

1 AN ACT relating to the film industry.

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

3 ➔SECTION 1. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER
4 154 IS CREATED TO READ AS FOLLOWS:

5 *(1) There is created the Kentucky Film Office, which shall be attached to the Cabinet*
6 *for Economic Development for administrative purposes only. The office shall be*
7 *headed by an executive director selected and compensated as provided in*
8 *subsection (2)(e) of Section 2 of this Act. The executive director shall have the*
9 *authority to hire staff, including a marketing and development director, contract*
10 *for services, expend funds, and operate the normal business activities of the*
11 *council.*

12 *(2) The duties of the Kentucky Film Office shall include but not be limited to:*

13 *(a) Coordinating with local and regional film offices or local tourism*
14 *commissions on issues impacting the film industry in Kentucky, including*
15 *streamlining local permitting processes;*

16 *(b) Marketing Kentucky as a location for film production;*

17 *(c) Providing assistance to production companies for compliance with*
18 *Subchapter 61 of KRS Chapter 154;*

19 *(d) Assisting film studios and workforce training programs to increase the film*
20 *production workforce;*

21 *(e) Coordinating with the Kentucky Film Leadership Council established in*
22 *Section 2 of this Act to develop marketing strategies to promote and grow*
23 *the film production industry in Kentucky;*

24 *(f) Creating a Kentucky Film Office website and a one-stop portal to provide*
25 *information to film producers regarding studios, local and regional*
26 *commissions, personnel, filming locations, permitting, and other matters*
27 *relevant to the film industry; and*

1 (g) Adopting the recommendations of the council created pursuant to Section 2
2 of this Act and promulgating regulations in accordance with KRS Chapter
3 13A necessary to conduct the operations of the office.

4 (3) The office shall receive and retain all tax incentive application fees collected
5 pursuant to Section 7 of this Act. The nonrefundable application fee that's
6 currently payable to the office upon submission of a tax incentive application
7 shall be determined by the total amount of qualifying expenditures and qualifying
8 payroll expenditures, as defined in Section 5 of this Act. If the total is:

9 (a) Less than fifty thousand dollars (\$50,000), the application fee shall be two
10 hundred fifty dollars (\$250);

11 (b) Between fifty thousand dollars (\$50,000) and one hundred thousand dollars
12 (\$100,000), the application fee shall be five hundred dollars (\$500); or

13 (c) More than one hundred thousand dollars (\$100,000), the application fee
14 shall be one thousand dollars (\$1,000).

15 (4) The office may accept contributions, grants, and other property of value to hold
16 and apply to projects for which the office is created. Any funds not expended at
17 the close of a fiscal year shall not lapse but shall be carried forward into the next
18 fiscal year. Notwithstanding KRS 142.406, for the period beginning July 1, 2025,
19 and ending June 30, 2027, two and one-half percent (2.5%) of the transient room
20 tax collected pursuant to KRS 142.400, up to the maximum amount of five
21 hundred thousand dollars (\$500,000) shall be transferred to the office and
22 dedicated to staff and operational costs.

23 ➔SECTION 2. A NEW SECTION OF SUBCHAPTER 12 OF KRS CHAPTER
24 154 IS CREATED TO READ AS FOLLOWS:

25 (1) There is hereby established the Kentucky Film Leadership Council. The council
26 shall be administratively attached to the Kentucky Film Office established in
27 Section 1 of this Act.

1 (2) The functions and purposes of the council shall be to:

2 (a) Review all applications for tax incentives under Section 4 of this Act and
3 Subchapter 61 of KRS Chapter 154 to determine eligibility within twenty
4 (20) days of receipt and forward each eligible application to the cabinet for
5 an economic analysis of the project. Notwithstanding Section 6 of this Act,
6 if the analysis supports the project, the application and all related
7 documents shall be submitted back to the council to make the final decision
8 at a meeting held at the call of the chair regarding whether to authorize a
9 tax incentive agreement. The cabinet shall be responsible for negotiating,
10 preparing, and executing tax incentive agreements under this section;

11 (b) Recommend policies and standards for the Kentucky Film Office created in
12 Section 1 of this Act;

13 (c) Develop comprehensive film industry strategies in partnership with the
14 Cabinet for Economic Development, the Tourism, Arts and Heritage
15 Cabinet, and the Education and Labor Cabinet;

16 (d) Partner with local and regional film offices, production studios, and
17 relevant workforce training programs in Kentucky; and

18 (e) Conduct a nationwide search for the executive director of the Kentucky
19 Film Office and make decisions regarding hiring and compensation. The
20 salary of the executive director of the Kentucky Film Office shall be exempt
21 from KRS 64.640.

22 (3) (a) The council shall consist of the following seven (7) voting members:

23 1. The secretary of the Cabinet for Economic Development or his or her
24 designee;

25 2. The secretary of the Tourism, Arts and Heritage Cabinet or his or her
26 designee;

27 3. The secretary of the Education and Labor Cabinet or his or her

1 designee; and

2 4. Four (4) members who shall be appointed by the Governor as follows:

3 a. Two (2) representatives from Kentucky film production
4 companies;

5 b. One (1) representative from a film profession, including but not
6 limited to producers, actors, production accountants with film
7 industry experience, or film financiers; and

8 c. One (1) representative who is the head of a local or regional film
9 commission.

10 (b) All members appointed by the Governor under paragraph (a)4. of this
11 subsection shall have knowledge of or experience in the Kentucky film
12 industry. After the expiration of their initial terms, the appointed members
13 shall serve a term of four (4) years and until a successor is appointed and
14 qualified in accordance with paragraph (a)4. of this subsection. Any
15 vacancy that occurs shall be filled for the unexpired term in the same
16 manner as the original appointment. All members appointed by the
17 Governor shall be subject to confirmation by the Senate as provided in KRS
18 11.160.

19 (c) A majority of the members shall appoint the chair from among the members
20 of the council.

21 (d) Members shall serve without compensation but shall be reimbursed for
22 necessary travel expenses.

23 (e) The council shall meet at the call of the chair.

24 (f) A quorum shall be a majority of the membership of the council.

