



Kentucky Tax Credit Fees

1 Beginning **June 1, 2007**, the Kentucky Heritage Council will require payment of review fees for Part 2 and Part 3 Applications for the Kentucky Historic Preservation Tax Credit. Payment of fees for review of Parts 2 and 3 shall be submitted when applications are filed and are nonrefundable. If a Part 2 application is denied, there will be no charge for a Part 3 review fee. Certification shall not be issued until the appropriate remittance is received. Payment shall be made by check or money order *payable to the Kentucky State Treasurer*.

Fees for reviewing rehabilitation certification requests of *owner-occupied residential property* are charged in accordance with the following schedule.

Rehabilitation Costs for Owner-Occupied Residences	Part 2 Review Fee	Part 3 Review Fee
Less than \$100,000	\$60	\$40
\$100,000 or greater	\$150	\$100

Fees for reviewing rehabilitation certification requests for *commercial properties* and all property other than owner-occupied residential property are charged in accordance with the following schedule.

Rehabilitation Costs for Commercial and Other Buildings	Part 2 Review Fee	Part 3 Review Fee
Less than \$50,000	\$60	\$40
\$50,000-\$100,000	\$150	\$100
\$100,000-\$499,999	\$300	\$200
\$500,000-\$999,999	\$450	\$300
\$1 million or greater	\$900	\$600

2 Effective **January 1, 2007** concerning tax credits claimed for taxable periods beginning on or after January 1, 2007:

1. The maximum credit that can be claimed with respect to property that is not owner-occupied residential is **\$400,000**. The maximum credit for owner-occupied residential property remains **\$60,000**.
2. Taxpayers anticipating completion of rehabilitation projects on or before December 31, 2007, must file Parts 1 and 2 Applications on or before April 29, 2007, with the Kentucky Heritage Council for a preliminary determination of maximum credit eligibility. If project completion will occur after December 31, 2007, Parts 1 and 2 can be filed anytime during the calendar year. *
3. All Parts 1 and 2 Applications filed prior to April 29th for taxable periods beginning on or after January 1, 2007, will be reviewed for eligibility. The Kentucky Heritage Council will notify each taxpayer by May 31st of the maximum amount of credit available. An apportionment formula will be applied to determine the amount of the credit to be awarded per project if total eligible credits requested exceed the annual statewide credit cap. As a result, the final credit awarded to each project may be less than the entire percentage for which the project is eligible.

**Example 1:* In the year 2007, a taxpayer anticipates completion of an eligible project in the calendar year 2009, Parts 1 and 2 may be received anytime during the calendar years 2007 and 2008, but must be received no later than April 29, 2009.

**Example 2:* In the year 2007, a taxpayer anticipates completion of an eligible project in the calendar year 2007, Parts 1 and 2 must be received on or before April 29, 2007, and notification of a preliminary approved credit will be made by May 30, 2007.