

KY H 622, Enacted - Line Item Vetoed

Kentucky

SUMMARY: Provides that the Secretary of the Finance and Administration Cabinet may adopt regulations governing the purchasing, management, and control of supplies, services, and construction, and other items required to be purchased by the Commonwealth; provides that all contracts shall include a section that addresses timely payments; provides that the Department of Education shall assist nonpublic schools in funding salaries for school officers; relates to the Economic Development Finance Authority Loan Pool.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

02/18/2025 INTRODUCED.

02/18/2025 To HOUSE Committee on COMMITTEES.

02/25/2025 To HOUSE Committee on STATE GOVERNMENT.

02/27/2025 From HOUSE Committee on STATE GOVERNMENT: Reported favorably.

02/27/2025 1st reading, to Calendar.

02/28/2025 2nd Reading, to Committee on RULES.

02/28/2025 Posted for passage in Regular Orders of the Day.

03/04/2025 3rd Reading.

03/04/2025 Passed HOUSE. *****To SENATE.

03/05/2025 To SENATE Committee on COMMITTEES.

03/07/2025 To SENATE Committee on APPROPRIATIONS AND REVENUE.

03/12/2025 Taken from SENATE Committee on APPROPRIATIONS AND REVENUE.

03/12/2025 1st Reading.

03/12/2025 Returned to SENATE Committee on APPROPRIATIONS AND REVENUE.

03/13/2025 Taken from SENATE Committee on APPROPRIATIONS AND REVENUE.

03/13/2025 2nd Reading.

03/13/2025 Returned to SENATE Committee on APPROPRIATIONS AND REVENUE.

03/14/2025 From SENATE Committee on APPROPRIATIONS AND REVENUE: Reported favorably with substitute and amendment.

03/14/2025 To Rules.

03/14/2025 Posted for passage in Regular Orders of the Day.

03/14/2025 3rd Reading.

03/14/2025 Committee Substitute adopted on SENATE floor. (1)

03/14/2025 Committee amendment adopted on SENATE floor. Amendment No. (1-title).

03/14/2025 Passed SENATE. *****To HOUSE for concurrence.

03/14/2025 To HOUSE Committee on RULES.

03/14/2025 Posted for passage for Concurrence.

03/14/2025 HOUSE concurred in SENATE substitute and amendment.

03/27/2025 HOUSE refused to concur in SENATE Substitute and Amendment No. (1-title).

03/27/2025 To SENATE Committee on RULES.
03/27/2025 Posted for passage for receding from Substitute, committee amendment.
03/27/2025 SENATE refuses to recede from Substitute and Amendment No. (1-title).
03/27/2025 Conference Committee appointed in HOUSE AND SENATE.
03/27/2025 CONFERENCE Committee report Filed in HOUSE AND SENATE.
03/27/2025 CONFERENCE Committee report adopted by HOUSE.
03/27/2025 CONFERENCE Committee report adopted by SENATE.
03/27/2025 *****To Free CONFERENCE Committee.
03/27/2025 FREE Conference Committee appointed in HOUSE and SENATE.
03/27/2025 Free CONFERENCE Committee report Filed in HOUSE.
03/28/2025 Free CONFERENCE Committee report Filed in SENATE.
03/28/2025 Posted for passage for consideration of Free Conference Report.
03/28/2025 Free CONFERENCE Committee report adopted by SENATE.
03/28/2025 To HOUSE Committee on RULES.
03/28/2025 Free CONFERENCE Committee report adopted by HOUSE.
03/28/2025 ***** Eligible For Governor's Desk.
03/28/2025 Enrolled.
03/28/2025 *****To GOVERNOR.
04/03/2025 Line Item Vetoed by GOVERNOR.
04/10/2025 Act No. 162

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session: Kentucky 2025 Regular Session

cite: 2025 KY H 622

Enacted - Line Item Vetoed - Final

April 3, 2025

McPherson

KENTUCKY LEGISLATURE

HB 622

2025 Regular Session

(Act ch. 162)

AN ACT relating to fiscal matters and declaring an emergency.

