

Kentucky Brownfield Redevelopment Program

<http://dep.ky.gov/Pages/brownfields.aspx>

envhelp@ky.gov

Private Sector Incentives and Funding

Tax Incentives and credits

The Commonwealth of Kentucky offers tax incentives and credits to individuals or businesses that complete a cabinet-approved cleanup on a qualified property. A qualified property means that the cabinet has made the determination that

- All releases of hazardous substances, pollutants, contaminants, petroleum or petroleum products on the property occurred prior to the property owner's acquisition of the property.
- The property owner is a bona fide prospective purchaser and made all appropriate inquiries into previous ownership and uses of the property in accordance with generally accepted practices.
- The property owner or a responsible party have provided all legally required notices with respect to the contaminants found at the property.
- The property owner is in compliance with all land-use restrictions and does not impede the effectiveness or integrity of any institutional control.
- The property owner complied with any information request or administrative subpoena under KRS 224.
- The property owner is not affiliated with any person who is potentially liable for the release of the contamination through direct or indirect family relation, any contractual or corporate or financial relationship or reorganization of a business that was potentially liable.
- The project was not funded by any other grant program.

For qualified parties, the state and local property tax rates on a remediated property are reduced. For three years following the issuance of a no further remediation letter, the property will not be subject to local ad valorem property taxes. The state ad valorem property tax rate will be reduced from 31.5 cents per \$100 of assessed value to 1.5 cents per \$100 of assessed value.

Qualified parties can also receive up to \$150,000 worth of income tax credits for expenditures made in order to meet the requirements of the cabinet-approved cleanup. The allowable credit for any taxable year is a maximum of 25 percent of the credit authorized. The credit may be carried forward for 10 successive years.

Other Resources

The Cabinet for Economic Development offers incentives for companies that relocate or expand in Kentucky. Please visit the cabinet's website to see what assistance is available. <http://www.thinkkentucky.com/>

For more information, call Amanda LeFevre, 502-782-6398 or Herb Petitjean, 502-782-6432.

This flyer is for informational purposes only and should not be used in place of regulations governing the cleanup of contaminated properties or state tax incentives.



January 2017