

141.384 Nonrefundable tax credit for small businesses.

- (1) As used in this section, "small business" has the same meaning as in KRS 154.12-325.
- (2)
 - (a) For taxable years beginning after December 31, 2010, a small business may be eligible for a nonrefundable credit 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.
 - (b) A small business that is subject to the tax imposed by KRS 141.020 or 141.040 and that has tax credits approved under Subchapter 60 of KRS Chapter 154 shall apply the credits against the income tax imposed by KRS 141.020 or 141.040 and against the limited liability entity tax imposed by KRS 141.0401, with the ordering of credits as provided in KRS 141.0205.
 - (c) A small business that is a pass-through entity not subject to the tax imposed by KRS 141.040 and that has tax credits approved under Subchapter 60 of KRS Chapter 154 shall apply the credits against the limited liability entity tax imposed by KRS 141.0401, and shall also distribute the amount of the approved tax credits to each partner, member, or shareholder based on the partner's, member's, or shareholder's distributive share of income as determined for the year during which the tax credits are approved, with the ordering of credits as provided in KRS 141.0205.

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