

# Just the Facts:

## Bluegrass State Skills Corporation (BSSC) Skills Training Investment Credit (STIC) Program

July 2017

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### Program Description

The Skills Training Investment Credit program's basic purpose is to improve and promote employment opportunities for the residents of Kentucky through tax credits with business and industry. The STIC program provides tax credits to companies for company specific training activities. To be considered, a company must complete and submit an application to the Bluegrass State Skills Corporation Board of Directors. Once the application is preliminarily approved by the board the company can begin eligible training.

### Project Tax Credit Amounts

The maximum tax credit amount for individual companies during each two year state biennium funding period (July 1, 2016 – June 30, 2018) is the lesser of \$100,000 or \$500 multiplied by the company's number of full-time Kentucky resident employees. Companies can receive only one approved application per biennium. The BSSC has a maximum of \$2.5 million in tax credits to award to eligible companies in each state fiscal year (July 1 to June 30).

### Eligible Firms

The company must have been engaged in one of the following qualified activities within Kentucky for not less than three consecutive years immediately preceding the submission of an STIC application: manufacturing, including the processing, assembly, production or warehousing of any property; processing of agricultural and forestry products; telecommunications; healthcare; product research and engineering; tool and die and machine technology; mining; tourism and operation of facilities to be used in the entertainment, recreation and convention industry; and transportation in support of manufacturing. Companies located in a Tax Increment Financing (TIF) district may not be eligible if corporate income tax credits have already been pledged to the TIF project. Any business whose primary purpose is the sale of goods at retail does not qualify.

### Eligible Training

The following training types are allowed under STIC guidelines: in-house training; educational institution and consultant training; instructional materials, texts and supplies; trainee wages and registered apprenticeship training – year two, three and four apprentices. Safety, mandated, and regulatory training is eligible if it totals less than 50% of the overall eligible training. Retroactive training and pro/con union training are not eligible.

### Training Costs

The STIC allows tax credits for up to 50% of eligible training costs. The STIC will provide credits up to \$25 per hour for all in-house training

### Eligible Employees

Participants in the STIC program must be residents of Kentucky who are full-time employees of the applicant company. Eligible employees must be paid the equivalent of at least \$10.88 per hour plus 15% benefits.

### Application Process and Scoring

Subject to tax credit availability, applications are accepted throughout the year prior to scheduled board meetings. STIC applications are not scored, but are considered on a first come, first serve basis. Tax credits are limited, which may preclude all eligible applications from being approved. For additional information about the STIC program, including the application deadline schedule, refer to <http://thinkkentucky.com/Workforce/BSSC.aspx> or contact Josh Benton, Executive Director of Workforce Development at [Josh.Benton@ky.gov](mailto:Josh.Benton@ky.gov) or Kristina Slattery, Project Manager at [Kristina.Slattery@ky.gov](mailto:Kristina.Slattery@ky.gov) or (502) 564-2021.

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