

**148.544 Purposes of KRS 141.383 and 148.542 to 148.546 -- Kentucky Film Office - Eligibility for refundable motion picture or entertainment production tax incentives -- Incentives available.**

- (1) The purposes of KRS 141.383 and 148.542 to 148.546 are to:
  - (a) Encourage the film and entertainment industry to choose locations in the Commonwealth for the filming and production of motion picture or entertainment productions;
  - (b) Encourage the development of a film and entertainment industry in Kentucky;
  - (c) Encourage increased employment opportunities for the citizens of the Commonwealth within the film and entertainment industry; and
  - (d) Encourage the development of a production and postproduction infrastructure in the Commonwealth for film production and touring Broadway show production facilities containing state-of-the-art technologies.
- (2) The Kentucky Film Office is hereby established in the Tourism, Arts and Heritage Cabinet to administer, together with the Finance and Administration Cabinet and the Tourism Development Finance Authority, the tax incentive established by KRS 141.383 and 148.542 to 148.546.
- (3) To qualify for the tax incentive provided in subsection (4) of this section, the following requirements shall be met:
  - (a) For an approved company that films or produces a motion picture production, except for a commercial or documentary, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be five hundred thousand dollars (\$500,000);
  - (b) For an approved company that films or produces a commercial in the Commonwealth that is distributed regionally or nationally, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be two hundred thousand dollars (\$200,000); and
  - (c) For an approved company that films or produces a documentary in the Commonwealth or that produces a national touring production of a Broadway show, the minimum combined total of qualifying expenditures and qualifying payroll expenditures shall be fifty thousand dollars (\$50,000).
- (4) (a) The incentive available under KRS 141.383 and 148.542 to 148.546 is a refundable credit against the Kentucky income tax imposed under KRS 141.020 or 141.040, and the limited liability entity tax imposed under KRS 141.0401, as provided in KRS 141.383. The amount of the incentive shall not exceed:
  1. Twenty percent (20%) of the approved company's qualifying expenditures;
  2. Twenty percent (20%) of the approved company's qualifying payroll expenditures paid to below-the-line production crew; and
  3. Twenty percent (20%) of the approved company's qualifying payroll expenditures paid to above-the-line production crew not to exceed one

hundred thousand dollars (\$100,000) in payroll expenditures per employee.

- (b) 1. The Tourism Development Finance Authority may accept applications, authorize the execution of tax incentive agreements, and enter into tax incentive agreements beginning on June 26, 2009; however, no credit amount shall be claimed by the taxpayer as a refund or paid by the Department of Revenue prior to July 1, 2010.
- 2. The credit shall be available to approved companies with tax incentive agreements executed before January 1, 2015.

**Effective:** June 26, 2009

**History:** Created 2009 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 44, effective June 26, 2009.