141.0101;

11 (b) Any amount paid for vouchers or similar instruments that provide health
12 insurance coverage to employees or their families;

13 (c) All the deductions from gross income allowed corporations by Chapter 1 of
14 the Internal Revenue Code, as modified by KRS 141.0101, except:

15 1. Any deduction for a state tax which is computed, in whole or in part, by
16 reference to gross or net income and which is paid or accrued to any
17 state of the United States, the District of Columbia, the Commonwealth
18 of Puerto Rico, any territory or possession of the United States, or to any
19 foreign country or political subdivision thereof;

20 2. The deductions contained in Sections 243, 245, and 247 of the Internal
21 Revenue Code;

22 3. The provisions of Section 281 of the Internal Revenue Code shall be
23 ignored in computing net income;

24 4. Any deduction directly or indirectly allocable to income which is either
25 exempt from taxation or otherwise not taxed under the provisions of this
26 chapter, except for deductions allowed under Pub. L. No. 116-260, secs.
27 276 and 278, related to the tax treatment of forgiven covered loans and

1 deductions attributable to those loans for taxable years ending on or
2 after March 27, 2020, but before January 1, 2022; and deductions
3 allowed under Pub. L. No. 117-2, sec. 9673 and 15 U.S.C. sec. 9009c,
4 related to the tax treatment of restaurant revitalization grants and
5 deductions attributable to those grants for taxable years beginning on or
6 after January 1, 2020, but before March 11, 2023. Nothing in this
7 chapter shall be construed to permit the same item to be deducted more
8 than once;

9 5. Any deduction for amounts paid to any club, organization, or
10 establishment which has been determined by the courts or an agency
11 established by the General Assembly and charged with enforcing the
12 civil rights laws of the Commonwealth, not to afford full and equal
13 membership and full and equal enjoyment of its goods, services,
14 facilities, privileges, advantages, or accommodations to any person
15 because of race, color, religion, national origin, or sex, except nothing
16 shall be construed to deny a deduction for amounts paid to any religious
17 or denominational club, group, or establishment or any organization
18 operated solely for charitable or educational purposes which restricts
19 membership to persons of the same religion or denomination in order to
20 promote the religious principles for which it is established and
21 maintained;

22 6. Any deduction prohibited by KRS 141.205;~~and~~

23 7. Any dividends-paid deduction of any captive real estate investment
24 trust; and

25 8. Any deduction allowed by 26 U.S.C. sec. 170 and claimed as a
26 qualified contribution tax credit under Section 1 of this Act; and

27 (d) 1. A deferred tax deduction in an amount computed in accordance with this

- 1 paragraph.
- 2 2. For purposes of this paragraph:
- 3 a. "Net deferred tax asset" means that deferred tax assets exceed the
- 4 deferred tax liabilities of the combined group, as computed in
- 5 accordance with accounting principles generally accepted in the
- 6 United States of America; and
- 7 b. "Net deferred tax liability" means deferred tax liabilities that
- 8 exceed the deferred tax assets of a combined group as defined in
- 9 KRS 141.202, as computed in accordance with accounting
- 10 principles generally accepted in the United States of America.
- 11 3. Only publicly traded companies, including affiliated corporations
- 12 participating in the filing of a publicly traded company's financial
- 13 statements prepared in accordance with accounting principles generally
- 14 accepted in the United States of America, as of January 1, 2019, shall be
- 15 eligible for this deduction.
- 16 4. If the provisions of KRS 141.202 result in an aggregate increase to the
- 17 member's net deferred tax liability, an aggregate decrease to the
- 18 member's net deferred tax asset, or an aggregate change from a net
- 19 deferred tax asset to a net deferred tax liability, the combined group
- 20 shall be entitled to a deduction, as determined in this paragraph.
- 21 5. For ten (10) years beginning with the combined group's first taxable
- 22 year beginning on or after January 1, 2024, a combined group shall be
- 23 entitled to a deduction from the combined group's entire net income
- 24 equal to one-tenth (1/10) of the amount necessary to offset the increase
- 25 in the net deferred tax liability, decrease in the net deferred tax asset, or
- 26 aggregate change from a net deferred tax asset to a net deferred tax
- 27 liability. The increase in the net deferred tax liability, decrease in the net

1 deferred tax asset, or the aggregate change from a net deferred tax asset
2 to a net deferred tax liability shall be computed based on the change that
3 would result from the imposition of the combined reporting requirement
4 under KRS 141.202, but for the deduction provided under this paragraph
5 as of June 27, 2019.

