

**154.20-206 Authorization of sales and use tax refund for approved company --  
Administrative regulations.**

- (1) Notwithstanding any provision of KRS 139.770 to the contrary, an approved company under the terms of KRS 154.20-200 to 154.20-216 may receive a tax refund of sales and use tax paid on approved expenses for the cost of building and construction materials that are permanently incorporated as an improvement to real property to an economic development project and equipment used in research and development at an economic development project. The approved company shall have no obligation to refund or otherwise return any amount of the sales and use tax refund to the person who originally collected the tax and remitted it to the state.
- (2) An approved company shall only apply for a refund:
  - (a) Of sales and use tax paid for construction materials and building fixtures and for equipment used in research and development purchased during the life of the economic development project not to exceed the amount specified in the approved company's agreement, as defined in KRS 154.20-200; and
  - (b) Within sixty (60) days after the completion of the economic development project or the expiration of the life of the project, whichever occurs first.
- (3) An approved company shall execute information-sharing agreements prescribed by the Department of Revenue with contractors, vendors, and other related parties to verify construction material and building fixture costs and equipment used in research and development, including applicable taxes, for the economic development project.
- (4) Interest shall not be allowed or paid on any refund made under the provisions of this section. The Department of Revenue may examine any refund within four (4) years from the date the refund application is received. An overpayment resulting from the examination shall be repaid to the State Treasury. Any amount required to be repaid is subject to the interest provisions of KRS 131.183 and to the penalty provisions of KRS 131.180.
- (5) The Department of Revenue may promulgate administrative regulations, pursuant to the provisions of KRS Chapter 13A, and shall require the filing of forms designed by the Department of Revenue to reflect the intent of KRS 154.20-200 to 154.20-216.

**Effective:** March 18, 2005

**History:** Created 2005 Ky. Acts ch. 168, sec. 39, effective March 18, 2005.

**Legislative Research Commission Note** (3/18/2005). 2005 Ky. Acts ch. 168, sec. 165, provides that this section shall apply to tax years beginning on or after January 1, 2005.

**Legislative Research Commission Note** (3/18/2005). 2005 Ky. Acts chs. 11, 85, 95, 97, 98, 99, 123, and 181 instruct the Reviser of Statutes to correct statutory references to agencies and officers whose names have been changed in 2005 legislation confirming the reorganization of the executive branch. Such a correction has been made in this section.