

Kentucky Tax Alert

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KENTUCKY OFFERS TAX CREDIT TO SMALL BUSINESS OWNERS

Businesses could qualify for up to \$25,000

With tax season upon us, the Kentucky Cabinet for Economic Development wants to remind Kentucky's small business owners that they could be eligible for up to \$25,000 in tax credits.

The state is offering the Kentucky Small Business Tax Credit to eligible companies throughout the Commonwealth.

The criteria are relatively simple. All a small business has to do is create and maintain at least one qualifying job and purchase \$5,000 or more in qualifying equipment and it may be eligible to receive a state income tax credit ranging from \$3,500 to \$25,000 per year. The amount of the tax credit depends on the number of jobs created and the amount of equipment purchased.

Mandy Lambert, commissioner of business development in the Kentucky Cabinet for Economic Development, says many Kentucky businesses are eligible for the credit and don't even know it.

It's simple to see if a business qualifies and to apply for the credit. Interested business owners should contact the Kentucky Cabinet for Economic Development at 800-626-2250, and its small business experts will walk owners through the process.

Learn more about the Kentucky Small Business Tax Credit at www.KentuckyTaxCredit.org.

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The Kentucky Cabinet for Economic Development is the primary state agency in Kentucky responsible for encouraging new jobs and investment in the state. New capital investment announced in Kentucky in 2014 totaled more than \$3.7 billion, spurring more than 15,000 projected new jobs. Information on available industrial properties, workforce development assistance, incentive programs, community profiles, small business development and other economic development resources is available at www.ThinkKentucky.com.

NOTE TO EMPLOYERS: DEADLINE FOR WORK OPPORTUNITY TAX CREDIT EXTENDED

The IRS has extended the deadline for an employer tax credit for those who have given employment opportunities to some lesser-served groups, including ex-felons, unemployed veterans and those on long-term government assistance.

Employers who have given job opportunities to one of several target groups now have more time to file for a tax credit on those employees.

The Internal Revenue Service has extended the deadline to claim the federal Work Opportunity Tax Credit until April 30, according to a news release from the Kentucky Career Center.

Employers can receive a tax credit under the program if they have hired an employee in at least one of nine selected target groups, including summer youth workers, qualified veterans, qualified ex-felons, designated community residents, vocational rehabilitation referrals and those receiving long-term government assistance, according to the IRS.

The hires must have been made between Jan. 1 and Dec. 31, 2014, according to the news release from the Kentucky Career Center.

To claim the tax credit in Kentucky, employers must submit IRS Form 8850 and ETA Form 9061 to the Kentucky Work Opportunity Tax Credit Online System or mail the forms to the Kentucky Career Center, 275 E. Main St., 2WA, Frankfort, Ky., 40621. Online applications should be submitted at <https://notc.ky.gov>.

Those with questions about the program can call the Kentucky Work Opportunity Tax Credit Unit at 502-782-3465.

Kentucky Tax Alert comments and suggestions should be addressed to the Office of Income Taxation/Training Branch, Finance Cabinet, Department of Revenue, Frankfort, Kentucky, (502) 564-0937.

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