141.4244 Nonrefundable credit for producers of cellulosic ethanol.

(1) (a) For taxable years beginning after December 31, 2007, a cellulosic ethanol producer shall be eligible for a nonrefundable tax credit against the taxes imposed by KRS 141.020 or 141.040 and 141.0401 in an amount certified by the department under subsection (3) of this section. The credit rate shall be one dollar ($1) per cellulosic ethanol gallon produced, unless the total amount of approved credit for all cellulosic ethanol producers exceeds the annual cellulosic ethanol tax credit cap. If the total amount of approved credit for all cellulosic ethanol producers exceeds the annual cellulosic ethanol tax credit cap, the department shall determine the amount of credit each cellulosic ethanol producer receives by multiplying the annual cellulosic ethanol tax credit cap by a fraction, the numerator of which is the amount of approved credit for the cellulosic ethanol producer and the denominator of which is the total approved credit for all cellulosic ethanol producers.

(b) The credit allowed under paragraph (a) of this subsection shall be applied both to the income tax imposed under KRS 141.020 or 141.040 and to the limited liability entity tax imposed under KRS 141.0401, with the ordering of credits as provided in KRS 141.0205.

(2) The credit provided under subsection (1) of this section shall not be carried forward to a return for any other period.

(3) Each cellulosic ethanol producer eligible for the credit provided under subsection (1) of this section shall file a cellulosic ethanol tax credit claim for cellulosic ethanol gallons produced in this state on forms prescribed by the department by January 15 following the close of the preceding calendar year. The department shall determine the amount of the approved credit based on the amount of cellulosic ethanol produced in this state during the preceding calendar year and shall issue a credit certificate to the cellulosic ethanol producer by April 15 following the close of the preceding calendar year.

(4) In the case of a cellulosic ethanol producer that has a fiscal year end for purposes of computing the tax imposed by KRS 141.020, 141.040, and 141.0401, the amount of approved credit provided under subsection (1) of this section shall be claimed on the return filed for the first fiscal year ending after the close of the preceding calendar year.

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