

**154.32-020 Incentives to induce location of economic development projects in the Commonwealth -- Purposes -- Requirements -- Summary of incentives available -- Legislative findings.**

- (1) The purposes of this subchapter are:
  - (a) To provide incentives for eligible companies and to encourage the location or expansion of manufacturing facilities, agribusiness operations, nonretail service or technology facilities, and regional or national corporate headquarters in the Commonwealth to advance the public purposes of:
    1. Creation of new jobs that, but for the incentives offered by the authority, would not exist within the Commonwealth;
    2. Creation of new sources of tax revenues for the support of public services provided by the Commonwealth; and
    3. Improvement in the quality of life for Kentucky citizens through the creation of sustainable jobs with higher salaries; and
  - (b) To provide enhanced incentives for companies that locate in enhanced incentive counties in recognition of the depressed economic conditions in those counties and the increased need for the growth and development caused by the depressed economic conditions.
- (2) (a) To qualify for the incentives provided by subsection (3) of this section, an approved company shall:
  1. Incur eligible costs of at least one hundred thousand dollars (\$100,000);
  2. Create at least ten (10) new full-time jobs and maintain an annual average number of at least ten (10) new full-time jobs; and
  3.
    - a. Pay at least ninety percent (90%) of all new full-time employees whose jobs were created as a result of the economic development project a minimum wage of at least one hundred twenty-five percent (125%) of the federal minimum wage in enhanced incentive counties, and one hundred fifty percent (150%) of the federal minimum wage in other counties throughout the term of the economic development project; and
    - b. Provide employee benefits for all new full-time jobs equal to at least fifteen percent (15%) of the minimum wage target established by the tax incentive agreement. If the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the minimum wage target established by the tax incentive agreement, the eligible company may still qualify for incentives if it provides the full-time employees hired as a result of the economic development project total hourly compensation equal to or greater than one hundred fifteen percent (115%) of the minimum wage target established in the tax incentive agreement through increased hourly wages combined with employee benefits.
- (b) To qualify for the advance disbursement provided by KRS 154.32-080, an approved company shall commit to meeting the job and wage requirements

established by paragraph (a) of this subsection, and shall provide documentation indicating that the proposed economic development project will require investment of at least five hundred million dollars (\$500,000,000).

- (3) The incentives available under this subchapter are as follows:
- (a) Tax credits of up to one hundred percent (100%) of the Kentucky income tax imposed under KRS 141.020 or 141.040 and the limited liability entity tax imposed under KRS 141.0401 on the income, Kentucky gross profits, or Kentucky gross receipts of the approved company generated by or arising from the economic development project, as set forth in KRS 141.415 and 154.32-070;
  - (b) Authorization for the approved company to impose a wage assessment against the gross wages of each new employee subject to the Kentucky income tax as provided in KRS 154.32-090; and
  - (c) For economic development projects with an investment of more than five hundred million dollars (\$500,000,000), an advance disbursement as provided in KRS 154.32-080.
- (4) The General Assembly hereby finds and declares that the authority granted in this subchapter and the purposes accomplished hereby are proper governmental and public purposes for which public moneys may be expended, and that the inducement of the location of economic development projects within the Commonwealth is of paramount importance to the economic well-being of the Commonwealth.

**Effective:** June 26, 2009

**History:** Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 10, effective June 26, 2009.