

**141.068 Definitions -- Determination of tax credits under KRS 154.20-258.**

- (1) As used in this section, unless the context requires otherwise:
  - (a) "Authority" means the Kentucky Economic Development Finance Authority as created pursuant to KRS 154.20-010;
  - (b) "Investor" has the same meaning as set forth in KRS 154.20-254;
  - (c) "Investment fund" has the same meaning as set forth in KRS 154.20-254;
  - (d) "Investment fund manager" has the same meaning as set forth in KRS 154.20-254; and
  - (e) "Tax credit" means the credits provided for in KRS 154.20-258.
- (2)
  - (a) An investor which is an individual or a corporation shall be entitled to the credit certified by the authority under KRS 154.20-258 against the tax due computed as provided by KRS 141.020 or 141.040, respectively, and against the tax imposed by KRS 141.0401, with the ordering of credits as provided in KRS 141.0205.
  - (b) The amount of the certified tax credit that may be claimed in any tax year of the investor shall be determined in accordance with the provisions of KRS 154.20-258.
- (3)
  - (a) In the case of an investor that is a pass-through entity not subject to the tax imposed by KRS 141.040, the amount of the tax credit certified by the authority under KRS 154.20-258 shall be taken by the pass-through entity against the limited liability entity tax imposed by KRS 141.0401, and shall also be apportioned among the partners, members, or shareholders at the same ratio as the partners', members', or shareholders' distributive shares of income are determined for the tax year during which the amount of the credit is certified by the authority.
  - (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 154.20-258.
- (4)
  - (a) In the case of an investor that is a trust not subject to the tax imposed by KRS 141.040, the amount of the tax credit certified by the authority under KRS 154.20-258 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 tax credit is certified by the authority.
  - (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 154.20-258.
- (5) The Department of Revenue shall promulgate administrative regulations under KRS Chapter 13A adopting forms and procedures for the reporting and administration of credits authorized by KRS 154.20-258.

**Effective:** June 28, 2006

**History:** Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 18, effective June 28, 2006. -- Amended 2005 Ky. Acts ch. 85, sec. 477, effective June 20, 2005; and ch. 168, sec. 10, effective March 18, 2005. -- Amended 2002 Ky. Acts ch. 230, sec. 6, effective July 15, 2002. -- Created 1998 Ky. Acts ch. 414, sec. 16, effective July 15, 1998.

**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.

**Legislative Research Commission Note** (3/18/2005). This section was amended by 2005 Ky. Acts chs. 85 and 168, which do not appear to be in conflict and have been codified together.