25 ➔Section 3. KRS 12.020 (Effective July 1, 2025) is amended to read as follows:

26 Departments, program cabinets and their departments, and the respective major
27 administrative bodies that they include are enumerated in this section. It is not intended

1 that this enumeration of administrative bodies be all-inclusive. Every authority, board,
2 bureau, interstate compact, commission, committee, conference, council, office, or any
3 other form of organization shall be included in or attached to the department or program
4 cabinet in which they are included or to which they are attached by statute or statutorily
5 authorized executive order; except in the case of the Personnel Board and where the
6 attached department or administrative body is headed by a constitutionally elected
7 officer, the attachment shall be solely for the purpose of dissemination of information and
8 coordination of activities and shall not include any authority over the functions,
9 personnel, funds, equipment, facilities, or records of the department or administrative
10 body.

11 I. Cabinet for General Government - Departments headed by elected officers:

- 12 (1) The Governor.
- 13 (2) Lieutenant Governor.
- 14 (3) Department of State.
 - 15 (a) Secretary of State.
 - 16 (b) Board of Elections.
 - 17 (c) Registry of Election Finance.
- 18 (4) Department of Law.
 - 19 (a) Attorney General.
- 20 (5) Department of the Treasury.
 - 21 (a) Treasurer.
- 22 (6) Department of Agriculture.
 - 23 (a) Commissioner of Agriculture.
 - 24 (b) Agricultural Development Board.
 - 25 (c) Kentucky Agricultural Finance Corporation.
- 26 (7) Auditor of Public Accounts.
 - 27 (a) Commonwealth Office of the Ombudsman.

- 1 II. Program cabinets headed by appointed officers:
- 2 (1) Justice and Public Safety Cabinet:
- 3 (a) Department of Kentucky State Police.
- 4 1. Office of Administrative Services.
- 5 a. Division of Operational Support.
- 6 b. Division of Management Services.
- 7 2. Office of Operations.
- 8 a. Division of West Troops.
- 9 b. Division of East Troops.
- 10 c. Division of Special Enforcement.
- 11 d. Division of Commercial Vehicle Enforcement.
- 12 3. Office of Technical Services.
- 13 a. Division of Forensic Sciences.
- 14 b. Division of Electronic Services.
- 15 c. Division of Records Management.
- 16 (b) Department of Criminal Justice Training.
- 17 (c) Department of Corrections.
- 18 (d) Department of Juvenile Justice.
- 19 (e) Office of the Secretary.
- 20 (f) Office of Drug Control Policy.
- 21 (g) Office of Legal Services.
- 22 (h) Office of the Kentucky State Medical Examiner.
- 23 (i) Parole Board.
- 24 (j) Kentucky State Corrections Commission.
- 25 (k) Office of Legislative and Intergovernmental Services.
- 26 (l) Office of Human Resource Management.
- 27 1. Division of Human Resource Administration.

- 1 2. Division of Employee Management.
- 2 (m) Department of Public Advocacy.
- 3 (n) Office of Communications.
- 4 1. Information Technology Services Division.
- 5 (o) Office of Financial Management Services.
- 6 1. Division of Financial Management.
- 7 (p) Grants Management Division.
- 8 (2) Energy and Environment Cabinet:
- 9 (a) Office of the Secretary.
- 10 1. Office of Legislative and Intergovernmental Affairs.
- 11 2. Office of Legal Services.
- 12 a. Legal Division I.
- 13 b. Legal Division II.
- 14 3. Office of Administrative Hearings.
- 15 4. Office of Communication.
- 16 5. Mine Safety Review Commission.
- 17 6. Office of Kentucky Nature Preserves.
- 18 7. Kentucky Public Service Commission.
- 19 (b) Department for Environmental Protection.
- 20 1. Office of the Commissioner.
- 21 2. Division for Air Quality.
- 22 3. Division of Water.
- 23 4. Division of Environmental Program Support.
- 24 5. Division of Waste Management.
- 25 6. Division of Enforcement.
- 26 7. Division of Compliance Assistance.
- 27 (c) Department for Natural Resources.

- 1 1. Office of the Commissioner.
- 2 2. Division of Mine Permits.
- 3 3. Division of Mine Reclamation and Enforcement.
- 4 4. Division of Abandoned Mine Lands.
- 5 5. Division of Oil and Gas.
- 6 6. Division of Mine Safety.
- 7 7. Division of Forestry.
- 8 8. Division of Conservation.
- 9 9. Office of the Reclamation Guaranty Fund.
- 10 (d) Office of Energy Policy.
- 11 1. Division of Energy Assistance.
- 12 (e) Office of Administrative Services.
- 13 1. Division of Human Resources Management.
- 14 2. Division of Financial Management.
- 15 3. Division of Information Services.
- 16 (3) Public Protection Cabinet.
- 17 (a) Office of the Secretary.
- 18 1. Office of Communications and Public Outreach.
- 19 2. Office of Legal Services.
- 20 a. Insurance Legal Division.
- 21 b. Alcoholic Beverage Control Legal Division.
- 22 c. Housing, Buildings and Construction Legal Division.
- 23 d. Financial Institutions Legal Division.
- 24 e. Professional Licensing Legal Division.
- 25 3. Office of Administrative Hearings.
- 26 4. Office of Administrative Services.
- 27 a. Division of Human Resources.

- 1 b. Division of Fiscal Responsibility.
- 2 (b) Office of Claims and Appeals.
- 3 1. Board of Tax Appeals.
- 4 2. Board of Claims.
- 5 3. Crime Victims Compensation Board.
- 6 (c) Kentucky Boxing and Wrestling Commission.
- 7 (d) Department of Alcoholic Beverage Control.
- 8 1. Division of Distilled Spirits.
- 9 2. Division of Malt Beverages.
- 10 3. Division of Enforcement.
- 11 (e) Department of Financial Institutions.
- 12 1. Division of Depository Institutions.
- 13 2. Division of Non-Depository Institutions.
- 14 3. Division of Securities.
- 15 (f) Department of Housing, Buildings and Construction.
- 16 1. Division of Fire Prevention.
- 17 2. Division of Plumbing.
- 18 3. Division of Heating, Ventilation, and Air Conditioning.
- 19 4. Division of Building Code Enforcement.
- 20 (g) Department of Insurance.
- 21 1. Division of Health and Life Insurance and Managed Care.
- 22 2. Division of Property and Casualty Insurance.
- 23 3. Division of Administrative Services.
- 24 4. Division of Financial Standards and Examination.
- 25 5. Division of Licensing.
- 26 6. Division of Insurance Fraud Investigation.
- 27 7. Division of Consumer Protection.

