AN ACT relating to tax credits for airport noise mitigation.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "DNL" means the day-night average sound level as determined by the Federal Aviation Administration in accordance with 14 C.F.R. pt. 150;

(b) "Noise compatibility plan" means a plan developed by or for an airport that addresses noise levels surrounding the airport, and is approved by the Federal Aviation Administration;

(c) "Noise contour" means a line on an airport's noise exposure map that represents equal levels of noise exposure;

(d) "Noise exposure map" means the map created and approved in accordance with 14 C.F.R. pt. 150, and currently in effect, that shows the level of noise exposure surrounding a commercial airport; and

(e) "Noise mitigation costs" means the cost associated with replacing, repairing, or installing doors, windows, insulation, and other approved products in accordance with a noise compatibility plan of an airport, as approved by the Federal Aviation Administration.

(2) For taxable years beginning on or after January 1, 2022, but before January 1, 2026, there is allowed a refundable credit against the tax imposed by KRS 141.020 or 141.040 and 141.0401 in an amount determined under subsection (3) of this section, and with the ordering of credits as provided in Section 3 of this Act, for a taxpayer who:

(a) Owns a residential structure located within the 60 DNL or higher noise contour as shown on the noise exposure map for a commercial airport located within the Commonwealth;
(b) Incurs noise mitigation costs on the structure referenced in paragraph (a) of this subsection in a manner consistent with the airport's noise compatibility plan; and

(c) Does not receive any payment or reimbursement pursuant to the airport's noise compatibility plan for noise mitigation costs for the structure referenced in paragraph (a) of this subsection.

(3) (a) The credit allowed in subsection (2) of this section shall be one hundred percent (100%) of the noise mitigation costs incurred by the taxpayer that would have been paid for or reimbursed if the structure had been located in a higher DNL noise contour and had been mitigated pursuant to an approved noise compatibility plan, and shall include costs incurred on or after January 1, 2010.

(b) A taxpayer who incurs noise mitigation costs shall file an application with the department to apply for the noise mitigation credit.

(c) Credits shall be awarded to applicants based on the earliest receipt of application by the department. Applicants approved for credits shall be notified by the department as approved, but by no later than January 31 of the year following the year of application.

(d) 1. The maximum credit awarded to all taxpayers for each taxable year shall be three million dollars ($3,000,000).

2. If the amount of credit shown on applications received by the department for a given taxable year exceeds the limitation provided by subparagraph 1. of this paragraph, those applications which exceed the limitation shall be held and applied to the next taxable year.

(4) (a) The purpose of this section is to assist taxpayers with the costs of noise mitigation for a residential structure located within the 60 DNL or higher noise contour.
(b) On or before December 1, 2022, and on or before each December 1 thereafter as long as the credits are available under this section, the department shall report to the Legislative Research Commission:

1. The total number of individual income tax returns filed, by year, claiming the credit permitted by subsection (2) of this section;

2. The total number of business income tax returns filed, by year, claiming the credit permitted by subsection (2) of this section;

3. The total amount of credits claimed on individual income tax returns and the total amount of credits claimed on business tax returns;

4. The amount of credits claimed on individual income tax returns and the amount of credits claimed on business tax returns, by year the noise mitigation costs were incurred;

5. The total number of business income tax returns and the total amount of credit claimed for each county, based on the location where the noise mitigation costs are incurred;

6. The total number of individual income tax returns and the total amount of credit claimed for each county, based on the location where the noise mitigation costs are incurred; and

7. a. In the case of a taxpayer other than a corporation, based on ranges of adjusted gross income of no larger than five thousand dollars ($5,000), the total amount of credit claimed for each adjusted gross income range; and

   b. In the case of corporations, based on ranges of net income no larger than fifty thousand dollars ($50,000), the total amount of credit claimed for each net income range.

Section 2. KRS 131.190 is amended to read as follows:

(1) No present or former commissioner or employee of the department, present or
former member of a county board of assessment appeals, present or former property
valuation administrator or employee, present or former secretary or employee of the
Finance and Administration Cabinet, former secretary or employee of the Revenue
Cabinet, or any other person, shall intentionally and without authorization inspect or
divulge any information acquired by him or her of the affairs of any person, or
information regarding the tax schedules, returns, or reports required to be filed with
the department or other proper officer, or any information produced by a hearing or
investigation, insofar as the information may have to do with the affairs of the
person's business.

