307 KAR 1:080 Kentucky Entertainment Incentive Program.

July 15 2026

Material Incorporated by Reference

1. Application for Kentucky Entertainment Incentive (KEI)
2. The Kentucky Entertainment Incentive Program Certified Audit Guidelines

Kentucky Entertainment Incentive

Tax Credit Application - Full Reference

This document outlines every step of the Kentucky Entertainment Incentive (KEI) tax credit application, together with the list of supporting documents required by name. It is provided as a reference copy for your records. The application is completed online through the Kentucky Film Office on the Location Pro system (kentucky.location.pro).

Application Steps

1. Production Company (Applicant)
2. Project Information
3. Crew & Personnel
4. Budget
5. Documents
6. Certifications & Disclosures
7. Review & Submit

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STEP 1 Production Company (Applicant)

Company Information

- Company / Applicant Legal Name
- Company Address, Suite, City, State, ZIP
- General Company Email
- Type of Entity (LLC, Corp, etc.)
- Date Company Formed
- Federal Employer ID (FEIN)
- NAICS Code
- Company Website
- State of Organization
- Fiscal Year End
- Publicly Traded? (Yes / No)
- Kentucky Vendor ID / VSS (must begin with KY or KS)
- Registered with KY Secretary of State? (Yes / No)
- Kentucky-Based Company per KRS 154.61-010(18)? (Yes / No)
- Primary Business Activity Type
- Project County (Kentucky)
- Located in a TIF District? (Yes / No)
- Is this an amendment to a prior application? (Yes / No)
- Mailing Address, City, State, ZIP
- Criminal record disclosure? (Yes / No) - details if Yes

Local Production Office (LPO)

- LPO Address, Suite, City, State, ZIP
- Date LPO Opened

Parent Company

- Has Parent Company? (Yes / No)
- Parent Company Name, Phone, Address, Suite, City, State, ZIP

Applicant Contact

- Salutation, First Name, Last Name
- Title
- Phone
- Email

Authorized / Alternate Representative

- Is the applicant the production representative? (Yes / No)
- Alternate Rep First Name, Last Name
- Title
- Phone
- Email

STEP 2 Project Information

Project

- Project Title
- Project Summary / Synopsis
- Project Type (Feature Film, TV Series, Documentary, Continuous Film Production, Commercial, Music Video, Video Game, National Touring Broadway Show)
- Intent for Exhibition / Distribution
- Copyright Owner? (Yes / No)
- Has Distribution Contract? (Yes / No)
- Kentucky-Based Production? (Yes / No)

Kentucky Office & Filming

- Kentucky Office Address, City, State, ZIP
- Kentucky Filming Counties
- Any counties in a TIF District? (Yes / No)
- Filming Days in Kentucky
- Filming Days in Enhanced (Heritage) Counties
- Non-Kentucky Filming Locations
- Kentucky Jobs Information

Production Schedule

- Prep Start / End dates
- Shoot / Production Start / End dates
- Wrap Start / End dates
- Post-Production Start / End dates

Budget Summary

- Total Production Budget
- Total Kentucky Budget / Qualifying Kentucky Spend

Commercial Details (commercials only)

- Advertiser
- Product
- Advertising Agency? (Yes / No) + Agency Name & Contact
- Commercial Spots (length, title)
- Is Campaign? (Yes / No) + Number of Spots
- Distribution Channels
- Market Scope
- First Air Date

- Usage Window

Alternate Contact

- Same as applicant? (Yes / No)
- Salutation, Name
- Phone
- Email

STEP 3 Crew & Personnel

Crew Counts

- Kentucky Resident Above-the-Line (ATL) Count
- Kentucky Resident Below-the-Line (BTL) Count
- Non-Kentucky ATL Count
- Non-Kentucky BTL Count
- Total Estimated Kentucky Cost
- Union Production? (Yes / No) + Associated Unions

Key Personnel (repeated for each person)

- Role
- Name
- Phone
- Email
- Kentucky Resident? (Yes / No)

STEP 4 Budget

Budget Overview

- Total Production Cost
- Funding Committed - Amount
- Funding Committed - Percent
- Application Fee Paid? (Yes / No)

Payroll (per category)

- Category
- Wages
- Per Diem
- Fringes

Heritage County Payroll (per category)

- Category
- Wages
- Per Diem
- Fringes

Non-Payroll Expenditures (per category)

- Category
- Non-Heritage Cost
- Heritage Cost

STEP 5 Documents

Upload the following supporting documents. Required items must be provided to submit the application.

