

#### **141.412 Tax credit for qualified farming operation.**

- (1) A qualified farming operation shall be entitled to a nonrefundable credit against the Kentucky income tax liability established pursuant to the provisions of this chapter on any income of the qualified farming operation generated by or arising out of the qualified farming operation's participation in a networking project, and against the limited liability entity tax imposed by KRS 141.0401 on any Kentucky gross profits or Kentucky gross receipts of the qualified farming operation generated by or arising out of the qualified farming operation's participation in a networking project. The credits shall be applied as provided in KRS 141.0205. The annual credit shall be available for the first five (5) years that the farming operation is involved in the networking project. The annual credit shall be equal to the approved costs incurred by the qualified farming operation during the tax year and shall not exceed the income, Kentucky gross profits or Kentucky gross receipts, as the case may be, of the qualified farming operation generated by or arising out of the qualified farming operation's participation in a networking project.
- (2) Any credit not used in the tax year in which it first becomes available may be carried forward to the next succeeding five (5) tax years until the credit has been fully used. The aggregate credit used in any tax year shall not exceed the income, Kentucky gross profits or Kentucky gross receipts, as the case may be, of the qualified farming operation generated by or arising out of the qualified farming operation's participation in a networking project in that tax year.

**Effective:** June 28, 2006

**History:** Amended 2006 (1st Extra. Sess.) Ky. Acts ch. 2, sec. 29, effective June 28, 2006. -- Created 1994 Ky. Acts ch. 390, sec. 17, effective July 15, 1994.

**Legislative Research Commission Note** (6/28/2006). 2006 (1st Extra Sess.) Ky. Acts ch. 2, sec. 73, provides that "unless a provision of this Act specifically applies to an earlier tax year, the provisions of this Act shall apply to taxable years beginning on or after January 1, 2007."