



KY INNOVATION

CATALYST FOR GROWTH



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OUR MISSION

The Kentucky Cabinet for Economic Development is the primary state agency responsible for encouraging job creation and retention, and new investment in the state.

www.thinkkentucky.com



KY INNOVATION ENTREPRENEURS, INNOVATORS, INVESTORS

www.kyinnovation.com

- KY Small Business Tax Credit – KSBTC
- KY Small Business Credit Initiative – KSBCI
- Export Assistance – STEP Grant
- SBIR/STTR Funding Assistance and Matching Funds Program
- KY Selling Farmer Tax Credit – KSFTC
- Kentucky Angel Investment Tax Credit - KAITC
- KY Innovation RISE Offices

KENTUCKY SMALL BUSINESS TAX CREDIT

Grow Your Business
AND Get a Tax Break!



KENTUCKY SMALL BUSINESS TAX CREDIT

www.kytaxcredit.org

- Non-refundable tax credit for businesses creating full-time jobs and investing \$5,000 or more in qualifying equipment or technology.
- Tax credits range from \$3,500 to \$25,000 per calendar year per applicant business.
- Job creation is the driver!





THE TAX CREDIT IS AVAILABLE TO ALL ELIGIBLE FOR-PROFIT BUSINESSES WITH 50 OR LESS FULLTIME EMPLOYEES.

INCLUDING:

- Retail
- Service
- Construction
- Manufacturing
- Wholesale

ELIGIBLE POSITION

An eligible position must meet **ALL** the following criteria:

- ✓ New position subject to Kentucky Income Tax
- ✓ Employee must work an average of 35 hours or more per week for a period of 12 consecutive months (W2)
- ✓ Pay an average hourly wage of \$10.88 or more per hour
- ✓ Increase the base employment of the small business.





INVESTMENT

Qualifying equipment or technology must meet **ALL** the following criteria:

- ✓ Tangible property purchased by the applicant small business for use in the business in Kentucky
- ✓ Tangible property with an expected useful life of one year or more
- ✓ Tangible property purchased within 24 month period immediately preceding the submission of a KSBTC application
- ✓ Rebates, refunds, tax, labor, installation, delivery and similar charges must be subtracted from the total cost.



KSBTC - APPLICATION

www.thinkkentucky.com/ksbtc

www.kytaxcredit.org

- KSBTC Fact Sheet, Guidelines, Application available on the website
- Use the KSBTC Excel Application—it will do the calculations for you!
- Contact the Office of Entrepreneurship at cedsbds@ky.gov or call **800-626-2930** for information and assistance.

SBIR/STTR

Small Business Innovation Research/
Small Business Technology Transfer



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Kentucky's Innovation Investment Program (KIIP)

Increase SBIR/STTR funding and maximize impact of SBIR/STTR funded companies in the Commonwealth.

- Proposal assistance
- Workshops and Networking
- KY SBIR/STTR Matching Funds Program



KIIP Proposal Assistance

Three stages:

- **Strategy** – Customized technology assessment to align SBIR/STTR funding opportunities that are best-fit for each individual company.
- **Proposal Preparation** – Scientific Consultant assists with all aspects of the proposal preparation and submission process.
- **Post-Award Support** – Assistance with applying for SBIR/STTR matching funds; grants management; and accounting support.



KY SBIR/STTR Matching Funds Program

Grants matching funds to for-profit, KY based companies, that have received Federal SBIR/STTR awards.

- **Competitive process**
- **Apply during open solicitation windows**
- **KY company with 51% or more of payroll and assets in the state**
- **Phase I match up to \$150,000**
- **Phase II match up to \$500,000 per year, up to two years**



STEP GRANT

State Trade Expansion Program

- ✓ The SBA awarded Kentucky the State Trade Expansion Program (STEP) grant to support the export growth of small companies.
- ✓ Companies can receive up to \$10,000 in assistance to help explore new markets, identify new buyers and prepare for global business.
- ✓ Once appropriate documentation is received, expenses can be reimbursed.

www.kyexports.com

Examples of Reimbursable Expenses

- Export Training
- Trade Show Registration/Booth
- Trade Mission Fees
- Airfare (Fly America Rules, must be pre-approved)
- Meals and Lodging (GSA/Dept. of State, must be pre-approved)
- Parking
- Baggage Fees
- Currency Exchange Fees
- Ground Transportation
- DOC Subscription to services
- Stipends for Web Site
- Translations (up to \$3,000)
- Compliance (must be pre-approved, up to \$3,000)

KY SELLING FARMER TAX CREDIT

- Encourages continued use of agricultural land for farming by granting tax credits to selling farmers who agree to sell agricultural land and assets to beginning farmers.
- Farmers wanting to sell agricultural land and assets may be eligible for a Kentucky income tax credit up to 5% of the purchase price of qualifying agricultural assets, subject to a \$25,000 calendar year cap and a \$100,000 lifetime cap.

www.thinkkentucky.com/ksftc



THANK YOU

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