Required Documents

1. Detailed Production Budget
2. Proof of Funds
3. Script or Production Treatment
4. Articles of Incorporation / Organization
5. KY Secretary of State Registration
6. Federal ID / FEIN Documentation
7. Insurance Certificate (General Liability)
8. Production Schedule
9. W-9 Form (IRS Request for Taxpayer ID)
10. Company Letter with Production History
11. Bios of Key Personnel
12. Kentucky Vendor Self Service (VSS) Registration Proof
13. Application Fee Receipt

Optional Documents

- Distribution Contract (if available)
- Supplemental Attachments (Union Agreements, Location Agreements, etc.)

STEP 6 Certifications & Disclosures

Certifications

- Information is accurate and complete
- Company is in good standing
- Not delinquent on any Kentucky taxes
- Not in receivership or bankruptcy (Yes / No - explain if No)
- Production would not film in Kentucky without the incentive
- Content is not obscene (Yes / No - explain if No)
- CFO certification of accuracy - CFO Name & Title (Yes / No - explain)
- CEO certification of no criminal conduct - CEO Name & Title (Yes / No - explain)
- Common ownership with other KEI recipients? (Yes / No + details)

Ownership

- Owners - each: Name, Ownership %, Individual or Entity
-   If individual: DOB, Address/City/State/ZIP, SSN, Email
-   If entity: Date Organized, FEIN
- Key Decision Maker: Name, Title, Phone, Email, DOB, Address/City/State/ZIP, SSN

Disclosures (KRS ethics / Executive Order)

- Ownership disclosure (Yes / No + details)
- Government financial interest (Yes / No + details)
- Related-party vendor relationships (Yes / No + details)
- Incentive Type; Beneficiary Name & Type
- Employees / Agents involved (Name, Title, Organization)
- Cabinet for Economic Development (CED) transactions? (Yes / No) + details
- Prior KEI Approvals (Project Title, Year, Amount)

STEP 7 Review & Submit

Final Review

- Review all information entered in Steps 1-6
- Confirm all required documents are uploaded
- Authorized signature (drawn or typed)
- Date
- Submit application to the Kentucky Film Office

Kentucky Entertainment Incentive Program Certified Audit Guidelines
July 2026

Basic Requirements

The following guidelines set forth minimum standards for acceptability of the certified audit to be performed:

- The auditor must be an Independent Certified Public Accountant (“CPA”) licensed in the Commonwealth of Kentucky.
- The auditor’s opinion must be addressed to the party that has engaged the auditor, with a copy to the Kentucky Cabinet for Economic Development (“CED”).
- The auditor’s name and city and state where the auditor’s firm’s certified audit is issued must be evident on the audit report.
- The auditor’s opinion must be dated as of the completion of the audit fieldwork.
- The audit must be performed in accordance with auditing standards generally accepted in the United States of America, as set forth in Generally Accepted Accounting Principles (“GAAP”) and Generally Accepted Auditing Standards (“GAAS”). The auditor must have sufficient knowledge of accounting principles and practices generally recognized in the motion picture and entertainment production industry.
- The auditor’s opinion must contain a statement of acknowledgement by the CPA that the commonwealth is relying on the audit report in the issuance of the tax credits.

Eligibility

1. Verify that the Authority entered into a Tax Incentive Agreement ("TIA") with the Company in connection with the Production. Attach the TIA as an exhibit to your report.

2. Obtain the Company's registration with the KY Secretary of State and Department of Revenue.

3. Obtain and inspect the Detailed Cost Report to determine that the KY Qualified Expenditures (“KQE") meet the minimum threshold based on the standards below:

Feature-length Film, Television Program, Continuous Film, Industrial Film, Music Video or Video Games filmed in whole or in part in the Commonwealth	Kentucky-based company minimum: $200,000 Out-of-State company minimum: $400,000
Documentary filmed or produced in whole or in part in the Commonwealth	Kentucky-based company minimum: $10,000 Out-of-State company minimum: $20,000
A national touring production of a Broadway show, produced or in part, in the Commonwealth	Kentucky-based company minimum: $20,000 Out-of-State company minimum: $20,000
Commercial	Kentucky-based company minimum: $200,000 Out-of-State company minimum: $200,000

4. Obtain an alphabetized list of all Kentucky filming locations which includes: Business or residence name, physical address (no PO Boxes), and dates of use.

5. Determine the Production Start and Completion Date (“Qualified Period”) by identifying the date of the first and last transaction in the ledger. Confirm the Production Start Date was incurred within 180 days of the

Effective Date as indicated on the TIA. Confirm the Production Completion Date was within 2 years of Production Start Date.

