

Incentive Program Overview

Kentucky Economic Development Finance Authority (KEDFA)

Program	Approval	Eligible Companies	Jobs	Minimum Investment	Maximum Duration	Special Provisions
Kentucky Business Investment (KBI)	Preliminary & Final	Manufacturing, non-retail service or technology activities, agribusiness, headquarters operations, alternative fuel, gasification, energy-efficient alternative fuels, renewable energy production, or carbon dioxide transmission pipelines in Kentucky	Minimum - 10; Job target also negotiated	\$100,000	10-15 Years (depending on location) with Compliance Monitoring	The approved company is required to certify that without the incentives offered, the project would likely locate outside of the Commonwealth. Wage requirements are also included.
Kentucky Enterprise Initiative Act (KEIA)	Final	Manufacturing, non-retail service or technology activities, headquarters operations, alternative fuel, gasification, energy-efficient alternative fuels, renewable energy production, carbon dioxide transmission pipelines, or in operating or developing a tourism attraction	None	\$500,000 Construction Materials & Building Fixtures \$50,000 Electronic Processing Equipment	Up to 7 Years with Compliance Monitoring	The total maximum incentive per fiscal year available for all projects is \$20 million for construction materials/building fixtures and \$5 million for R&D, electronic processing and flight simulator equipment.
Kentucky Reinvestment Act (KRA)	Preliminary & Final	Any Kentucky company engaged in manufacturing and related functions at a location operating within the Commonwealth on a permanent basis for a reasonable period of time preceding the request for assistance	Retain 85%	\$2,500,000	Up to 10 Years with Compliance Monitoring	Eligible equipment and related costs do not include repair or replacement due to normal wear and usage. May not claim more than 20% of incentive in any year.
Kentucky Small Business Tax Credit (KSBTC)	Final	Eligible small businesses include for-profit entities that have fifty (50) or fewer full-time employees at the time of application	1	\$5,000	Carryforward up to 5 years	\$25,000 maximum tax credit cap per applicant for each calendar year. Performance must occur prior to submitting application.
Kentucky Angel Investment Tax Credit	Final	A knowledge-based activity related to Bio-science; Environmental and Energy Technology; Health and Human Development; Information Technology and Communications; and Materials Science and Advanced Manufacturing	< 100	Cash investment of \$10,000 made by a Qualified Investor in a Qualified Small Business	Carryforward up to 15 years	Qualified Investors making Qualified Investments may be eligible for up to a fifty percent (50%) tax credit.
KEDFA Direct Loan	Final	Agribusiness, Tourism, Manufacturing, or Service Industry	Negotiable	Negotiable	Up to 20 Years with Compliance Monitoring	Fixed asset financing only is permissible.
Tax Increment Financing (TIF)	Preliminary & Final	Public agencies that need to assist the cost of public infrastructure (e.g., streets, sewers, parking lots, etc.).	None	Property Tax Only - \$10 million Mixed-Use - \$20 million Signature - \$200 million	Up to 30 Years with Compliance Monitoring	TIF captures the future value of an improved property to pay for the current costs of those improvements. Only new tax revenues generated within the footprint of the project are included in the increment.

Bluegrass State Skills Corporation (BSSC)

Program	Approval	Eligible Companies	Jobs/ Trainees	Minimum Investment	Maximum Duration	Special Provisions
Skills Training Investment Credit (STIC)	Final	Manufacturing, agribusiness, non-retail service or technology, national or regional headquarters or healthcare	Minimum 12 full-time jobs	\$12,000	Carryforward up to 3 years	50% of eligible training costs up to \$75,000; Maximum \$500 x number of full-time, Kentucky resident employees paid at least \$12.51, including benefits. Statutory limitation of \$2,500,000 per fiscal year.
Grant-In-Aid (GIA)	Final	Manufacturing, agribusiness, non-retail service or technology, national or regional headquarters or healthcare	Minimum 3 trainees	\$12,000	1 Year	50% of eligible training costs up to \$75,000; Maximum of \$2,000 x number of trainees

Method of Recovery

Program	Corporate Income Tax or LLET Credit	Wage Assessment	Sales & Use Tax	Property Tax	Individual Income Tax Credit	Cash Reimbursement
Kentucky Business Investment (KBI)	✓	✓				
Kentucky Enterprise Initiative Act (KEIA)			✓			
Kentucky Reinvestment Act (KRA)	✓					
Kentucky Small Business Tax Credit (KSBTC)	✓					
Kentucky Angel Investment Tax Credit					✓	
KEDFA Direct Loan						
Tax Increment Financing (TIF)	✓	✓	✓	✓	✓	
Skills Training Investment Credit (STIC)	✓					
Grant-In-Aid (GIA)						✓