- 1 (h) Department of Professional Licensing.
- 2 1. Real Estate Authority.
- 3 2. Division of Real Property Boards.
- 4 (4) Transportation Cabinet:
- 5 (a) Department of Highways.
- 6 1. Office of Project Development.
- 7 2. Office of Project Delivery and Preservation.
- 8 3. Office of Highway Safety.
- 9 4. Highway District Offices One through Twelve.
- 10 (b) Department of Vehicle Regulation.
- 11 (c) Department of Aviation.
- 12 (d) Department of Rural and Municipal Aid.
- 13 1. Office of Local Programs.
- 14 2. Office of Rural and Secondary Roads.
- 15 (e) Office of the Secretary.
- 16 1. Office of Public Affairs.
- 17 2. Office for Civil Rights and Small Business Development.
- 18 3. Office of Budget and Fiscal Management.
- 19 4. Office of Inspector General.
- 20 5. Secretary's Office of Safety.
- 21 (f) Office of Support Services.
- 22 (g) Office of Transportation Delivery.
- 23 (h) Office of Audits.
- 24 (i) Office of Human Resource Management.
- 25 (j) Office of Information Technology.
- 26 (k) Office of Legal Services.
- 27 (5) Cabinet for Economic Development:

- 1 (a) Office of the Secretary.
- 2 1. Office of Legal Services.
- 3 2. Department for Business and Community Development.
- 4 a. Development and Retention Division – West Kentucky.
- 5 b. Development, Retention, and Administrative Division –
- 6 Central and East Kentucky.
- 7 c. Community and Workforce Development Division.
- 8 3. Department for Financial Services.
- 9 a. Kentucky Economic Development Finance Authority.
- 10 b. Finance and Personnel Division.
- 11 c. IT and Resource Management Division.
- 12 d. Compliance Division.
- 13 e. Program Administration Division.
- 14 f. Bluegrass State Skills Corporation.
- 15 g. The GRANT Commission.
- 16 4. Office of Strategy and Public Affairs.
- 17 a. Marketing and Communications Division.
- 18 b. Research and Strategy Division.
- 19 5. Office of Entrepreneurship and Innovation.
- 20 a. Commission on Small Business Innovation and Advocacy.
- 21 **6. Kentucky Film Office.**
- 22 **a. Kentucky Film Leadership Council.**
- 23 (6) Cabinet for Health and Family Services:
- 24 (a) Office of the Secretary.
- 25 1. Office of Public Affairs.
- 26 2. Office of Legal Services.
- 27 3. Office of Inspector General.

- 1 4. Office of Human Resource Management.
- 2 5. Office of Finance and Budget.
- 3 6. Office of Legislative and Regulatory Affairs.
- 4 7. Office of Administrative Services.
- 5 8. Office of Application Technology Services.
- 6 9. Office of Data Analytics.
- 7 10. Office of Medical Cannabis.
- 8 a. Division of Enforcement and Compliance.
- 9 b. Division of Licensure and Access.
- 10 (b) Department for Public Health.
- 11 (c) Department for Medicaid Services.
- 12 (d) Department for Behavioral Health, Developmental and Intellectual
- 13 Disabilities.
- 14 (e) Department for Aging and Independent Living.
- 15 (f) Department for Community Based Services.
- 16 (g) Department for Family Resource Centers and Volunteer Services.
- 17 (7) Finance and Administration Cabinet:
- 18 (a) Office of the Secretary.
- 19 (b) Office of the Inspector General.
- 20 (c) Office of Legislative and Intergovernmental Affairs.
- 21 (d) Office of General Counsel.
- 22 (e) Office of the Controller.
- 23 (f) Office of Administrative Services.
- 24 (g) Office of Policy and Audit.
- 25 (h) Department for Facilities and Support Services.
- 26 (i) Department of Revenue.
- 27 (j) Commonwealth Office of Technology.

- 1 (k) State Property and Buildings Commission.
- 2 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 3 (m) Kentucky Employees Retirement Systems.
- 4 (n) Commonwealth Credit Union.
- 5 (o) State Investment Commission.
- 6 (p) Kentucky Housing Corporation.
- 7 (q) Kentucky Local Correctional Facilities Construction Authority.
- 8 (r) Kentucky Turnpike Authority.
- 9 (s) Historic Properties Advisory Commission.
- 10 (t) Kentucky Higher Education Assistance Authority.
- 11 (u) Kentucky River Authority.
- 12 (v) Kentucky Teachers' Retirement System Board of Trustees.
- 13 (w) Executive Branch Ethics Commission.
- 14 (x) Office of Fleet Management.
- 15 (8) Tourism, Arts and Heritage Cabinet:
- 16 (a) Kentucky Department of Tourism.
- 17 1. Division of Tourism Services.
- 18 2. Division of Marketing and Administration.
- 19 3. Division of Communications and Promotions.
- 20 (b) Kentucky Department of Parks.
- 21 1. Division of Information Technology.
- 22 2. Division of Human Resources.
- 23 3. Division of Financial Operations.
- 24 4. Division of Purchasing.
- 25 5. Division of Facilities.
- 26 6. Division of Park Operations.
- 27 7. Division of Sales, Marketing, and Customer Service.

- 1 8. Division of Engagement.
- 2 9. Division of Food Services.
- 3 10. Division of Rangers.
- 4 (c) Department of Fish and Wildlife Resources.
- 5 1. Division of Law Enforcement.
- 6 2. Division of Administrative Services.
- 7 3. Division of Engineering, Infrastructure, and Technology.
- 8 4. Division of Fisheries.
- 9 5. Division of Information and Education.
- 10 6. Division of Wildlife.
- 11 7. Division of Marketing.
- 12 (d) Kentucky Horse Park.
- 13 1. Division of Support Services.
- 14 2. Division of Buildings and Grounds.
- 15 3. Division of Operational Services.
- 16 (e) Kentucky State Fair Board.
- 17 1. Office of Administrative and Information Technology Services.
- 18 2. Office of Human Resources and Access Control.
- 19 3. Division of Expositions.
- 20 4. Division of Kentucky Exposition Center Operations.
- 21 5. Division of Kentucky International Convention Center.
- 22 6. Division of Public Relations and Media.
- 23 7. Division of Venue Services.
- 24 8. Division of Personnel Management and Staff Development.
- 25 9. Division of Sales.
- 26 10. Division of Security and Traffic Control.
- 27 11. Division of Information Technology.

