

KY H 416, Introduced

Kentucky

SUMMARY: Freezes the state property tax rate and eliminate the tax rate reduction for qualified heavy equipment; defines vapor products and include vapor products in the definition of tobacco products; increases the tax on cigarettes, snuff, chewing tobacco, and tobacco products; removes the discount for modified risk tobacco products; requires a floor stock tax; imposes specific surtax amounts on horse racing wagers; requires the revenue generated from the surtaxes to be deposited into the general fund.

Legislative History and Analysis Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status 02/12/2020 INTRODUCED.

02/14/2020 To HOUSE Committee on APPROPRIATIONS AND REVENUE.

session: Kentucky 2020 Regular Session cite: 2020 KY H 416

Introduced February 12, 2020 Willner

KENTUCKY LEGISLATURE HB 416

2020 Regular Session

AN ACT relating to taxation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

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Section 23. KRS 141.383 is amended to read as follows:

- (1) As used in this section *the following terms have the same meaning as defined in KRS 148.542* :
 - (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. **a.** 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 ~~2019 each calendar year thereafter~~ ; and **b.** *Beginning on April 30, 2020, the total tax incentive approved under KRS 148.544 shall be limited to ten million dollars (\$10,000,000) for calendar year 2020 and each calendar year thereafter .*
2. On ~~April 30, 2020~~ ~~April 27, 2018~~ , if applications have been approved during the ~~2020~~ ~~2018~~ calendar year which exceed the amount in paragraph ~~(b)~~ ~~(a)~~ of this subsection, 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.

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Section 32. Section 25 of this Act takes effect on August 1, 2020.