



EAST KENTUCKY'S CENTER OF
ECONOMIC DEVELOPMENT EXCELLENCE

Improvements to Kentucky's Incentive Programs

EAST KENTUCKY'S CENTER OF ECONOMIC DEVELOPMENT EXCELLENCE

ABOUT OEK

In 2015, One East Kentucky was established as East Kentucky's first regional economic development organization. **The not so simple goal? To recruit new industry, jobs and investment to the nine-county region making up the heart of Appalachia: Floyd, Johnson, Knott, Lawrence, Letcher, Magoffin, Martin, Perry and Pike Counties.**

As a 501(c)3, OEK is funded and governed entirely by the region's business community. Our success is directly correlated to the valuable contributions, forethought and wherewithal of our board of directors and investors - those that shape our vision, mission and values.

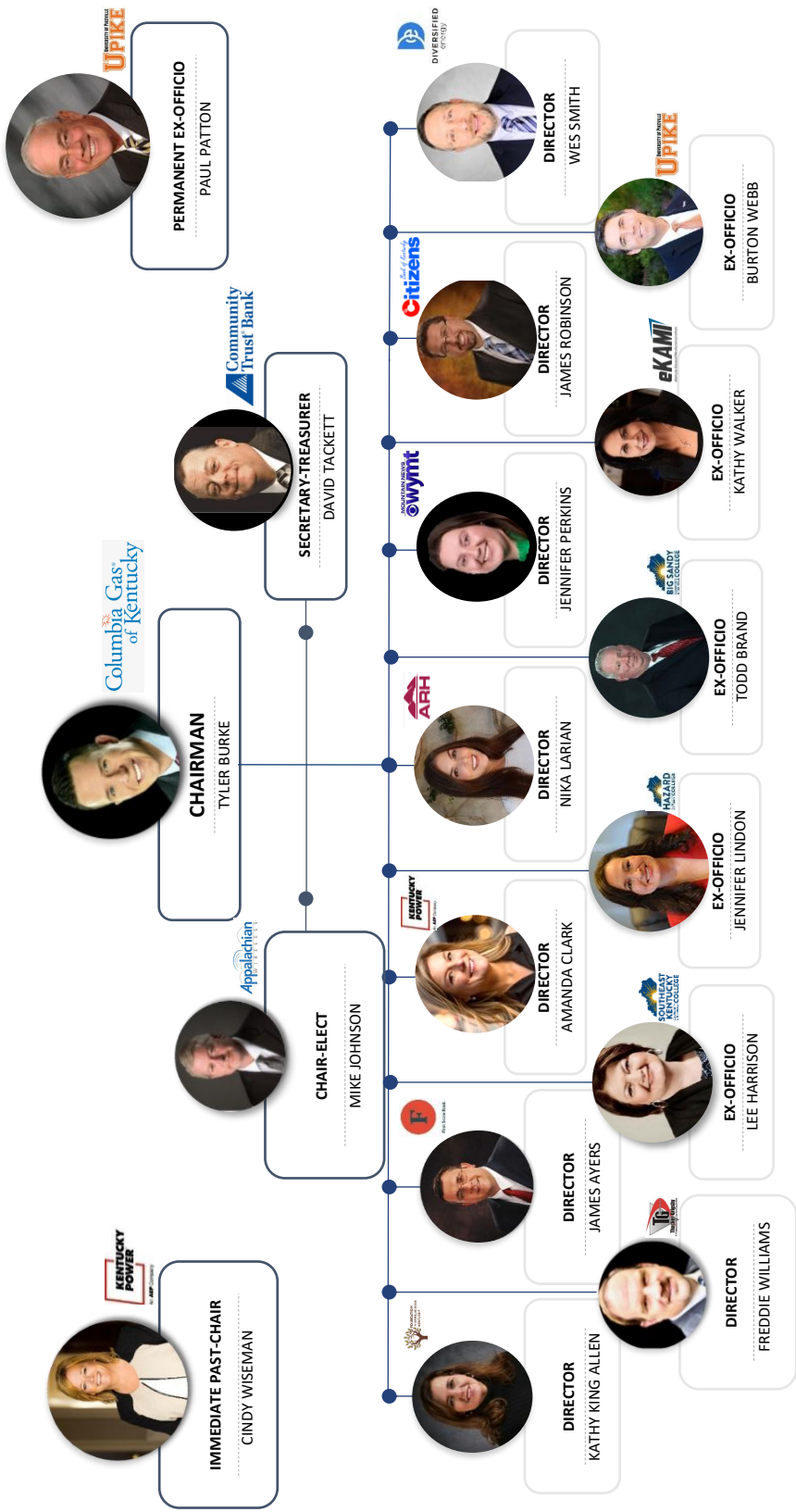


EAST KENTUCKY'S CENTER OF ECONOMIC DEVELOPMENT EXCELLENCE

PRIVATE INVESTORS: FUNDING OUR STRATEGY

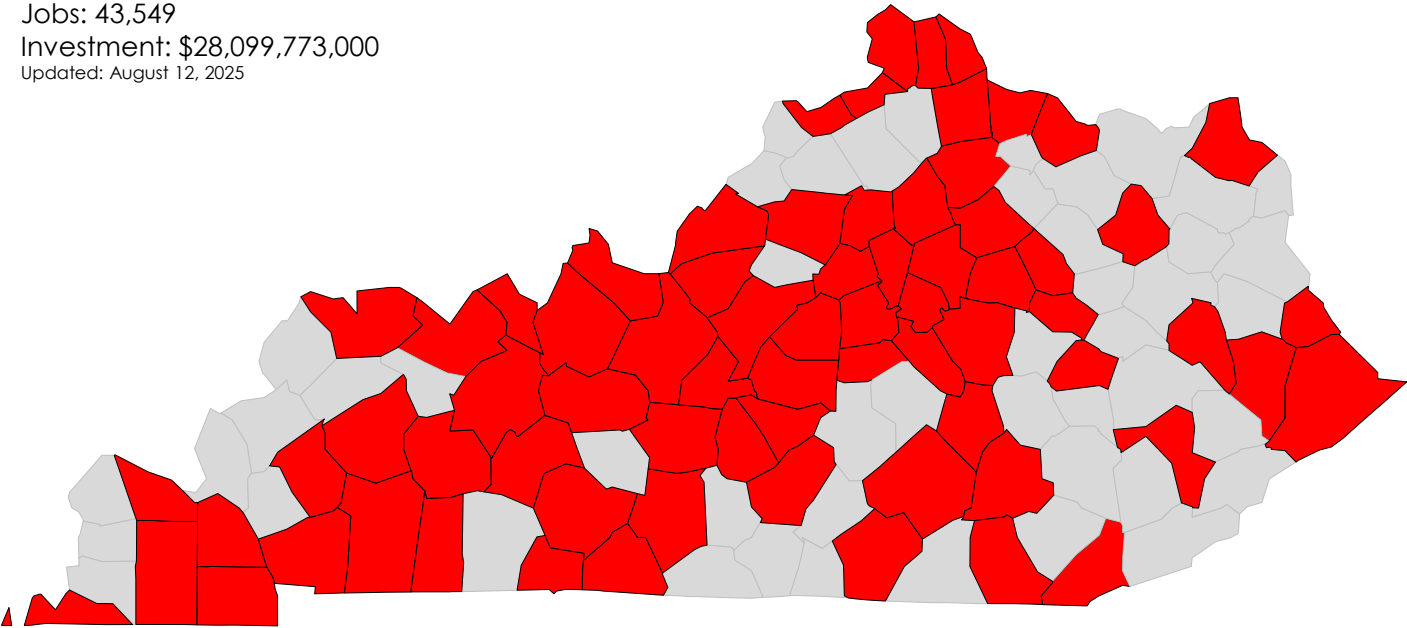


2025 BOARD OF DIRECTORS



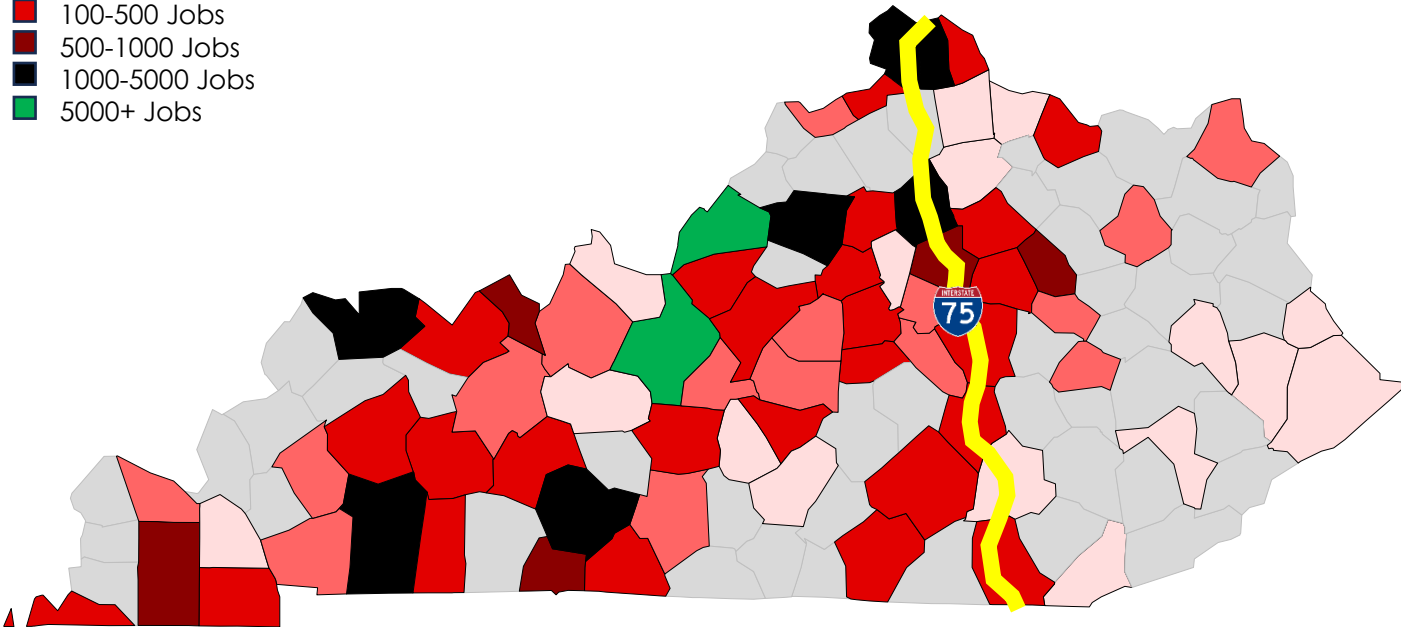
Counties w/ Jobs or Investment Announcement
During Post-COVID Recovery

