

154.26-100 Job revitalization assessment fee -- Certification of tax liability of approved company.

- (1) The approved company may require that each employee subject to the income tax imposed by KRS 141.020, whose job was preserved or created as a result of the project or supplemental project, as a condition of employment or the retention of employment, agree to pay an assessment, not to exceed, during any fiscal year of the approved company, five percent (5%) of the gross wages of each employee subject to the income tax imposed by KRS 141.020 whose job was retained or created as a result of the project or supplemental project, unless:
 - (a) The appropriation agreement is consummated, in which case the assessment shall be four percent (4%) of each employee's gross wages subject to the income tax imposed by KRS 141.020;
 - (b) The local government or governments in which the project is located have a local occupational license fee of less than one percent (1%) and agree to forgo all of their local occupational license fee, in which case the assessment shall equal four percent (4%) plus the percentage of the local occupational license fee that the local government or governments have agreed to forgo; or
 - (c) The local government or governments in which the project is located have no occupational license fee, in which case the assessment shall be four percent (4%).
- (2) Each assessed employee shall be entitled to a credit against his Kentucky income tax required to be withheld under KRS 141.310 in the form of a simultaneous adjustment equal to four-fifths ($4/5$) of the assessment, unless:
 - (a) The appropriation agreement is consummated, in which case the credit shall be equal to one hundred percent (100%) of the assessment;
 - (b) The local government or governments in which the project or supplemental project is located have a local occupational license fee of less than one percent (1%) and agree to forgo all of their local occupational license fee, in which case the credit shall be equal to the total assessment less the local occupational license fee; or
 - (c) If the local government or governments in which the project or supplemental project is located have no local occupational license fee, in which case the credit shall be equal to one hundred percent (100%) of the assessment.
- (3) Each assessed employee also shall be entitled to a credit against his local occupational license fee in the form of a simultaneous adjustment of his local occupational license fee withholding equal to one-fifth ($1/5$) of the assessment, unless:
 - (a) The appropriation agreement is consummated; or
 - (b) The local occupational license fee is less than one percent (1%), in which case the credit shall equal the same amount as the local occupational license fee.
- (4) If an approved company shall elect to impose the assessment as a condition of employment or the retention of employment, it shall deduct the assessment from each paycheck of each employee subject to subsections (2) and (3) of this section.

- (5) Any approved company collecting an assessment as provided in subsection (1) of this section shall make its payroll books and records available to the authority at such reasonable times as the authority shall request, and shall file with the authority the documentation respecting the assessment the authority may require.
- (6) Any assessment of the wages of the employees of an approved company pursuant to subsection (1) of this section shall permanently lapse upon expiration or termination of the agreement.
- (7) By October 1 of each year, the Department of Revenue of the Commonwealth shall certify to the authority, in the form of an annual report, aggregate tax credits claimed on tax returns filed during the fiscal year ending June 30 of that year and job revitalization assessment fees taken during the prior calendar year by approved companies with respect to their economic revitalization projects and supplemental projects under this subchapter, and shall certify to the authority, within ninety (90) days from the date an approved company has filed its state tax return, when an approved company has taken tax credits equal to its total inducements.

Effective: July 15, 2014

History: Amended 2014 Ky. Acts ch. 129, sec. 5, effective July 15, 2014. -- Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 58, effective June 28, 2006. -- Amended 2005 Ky. Acts ch. 85, sec. 583, effective June 20, 2005. -- Amended 2004 Ky. Acts ch. 18, sec. 2, effective July 13, 2004; and ch. 105, sec. 13, effective July 13, 2004. -- Amended 2000 Ky. Acts ch. 300, sec. 22, effective July 14, 2000; and ch. 547, sec. 4, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 194, sec. 48, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 450, sec. 26, effective July 15, 1994. -- Created 1992 Ky. Acts ch. 359, sec. 11, effective July 14, 1992.

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."