6. Verify the final production credits include a KY logo (to be provided by the Film Office).

Non-Labor Expenditures

1. Inspect the Non-Labor Expenditures for non-qualified expenses. Deduct any errors from the KQE and remove them from the population to be sampled. Consult the Program Guidelines. Attach a list of any non-qualified costs found. Non-qualified expenses are including but not limited to:

* Expenditures made to vendors located outside of Kentucky
* Airfare
* KEI application and administrative fees
* Legal and accounting expenses
* Expenses associated with certified audit
* Contingency expenses
* Cast and Crew screening and wrap-up parties
* Bank, financing and completion bond fees
* Script publication and license fees
* Miscellaneous expenses and fees
* Insurance Premiums, outside of union and guild benefits and workers' compensation insurance premiums included in Qualifying Payroll Expenditures
* Loss/Damage Fees
* Gifts
* Alcohol/Tobacco
* Publicity Fees, distribution expenses, or marketing expenses
* Non-Resident Kit/Box Rentals
* Online Purchases
* Kentucky sales and use tax
* Payments made through a vendor acting as a conduit, waypoint, or pass-through entity

2. Select a random sample of KY vendors as per Appendix A and confirm whether the vendor is considered a KY Vendor based upon the criteria below. Deduct any errors from the KQE and remove them from the population to be sampled.

a. Sells or rents a type of property of which more than a de minimis amount is regularly held in its inventory in the ordinary course of business in Kentucky, or provides a service not performed at the filming site but in Kentucky, which is the subject of the production expenditure, in its ordinary course of business;

b. Has a physical location in Kentucky with at least one Kentucky resident employee working at such location on a regular basis. Registering with the Kentucky Secretary of State or appointing a registered agent in Kentucky does not establish a physical location in Kentucky for purposes of this definition;

c. Is registered with the Kentucky Department of Revenue for collection of sales and use tax where required by law,

d. Has a local Kentucky business license where required by law. The approved company is required to obtain a copy of the license from any Kentucky vendor where the total amount of purchases exceed $50,000 for such vendor during the period considered in the application and approval by the authority;

and

e. For services rendered on set, such persons or vendors providing such services, are identified on the daily production reports or other reasonable evidence that such services were rendered on set is provided.

3. Select a random sample from the Non-Labor Expenditures (AP, PCard, Petty Cash, etc.) from the Ledger, as per Appendix A. For each non-labor expenditure selected in the sample perform the following:

a. Inspect invoices, proof of payment (e.g., bank statements, check images, credit card statements and reimbursement checks, if applicable) or other equivalent documentation. Verify that expenditure amount is correct, incurred and paid for services incurred and goods purchased or rented and used in KY. Expenditures must be purchased or rented from a KY In-State Vendor.

b. Confirm whether the vendor is considered a KY Vendor.

c. Verify that the expenditure was not associated with activities specifically excluded by the Program.

d. Verify that the expenditure was not for in-kind services.

e. Verify that the expenditure was recorded net of any refunds, insurance claims, credit notes. received for discounts, rebates, invoicing errors, and purchase returns, as recorded in the cost report.

f. Verify that the expenditure was recorded net of proceeds from any sale of the production assets.

g. Verify that the expenditures purchased and/or rented in KY are pro-rated to reflect any usage out of the state.

h. Verify that all KQE for the Company were incurred during the qualified period.

i. Verify that the expenditure is paid and incurred by the entity on the TIA.

j. Verify expenditures do not include sales and use tax.

k. Remove any non-qualifying expenditures from the cost report and include an attached listing of removed items.

4. Attach a listing of any exceptions noted in the expenditure test in procedure 3 above. The listing should include amount, vendor/person, and nature of discrepancy.

Resident Labor (ATL+BTL)

1. Inspect the KY Resident Labor (ATL+BTL) expenditures for non-qualified expenses. Deduct any errors from the KQE and remove them from the population to be sampled. Consult the Program Guidelines. Attach a list of any non-qualified costs found. Non-qualified expenses are including but not limited to:

* Airfare
* KEI application and administrative fees
* Legal and accounting expenses

* Contingency expenses
* Cast and Crew screening and wrap-up parties
* Bank, financing and completion bond fees
* Script publication and license fees
* Miscellaneous expenses and fees
* Insurance Premiums, outside of union and guild benefits and workers' compensation insurance premiums included in Qualifying Payroll Expenditures
* Loss/Damage Fees
* Gifts
* Alcohol/Tobacco
* Publicity Fees / marketing expenses
* Non-Resident Kit/Box Rentals
* Online Purchases
* Kentucky sales and use tax
* Payments made through a vendor acting as a conduit, waypoint, or pass-through entity

2. Review the KY Resident Labor (ATL+BTL) expenditures to determine whether total aggregate payroll paid, directly or indirectly, to any individual, his personal service company or loan-out entity, exceeded $1,000,000. For any such individuals, verify that the amount of payroll expense included in the KQE did not exceed $1,000,000.