6 6. The deferred tax impact determined in subparagraph 5. of this paragraph
7 shall be converted to the annual deferred tax deduction amount, as
8 follows:

9 a. The deferred tax impact determined in subparagraph 5. of this
10 paragraph shall be divided by the tax rate determined under KRS
11 141.040;

12 b. The resulting amount shall be further divided by the
13 apportionment factor determined by KRS 141.120 or 141.121 that
14 was used by the combined group in the calculation of the deferred
15 tax assets and deferred tax liabilities as described in subparagraph
16 5. of this paragraph; and

17 c. The resulting amount represents the total net deferred tax
18 deduction available over the ten (10) year period as described in
19 subparagraph 5. of this paragraph.

20 7. The deduction calculated under this paragraph shall not be adjusted as a
21 result of any events happening subsequent to the calculation, including
22 but not limited to any disposition or abandonment of assets. The
23 deduction shall be calculated without regard to the federal tax effect and
24 shall not alter the tax basis of any asset. If the deduction under this
25 section is greater than the combined group's entire Kentucky net income,
26 any excess deduction shall be carried forward and applied as a deduction
27 to the combined group's entire net income in future taxable years until

1 fully utilized.

2 8. Any combined group intending to claim a deduction under this
 3 paragraph shall file a statement with the department on or before July 1,
 4 2019. The statement shall specify the total amount of the deduction
 5 which the combined group claims on the form, including calculations
 6 and other information supporting the total amounts of the deduction as
 7 required by the department. No deduction shall be allowed under this
 8 paragraph for any taxable year, except to the extent claimed on the
 9 timely filed statement in accordance with this paragraph.

10 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO
 11 READ AS FOLLOWS:

12 *(1) There is hereby established a qualified rental nonrefundable tax credit for*
 13 *taxable years beginning on or after January 1, 2025, but before January 1, 2029,*
 14 *against the tax imposed under KRS 141.020 or 141.040 and 141.0401 for any*
 15 *taxpayer who rents residential property to a protected tenant as defined in KRS*
 16 *383.300.*

17 *(2) (a) The ordering of the tax credit shall be as provided in Section 6 of this Act.*

18 *(b) The tax credit shall be equal to five hundred dollars (\$500) per residential*
 19 *rental unit occupied by a protected tenant during the taxable year.*

20 *(3) (a) The taxpayer claiming the credit shall provide the name and social security*
 21 *number of the protected tenant for which the credit is being claimed.*

22 *(b) The department shall coordinate and receive information from the*
 23 *Administrative Office of the Courts to determine that an individual is*
 24 *considered a protected tenant evidenced by a valid:*

25 *1. Domestic violence order pursuant to KRS 403.740;*

26 *2. Interpersonal protective order pursuant to KRS 456.060;*

27 *3. Emergency protective order pursuant to KRS 403.730;*

1 4. Temporary interpersonal protective order pursuant to KRS 456.040; or

2 5. Pretrial release order issued pursuant to KRS 431.064(b).

