



Incentive Program Overview

June 2021

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 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. 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 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 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. |

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 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) | | | | | | ✓ |