- 1 12. Division of the Louisville Arena.
- 2 13. Division of Fiscal and Contract Management.
- 3 14. Division of Access Control.
- 4 (f) Office of the Secretary.
- 5 1. Office of Finance.
- 6 2. Office of Government Relations and Administration.
- 7 (g) Office of Legal Affairs.
- 8 (h) Office of Human Resources.
- 9 (i) Office of Public Affairs and Constituent Services.
- 10 (j) Office of Arts and Cultural Heritage.
- 11 (k) Kentucky African-American Heritage Commission.
- 12 (l) Kentucky Foundation for the Arts.
- 13 (m) Kentucky Humanities Council.
- 14 (n) Kentucky Heritage Council.
- 15 (o) Kentucky Arts Council.
- 16 (p) Kentucky Historical Society.
- 17 1. Division of Museums.
- 18 2. Division of Oral History and Educational Outreach.
- 19 3. Division of Research and Publications.
- 20 4. Division of Administration.
- 21 (q) Kentucky Center for the Arts.
- 22 1. Division of Governor's School for the Arts.
- 23 (r) Kentucky Artisans Center at Berea.
- 24 (s) Northern Kentucky Convention Center.
- 25 (t) Eastern Kentucky Exposition Center.
- 26 (9) Personnel Cabinet:
- 27 (a) Office of the Secretary.

- 1 (b) Department of Human Resources Administration.
- 2 (c) Office of Employee Relations.
- 3 (d) Kentucky Public Employees Deferred Compensation Authority.
- 4 (e) Office of Administrative Services.
- 5 (f) Office of Legal Services.
- 6 (g) Governmental Services Center.
- 7 (h) Department of Employee Insurance.
- 8 (i) Office of Diversity, Equality, and Training.
- 9 (j) Office of Public Affairs.
- 10 (10) Education and Labor Cabinet:
- 11 (a) Office of the Secretary.
- 12 1. Office of Legal Services.
- 13 a. Workplace Standards Legal Division.
- 14 b. Workers' Claims Legal Division.
- 15 c. Workforce Development Legal Division.
- 16 2. Office of Administrative Services.
- 17 a. Division of Human Resources Management.
- 18 b. Division of Fiscal Management.
- 19 c. Division of Operations and Support Services.
- 20 3. Office of Technology Services.
- 21 a. Division of Information Technology Services.
- 22 4. Office of Policy and Audit.
- 23 5. Office of Legislative Services.
- 24 6. Office of Communications.
- 25 7. Office of the Kentucky Center for Statistics.
- 26 8. Board of the Kentucky Center for Statistics.
- 27 9. Early Childhood Advisory Council.

- 1 10. Governors' Scholars Program.
- 2 11. Governor's School for Entrepreneurs Program.
- 3 12. Foundation for Adult Education.
- 4 (b) Department of Education.
- 5 1. Kentucky Board of Education.
- 6 2. Kentucky Technical Education Personnel Board.
- 7 3. Education Professional Standards Board.
- 8 (c) Board of Directors for the Center for School Safety.
- 9 (d) Department for Libraries and Archives.
- 10 (e) Kentucky Environmental Education Council.
- 11 (f) Kentucky Educational Television.
- 12 (g) Kentucky Commission on the Deaf and Hard of Hearing.
- 13 (h) Department of Workforce Development.
- 14 1. Career Development Office.
- 15 2. Office of Vocational Rehabilitation.
- 16 a. Division of Kentucky Business Enterprise.
- 17 b. Division of the Carl D. Perkins Vocational Training Center.
- 18 c. Division of Blind Services.
- 19 d. Division of Field Services.
- 20 e. Statewide Council for Vocational Rehabilitation.
- 21 f. Employment First Council.
- 22 3. Office of Employer and Apprenticeship Services.
- 23 a. Division of Apprenticeship.
- 24 4. Kentucky Apprenticeship Council.
- 25 5. Division of Technical Assistance.
- 26 6. Office of Adult Education.
- 27 7. Office of the Kentucky Workforce Innovation Board.

- 1 (i) Department of Workplace Standards.
 - 2 1. Division of Occupational Safety and Health Compliance.
 - 3 2. Division of Occupational Safety and Health Education and
 - 4 Training.
 - 5 3. Division of Wages and Hours.
- 6 (j) Office of Unemployment Insurance.
- 7 (k) Kentucky Unemployment Insurance Commission.
- 8 (l) Department of Workers' Claims.
 - 9 1. Division of Workers' Compensation Funds.
 - 10 2. Office of Administrative Law Judges.
 - 11 3. Division of Claims Processing.
 - 12 4. Division of Security and Compliance.
 - 13 5. Division of Specialist and Medical Services.
 - 14 6. Workers' Compensation Board.
- 15 (m) Workers' Compensation Funding Commission.
- 16 (n) Kentucky Occupational Safety and Health Standards Board.
- 17 (o) State Labor Relations Board.
- 18 (p) Employers' Mutual Insurance Authority.
- 19 (q) Kentucky Occupational Safety and Health Review Commission.
- 20 (r) Workers' Compensation Nominating Committee.
- 21 (s) Office of Educational Programs.
- 22 (t) Kentucky Workforce Innovation Board.
- 23 (u) Kentucky Commission on Proprietary Education.
- 24 (v) Kentucky Work Ready Skills Advisory Committee.
- 25 (w) Kentucky Geographic Education Board.
- 26 (x) Disability Determination Services Program.

27 III. Other departments headed by appointed officers:

- 1 (1) Council on Postsecondary Education.
- 2 (2) Department of Military Affairs.
- 3 (3) Department for Local Government.
- 4 (4) Kentucky Commission on Human Rights.
- 5 (5) Kentucky Commission on Women.
- 6 (6) Department of Veterans' Affairs.
- 7 (7) Kentucky Commission on Military Affairs.
- 8 (8) Office of Minority Empowerment.
- 9 (9) Governor's Council on Wellness and Physical Activity.
- 10 (10) Kentucky Communications Network Authority.
- 11 ➔Section 4. KRS 141.383 is amended to read as follows:
- 12 (1) As used in this section:
- 13 (a) "Above-the-line production crew" has the same meaning as in KRS 154.61-
- 14 010;
- 15 (b) "Approved company" has the same meaning as in KRS 154.61-010;
- 16 (c) ~~["Authority" has the same meaning as in KRS 154.61-010;~~
- 17 ~~(d)]~~"Below-the-line production crew" has the same meaning as in KRS 154.61-
- 18 010;
- 19 ~~(d)](e)~~ "Continuous film production" has the same meaning as in KRS 154.61-
- 20 010;
- 21 **(e) "Council" means the Kentucky Film Leadership Council created in Section**
- 22 **2 of this Act;**
- 23 (f) "Loan-out entity" has the same meaning as in KRS 154.61-010;
- 24 (g) "Qualifying expenditure" has the same meaning as in KRS 154.61-010;
- 25 (h) "Qualifying payroll expenditure" has the same meaning as in KRS 154.61-
- 26 010;
- 27 (i) "Secretary" has the same meaning as in KRS 154.61-010; and

1 (j) "Tax incentive agreement" has the same meaning as KRS 154.61-010.