(2) The prohibition established by subsection (1) of this section shall not extend to:

(a) Information required in prosecutions for making false reports or returns of
property for taxation, or any other infraction of the tax laws;

(b) Any matter properly entered upon any assessment record, or in any way made
a matter of public record;

(c) Furnishing any taxpayer or his or her properly authorized agent with
information respecting his or her own return;

(d) Testimony provided by the commissioner or any employee of the department
in any court, or the introduction as evidence of returns or reports filed with the
department, in an action for violation of state or federal tax laws or in any
action challenging state or federal tax laws;

(e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
energy resources assessed under KRS 132.820, or owners of surface land
under which the unmined minerals lie, factual information about the owner's
property derived from third-party returns filed for that owner's property, under
the provisions of KRS 132.820, that is used to determine the owner's
assessment. This information shall be provided to the owner on a confidential
basis, and the owner shall be subject to the penalties provided in KRS
131.990(2). The third-party filer shall be given prior notice of any disclosure of information to the owner that was provided by the third-party filer;

(f) Providing to a third-party purchaser pursuant to an order entered in a foreclosure action filed in a court of competent jurisdiction, factual information related to the owner or lessee of coal, oil, gas reserves, or any other mineral resources assessed under KRS 132.820. The department may promulgate an administrative regulation establishing a fee schedule for the provision of the information described in this paragraph. Any fee imposed shall not exceed the greater of the actual cost of providing the information or ten dollars ($10);

(g) Providing information to a licensing agency, the Transportation Cabinet, or the Kentucky Supreme Court under KRS 131.1817;

(h) Statistics of gasoline and special fuels gallonage reported to the department under KRS 138.210 to 138.448;

(i) Providing any utility gross receipts license tax return information that is necessary to administer the provisions of KRS 160.613 to 160.617 to applicable school districts on a confidential basis;

(j) Providing documents, data, or other information to a third party pursuant to an order issued by a court of competent jurisdiction; or

(k) Providing information to the Legislative Research Commission under:

   1. KRS 139.519 for purposes of the sales and use tax refund on building materials used for disaster recovery;

   2. KRS 141.436 for purposes of the energy efficiency products credits;

   3. KRS 141.437 for purposes of the ENERGY STAR home and the ENERGY STAR manufactured home credits;

   4. KRS 141.383 for purposes of the film industry incentives;

   5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
tax credits and the job assessment fees;

6. KRS 141.068 for purposes of the Kentucky investment fund;

7. KRS 141.396 for purposes of the angel investor tax credit;

8. KRS 141.389 for purposes of the distilled spirits credit;

9. KRS 141.408 for purposes of the inventory credit;

10. KRS 141.390 for purposes of the recycling and composting credit;

11. KRS 141.3841 for purposes of the selling farmer tax credit;

12. KRS 141.4231 for purposes of the renewable chemical production tax credit;

13. KRS 141.524 for purposes of the Education Opportunity Account Program tax credit;

14. KRS 141.398 for purposes of the development area tax credit; [and]

15. KRS 139.516 for the purposes of the sales and use tax exemption on the commercial mining of cryptocurrency; and

16. Section 1 of this Act for purposes of the airport noise mitigation credit.

(3) The commissioner shall make available any information for official use only and on a confidential basis to the proper officer, agency, board or commission of this state, any Kentucky county, any Kentucky city, any other state, or the federal government, under reciprocal agreements whereby the department shall receive similar or useful information in return.

(4) Access to and inspection of information received from the Internal Revenue Service is for department use only, and is restricted to tax administration purposes. Information received from the Internal Revenue Service shall not be made available to any other agency of state government, or any county, city, or other state, and shall not be inspected intentionally and without authorization by any present secretary or employee of the Finance and Administration Cabinet, commissioner or employee of the department, or any other person.
(5) Statistics of crude oil as reported to the department under the crude oil excise tax requirements of KRS Chapter 137 and statistics of natural gas production as reported to the department under the natural resources severance tax requirements of KRS Chapter 143A may be made public by the department by release to the Energy and Environment Cabinet, Department for Natural Resources.

(6) Notwithstanding any provision of law to the contrary, beginning with mine-map submissions for the 1989 tax year, the department may make public or divulge only those portions of mine maps submitted by taxpayers to the department pursuant to KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-out parcel areas. These electronic maps shall not be relied upon to determine actual boundaries of mined-out parcel areas. Property boundaries contained in mine maps required under KRS Chapters 350 and 352 shall not be construed to constitute land surveying or boundary surveys as defined by KRS 322.010 and any administrative regulations promulgated thereto.