3 (5) (a) In order for the General Assembly to evaluate the effectiveness of this tax
4 credit, the department shall provide the following information to the
5 Legislative Research Commission for referral to the Interim Joint
6 Committee on Appropriations and Revenue no later than November 1, 2026,
7 and on or before each November 1 thereafter as long as the credit is claimed
8 on any return:

9 1. The cumulative amount of tax credits claimed by taxpayers for each
10 taxable year;

11 2. The cumulative number of returns that claimed the credit for each
12 taxable year;

13 3. Based on the mailing address of the return, the cumulative total
14 amount of credits claimed by county for each taxable year;

15 4. a. In the case of taxpayers, other than corporations, based on
16 ranges of adjusted gross income of no larger than five thousand
17 dollars (\$5,000), the cumulative amount of tax credit claimed by
18 individuals for each adjusted gross income range for each
19 taxable year; and

20 b. In the case of corporations, based on ranges of net income of no
21 larger than fifty thousand dollars (\$50,000), the cumulative
22 amount of tax credit claimed by corporation for each net income
23 range for each taxable year.

24 (b) The information required to be reported under this section shall not be
25 considered confidential taxpayer information and shall not be subject to
26 KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes
27 prohibiting disclosure or reporting of information.

1 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) For purposes of this section:

4 (a) "Domestic violence shelter" has the same meaning as in Section 1 of this
5 Act; and

6 (b) "Condemned property" means real or personal property that is condemned
7 under the provisions of KRS 416.540 to 416.670.

8 (2) For taxable years beginning on or after January 1, 2025, but before January 1,
9 2029, there shall be allowed a nonrefundable tax credit against the tax imposed
10 under KRS 141.020 or 141.040 and 141.0401 with the ordering of the credit as
11 provided in Section 6 of this Act.

12 (3) A tax credit of one thousand dollars (\$1,000) shall be allowed in the taxable year
13 in which a taxpayer converts acquired condemned property into a domestic
14 violence shelter in this state.

15 (4) In order for the department to verify the tax credit, the taxpayer shall include
16 with their return verification from:

17 (a) The Circuit Court in the locality in which the property has been condemned
18 in accordance with KRS 416.540 to 416.670; and

19 (b) The Cabinet for Health and Family Services that determines the domestic
20 violence shelter meets the qualifications established in Section 1 of this Act.

21 (5) (a) In order for the General Assembly to evaluate the effectiveness of this tax
22 credit, the department shall provide the following information to the
23 Legislative Research Commission for referral to the Interim Joint
24 Committee on Appropriations and Revenue no later than November 1, 2026,
25 and on or before each November 1 thereafter as long as the credit is claimed
26 on any return:

27 1. The cumulative amount of tax credits claimed by taxpayers for each

- 1 taxable year;
- 2 2. The cumulative number of returns that claimed the credit for each
- 3 taxable year;
- 4 3. Based on the mailing address of the return, the cumulative total
- 5 amount of credits claimed by county for each taxable year;
- 6 4. a. In the case of taxpayers, other than corporations, based on
- 7 ranges of adjusted gross income of no larger than five thousand
- 8 dollars (\$5,000), the cumulative amount of tax credit claimed by
- 9 individuals for each adjusted gross income range for each
- 10 taxable year; and
- 11 b. In the case of corporations, based on ranges of net income of no
- 12 larger than fifty thousand dollars (\$50,000), the cumulative
- 13 amount of tax credit claimed by corporation for each net income
- 14 range for each taxable year.
- 15 (b) The information required to be reported under this subsection shall not be
- 16 considered confidential taxpayer information and shall not be subject to
- 17 KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes
- 18 prohibiting disclosure or reporting of information.

19 ➔Section 6. KRS 141.0205 is amended to read as follows:

20 If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax

21 imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of

22 the credits shall be determined as follows:

- 23 (1) The nonrefundable business incentive credits against the tax imposed by KRS
- 24 141.020 shall be taken in the following order:
- 25 (a) The limited liability entity tax credit permitted by KRS 141.0401;
- 26 (b) The economic development credits computed under KRS 141.347, 141.381,
- 27 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and