3. Obtain a listing of all KY Resident Labor (ATL+BTL) Loan Out Companies paid through both payroll and accounts payable. Verify all Loan Out Companies are registered with the KY Secretary of State. Deduct any errors from the KQE for amounts without registration and remove them from the population to be sampled. Attach a list of any non-qualified costs found.

4. Obtain a listing of all KY Resident Labor (ATL+BTL) paid through both payroll and accounts payable. Determine that proper KY Income Tax has been withheld from the compensation and remitted to the KY Department of Revenue. Deduct any errors from the KQE for amounts without proper withholding and remove them from the population to be sampled. Attach a list of any non-qualified costs found.

5. Select a random sample of KY Resident Labor (ATL+BTL) expenditures (total wages and fringes) in the Ledger, as per Appendix A. For each individual selected in the sample perform the following:

a. Compare the amount of KQE in the Ledger for the individual or loan-out entity with the Payroll Summary Report from the payroll company. For any variances, determine if the cause is due to vacation pay, holiday pay or equivalent reconciling items. Disqualify all salaries, wages and fees included in the detailed cost ledger that are not included in the Payroll Summary Report or any unknown variances.

b. Inspect payroll checks, check advances, and timecards, noting agreement of amounts, names, dates and employee names, and confirm whether employee services were performed in KY per the timecards and records of employer withholding. For payroll fees paid to individuals or loan-outs not included on timecards, inspect proof that work was performed in KY (e.g. travel receipts, hotels and deal memos).

c. Verify that the expenditure was not associated with activities specifically excluded by the statute.

d. Verify that all KQE for the Company were incurred during the qualified period.

e. Verify that the expenditure is paid and incurred by the entity (or entities for Commercials only) on the TIA.

6. A valid KY driver's license or state-issued identification card must be submitted for every KY resident employee or independent contractor.

7. Attach a listing of any exceptions noted in the test in procedures 5. The listing should include amount, person or entity, and nature of discrepancy.

Non-Resident Labor (ATL+BTL)

1. Inspect the KY Non-Resident Labor (ATL+BTL) expenditures for non-qualified expenses. Deduct any errors from the KQE and remove them from the population to be sampled. Consult the Program Guidelines. Attach a list of any non-qualified costs found. Non-qualified expenses are including but not limited to:

* Airfare
* KEI application and administrative fees
* Legal and accounting expenses
* Contingency expenses
* Cast and Crew screening and wrap-up parties
* Bank, financing and completion bond fees
* Script publication and license fees
* Miscellaneous expenses and fees
* Insurance Premiums, outside of union and guild benefits and workers' compensation insurance premiums included in Qualifying Payroll Expenditures
* Loss/Damage Fees
* Gifts
* Alcohol/Tobacco
* Publicity Fees / marketing expenses
* Non-Resident Kit/Box Rentals
* Online Purchases
* Kentucky sales and use tax
* Payments made through a vendor acting as a conduit, waypoint, or pass-through entity

2. Review the KY Non-Resident Labor (ATL+BTL) expenditures to determine whether total aggregate payroll paid, directly or indirectly, to any individual, his personal service company or employee leasing company, exceeded $1,000,000. For any such individuals, verify that the amount of payroll expense included in the KQE did not exceed $1,000,000.

3. Obtain a listing of all KY Non-Resident Labor (ATL + BTL) Loan Out Companies paid through both payroll and accounts payable. Verify all Loan Out Companies are registered with the KY Secretary of State. Deduct any errors from the KQE for amounts without registration and remove them from the population to be sampled. Attach a list of any non-qualified costs found.

4. Obtain a listing of all KY Non-Resident Labor (ATL+BTL) paid through both payroll and accounts payable. Determine that the payments have 3.5% withholding. Deduct any errors from the KQE for amounts without proper withholding and remove them from the population to be sampled. Attach a list of any non-qualified costs found.