2 (2) (a) There is hereby created a tax credit against the tax imposed under KRS
3 141.020 or 141.040 and 141.0401, with the ordering of credits as provided in
4 KRS 141.0205.

5 (b) The incentive available under paragraph (a) of this section is:

6 1. A refundable credit for applications approved prior to April 27, 2018;

7 2. A nonrefundable and nontransferable credit for applications approved on
8 or after April 27, 2018, but before January 1, 2022; and

9 3. A refundable credit for applications approved on or after January 1,
10 2022, if the provisions of paragraph (c) of this subsection are met.

11 (c) 1. The total tax incentive approved under KRS 154.61-020 shall be limited
12 to:

13 a. One hundred million dollars (\$100,000,000) for calendar year
14 2018 and each calendar year through the calendar year 2021;

15 b. Seventy-five million dollars (\$75,000,000) for the calendar year
16 2022 and each calendar year thereafter; and

17 c. Beginning with calendar year 2024, the amount in subdivision b.
18 of this subparagraph shall be allocated accordingly:

19 i. Twenty-five million dollars (\$25,000,000) shall be allocated
20 for all approved companies with a continuous film
21 production; and

22 ii. On the first day of July of each calendar year, any unused
23 balance allocated under subpart i. of this subdivision for
24 continuous film productions shall be made available for all
25 approved companies with a motion picture or entertainment
26 production.

27 2. To qualify for the refundable credit, all applicants shall:

- 1 a. Begin filming or production in Kentucky within six (6) months of
2 approval by the council[authority]; and
- 3 b. Complete filming or production in Kentucky within two (2) years
4 of their production start date.
- 5 (3) An approved company may receive a refundable tax credit if:
- 6 (a) The department has received notification from the council[authority] that the
7 approved company has satisfied all requirements of KRS 154.61-020 and
8 154.61-030; and
- 9 (b) The approved company has provided a detailed cost report and sufficient
10 documentation to the council[authority], which has been forwarded by the
11 council[authority] to the department, that:
- 12 1. The purchases of qualifying expenditures were made after the execution
13 of the tax incentive agreement; and
- 14 2. The approved company or loan-out entity has withheld income tax as
15 required by KRS 141.310 on all qualified payroll expenditures, and
16 remitted and certified the withheld amount to the department.
- 17 (4) Interest shall not be allowed or paid on any refundable credits provided under this
18 section.
- 19 (5) The department may promulgate administrative regulations under KRS Chapter
20 13A to administer this section.
- 21 (6) On or before September 1, 2010, and on or before each September 1 thereafter, for
22 the immediately preceding fiscal year, the department shall report to the
23 council[authority] and the Interim Joint Committee on Appropriations and Revenue
24 the names of the approved companies and the amounts of refundable income tax
25 credit claimed.
- 26 (7) No later than September 1, 2021, and by November 1 every four (4) years
27 thereafter, the department and the Cabinet for Economic Development shall

1 cooperatively provide historical data related to the tax credit allowed in this section
2 and KRS 154.61-020 and 154.61-030, including data items beginning with tax
3 credits claimed for taxable years beginning on or after January 1, 2018:

- 4 (a) The name of the taxpayer claiming the tax credit;
- 5 (b) The date that the application was approved and the date the filming or
6 production was completed;
- 7 (c) The taxable year in which the taxpayer claimed the tax credit;
- 8 (d) The total amount of the tax credit, including any amount denied, any amount
9 applied against a tax liability, any amount refunded, and any amount
10 remaining that may be claimed on a return filed in the future;
- 11 (e) Whether the taxpayer is a Kentucky-based company as defined in KRS
12 154.61-010;
- 13 (f) Whether the taxpayer films or produces a:
 - 14 1. Feature-length film, television program, or industrial film;
 - 15 2. National touring production of a Broadway show; or
 - 16 3. Documentary;
- 17 (g) Whether the filming or production was performed:
 - 18 1. Entirely in an enhanced county; or
 - 19 2. In whole or in part in any Kentucky county other than in an enhanced
20 incentive county;
- 21 (h) The amount of qualifying expenditures incurred by the taxpayer;
- 22 (i) The amount of qualifying payroll expenditures paid to:
 - 23 1. Resident below-the-line crew; and
 - 24 2. Nonresident below-the-line production crew;
 - 25 including the number of crew members in each category;
- 26 (j) The amount of qualifying payroll expenditures paid to:
 - 27 1. Resident above-the-line crew; and

- 1 2. Nonresident above-the-line crew;
2 including the number of crew members in each category; and
3 (k) A brief description of the type of motion picture or entertainment production
4 project.

- 5 (8) The information required to be reported under this section shall not be considered
6 confidential taxpayer information and shall not be subject to KRS Chapter 131 or
7 any other provisions of the Kentucky Revised Statutes prohibiting disclosure or
8 reporting of information.

9 ➔Section 5. KRS 154.61-010 is amended to read as follows:

10 As used in this subchapter:

- 11 (1) "Above-the-line production crew" means employees involved with the production
12 of a motion picture or entertainment production whose salaries are negotiated prior
13 to commencement of production, such as actors, directors, producers, and writers;
14 (2) "Animated production" means a nationally distributed feature-length film created
15 with the rapid display of a sequence of images using 2-D or 3-D graphics of
16 artwork or model positions in order to create an illusion of movement;
17 (3) "Approved company" means an eligible company approved for incentives provided
18 under KRS 141.383 and 154.61-020;
19 (4) ~~["Authority" means the Kentucky Economic Development Finance Authority~~
20 ~~created in KRS 154.20-010;~~
21 ~~(5) —~~["Below-the-line production crew" means employees involved with the production
22 of a motion picture or entertainment production except above-the-line production
23 crew. "Below-the-line production crew" includes but is not limited to:
24 (a) Casting assistants;
25 (b) Costume design;
26 (c) Extras;
27 (d) Gaffers;

