

**151B.402 Legislative findings relating to need for High School Equivalency Diplomas -- Incentives -- Administrative regulations -- Learning contracts -- Tuition discounts -- Tax credit for employers.**

- (1) The General Assembly recognizes the critical condition of the educational level of Kentucky's adult population and seeks to stimulate the attendance at, and successful completion of, programs that provide a High School Equivalency Diploma. Incentives shall be provided to full-time employees who complete a High School Equivalency Diploma program within one (1) year and their employers.
- (2) The Office of Adult Education within the Department of Workforce Investment in the Education and Workforce Development Cabinet shall promulgate administrative regulations to establish the operational procedures for this section. The administrative regulations shall include but not be limited to the criteria for:
  - (a) A learning contract that includes the process to develop a learning contract between the student and the adult education instructor with the employer's agreement to participate and support the student;
  - (b) Attendance reports that validate that the student is enrolled and studying for the High School Equivalency Diploma during the release time from work; and
  - (c) Final reports that qualify the student for the tuition discounts under subsection (3)(a) of this section and that qualify the employer for tax credits under subsection (4) of the section.
- (3)
  - (a) An individual who has been out of secondary school for at least three (3) years, develops and successfully completes a learning contract that requires a minimum of five (5) hours per week to study for the High School Equivalency Diploma program, and successfully earns a High School Equivalency Diploma shall earn a tuition discount of two hundred fifty dollars (\$250) per semester for a maximum of four (4) semesters at one (1) of Kentucky's public postsecondary institutions.
  - (b) The program shall work with the postsecondary institutions to establish notification procedures for students who qualify for the tuition discount.
- (4) An employer who assists an individual to complete his or her learning contract under the provisions of this section shall receive a state tax credit against the income tax imposed by KRS 141.020 or 141.040, and the limited liability entity tax imposed by KRS 141.0401, with credit ordering as provided in KRS 141.0205 for a portion of the released time given to the employee to study for the tests. The application for the tax credit shall be supported with attendance documentation provided by the Office of Adult Education and calculated by multiplying fifty percent (50%) of the hours released for study by the student's hourly salary, and not to exceed a credit of one thousand two hundred fifty dollars (\$1250).

**Effective:** June 27, 2019

**History:** Repealed, reenacted as KRS 151B.402, and amended 2019 Ky. Acts ch. 146, sec. 39, effective June 27, 2019. -- Amended 2017 Ky. Acts ch. 63, sec. 2, effective June 29, 2017. -- Repealed, reenacted, and renumbered 2013 Ky. Acts ch. 59, sec. 33, effective June 25, 2013. -- Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 38, effective June 28, 2006. -- Amended 2006 Ky. Acts ch. 211, sec. 37, effective

July 12, 2006. -- Created 2000 Ky. Acts ch. 526, sec. 12, effective July 14, 2000.

**Formerly codified as KRS 151B.127.**

**Formerly codified as KRS 164.0062.**

**Legislative Research Commission Note** (6/28/2006). 2006 (1st Extra Sess.) Ky. Acts ch. 2, sec. 73, provides that "unless a provision of this Act specifically applies to an earlier tax year, the provisions of this Act shall apply to taxable years beginning on or after January 1, 2007."