- 1 154.12-2088;
- 2 (c) The qualified farming operation credit permitted by KRS 141.412;
- 3 (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 4 (e) The health insurance credit permitted by KRS 141.062;
- 5 (f) The tax paid to other states credit permitted by KRS 141.070;
- 6 (g) The credit for hiring the unemployed permitted by KRS 141.065;
- 7 (h) The recycling or composting equipment credit permitted by KRS 141.390;
- 8 (i) The tax credit for cash contributions in investment funds permitted by KRS
- 9 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
- 10 154.20-258;
- 11 (j) The research facilities credit permitted by KRS 141.395;
- 12 (k) The employer High School Equivalency Diploma program incentive credit
- 13 permitted under KRS 151B.402;
- 14 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 15 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 16 (n) The clean coal incentive credit permitted by KRS 141.428;
- 17 (o) The ethanol credit permitted by KRS 141.4242;
- 18 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 19 (q) The energy efficiency credits permitted by KRS 141.436;
- 20 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 21 (s) The Endow Kentucky credit permitted by KRS 141.438;
- 22 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 23 (u) The distilled spirits credit permitted by KRS 141.389;
- 24 (v) The angel investor credit permitted by KRS 141.396;
- 25 (w) The film industry credit permitted by KRS 141.383 for applications approved
- 26 on or after April 27, 2018, but before January 1, 2022;
- 27 (x) The inventory credit permitted by KRS 141.408; ~~and~~

- 1 (y) The renewable chemical production credit permitted by KRS 141.4231;
- 2 **(z) The qualified contribution tax credit permitted by Section 1 of this Act;**
- 3 **(aa) The qualified rental tax credit permitted by Section 4 of this Act; and**
- 4 **(ab) The domestic violence shelter tax credit permitted by Section 5 of this Act;**
- 5 (2) After the application of the nonrefundable credits in subsection (1) of this section,
- 6 the nonrefundable personal tax credits against the tax imposed by KRS 141.020
- 7 shall be taken in the following order:
- 8 (a) The individual credits permitted by KRS 141.020(3);
- 9 (b) The credit permitted by KRS 141.066;
- 10 (c) The tuition credit permitted by KRS 141.069;
- 11 (d) The household and dependent care credit permitted by KRS 141.067;
- 12 (e) The income gap credit permitted by KRS 141.066; and
- 13 (f) The Education Opportunity Account Program tax credit permitted by KRS
- 14 141.522;
- 15 (3) After the application of the nonrefundable credits provided for in subsection (2) of
- 16 this section, the refundable credits against the tax imposed by KRS 141.020 shall be
- 17 taken in the following order:
- 18 (a) The individual withholding tax credit permitted by KRS 141.350;
- 19 (b) The individual estimated tax payment credit permitted by KRS 141.305;
- 20 (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
- 21 171.397(1)(b);
- 22 (d) The film industry tax credit permitted by KRS 141.383 for applications
- 23 approved prior to April 27, 2018, or on or after January 1, 2022;
- 24 (e) The development area tax credit permitted by KRS 141.398;
- 25 (f) The decontamination tax credit permitted by KRS 141.419; and
- 26 (g) The pass-through entity tax credit permitted by KRS 141.209;
- 27 (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the

- 1 tax imposed by KRS 141.040;
- 2 (5) The following nonrefundable credits shall be applied against the sum of the tax
3 imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)
4 of this section, and the tax imposed by KRS 141.0401 in the following order:
- 5 (a) The economic development credits computed under KRS 141.347, 141.381,
6 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
7 154.12-2088;
- 8 (b) The qualified farming operation credit permitted by KRS 141.412;
- 9 (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 10 (d) The health insurance credit permitted by KRS 141.062;
- 11 (e) The unemployment credit permitted by KRS 141.065;
- 12 (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 13 (g) The coal conversion credit permitted by KRS 141.041;
- 14 (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods
15 ending prior to January 1, 2008;
- 16 (i) The tax credit for cash contributions to investment funds permitted by KRS
17 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
18 154.20-258;
- 19 (j) The research facilities credit permitted by KRS 141.395;
- 20 (k) The employer High School Equivalency Diploma program incentive credit
21 permitted by KRS 151B.402;
- 22 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 23 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 24 (n) The clean coal incentive credit permitted by KRS 141.428;
- 25 (o) The ethanol credit permitted by KRS 141.4242;
- 26 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 27 (q) The energy efficiency credits permitted by KRS 141.436;