Jobs: 43,549
Investment: \$28,099,773,000
Updated: August 12, 2025



Jobs Announced/Incentivized in the Post-COVID Recovery

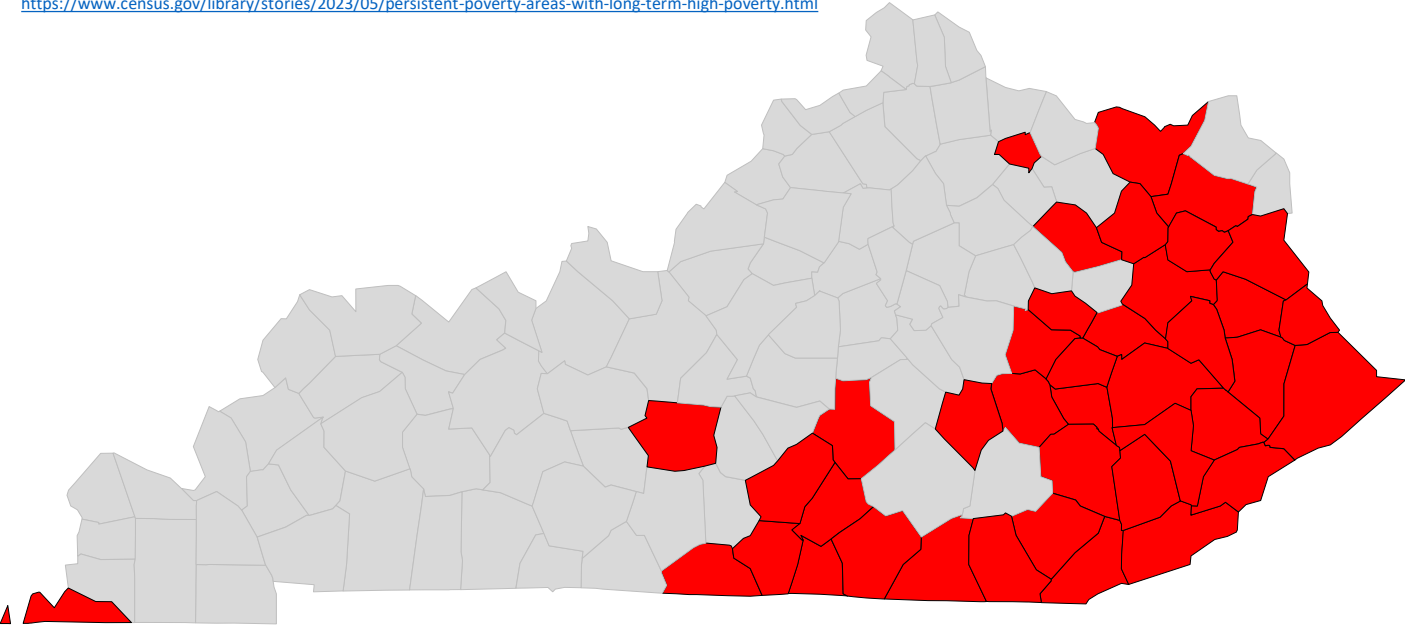
- 1-50 Jobs
- 50-100 Jobs
- 100-500 Jobs
- 500-1000 Jobs
- 1000-5000 Jobs
- 5000+ Jobs



Counties w/ Persistent Poverty: US Census

Defined as having a poverty rate of greater than 20% for the three decades from 1989 to 2019.

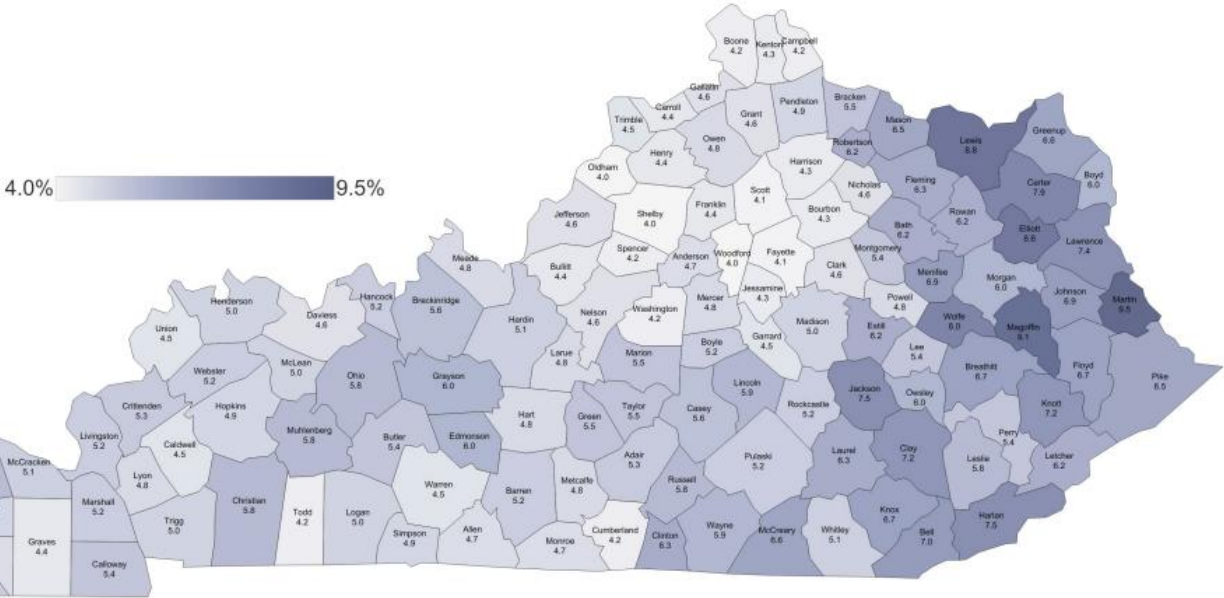
<https://www.census.gov/library/stories/2023/05/persistent-poverty-areas-with-long-term-high-poverty.html>