Section 3. KRS 141.0205 is amended to read as follows:

If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of the credits shall be determined as follows:

(1) The nonrefundable business incentive credits against the tax imposed by KRS 141.020 shall be taken in the following order:

(a) The limited liability entity tax credit permitted by KRS 141.0401;

(b) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.3841, 141.400, 141.401, 141.403, 141.407, 141.415, 154.12-207, and 154.12-2088;

(c) The qualified farming operation credit permitted by KRS 141.412;

(d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);

(e) The health insurance credit permitted by KRS 141.062;
The tax paid to other states credit permitted by KRS 141.070;

The credit for hiring the unemployed permitted by KRS 141.065;

The recycling or composting equipment credit permitted by KRS 141.390;

The tax credit for cash contributions in investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;

The research facilities credit permitted by KRS 141.395;

The employer High School Equivalency Diploma program incentive credit permitted under KRS 151B.402;

The voluntary environmental remediation credit permitted by KRS 141.418;

The biodiesel and renewable diesel credit permitted by KRS 141.423;

The clean coal incentive credit permitted by KRS 141.428;

The ethanol credit permitted by KRS 141.4242;

The cellulosic ethanol credit permitted by KRS 141.4244;

The energy efficiency credits permitted by KRS 141.436;

The railroad maintenance and improvement credit permitted by KRS 141.385;

The Endow Kentucky credit permitted by KRS 141.438;

The New Markets Development Program credit permitted by KRS 141.434;

The distilled spirits credit permitted by KRS 141.389;

The angel investor credit permitted by KRS 141.396;

The film industry credit permitted by KRS 141.383 for applications approved on or after April 27, 2018, but before January 1, 2022;

The inventory credit permitted by KRS 141.408; and

The renewable chemical production credit permitted by KRS 141.4231.

After the application of the nonrefundable credits in subsection (1) of this section, the nonrefundable personal tax credits against the tax imposed by KRS 141.020 shall be taken in the following order:
(a) The individual credits permitted by KRS 141.020(3);
(b) The credit permitted by KRS 141.066;
(c) The tuition credit permitted by KRS 141.069;
(d) The household and dependent care credit permitted by KRS 141.067;
(e) The income gap credit permitted by KRS 141.066; [and]
(f) The Education Opportunity Account Program tax credit permitted by KRS 141.522; and

(g) The airport noise mitigation credit permitted by Section 1 of this Act.

(3) After the application of the nonrefundable credits provided for in subsection (2) of this section, the refundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:

(a) The individual withholding tax credit permitted by KRS 141.350;
(b) The individual estimated tax payment credit permitted by KRS 141.305;
(c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and 171.397(1)(b);
(d) The film industry tax credit permitted by KRS 141.383 for applications approved prior to April 27, 2018, or on or after January 1, 2022; and
(e) The development area tax credit permitted by KRS 141.398.

(4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the tax imposed by KRS 141.040.

(5) The following nonrefundable credits shall be applied against the sum of the tax imposed by KRS 141.040 after subtracting the credit provided for in subsection (4) of this section, and the tax imposed by KRS 141.0401 in the following order:

(a) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.3841, 141.400, 141.401, 141.403, 141.407, 141.415, 154.12-207, and 154.12-2088;
(b) The qualified farming operation credit permitted by KRS 141.412;
(c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
(d) The health insurance credit permitted by KRS 141.062;
(e) The unemployment credit permitted by KRS 141.065;
(f) The recycling or composting equipment credit permitted by KRS 141.390;
(g) The coal conversion credit permitted by KRS 141.041;
(h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods
   ending prior to January 1, 2008;
(i) The tax credit for cash contributions to investment funds permitted by KRS
   154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
   154.20-258;
(j) The research facilities credit permitted by KRS 141.395;
(k) The employer High School Equivalency Diploma program incentive credit
   permitted by KRS 151B.402;
(l) The voluntary environmental remediation credit permitted by KRS 141.418;
(m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
(n) The clean coal incentive credit permitted by KRS 141.428;
(o) The ethanol credit permitted by KRS 141.4242;
(p) The cellulosic ethanol credit permitted by KRS 141.4244;
(q) The energy efficiency credits permitted by KRS 141.436;
(r) The ENERGY STAR home or ENERGY STAR manufactured home credit
   permitted by KRS 141.437;
(s) The railroad maintenance and improvement credit permitted by KRS 141.385;
(t) The railroad expansion credit permitted by KRS 141.386;
(u) The Endow Kentucky credit permitted by KRS 141.438;
(v) The New Markets Development Program credit permitted by KRS 141.434;
(w) The distilled spirits credit permitted by KRS 141.389;
(x) The film industry credit permitted by KRS 141.383 for applications approved
on or after April 27, 2018, but before January 1, 2022;

(y) The inventory credit permitted by KRS 141.408;

(z) The renewable chemical production tax credit permitted by KRS 141.4231;

and

(aa) The Education Opportunity Account Program tax credit permitted by KRS 141.522.

(6) After the application of the nonrefundable credits in subsection (5) of this section, the refundable credits shall be taken in the following order:

(a) The corporation estimated tax payment credit permitted by KRS 141.044;

(b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and 171.397(1)(b); and

(c) The film industry tax credit permitted by KRS 141.383 for applications approved prior to April 27, 2018, or on or after January 1, 2022; and

(d) The airport noise mitigation credit permitted by Section 1 of this Act.