5. Select a random sample of KY Non-Resident Labor (ATL+BTL) expenditures (total wages and fringes) in the Ledger, as per Appendix A. For each individual selected in the sample perform the following:

a. Compare the amount of KQE in the Ledger for the individual or loan out with the Payroll Summary Report from the payroll company. For any variances, determine if the cause is due to vacation pay, holiday pay or equivalent reconciling items. Disqualify all salaries, wages and fees included in the detailed cost ledger that are not included in the Payroll Summary Report or any unknown variances.

b. Inspect payroll checks, check advances, and timecards, noting agreement of amounts, names, dates and employee names, and confirm whether employee services were performed in KY per the timecards and records of employer withholding. For payroll fees paid to individuals or loan outs not included on timecards, inspect proof that work was performed in KY (e.g. travel receipts, hotels and deal memos).

c. Verify that the expenditure was not associated with activities specifically excluded by the statute.

d. Verify that all KQE for the Company were incurred during the qualified period.
f. Verify that the expenditure is paid and incurred by the entity on the TIA.

6. Attach a listing of any exceptions noted in the test in procedures 5. The listing should include amount, person or entity, and nature of discrepancy.

Heritage County Expenditures (Labor)

1. Inspect the Heritage County Expenditures for non-eligible expenses. Deduct any errors as a result of performing the procedures above from the KQE and remove them from the population to be sampled. Consult the Program Guidelines. Attach a list of any non-eligible expenses found. Non-eligible expenses are including but not limited to:

* Previously reduced expenses as a result of applying procedures above

2. For ATL/BTL Crew (consolidated by individual) Select a random sample, as per Appendix A. For each individual selected in the sample perform the following:

a. Inspect payroll summary report, production reports, timecards, travel receipts, invoices or other equivalent documentation to determine if the labor was performed in a Heritage County. Consult the guidelines for the current map of Heritage counties.
b. Attach a listing of any exceptions noted in the test in procedures 2. The listing should include amount, person or entity, and nature of discrepancy.

Heritage County Expenditures (Non-Labor)

1. Inspect the Heritage County Expenditures for non-eligible expenses. Deduct any errors as a result of performing the procedures above from the KQE and remove them from the population to be sampled. Consult the Program Guidelines. Attach a list of any non-eligible expenses found. Non-eligible expenses are including but not limited to

* Previously reduced expenses as a result of applying procedures above
* Purchases or rentals made in other counties.

2. For Non-Labor expenditures Select a random sample, as per Appendix A. For each individual selected in the sample perform the following: Inspect invoices, agreements, W-0's, online search or other equivalent documentation to determine if the vendor is located in a Heritage County. Consult the guidelines for the current map of Heritage counties.

3. Attach a listing of any exceptions noted in the test in procedures 2. The listing should include amount, person or entity, and nature of discrepancy.

Related-Party Transactions

1. Inspect all related party transactions and confirm that they are at arm's length and fully disclosed and document as outlined below:

    a. Name of related parties

    b. Nature of the relationship

    c. For non-labor transactions:

        *Solicit and maintain documentation of at least three (3) competitive bids from unrelated vendors within a comparable regional market.

        *Ensure that the amount paid does not exceed the lowest comparable bid

        *Description of the transaction

        *Total amount of the transaction

    d. For labor-related transactions:

        *Provide documentation demonstrating alignment with standard industry rates, such as industry or union rates from SAG-AFTRA, IATSE or DGA

        *Description of the transaction

        *Total amount of the transaction

Insurance Claims

1. Verify with a responsible official at the Company that any qualified expenditures included in insurance claims have been credited from the Schedules. If the Company filed an insurance claim and received funds, the CPA is to inspect the supporting documentation of the claim to ensure the expenditures were properly credited to the correct accounts in the Ledger.

Wrap Up Procedures

1. Verify that the eligibility thresholds defined in procedure 3 Eligibility is met after all adjustments to the KQE have been made.

2. Calculate the total eligible costs broken down by the categories we are required to report to stakeholders: Resident ATL, Non-Resident ATL, Resident BTL, Non-Resident BTL, and KY (QKE).

Appendix A – Sampling Chart

Total Qualified Expenditures	Vendors	Non-Payroll – Items $25,000 and over	Non-Payroll – Items $1,000 and $24,999	Non-Payroll – Items $999 and less	ATL Labor	BTL Labor	Heritage County (Non-Labor)	Heritage County (Labor)
0 - $500,000	All items $500 and over	All items	50	25	All items	15	10	All items
$500,000 - $1,000,000	All items $1,000 and over	All items	75	40	All items	20	15	All items
$1,000,000 - $5,000,000	All items $2,500 and over	All items	100	40	All items	25	20	All items
$5,000,000 - $10,000,000	All items $5,000 and over	All items	125	40	All items	25	25	All items
$10,000,000 – $25,000,000	All items $5,000 and over	All items	150	40	All items	30	30	All items
$25,000,000 – $50,000,000	All items $7,500 and over	All items	175	40	All items	40	35	All items
$50,000,000	All items $10,000 and over	All items	200	50	All items	100	60	All items