

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **1097**

HOUSE BILL NUMBER **457**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to tax incentives offered through the Kentucky Business Investment Program.**

SPONSOR **Representative DeCesare**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			(Indeterminable)
EXPENDITURES			
NET EFFECT			(Indeterminable)

() indicates a decrease/negative

MEASURE’S PURPOSE: If enacted, a company engaged in the development of infrastructure, including the erection of buildings, necessary to facilitate the location of manufacturing, agribusiness, nonretail service and technology, or national or regional headquarters operation may participate in the Kentucky Business Investment Program and qualify for tax credits against KRS 141.020, 141.040, and 141.0401. To qualify, the company must incur eligible costs of at least \$1,000,000 and have documentation of official action taken by a local governmental entity detailing the manner and level of local support and contribution.

PROVISIONS/MECHANICS: Amends KRS 154.32-010 to define terms; amends KRS 154.32-020 to allow an approved company engaged in the development of infrastructure, including the erection of buildings, necessary to facilitate the location of manufacturing, agribusiness, nonretail service and technology, or national or regional headquarters operation in this state to qualify for tax credits against KRS 141.020, 141.040, and 141.0401; sunsets tax credit program; amends KRS 154.32-070 to outline credit provisions; amends KRS 154.32-100 to require reporting to the Legislative Research Commission; creates a new section of KRS Chapter 141 to provide a credit for infrastructure activity; amends KRS 141.0205 to provide the

order in which credits may be taken; amends KRS 131.190 to allow Department of Revenue to report data; amends various statutes to conform.

FISCAL EXPLANATION: If enacted, there will be no fiscal impact to the General Fund in this biennium. It is estimated that there will be a negative, but indeterminable, impact to the General Fund in FY 2019-2020 and for each fiscal year thereafter that the credit is available.

DATA SOURCE(S): Cabinet for Economic Development

PREPARER: Charlotte T. Quarles **NOTE NUMBER:** 122 **REVIEW:** JRS **DATE:** 2/27/2017