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

TEXT OMITTED, DOES NOT PERTAIN TO FILM

Section 11. KRS 141.383 is amended to read as follows:

(1) As used in this section:

- (a) "Above-the-line production crew" has the same meaning as in KRS 154.61- 010;
- (b) "Approved company" has the same meaning as in KRS 154.61-010;
- (c) "Authority" has the same meaning as in KRS 154.61-010;
- (d) "Below-the-line production crew" has the same meaning as in KRS 154.61- 010;
- (e) "Continuous film production" has the same meaning as in KRS 154.61-010;

- (f) "Loan-out entity" has the same meaning as in KRS 154.61-010;
 - (g) "Qualifying expenditure" has the same meaning as in KRS 154.61-010;
 - (h) "Qualifying payroll expenditure" has the same meaning as in KRS 154.61- 010;
 - (i) "Secretary" has the same meaning as in KRS 154.61-010; and
 - (j) "Tax incentive agreement" has the same meaning as KRS 154.61-010.
- (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;
 2. A nonrefundable and nontransferable credit for applications approved on or after April 27, 2018, but before January 1, 2022; and
 3. A refundable credit for applications approved on or after January 1, 2022, if the provisions of paragraph (c) of this subsection are met.
- (c) 1. The total tax incentive approved under KRS 154.61-020 shall be limited to:
- a. One hundred million dollars (\$100,000,000) for calendar year 2018 and each calendar year through the calendar year 2021;
 - b. Seventy-five million dollars (\$75,000,000) for the calendar year 2022 and each calendar year thereafter; and
 - c. Beginning with calendar year 2024, the amount in subdivision b. of this subparagraph shall be allocated accordingly:
 - i. Twenty-five million dollars (\$25,000,000) shall be allocated for all approved companies with a continuous film production; and
 - ii. On the first day of **April 2025, and on April 1 July** of each calendar year **thereafter**, any unused balance allocated under subpart i. of this subdivision for continuous film productions shall be made available for all approved companies with a motion picture or entertainment production.
2. To qualify for the refundable credit, all applicants shall:
- a. Begin filming or production in Kentucky within six (6) months of approval by the authority; and
 - b. Complete filming or production in Kentucky within two (2) years of their production start date.
- (3) An approved company may receive a refundable tax credit if:
- (a) The department has received notification from the authority that the approved company has satisfied all requirements of KRS 154.61-020 and 154.61-030; and
 - (b) The approved company has provided a detailed cost report and sufficient documentation to the authority, which has been forwarded by the authority to the department, that:
 1. The purchases of qualifying expenditures were made after the execution of the tax incentive agreement; and
 2. The approved company or loan-out entity has withheld income tax as required by KRS 141.310 on all qualified payroll expenditures, and remitted and certified the withheld amount to the department.
- (4) Interest shall not be allowed or paid on any refundable credits provided under this section.
- (5) The department may promulgate administrative regulations under 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 department shall report to the authority and the Interim Joint Committee on Appropriations and Revenue the names of the approved companies and the amounts of refundable income tax credit claimed.
- (7) No later than September 1, 2021, and by November 1 every four (4) years thereafter, the department and the Cabinet for Economic Development shall cooperatively provide historical data related to the tax credit allowed in this section and KRS 154.61-020 and 154.61-030, including data items beginning with tax credits claimed for taxable years beginning on or after January 1, 2018:

- (a) The name of the taxpayer claiming the tax credit;
 - (b) The date that the application was approved and the date the filming or production was completed;
 - (c) The taxable year in which the taxpayer claimed the tax credit;
 - (d) The total amount of the tax credit, including any amount denied, any amount applied against a tax liability, any amount refunded, and any amount remaining that may be claimed on a return filed in the future;
 - (e) Whether the taxpayer is a Kentucky-based company as defined in KRS 154.61-010;
 - (f) Whether the taxpayer films or produces a:
 - 1. Feature-length film, television program, or industrial film;
 - 2. National touring production of a Broadway show; or
 - 3. Documentary;
 - (g) Whether the filming or production was performed:
 - 1. Entirely in an enhanced county; or
 - 2. In whole or in part in any Kentucky county other than in an enhanced incentive county;
 - (h) The amount of qualifying expenditures incurred by the taxpayer;
 - (i) The amount of qualifying payroll expenditures paid to:
 - 1. Resident below-the-line crew; and
 - 2. Nonresident below-the-line production crew; including the number of crew members in each category;
 - (j) The amount of qualifying payroll expenditures paid to:
 - 1. Resident above-the-line crew; and
 - 2. Nonresident above-the-line crew; including the number of crew members in each category; and
 - (k) A brief description of the type of motion picture or entertainment production project.
- (8) The information required to be reported under this section shall not be considered confidential taxpayer information and shall not be subject to KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes prohibiting disclosure or reporting of information.

Section 12. The unused balance identified in Section 11(2)(c)1.c.ii. of this Act as of the first day of April 2025 shall be allocated and made available for all approved companies with a motion picture or entertainment production on or after the effective date of this Act.

Section 13. Whereas the provisions of this Act provide ongoing support for state government agencies and their functions, an emergency is declared to exist, and Sections 4 to 8 and 10 to 12 of this Act take effect upon its passage and approval by the Governor or upon its otherwise becoming a law.