



# Tax Incentives for Pollution Control Equipment

## **Sales Tax Exemption**

Property which has been certified as a pollution control facility and equipment installed to eliminate or reduce air, water, or noise pollution are exempt from the 6% state sales and use tax.

State statutes: KRS 139.480(12); 224.01-300.

## **Low Property Tax Rate**

Certified pollution control facilities are exempt from all local property taxes (county, city, schools, and special districts). A low state rate of \$0.15 per \$100 of assessed value applies.

State statutes: KRS 132.020(1)(k); 132.200(8); 224.01-300.

## **Corporation Income Tax Apportionment**

Property which has been certified as a pollution control facility shall be excluded from the calculation of the property factor, when determining the division of income for corporate income tax purposes.

State statutes: KRS 141.120(8)(a); 136.070(3)(b); 224.01-300.

The information provided herein by the Kentucky Cabinet for Economic Development is believed to be accurate but is not warranted and is for informational purposes only. Any estimates, projections, or information provided to make estimates or projections are provided without assurances or warranties and should not be relied upon as fact. Users of the information should perform their own due diligence in drawing conclusions from the information provided.

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