- 1 (e) Grips;
- 2 (f) Location managers;
- 3 (g) Production assistants;
- 4 (h) Set construction staff; and
- 5 (i) Set design staff;
- 6 ~~(5)~~~~(6)~~ "Cabinet" means the Cabinet for Economic Development;
- 7 ~~(6)~~~~(7)~~ "Commonwealth" means the Commonwealth of Kentucky;
- 8 ~~(7)~~~~(8)~~ "Compensation" means compensation included in adjusted gross income as
- 9 defined in KRS 141.010;
- 10 ~~(8)~~~~(9)~~ "Continuous film production" means a motion picture or entertainment
- 11 production that:
- 12 (a) 1. Has a projected budget of a minimum of ten million dollars
- 13 (\$10,000,000) per calendar year for qualifying expenditures and
- 14 qualifying payroll expenditures allocated to all qualifying motion picture
- 15 or entertainment productions to be filmed or produced in Kentucky, with
- 16 a minimum of one million five hundred thousand dollars (\$1,500,000)
- 17 per production in Kentucky; and
- 18 2. Has a minimum of fifty percent (50%) of the funds available and the
- 19 ability to raise the remaining funds necessary to complete the filming
- 20 and production, which may be verified by:
- 21 a. Bank statements or other financial documents; or
- 22 b. A fundraising plan at the request of the council~~authority~~;
- 23 (b) Demonstrates a distribution contract for each motion or entertainment
- 24 production;
- 25 (c) Films and produces a minimum of twelve (12) or more days per production
- 26 within the Commonwealth; and
- 27 (d) Maintains:

- 1 1. An apprenticeship program or on-the-job training program as defined in
- 2 KRS 343.010; or
- 3 2. Partners with a film studies program with an accredited institution of
- 4 postsecondary education located in the Commonwealth;

5 **(9) "Council" means the Kentucky Film Leadership Council created in Section 2 of**
6 **this Act;**

- 7 (10) "Documentary" means a production based upon factual information and not
8 subjective interjections;
- 9 (11) "Eligible company" means any person that intends to film or produce a motion
10 picture or entertainment production in the Commonwealth;
- 11 (12) "Employee" has the same meaning as in KRS 141.010, and, for purposes of this
12 subchapter, also may include the employees or independent contractors of an
13 approved company or the employees of a loan-out entity engaged by an approved
14 company if they meet the requirements of KRS 141.310;
- 15 (13) "Enhanced incentive county" has the same meaning as in KRS 154.32-010;
- 16 (14) "Feature-length film" means a live-action or animated production that is:
- 17 (a) More than thirty (30) minutes in length; and
- 18 (b) Produced for distribution in theaters or via digital format, including but not
19 limited to DVD, Internet, or mobile electronic devices;
- 20 (15) "Industrial film" means a business-to-business film that may be viewed by the
21 public, including but not limited to videos used for training or for viewing at a trade
22 show;
- 23 (16) "Kentucky-based company" has the same meaning as in KRS 164.6011;
- 24 (17) "Loan-out entity" means a corporation, partnership, limited liability company, or
25 other entity through which an artist or other person is loaned out to perform services
26 for the approved company. A loan-out entity shall be registered and in good
27 standing with the Kentucky Secretary of State. Notwithstanding the business

1 organization, the loan-out entity and all employees of and other persons performing
2 services for the loan-out entity shall be subject to all applicable provisions of the
3 Kentucky personal income tax and any applicable payroll or other tax provisions;

4 (18) (a) "Motion picture or entertainment production" means:

5 1. The following if filmed in whole or in part, or produced in whole or in
6 part, in the Commonwealth:

7 a. A feature-length film;

8 b. A television program;

9 c. An industrial film; or

10 d. A documentary; or

11 2. A national touring production of a Broadway show produced in
12 Kentucky.

13 (b) "Motion picture or entertainment production" does not include the filming or
14 production of obscene material or television coverage of news or athletic
15 events;

16 (19) "Obscene" has the same meaning as in KRS 531.010;

17 (20) "Person" has the same meaning as in KRS 141.010;

18 (21) (a) "Qualifying expenditure" means expenditures made in the Commonwealth for
19 the following if directly used in or for a motion picture or entertainment
20 production:

21 1. The production script and synopsis;

22 2. Set construction and operations, wardrobe, accessories, and related
23 services;

24 3. Lease or rental of real property in Kentucky as a set location;

25 4. Photography, sound synchronization, lighting, and related services;

26 5. Editing and related services;

27 6. Rental of facilities and equipment;

- 1 7. Vehicle leases;
- 2 8. Food; and
- 3 9. Accommodations.

4 (b) "Qualifying expenditure" does not include Kentucky sales and use tax paid by
5 the approved company on the qualifying expenditure;

6 (22) "Qualifying payroll expenditure" means compensation paid to above-the-line crew
7 and below-the line crew while working on a motion picture or entertainment
8 production in the Commonwealth if the compensation is for services performed in
9 the Commonwealth;

10 (23) "Resident" has the same meaning as in KRS 141.010;

11 (24) "Secretary" means the secretary of the Cabinet for Economic Development;

12 (25) "Tax incentive agreement" means the agreement entered into pursuant to KRS
13 154.61-030 between the council~~[authority]~~ and the approved company; and

14 (26) "Television program" means any live-action or animated production or
15 documentary, including but not limited to:

- 16 (a) An episodic series;
- 17 (b) A miniseries;
- 18 (c) A television movie; or
- 19 (d) A television pilot;

20 that is produced for distribution on television via broadcast, cable, or any digital
21 format, including but not limited to cable, satellite, internet, or mobile electronic
22 devices.

23 ➔Section 6. KRS 154.61-020 is amended to read as follows:

24 (1) The purposes of KRS 141.383 and this subchapter are to encourage:

- 25 (a) The film and entertainment industry to choose locations in the
26 Commonwealth for the filming and production of motion picture or
27 entertainment productions;

