

139.515 Sales tax refund program for qualifying signature projects.

- (1) As used in this section:
 - (a) "Agency" has the same meaning as in KRS 154.30-010;
 - (b) "Signature project" means a project that meets the requirements established by KRS 154.30-050; and
 - (c) "Tangible personal property used in the construction of a signature project" means tangible personal property that:
 1. Consists of:
 - a. Permanently incorporated building materials and fixtures that are an improvement to real property on the signature project;
 - b. Building materials temporarily incorporated into the signature project for infrastructure support during construction; or
 - c. Temporarily incorporated specialized forms for concrete that are for exclusive use on the qualifying signature project; and
 2. Is not machinery or equipment.
- (2)
 - (a) Notwithstanding any other provision of KRS Chapter 139 and KRS 134.580, the sales or use tax paid on the purchase of tangible personal property used in the construction of the portion of a signature project that does not relate to approved public infrastructure costs or approved signature project costs, as defined in KRS 154.30-010, may be refunded to the agency under the conditions established by subsection (3) of this section.
 - (b) The authority, as defined in KRS 154.30-010, shall notify the department upon the approval of a signature project. The notification shall include the name of the signature project, the name of the agency, the name of the project developer, the commencement date of the tax incentive agreement, and the percentage of total anticipated expenditures for tangible personal property used in the construction of a signature project that are not included in the project grant agreement as approved public infrastructure costs or approved signature project costs.
 - (c) The department shall determine the total amount of eligible refund due under each application for refund based upon the actual percentage of total expenditures for tangible personal property used in the construction of a signature project that are not included in the project grant agreement as approved public infrastructure costs reported in the refund request reduced by the amount of vendor compensation taken in accordance with KRS 139.570.
- (3) To qualify for the refund established by subsection (2) of this section, the agency shall collect from the purchasers of tangible personal property used in the construction of the signature project all documentation relating to the payment of sales or use tax, and shall file an application for refund of the sales or use tax paid by the purchasers as reflected in the documentation collected. Requests for refund shall be filed annually during the first twelve (12) years the project grant agreement is in effect, and shall cover purchases made during the immediately preceding year.

Requests for refund shall be filed in the manner directed by the department.

- (4) (a) The agency shall file the first year refund request within sixty (60) days following the end of the fiscal year in which the project grant agreement is executed. The agency shall file the final refund request within sixty (60) days following the end of the eleventh fiscal year following the fiscal year in which the project grant agreement was executed, or within sixty (60) days after construction is complete, whichever date is earlier. All other annual refund requests shall be filed within sixty (60) days after the completion of each fiscal year.
- (b) Failure to file a refund request within the timeframes provided in paragraph (a) of this subsection shall result in an adjustment to the refund amount paid as follows:
 - 1. For late refund requests filed within the first one hundred twenty (120) days after the request was due, for each month or portion thereof that the refund request is late, the refund amount shall be reduced by one twelfth (1/12) of the total amount determined by the department to be due to the agency.
 - 2. Any refund request filed more than one hundred twenty (120) days after the timeframes provided in paragraph (a) of this subsection shall be rejected and no refunds shall be paid for the time period covered by the request.
- (5) Interest shall not be allowed or paid on any refund made under the provisions of this section.
- (6) The agency shall execute information sharing agreements prescribed by the department with contractors, vendors, and other related parties to verify construction material costs.

Effective: June 25, 2009

History: Amended 2009 Ky. Acts ch. 12, sec. 40, effective June 25, 2009. -- Amended 2008 Ky. Acts ch. 178, sec. 13, effective July 15, 2008. -- Created 2007 Ky. Acts ch. 95, sec. 28, effective March 23, 2007.