

141.0202 Deduction of leasehold interest of property contributed as living quarters for homeless persons.

- (1) In computing net income under the provisions of KRS 141.010(11) or 141.010(13), there shall be allowed as a deduction the value of leasehold interest of property contributed to a charitable organization if the leased property is to be used by the charitable organization to provide temporary living quarters for a homeless family, if:
 - (a) The homeless family has demonstrated a need for a fixed, regular and adequate night time residence; and
 - (b) The contribution of a leasehold interest in a dwelling for any term to be used by the donee to provide living quarters does not exceed one (1) year for a homeless family selected by the donee.
- (2) The leasehold interest of property contributed as described in subsection (1) of this section shall be allowed as a deduction for each taxable year of the donor during which the donee holds the interest. The deduction allowed shall be the value of the interest computed on a monthly basis, multiplied by the number of months in the taxable year during which the dwelling:
 - (a) Meets all habitability standards prescribed by the state or political subdivision thereof in which the dwelling is located; and
 - (b) Is occupied for a substantial portion of the month by a homeless family selected by the donee.
- (3) The value of a leasehold interest of property contributed as described in subsection (2) of this section shall be the lesser of:
 - (a) The established rental value of the subject property if the property has been leased during one (1) or more of six (6) months immediately preceding the date of the contribution, or;
 - (b) The fair market rental value of other property of similar size and condition in the same general location as the subject property.
- (4) The provisions of this section shall be effective for tax years beginning on or after January 1, 1990.

Effective: July 1, 1990

History: Created 1990 Ky. Acts ch. 303, sec. 2, effective July 1, 1990.