June 2025 Preliminary Unemployment Rates* by County

Local Area Unemployment Statistics

Date Produced: July 22, 2025



*Unemployment rates are not seasonally adjusted

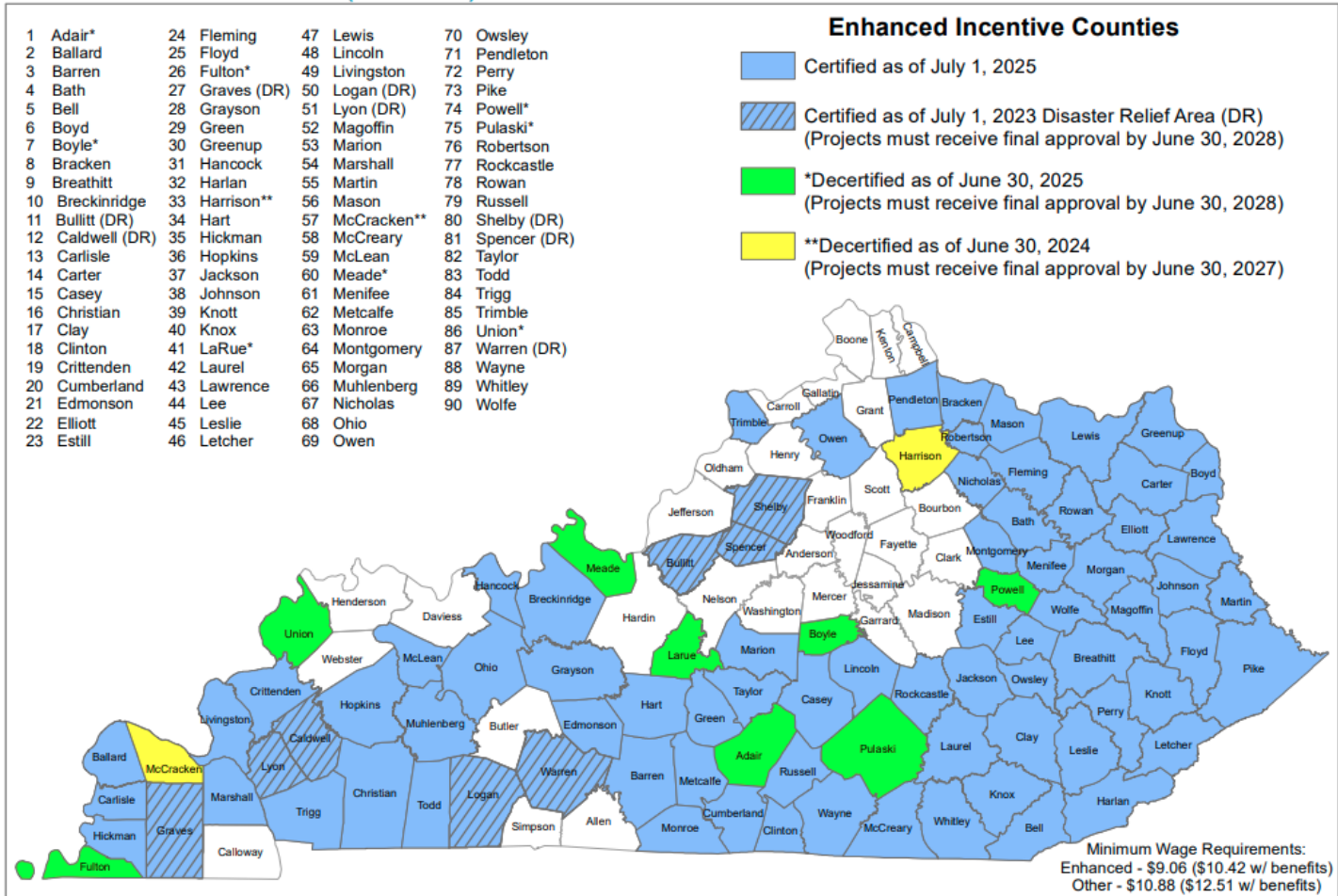
Kentucky: 4.9%

United States: 4.4%

Kentucky Cabinet for Economic Development

