

KSBTC Facts:

The Kentucky Small Business Tax Credit Program

1. WHAT IS IT?

State Administered Small Business Tax Credit

- Non-refundable state income tax CREDIT between \$3,500 - \$25,000

2. WHO IS ELIBIBLE?

Business Requirements:

- Have 50 or fewer employees
- The business created and filled one or more full-time position for at least a 12 month period prior to applying for the tax credit
- Position must pay at least \$10.88 per hour
- Employee must be subject to Kentucky individual income tax
- Business must have invested at least \$5,000 in qualifying equipment or technology in the 24 months prior to application

3. Qualifying Purchases:

- Tangible Property for use in business in Kentucky

Not for resale or personal use

Expected life of tangible property must be at least one year

Examples:

- Computers
- Equipment
- Furniture
- Fixtures
- Vehicles titled in the business name

Exclusions:

- Real Property
- Buildings
- Consumable Supplies

4. Additional Information

- Application Fee of 1% of the eligible tax credit will be due if the application is selected for submission for recommended tax credit approval
- The applicant is responsible for claiming the non-refundable tax credit on its income tax return for the tax year in which the tax credit is approved

5. To Apply

For additional Guidelines or to download an application visit:
ced.ky.gov/Entrepreneurship/KSBTC.aspx