

**141.405 Tax credit for company approved for occupational or skills upgrade training program under KRS 154.12-2084 to 154.12-2089 -- Administrative regulations.**

- (1) As used in this section, unless the context requires otherwise:
  - (a) "Approved company" has the same meaning as set forth in KRS 154.12-2084;
  - (b) "Skills training investment credit" has the same meaning as set forth in KRS 154.12-2084;
  - (c) "Kentucky gross receipts" means Kentucky gross receipts as defined in KRS 141.0401; and
  - (d) "Kentucky gross profits" means Kentucky gross profits as defined in KRS 141.0401.
- (2) An approved company shall determine the tax credit as provided in this section.
- (3)
  - (a) An approved company which is an individual sole proprietorship subject to tax under KRS 141.020 or a corporation or pass-through entity treated as a corporation for federal income tax purposes subject to tax under KRS 141.040 shall:
    1. Compute the tax due at the applicable tax rates as provided by KRS 141.020 or 141.040 on net income or taxable net income;
    2. Compute the limited liability entity tax imposed under KRS 141.0401 on Kentucky gross profits or Kentucky gross receipts; and
    3. Add the amounts computed under subparagraphs 1. and 2. of this paragraph and, if applicable, subtract the credit permitted by KRS 141.0401(3) from that sum. The resulting amount shall be the net tax for purposes of this subsection;
  - (b) The amount of the skills training investment credit that the Bluegrass State Skills Corporation has given final approval for under KRS 154.12-2088(6) shall be applied against the net tax computed under paragraph (a)3. of this subsection; and
  - (c) The skills training investment credit payment shall not exceed the amount of the final approval awarded by the Bluegrass State Skills Corporation under KRS 154.12-2088(6).
- (4)
  - (a) In the case of an approved company which is a pass-through entity not subject to the tax imposed by KRS 141.040, the amount of the tax credit awarded by the Bluegrass State Skills Corporation in KRS 154.12-2088(6) shall be taken against the tax imposed by KRS 141.0401 by the approved company, and shall also be apportioned among the partners, members, or shareholders thereof at the same ratio as the partners', members', or shareholders' distributive shares of income are determined for the tax year during which the final authorization resolution is adopted by the Bluegrass State Skills Corporation in KRS 154.12-2088(6).
  - (b) The amount of the tax credit apportioned to each partner, member, or shareholder that may be claimed in any tax year of the partner, member, or

shareholder shall be determined in accordance with the provisions of KRS 154.12-2086.

- (5) (a) In the case of an approved company that is a trust not subject to the tax imposed by KRS 141.040, the amount of the tax credit awarded by the Bluegrass State Skills Corporation in KRS 154.12-2088(6) shall be apportioned to the trust and the beneficiaries on the basis of the income of the trust allocable to each for the tax year during which the final authorizing resolution is adopted by the Bluegrass State Skills Corporation in KRS 154.12-2088(6).
  - (b) The amount of tax credit apportioned to each trust or beneficiary that may be claimed in any tax year of the trust or beneficiary shall be determined in accordance with the provisions of KRS 154.12-2086.
- (6) The Department of Revenue may promulgate administrative regulations in accordance with KRS Chapter 13A adopting forms and procedures for the reporting of the credit allowed in KRS 154.12-2084 to 154.12-2089.

**Effective:** April 27, 2018

**History:** Amended 2018 Ky. Acts ch. 171, sec. 90, effective April 14, 2018; and ch. 207, sec. 90, effective April 27, 2018. -- Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 26, effective June 28, 2006. -- Amended 2006 Ky. Acts ch. 252, Pt. XIII, sec. 9, effective April 25, 2006. -- Amended 2005 Ky. Acts ch. 85, sec. 508, effective June 20, 2005; and ch. 168, sec. 27, effective March 18, 2005. -- Amended 2000 Ky. Acts ch. 300, sec. 4, effective July 14, 2000. -- Created 1998 Ky. Acts ch. 499, sec. 5, effective July 15, 1998.

**Legislative Research Commission Note (4/27/2018).** This statute was amended by 2018 Ky. Acts chs. 171 and 207, which do not appear to be in conflict and have been codified together.

**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."

**Legislative Research Commission Note (3/18/2005).** 2005 Ky. Acts ch. 168, sec. 165, provides that this section shall apply to tax years beginning on or after January 1, 2005.