Kentucky Business Investment Tax Incentive Program (KBI)

Enhanced Incentive Counties (2025-2026)



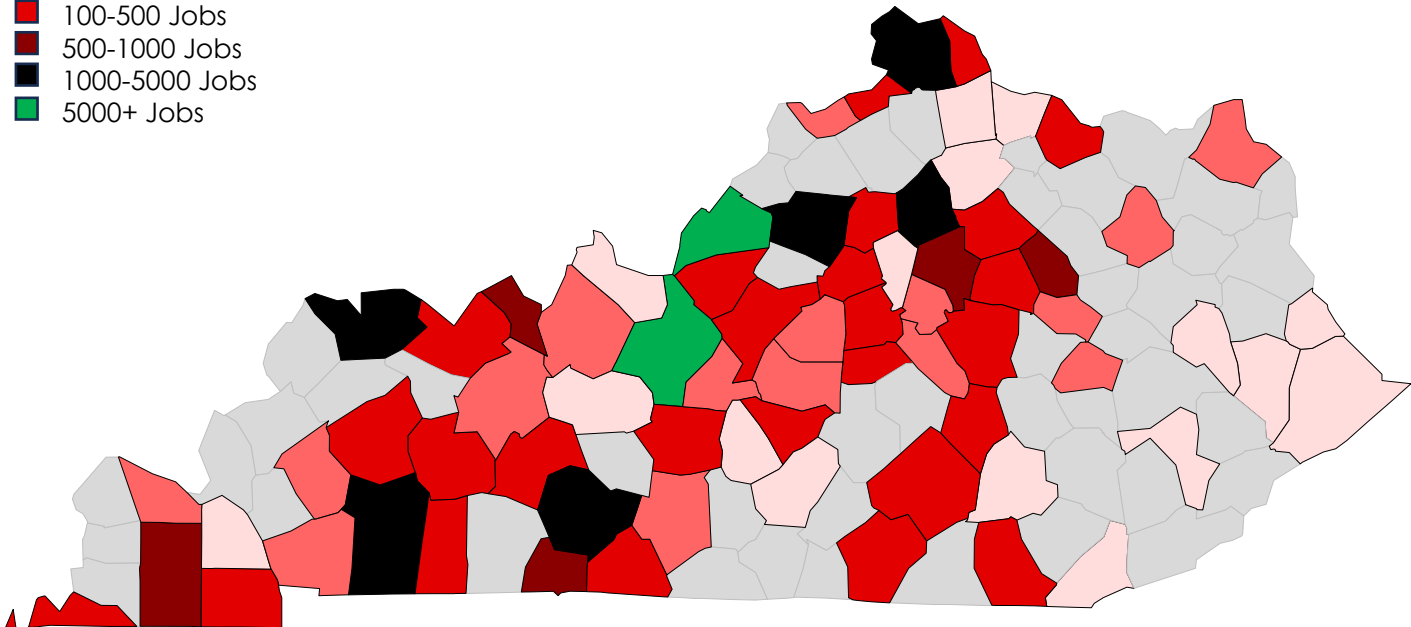
Kentucky Cabinet for Economic Development | 500 Mero Street, 5th Floor | Frankfort, KY 40601 | (800) 626-2930 | <https://newkentuckyhome.ky.gov/>