- 1 (b) The development of a film and entertainment industry in Kentucky;
- 2 (c) Increased employment opportunities for the citizens of the Commonwealth
- 3 within the film and entertainment industry; and
- 4 (d) The development of a production and postproduction infrastructure in the
- 5 Commonwealth for film production and touring Broadway show production
- 6 facilities containing state-of-the-art technologies.
- 7 (2) The council~~[authority]~~, together with the Department of Revenue, shall administer
- 8 the tax credit established by KRS 141.383, this section, and KRS 154.61-030.
- 9 (3) To qualify for the tax incentive provided in subsection (5) of this section, the
- 10 following requirements shall be met:
- 11 (a) For an approved company that is also a Kentucky-based company that:
- 12 1. Films or produces a feature-length film, television program, or industrial
- 13 film in whole or in part in the Commonwealth, the minimum combined
- 14 total of qualifying expenditures and qualifying payroll expenditures
- 15 shall be one hundred twenty-five thousand dollars (\$125,000);
- 16 2. Produces a national touring production of a Broadway show in whole or
- 17 in part in the Commonwealth, the minimum combined total of
- 18 qualifying expenditures and qualifying payroll expenditures shall be
- 19 twenty thousand dollars (\$20,000); or
- 20 3. Films or produces a documentary in whole or in part in the
- 21 Commonwealth, the minimum combined total of qualifying
- 22 expenditures and qualifying payroll expenditures shall be ten thousand
- 23 dollars (\$10,000); and
- 24 (b) For an approved company that is not a Kentucky-based company that:
- 25 1. Films or produces a feature-length film, television program, or industrial
- 26 film in whole or in part in the Commonwealth, the minimum combined
- 27 total of qualifying expenditures and qualifying payroll expenditures

1 shall be two hundred fifty thousand dollars (\$250,000); or

2 2. Films or produces a documentary in whole or in part in the
3 Commonwealth or that produces a national touring production of a
4 Broadway show, the minimum combined total of qualifying
5 expenditures and qualifying payroll expenditures shall be twenty
6 thousand dollars (\$20,000).

7 (4) (a) Beginning on January 1, 2022, the total tax incentive approved under KRS
8 141.383 and this subchapter shall be limited to seventy-five million dollars
9 (\$75,000,000) for calendar year 2022 and each calendar year thereafter; and

10 (b) Beginning with calendar year 2024:

11 1. Twenty-five million dollars (\$25,000,000) shall be allocated for all
12 approved companies with a continuous film production; and

13 2. On the first day of July of each calendar year, any unused balance of the
14 amount allocated under subparagraph 1. of this paragraph for continuous
15 film productions shall be made available for all approved companies
16 with motion picture or entertainment productions.

17 (5) (a) To qualify for the tax incentive available under KRS 141.383 and this
18 subchapter all applicants shall:

19 1. Begin filming or production in Kentucky within six (6) months of
20 approval by the council[authority]; and

21 2. Complete filming or production in Kentucky within two (2) years of the
22 filming or production start date.

23 (b) The tax credit shall be against the Kentucky income tax imposed under KRS
24 141.020 or 141.040, and the limited liability entity tax imposed under KRS
25 141.0401, and shall be refundable as provided in KRS 141.383.

26 (c) 1. For a motion picture or entertainment production or continuous film
27 production filmed or produced in its entirety in an enhanced incentive

1 county, the amount of the incentive shall be equal to thirty-five percent
2 (35%) of the approved company's:

- 3 a. Qualifying expenditures;
- 4 b. Qualifying payroll expenditures paid to resident and nonresident
5 below-the-line production crew; and
- 6 c. Qualifying payroll expenditures paid to resident and nonresident
7 above-the-line production crew not to exceed one million dollars
8 (\$1,000,000) in payroll expenditures per employee.

9 2. a. To the extent the approved company films or produces a motion
10 picture or entertainment production or continuous film production
11 in part in an enhanced incentive county and in part a Kentucky
12 county that is not an enhanced incentive county, the approved
13 company shall be eligible to receive the incentives provided in this
14 paragraph for those expenditures incurred in the enhanced
15 incentive county and all other expenditures shall be subject to the
16 incentives provided in paragraph (d) of this subsection.

17 b. The approved company shall track the requisite expenditures by
18 county. If the approved company can demonstrate to the
19 satisfaction of the cabinet that it is not practical to use a separate
20 accounting method to determine the expenditures by county, the
21 approved company shall determine the correct expenditures by
22 county using an alternative method approved by the cabinet.

23 (d) For a motion picture or entertainment production or continuous film
24 production filmed or produced in whole or in part in any Kentucky county
25 other than in an enhanced incentive county, the amount of the incentive shall
26 be equal to:

- 27 1. Thirty percent (30%) of the approved company's:

- 1 a. Qualifying expenditures;
- 2 b. Qualifying payroll expenditures paid to below-the-line production
- 3 crew that are not residents; and
- 4 c. Qualifying payroll expenditures paid to above-the-line production
- 5 crew that are not residents, not to exceed one million dollars
- 6 (\$1,000,000) in payroll expenditures per employee; and
- 7 2. Thirty-five percent (35%) of the approved company's:
- 8 a. Qualifying payroll expenditures paid to resident below-the-line
- 9 production crew; and
- 10 b. Qualifying payroll expenditures paid to resident above-the-line
- 11 production crew not to exceed one million dollars (\$1,000,000) in
- 12 payroll expenditures per employee.

13 ➔Section 7. KRS 154.61-030 is amended to read as follows:

- 14 (1) An eligible company shall, at least thirty (30) days prior to incurring any
- 15 expenditure for which recovery will be sought, file an application for tax incentives
- 16 with the council~~[authority]~~. The application shall include:
- 17 (a) The name and address of the applicant;
- 18 (b) Verification that the applicant is a Kentucky-based company;
- 19 (c) The preliminary production script or a detailed synopsis of the script;
- 20 (d) The locations where the filming or production will occur;
- 21 (e) The anticipated date on which filming or production shall begin in Kentucky;
- 22 (f) The anticipated date on which the applicant will complete incurring
- 23 expenditures in Kentucky;
- 24 (g) The total anticipated qualifying expenditures;
- 25 (h) The total anticipated qualifying payroll expenditures for resident and
- 26 nonresident above-the-line crew by county;
- 27 (i) The total anticipated qualifying payroll expenditures for resident and

- 1 nonresident below-the-line crew by county;
- 2 (j) The address of a Kentucky location at which records of the production will be
3 kept;
- 4 (k) An affirmation that if not for the incentive offered under this subchapter, the
5 eligible company would not film or produce the production in the
6 Commonwealth; and
- 7 (l) Any other information the council[authority] may require.
- 8 (2) The council[authority] shall notify the eligible company within thirty (30) days
9 after receiving the application of its status.
- 10 (3) Upon receipt of the application and any additional information submitted, the
11 council[authority] shall consider all submitted information and, if appropriate,
12 authorize the execution of a tax incentive agreement between the council[authority]
13 and the approved company, if the amount of anticipated tax credit from the
14 application would not make the total tax credit approved for the calendar year
15 exceed the annual tax credit cap under KRS 154.61-020(4).
- 16 (4) The tax incentive agreement shall include the following provisions:
- 17 (a) The duties and responsibilities of the parties;
- 18 (b) A detailed description of the motion picture or entertainment production for
19 which incentives are requested;
- 20 (c) The anticipated qualifying expenditures and qualifying payroll expenditures
21 for resident and nonresident above-the-line and below-the-line crews by
22 county;
- 23 (d) The minimum combined total of qualifying expenditures and qualifying
24 payroll expenditures necessary for the approved company to qualify for
25 incentives;
- 26 (e) That the approved company shall:
- 27 1. Begin filming or production in Kentucky within six (6) months of

