

STATE INCENTIVES

FOR NEW & EXPANDING BUSINESSES



There are multiple incentives offered through the Commonwealth of Kentucky. Below is a list of the most popular incentives, but please review the complete list at the end of the document to see all available options, state links, and determine what would be the best fit for your community and businesses.

FINANCIAL INCENTIVES FOR BUSINESSES

New Business Location

- Kentucky Business Investment Program (KBI): Provides income tax credits and wage assessments to new and existing businesses in select industries that locate or expand operations in Kentucky.
- Economic Development Rider (EDR): New or expanding businesses requiring substantial amounts of electricity on a consistent basis may be able to minimize electric rates over a set period.
- Kentucky Small Business Tax Credit (KSBTC): Provides a nonrefundable tax credit to eligible businesses hiring one or more eligible individuals and investing at least \$5,000 in qualifying equipment or technology.
- KY Tourism Development Incentive Program: Provides developers of approved new or expanding tourism projects the ability to recover up to 25 percent of the project's development costs over a 10-year term.
- Rural Economic Development Loan & Grant Program (REDLG): The United States Department of Agriculture (USDA) program provides grant and loan funding to rural projects through local utilities.

Business Property Improvements and Repairs

- Kentucky Enterprise Initiative Act (KEIA): Provides a refund of Kentucky sales and use tax paid by approved companies in select industries for building and construction materials permanently incorporated as an improvement to real property.
- Historic Rehabilitation Tax Credits: Financial incentives to encourage private investment in historic buildings. [Video Training](#)
- Building a Better KY: There are multiple funding opportunities available for KY communities, schools, and businesses on types of energy and environments.

Business Workforce Training

- Bluegrass State Skills Corporation (BSSC) Skills Training Investment Credit (STIC): Provides credit against Kentucky income tax to existing businesses that sponsor occupational or skills upgrade training programs for the benefit of their employees.
- Bluegrass State Skills Corporation (BSSC) Grant Reimbursement Program (GIA): Provides matching grant funds for customized business and industry-specific training programs.

Community Development

- Community Development Block Grants Loans (CDBG): Federally funded, low interest loans made available through the Department of Local Government.
 - Tax Increment Financing (TIF): An economic development tool to use future gains in taxes to finance the current public infrastructure improvements for development that will create those gains.
 - Work Ready Skills Initiative: Provides resources to expand & upgrade career and technical education facilities through partnerships between private industry and educational institutions.
 - Guaranteed Energy Savings Performance Contracting (ESPC): Allows for the installation or implementation of energy services or equipment, including efficiency measures, conservation measures and alternate energy technologies in state government buildings with the cost being funded by the energy and operational savings generated by the services or equipment.
 - Brownfields: To promote brownfield redevelopment, assistance is available through grants, loans, no-cost services, and provisions that address liability and cleanup.
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Tourism & Arts

- Kentucky Entertainment Incentive (KEI): Designed to encourage the development of the entertainment and production industry in KY.
- Matching Funds Program: Provides local non-profit tourism organizations with financial assistance to promote tourism in their areas.
- Art Grants: Multiple grants available for individual artists and art programs.

COMPLETE LIST OF STATE INCENTIVES

KY Cabinet for Economic Development

Please review the Incentive Program Overview for a comprehensive list of incentives for business recruitment and expansion.

KY Education & Workforce Development Cabinet

Please review the Workforce Development list to see all available workforce development programs.

KY Energy & Environment Cabinet

Building a Better KY program – There are multiple funding opportunities available for KY communities, schools, and businesses. See the full list separated by types of energy and environments here.

KY Tourism, Arts & Heritage Cabinet