

## Division of Compliance Assistance Brownfield Tax Incentives

The Commonwealth of Kentucky offers tax incentives and credits to individuals or businesses that complete a cabinet-approved cleanup on a qualified property. A qualified property means the cabinet has made the determination that:

- All releases of hazardous substances, pollutants, contaminants, petroleum or petroleum products on the property occurred prior to the property owner's acquisition of the property.
- The property owner made all appropriate inquiries into previous ownership and uses of the property in accordance with generally accepted practices.
- The property owner or a responsible party has provided all legally required notices with respect to the contaminants found at the property.
- The property owner is in compliance with all land use restrictions and does not impede the effectiveness or integrity of any institutional control.
- The property owner complied with any information request or administrative subpoena under [KRS 224](#).
- The property owner is not affiliated with any person who is potentially liable for the release of the contamination through direct or indirect family relation, any contractual, corporate or financial relationship or reorganization of a business that was potentially liable.
- The cleanup was not funded by any other grant program.

For qualified parties, the state and local property tax rates on a remediated brownfield property are reduced. For three years following the issuance of a no-further-remediation letter, the property will not be subject to local ad valorem property taxes. The state ad valorem property tax rate will be reduced from 31.5 cents per \$100 of assessed value to 1.5 cents per \$100 of assessed value.

Qualified parties can also receive up to \$150,000 worth of income tax credits for expenditures made in order to meet the requirements of the cabinet-approved cleanup. The allowable credit for any taxable year is a maximum of 25 percent of the credit authorized. The credit may be carried forward for 10 successive years following the issuance of a no further remediation letter.

This site is for informational purposes only. It is not meant to replace the statutes regarding the cleanup of contaminated properties and incentives available for those cleanups. For more information on the statutes governing cleanups, visit the Division of Waste Management's [Voluntary Cleanup Program](#) page. For more information regarding income tax incentives available for brownfield properties, see [KRS 141.418](#). Property tax information can be found at [KRS 132.010](#), [KRS 132.020](#) and [KRS 132.200](#).



### Hotline

Have questions about brownfields? E-mail [envhelp@ky.gov](mailto:envhelp@ky.gov) or call the Brownfield Help Desk.  
800-926-8111

### Quick Links

#### [Assess Your Property](#)

Learn about the free property assessment program.

#### [Cleanup Program](#)

Find information on the cleanup options available through DEP.

#### [Funding](#)

Whether private or public sector, there are funding sources available for your project.

#### [Liability Information](#)

Assess your property before you buy and read other information you need to know to cut your liability.

#### [Brownfield Inventory](#)

Register with the agency so we can help you market your property.

#### [Frequently Asked Questions](#)

Here you'll find answers to questions commonly asked of the Brownfield program staff.

#### [Green Your Brownfield](#)

Find helpful links and resources to make your problem property healthy and green.

#### [Brownfield Home](#)

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