- 1 approval by the council[authority]; and
- 2 2. Complete production in Kentucky within two (2) years of their
- 3 production start date;
- 4 (f) That the motion picture or entertainment production shall not include obscene
- 5 materials and shall not negatively impact the economy or the tourism industry
- 6 of the Commonwealth;
- 7 (g) That the execution of the agreement is not a guarantee of tax incentives and
- 8 that actual receipt of the incentives shall be contingent upon the approved
- 9 company meeting the requirements established by the tax incentive
- 10 agreement;
- 11 (h) That the approved company shall submit to the council[authority] within one
- 12 hundred eighty (180) days of the completion of production in Kentucky for
- 13 the motion picture or entertainment production a detailed cost report of the
- 14 qualifying expenditures, qualifying payroll expenditures, and the latest
- 15 version of the production script at the time of cost report submission;
- 16 (i) That the approved company shall provide the council[authority] with
- 17 documentation that the approved company or the associated loan-out entity
- 18 has withheld income tax as required by KRS 141.310 or the individual income
- 19 tax rate imposed by KRS 141.020 on all qualified payroll expenditures for
- 20 which an incentive under this subchapter is sought;
- 21 (j) That, if the council[authority] determines that the approved company has
- 22 failed to comply with any of its obligations under the tax incentive agreement:
- 23 1. The council[authority] may deny the incentives available to the
- 24 approved company;
- 25 2. Both the council[authority] and the Department of Revenue may pursue
- 26 any remedy provided under the tax incentive agreement;
- 27 3. The council[authority] may terminate the tax incentive agreement; and

- 1 4. Both the council[authority] and the Department of Revenue may pursue
2 any other remedy at law to which it may be entitled;
- 3 (k) That the council[authority] and the Department of Revenue shall monitor the
4 tax incentive agreement;
- 5 (l) That the approved company shall provide to the council[authority] and the
6 Department of Revenue all information necessary to monitor the tax incentive
7 agreement;
- 8 (m) That the council[authority] may share information with the Department of
9 Revenue and the Interim Joint Committee on Appropriations and Revenue or
10 any other entity the council[authority] determines is necessary for the
11 purposes of monitoring and enforcing the terms of the tax incentive
12 agreement;
- 13 (n) That the motion picture or entertainment production shall contain an
14 acknowledgment that the motion picture or entertainment production was
15 produced or filmed in the Commonwealth of Kentucky;
- 16 (o) That the approved company shall include screen credits in its final production,
17 indicating the approved company received tax incentives from the
18 Commonwealth of Kentucky;
- 19 (p) Terms of default;
- 20 (q) The method and procedures by which the approved company shall request and
21 receive the incentive provided under KRS 141.383 and 154.61-020;
- 22 (r) That the approved company may be required to pay an administrative fee as
23 authorized under subsection (5) of this section; and
- 24 (s) Any other provisions deemed necessary or appropriate by the parties to the tax
25 incentive agreement.
- 26 (5) The council[authority] may require the approved company to pay an administrative
27 fee, the amount of which shall be established by administrative regulation

1 promulgated in accordance with KRS Chapter 13A. The administrative fee shall not
2 exceed one-half of one percent (0.5%) of the estimated amount of tax incentive
3 sought or five hundred dollars (\$500), whichever is greater.

4 (6) Prior to commencement of activity as provided in a tax incentive agreement, the tax
5 incentive agreement shall be approved by the council[authority]. Following
6 approval by the council[authority], the tax incentive agreement shall be submitted
7 to the Government Contract Review Committee established by KRS 45A.705 for
8 review, as provided in KRS 45A.695, 45A.705, and 45A.725.

9 (7) The council[authority] shall notify the Department of Revenue following approval
10 of an approved company. The notification shall include the name of the approved
11 company, the name of the motion picture or entertainment production, the estimated
12 amount of qualifying expenditures, the estimated date on which the approved
13 company will complete filming or production in Kentucky, and any other
14 information required by the department.

15 (8) Within one hundred eighty days (180) days of completion of production in
16 Kentucky for the motion picture or entertainment production, the approved
17 company shall submit to the council[authority] a detailed cost report of:

- 18 (a) Qualifying expenditures;
19 (b) Qualifying payroll expenditures for resident and nonresident above-the-line
20 crew by county;
21 (c) Qualifying payroll expenditures for resident and nonresident below-the-line
22 crew by county; and
23 (d) The latest version of the production script available at the time of cost report
24 submission.

25 (9) (a) Cabinet staff shall review all information submitted for accuracy and shall
26 confirm that all relevant provisions of the tax incentive agreement have been
27 met.

1 (b) Upon confirmation that all requirements of the tax incentive agreement have
2 been met, cabinet staff shall review the latest version of the production script
3 available at the time of cost report submission, and if they determine that the
4 motion picture or entertainment production does not:

- 5 1. Contain visual or implied scenes that are obscene; or
- 6 2. Negatively impact the economy or the tourism industry of the
7 Commonwealth;

8 the council~~[authority]~~ shall forward the detailed cost report to the Department
9 of Revenue for calculation of the refundable credit.

10 (10) The Department of Revenue shall:

11 (a) Verify that the approved company withheld the proper amount of income tax
12 on qualifying payroll expenditures; and

13 (b) Notify the council~~[authority]~~ of the total amount of refundable credit
14 available on qualifying expenditures and qualifying payroll expenditures.

15 ➔Section 8. Notwithstanding subsection (3)(b) of Section 2 of this Act, the initial
16 terms of the Kentucky Film Leadership Council members appointed by the Governor
17 shall be staggered as follows:

18 (1) One representative of a Kentucky film production company shall serve a one-
19 year term;

20 (2) The other representative of a Kentucky film production company shall serve a
21 two-year term;

22 (3) The representative of a film profession shall serve a three-year term; and

23 (4) The representative who is the head of a local or regional film commission
24 shall serve a four-year term.

25 ➔Section 9. This Act takes effect July 1, 2025.