

Kentucky Appendix

Key Subsidy Programs

Program	Annual Cost	Monitoring, Enforcement & Penalty Score*
Bluegrass State Skills Corporation - two-part program offering grants and corporate income tax credits to compensate companies for training their new and existing employees	\$8,000,000 (2009)	63/100
Coal Used in the Manufacture of Electricity - sales and use tax exemption on the purchase of coal used to manufacture electricity	\$89,300,000 (2012)	18/100
Kentucky Business Investment (KBI) Program - corporate income tax credits and "wage assessments" (subsidies drawn from employee wages) for firms which meet job creation, wage, benefit, and investment requirements; enacted in 2009 to replace and consolidate four earlier programs	\$37,400,000 (2011)	77/100
Kentucky Enterprise Initiative Act - sales and use tax refund on qualified expenditures for firms which meet investment requirements (higher incentives available if located in an EZ)	\$21,500,000 (2011)	38/100
Machinery for New and Expanded Industry and Certain Industrial Machinery - sales and use tax exemption for machinery used in manufacturing or processing	\$75,600,000 (2012)	28/100
Average Monitoring, Enforcement & Penalty Score for All Programs*		45/100

*Adjusted to reflect the program's performance standards score in *Money for Something*. See next page for unweighted scoring details.

Money-Back Guarantees for Taxpayers Scoring Details for Kentucky Programs		<i>Maximum possible score for category</i>	<i>Bluegrass State Skills Corporation</i>	<i>Coal Used in the Manufacture of Electricity</i>	<i>Kentucky Business Investment (KBI) Program</i>	<i>Kentucky Enterprise Initiative Act</i>	<i>Machinery for New and Expanded Industry and Certain Industrial Machinery</i>
Reporting	Has a requirement that recipients report to agency on performance outcomes (20 pts)	20	20	0	20	20	20
Verification	Agency awarding subsidy verifies performance outcomes reported by recipient (20 pts)	20	20	0	20	20	0
Type of Penalties	Penalty takes the form of recapture (10 pts)	10	10	0	0	0	0
	Penalty takes the form of rescission or program is performance based (5 pts)	5	0	5	5	5	5
	Penalty takes the form of recalibration (5 pts)	5	5	0	0	0	0
Scope of Penalties	Mandatory penalties for failure to meet performance requirements with no exceptions* (20 pts) Mandatory penalties for failure to meet performance requirements with some exceptions (15 pts) Discretionary penalties for failure to meet performance requirements (10 pts)	20	15	20	15	20	20
Online Disclosure of Enforcement Practices	Online publication of statistics on use of penalties (10 pts)	10	0	0	0	0	0
	Online publication of names of companies found to be non-compliant (5 pts)	5	0	0	0	0	0
	Online publication of names of companies penalized and dollar amounts (5 pts)	5	0	0	0	0	0
Total unweighted score		100	70	25	60	65	45
TOTAL SCORE adjusted to reflect the program's performance standards score in <i>Money for Something</i>		100	63	18	77	38	28

*Programs deemed performance based automatically receive points in this category.
 For details on the programs see Appendix 4 in www.goodjobsfirst.org/moneyback.