- 1 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit
2 permitted by KRS 141.437;
- 3 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 4 (t) The railroad expansion credit permitted by KRS 141.386;
- 5 (u) The Endow Kentucky credit permitted by KRS 141.438;
- 6 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 7 (w) The distilled spirits credit permitted by KRS 141.389;
- 8 (x) The film industry credit permitted by KRS 141.383 for applications approved
9 on or after April 27, 2018, but before January 1, 2022;
- 10 (y) The inventory credit permitted by KRS 141.408;
- 11 (z) The renewable chemical production tax credit permitted by KRS 141.4231;
- 12 ~~and~~
- 13 (aa) The Education Opportunity Account Program tax credit permitted by KRS
14 141.522;~~and~~
- 15 **(ab) The qualified contribution tax credit permitted by Section 1 of this Act;**
- 16 **(ac) The qualified rental tax credit permitted by Section 4 of this Act; and**
- 17 **(ad) The domestic violence shelter tax credit permitted by Section 5 of this Act;**
- 18 **and**
- 19 (6) After the application of the nonrefundable credits in subsection (5) of this section,
20 the refundable credits shall be taken in the following order:
- 21 (a) The corporation estimated tax payment credit permitted by KRS 141.044;
- 22 (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
23 171.397(1)(b);
- 24 (c) The film industry tax credit permitted by KRS 141.383 for applications
25 approved prior to April 27, 2018, or on or after January 1, 2022;
- 26 (d) The decontamination tax credit permitted by KRS 141.419; and
- 27 (e) The pass-through entity tax credit permitted by KRS 141.209.

1 ➔Section 7. KRS 131.190 is amended to read as follows:

2 (1) No present or former commissioner or employee of the department, present or
3 former member of a county board of assessment appeals, present or former property
4 valuation administrator or employee, present or former secretary or employee of the
5 Finance and Administration Cabinet, former secretary or employee of the Revenue
6 Cabinet, or any other person, shall intentionally and without authorization inspect or
7 divulge any information acquired by him or her of the affairs of any person, or
8 information regarding the tax schedules, returns, or reports required to be filed with the
9 department or other proper officer, or any information produced by a hearing or
10 investigation, insofar as the information may have to do with the affairs of the person's
11 business.

12 (2) The prohibition established by subsection (1) of this section shall not extend to:

13 (a) Information required in prosecutions for making false reports or returns of
14 property for taxation, or any other infraction of the tax laws;

15 (b) Any matter properly entered upon any assessment record, or in any way made
16 a matter of public record;

17 (c) Furnishing any taxpayer or his or her properly authorized agent with
18 information respecting his or her own return;

19 (d) Testimony provided by the commissioner or any employee of the department
20 in any court, or the introduction as evidence of returns or reports filed with the
21 department, in an action for violation of state or federal tax laws or in any
22 action challenging state or federal tax laws;

23 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
24 energy resources assessed under KRS 132.820, or owners of surface land
25 under which the unmined minerals lie, factual information about the owner's
26 property derived from third-party returns filed for that owner's property, under
27 the provisions of KRS 132.820, that is used to determine the owner's

