

141.383 Refundable tax credit for motion picture or entertainment production expenses authorized by KRS 148.542 to 148.546.

- (1) As used in this section:
 - (a) "Above-the-line production crew" means the same as defined in KRS 148.542;
 - (b) "Approved company" means the same as defined in KRS 148.542;
 - (c) "Below-the-line production crew" means the same as defined in KRS 148.542;
 - (d) "Cabinet" means the same as defined in KRS 148.542;
 - (e) "Office" means the same as defined in KRS 148.542;
 - (f) "Qualifying expenditure" means the same as defined in KRS 148.542;
 - (g) "Qualifying payroll expenditure" means the same as defined in KRS 148.542;
 - (h) "Secretary" means the same as defined in KRS 148.542; and
 - (i) "Tax incentive agreement" means the same as defined in KRS 148.542.
- (2)
 - (a) There is hereby created a tax credit against the tax imposed under KRS 141.020 or 141.040 and 141.0401, with the ordering of credits as provided in KRS 141.0205.
 - (b) The incentive available under paragraph (a) of this section is:
 1. A refundable credit for applications approved prior to April 27, 2018; and
 2. A nonrefundable and nontransferable credit for applications approved on or after April 27, 2018.
 - (c)
 1. Beginning on April 27, 2018, the total tax incentive approved under KRS 148.544 shall be limited to one hundred million dollars (\$100,000,000) for calendar year 2018 and each calendar year thereafter.
 2. On April 27, 2018, if applications have been approved during the 2018 calendar year which exceed the amount in subparagraph 1. of this paragraph, the Kentucky Film Office shall immediately cease in approving any further applications for tax incentives.
- (3) An approved company may receive a refundable tax credit on and after July 1, 2010, but only for applications approved prior to April 27, 2018, if:
 - (a) The cabinet has received notification from the office that the approved company has satisfied all requirements of KRS 148.542 to 148.546; and
 - (b) The approved company has provided a detailed cost report and sufficient documentation to the office, which has been forwarded by the office to the cabinet, that:
 1. The purchases of qualifying expenditures were made after the execution of the tax incentive agreement; and
 2. The approved company has withheld income tax as required by KRS 141.310 on all qualified payroll expenditures.
- (4) Interest shall not be allowed or paid on any refundable credits provided under this

section.

- (5) The cabinet shall promulgate administrative regulations in accordance with KRS Chapter 13A to administer this section.
- (6) On or before September 1, 2010, and on or before each September 1 thereafter, for the immediately preceding fiscal year, the cabinet shall report to the office the names of the approved companies and the amounts of refundable income tax credit claimed.

Effective: April 15, 2020

History: Amended 2020 Ky. Acts ch. 91, sec. 15, effective April 15, 2020. -- Amended 2018 Ky. Acts ch. 171, sec. 85, effective April 14, 2018; and ch. 207, sec. 85, effective April 27, 2018. -- Amended 2014 Ky. Acts ch. 102, sec. 13, effective July 15, 2014. -- Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 47, effective June 26, 2009.

Legislative Research Commission Note (4/15/2020). 2020 Ky. Acts ch. 91, sec. 76 provides that the changes made to this statute in Section 15 of that Act apply to taxable years beginning on or after January 1, 2019.