

**139.517 Sales tax incentive for alternative fuel, gasification, and renewable energy facilities.**

- (1) As used in this section:
  - (a) "Approved company" has the same meaning as in KRS 154.27-010;
  - (b) "Authority" means the Kentucky Economic Development Finance Authority established under KRS 154.20-010;
  - (c) "Eligible project" has the same meaning as in KRS 154.27-010; and
  - (d) "Tax incentive agreement" has the same meaning as in KRS 154.27-010.
- (2) Notwithstanding any other provision of KRS 134.580 or this chapter, an approved company constructing, retrofitting, or upgrading an eligible project may be eligible for a sales tax incentive of up to one hundred percent (100%) of the Kentucky sales or use tax paid on tangible personal property purchased during the construction, retrofit, or upgrade of the eligible project as provided in KRS 154.27-070. The tangible personal property shall be incorporated into the eligible project to qualify for the sales tax incentive.
- (3) The authority shall notify the department upon approval of an eligible project. The notification shall include the name of the eligible project, the name of the approved company, and the date on which the approved company is eligible to receive incentives under this section.
- (4)
  - (a) An approved company seeking an incentive under this section shall file a request for incentives within sixty (60) days following the end of the calendar year in which the activation date occurs. The request shall include all documentation relating to the payment of the sales and use tax.
  - (b) In subsequent years, the approved company shall file a request for incentives within sixty (60) days following the end of each calendar year.
  - (c) The approved company shall file a final request for incentives within sixty (60) days from the earlier of the completion of the construction, retrofit, or upgrade of the eligible project, or the five (5) year anniversary of the activation date.
  - (d) The request for incentives shall be in the form prescribed by the department through the promulgation of administrative regulations in accordance with KRS Chapter 13A.
- (5) Interest shall not be allowed or paid on any sales tax incentive payment made under the provisions of this section.
- (6) The sales tax incentive shall be reduced by the amount of vendor compensation allowed under KRS 139.570.
- (7) The approved company seeking the sales tax incentive payment shall execute information-sharing agreements prescribed by the department with contractors, vendors, and other related parties to verify the costs of tangible personal property eligible for the sales tax incentive payment under this section.
- (8) The department shall notify the authority of the incentive distributed to each approved company upon request.

**Effective:** August 30, 2007

**History:** Created 2007 (2d Extra. Sess.) Ky. Acts ch. 1, sec. 10, effective August 30, 2007.