- 1 assessment. This information shall be provided to the owner on a confidential
2 basis, and the owner shall be subject to the penalties provided in KRS
3 131.990(2). The third-party filer shall be given prior notice of any disclosure
4 of information to the owner that was provided by the third-party filer;
- 5 (f) Providing to a third-party purchaser pursuant to an order entered in a
6 foreclosure action filed in a court of competent jurisdiction, factual
7 information related to the owner or lessee of coal, oil, gas reserves, or any
8 other mineral resources assessed under KRS 132.820. The department may
9 promulgate an administrative regulation establishing a fee schedule for the
10 provision of the information described in this paragraph. Any fee imposed
11 shall not exceed the greater of the actual cost of providing the information or
12 ten dollars (\$10);
- 13 (g) Providing information to a licensing agency, the Transportation Cabinet, or
14 the Kentucky Supreme Court under KRS 131.1817;
- 15 (h) Statistics of gasoline and special fuels gallonage reported to the department
16 under KRS 138.210 to 138.448;
- 17 (i) Providing any utility gross receipts license tax return information that is
18 necessary to administer the provisions of KRS 160.613 to 160.617 to
19 applicable school districts on a confidential basis;
- 20 (j) Providing documents, data, or other information to a third party pursuant to an
21 order issued by a court of competent jurisdiction; or
- 22 (k) Providing information to the Legislative Research Commission under:
- 23 1. KRS 139.519 for purposes of the sales and use tax refund on building
24 materials used for disaster recovery;
 - 25 2. KRS 141.436 for purposes of the energy efficiency products credits;
 - 26 3. KRS 141.437 for purposes of the ENERGY STAR home and the
27 ENERGY STAR manufactured home credits;

- 1 4. KRS 141.383 for purposes of the film industry incentives;
- 2 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
- 3 tax credits and the job assessment fees;
- 4 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 5 7. KRS 141.396 for purposes of the angel investor tax credit;
- 6 8. KRS 141.389 for purposes of the distilled spirits credit;
- 7 9. KRS 141.408 for purposes of the inventory credit;
- 8 10. KRS 141.390 for purposes of the recycling and composting credit;
- 9 11. KRS 141.3841 for purposes of the selling farmer tax credit;
- 10 12. KRS 141.4231 for purposes of the renewable chemical production tax
- 11 credit;
- 12 13. KRS 141.524 for purposes of the Education Opportunity Account
- 13 Program tax credit;
- 14 14. KRS 141.398 for purposes of the development area tax credit;
- 15 15. KRS 139.516 for the purposes of the sales and use tax exemption on the
- 16 commercial mining of cryptocurrency;~~and~~
- 17 16. KRS 141.419 for purposes of the decontamination tax credit;
- 18 **17. Section 1 of this Act for purposes of the qualified contribution tax**
- 19 **credit;**
- 20 **18. Section 4 of this Act for purposes of the qualified rental tax credit; and**
- 21 **19. Section 5 of this Act for purposes of the domestic violence shelter tax**
- 22 **credit.**

23 (3) The commissioner shall make available any information for official use only and on
 24 a confidential basis to the proper officer, agency, board or commission of this state,
 25 any Kentucky county, any Kentucky city, any other state, or the federal
 26 government, under reciprocal agreements whereby the department shall receive
 27 similar or useful information in return.

- 1 (4) Access to and inspection of information received from the Internal Revenue Service
2 is for department use only, and is restricted to tax administration purposes.
3 Information received from the Internal Revenue Service shall not be made available
4 to any other agency of state government, or any county, city, or other state, and
5 shall not be inspected intentionally and without authorization by any present
6 secretary or employee of the Finance and Administration Cabinet, commissioner or
7 employee of the department, or any other person.
- 8 (5) Statistics of crude oil as reported to the department under the crude oil excise tax
9 requirements of KRS Chapter 137 and statistics of natural gas production as
10 reported to the department under the natural resources severance tax requirements
11 of KRS Chapter 143A may be made public by the department by release to the
12 Energy and Environment Cabinet, Department for Natural Resources.
- 13 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
14 submissions for the 1989 tax year, the department may make public or divulge only
15 those portions of mine maps submitted by taxpayers to the department pursuant to
16 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
17 out parcel areas. These electronic maps shall not be relied upon to determine actual
18 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
19 required under KRS Chapters 350 and 352 shall not be construed to constitute land
20 surveying or boundary surveys as defined by KRS 322.010 and any administrative
21 regulations promulgated thereto.