

Incentive Program Overview

November 2023

Kentucky Economic Development Finance Authority (KEDFA)

Program	Approval	Eligible Companies	Jobs	Minimum Investment	Maximum Duration	Special Provisions
Kentucky Business Investment (KBI)	Preliminary & Final	Manufacturing, non-retail service or technology activities, agribusiness, headquarters operations, hospital operations, coal severing and processing, alternative fuel, gasification, energy-efficient alternative fuels, renewable energy production, or carbon dioxide or hydrogen transmission pipelines	Minimum - 10; Job target also negotiated	\$100,000	10-15 Years (depending on location) with Compliance Monitoring	The approved company is required to certify that without the incentives offered, the project would likely locate outside of the Commonwealth, or not occur at all. Wage requirements are also included.
Kentucky Enterprise Initiative Act (KEIA)	Final	Same as KBI eligible companies above, plus companies operating or developing a tourism attraction	None	\$500,000 Construction Materials & Building Fixtures \$50,000 Electronic Processing Equipment	Up to 7 Years with Compliance Monitoring	The total maximum incentive per fiscal year available for all projects is \$20 million for construction materials & building fixtures and \$5 million for R&D, electronic processing and flight simulator equipment.
Kentucky Reinvestment Act (KRA)	Preliminary & Final	Same as KBI eligible companies above, for companies operating at a location within the Commonwealth on a permanent basis for a reasonable period of time preceding the request for assistance	Retain at least 85%	\$2,500,000 for owned projects; \$1,000,000 for leased projects	Up to 10 Years with Compliance Monitoring	Eligible equipment and related costs do not include repair or replacement due to normal wear and usage. Rent costs are also not considered an eligible expense. May not claim more than 20% of incentive in any year.
Kentucky Entertainment Incentive (KEI)	Final	Any person or entity that intends to film or produce a motion picture or entertainment production in the Commonwealth and meets the eligibility requirements	None	Feature-film, TV or Industrial Film - \$125,000 (KY) / \$250,000 (non-KY); Documentary - \$10,000 (KY) / \$20,000 (non-KY); National touring Broadway show - \$20,000 (KY and non-KY)	Filming or production must begin within 6 months of approval and must be completed within 2 years of production start date	\$75,000,000 total maximum incentive per calendar year. Minimum investment requirements are based on if the company is KY-based or based outside of Kentucky.
Kentucky Small Business Credit Initiative (KSBCI)	Final	Available in the form of loan support through participating lenders and as seed-stage equity investment	None	None	Up to 10 Years with Compliance	The State may participate up to fifty percent (50%) if the loan is used to meet the needs of a certified SEDI-owned business, a Very Small Business (VSB), or a Disaster Relief Affected Business else the maximum participation cannot exceed twenty percent (20%) of the total loan amount.
Kentucky Small Business Tax Credit (KSBTC)	Final	Eligible small businesses include most for-profit entities that have fifty (50) or fewer full-time employees at the time of application	1	\$5,000	Carryforward up to 5 years	\$25,000 maximum tax credit cap per applicant for each calendar year. Performance must occur prior to submitting application.
Kentucky Angel Investment Tax Credit	Final	A knowledge-based activity related to Bioscience; Environmental and Energy Technology; Health and Human Development; Information Technology and Communications; Materials Science and Advanced Manufacturing; or other knowledge-based activities	100 or less	Cash investment of \$10,000 made by a Qualified Investor in a Qualified Small Business	Carryforward up to 15 years	Qualified Investors making Qualified Investments may be eligible for up to a forty percent (40%) tax credit.
KEDFA Direct Loan/ Grant	Final	Agribusiness, Tourism, Manufacturing, or Service Industry	Negotiable	Negotiable	Up to 20 Years with Compliance Monitoring	Fixed asset financing only is permissible.



Tax Increment Financing (TIF)	Preliminary & Final	Public agencies that need to assist the cost of public infrastructure (e.g., streets, sewers, parking lots, etc.).	None	Property Tax Only - \$10 million Mixed-Use - \$20 million Signature - \$200 million	Up to 30 Years with Compliance Monitoring	TIF captures the future value of an improved property to pay for the current costs of those improvements. Only new tax revenues generated within the footprint of the project are included in the increment.
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Bluegrass State Skills Corporation (BSSC)

Program	Approval	Eligible Companies	Trainees	Minimum Investment	Maximum Duration	Special Provisions
Skills Training Investment Credit (STIC)	Final	Same as KBI eligible companies above	Minimum 3 trainees	\$12,000	Carryforward up to 3 years	50% of eligible training costs up to \$75,000; Maximum of \$2,000 x number of eligible trainees. Statutory limitation of \$2,500,000 per fiscal year.
Grant-In-Aid (GIA)	Final	Same as KBI eligible companies above	Minimum 3 trainees	\$12,000	1 Year	50% of eligible training costs up to \$75,000; Maximum of \$2,000 x number of eligible trainees.

Method of Recovery

Program	Corporate Income Tax or LLET Credit	Wage Assessment	Sales & Use Tax	Property Tax	Individual Income Tax Credit	Cash Reimbursement
Kentucky Business Investment (KBI)	✓	✓				
Kentucky Enterprise Initiative Act (KEIA)			✓			
Kentucky Reinvestment Act (KRA)	✓					
Kentucky Entertainment Incentive (KEI)	✓ Refundable					
Kentucky Small Business Credit Initiative (KSBCI)						✓
Kentucky Small Business Tax Credit (KSBTC)	✓					
Kentucky Angel Investment Tax Credit					✓	
KEDFA Direct Loan/Grant						✓
Tax Increment Financing (TIF)	✓	✓	✓	✓	✓	
Skills Training Investment Credit (STIC)	✓					
Grant-In-Aid (GIA)						✓