TEAM
KENTUCKY

6/24/2025

Jobs Announced

- 1-50 Jobs
- 50-100 Jobs
- 100-500 Jobs
- 500-1000 Jobs
- 1000-5000 Jobs
- 5000+ Jobs

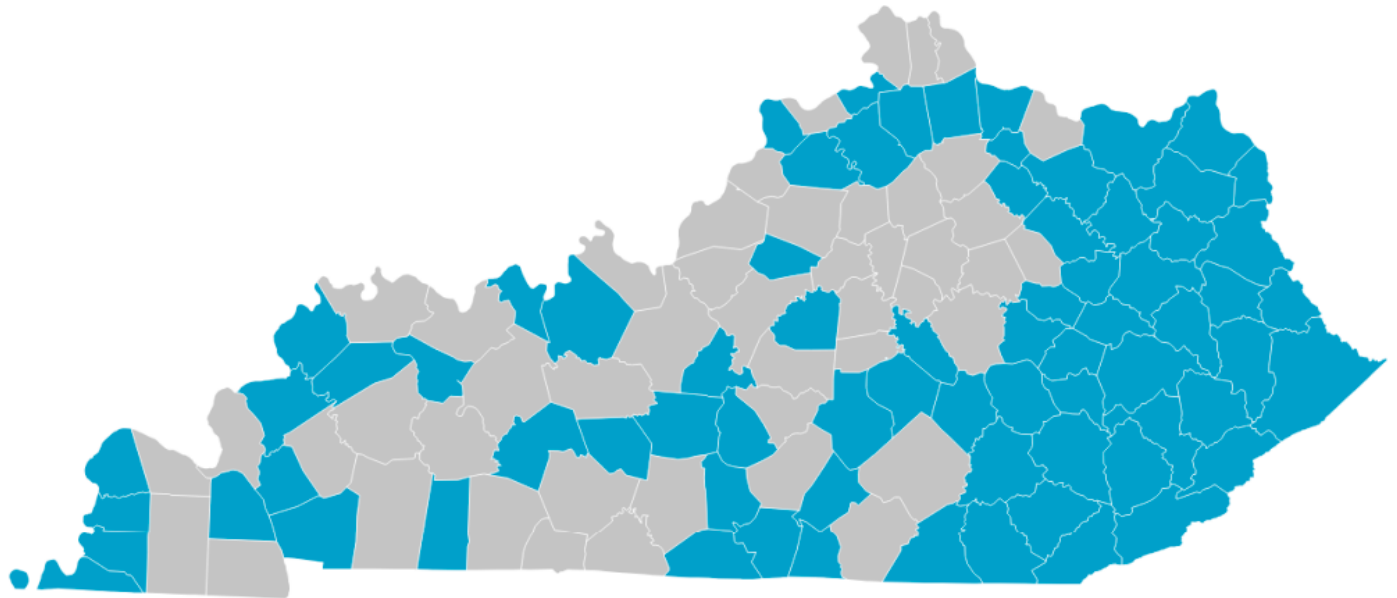


RURAL & EASTERN KENTUCKY NARRATIVE

Rural and Eastern Counties in Kentucky

Rural counties defined by the Rural-Urban Continuum Codes from the USDA and US Census Bureau. Eastern counties defined by the Eastern Kentucky Coalfield Region.

■ Not Included in Package ■ Included in Package



Our Proposal

Counties sorted by 50/50 Weighted Average of 5-yr Avg. Unemployment and County Population Ranking

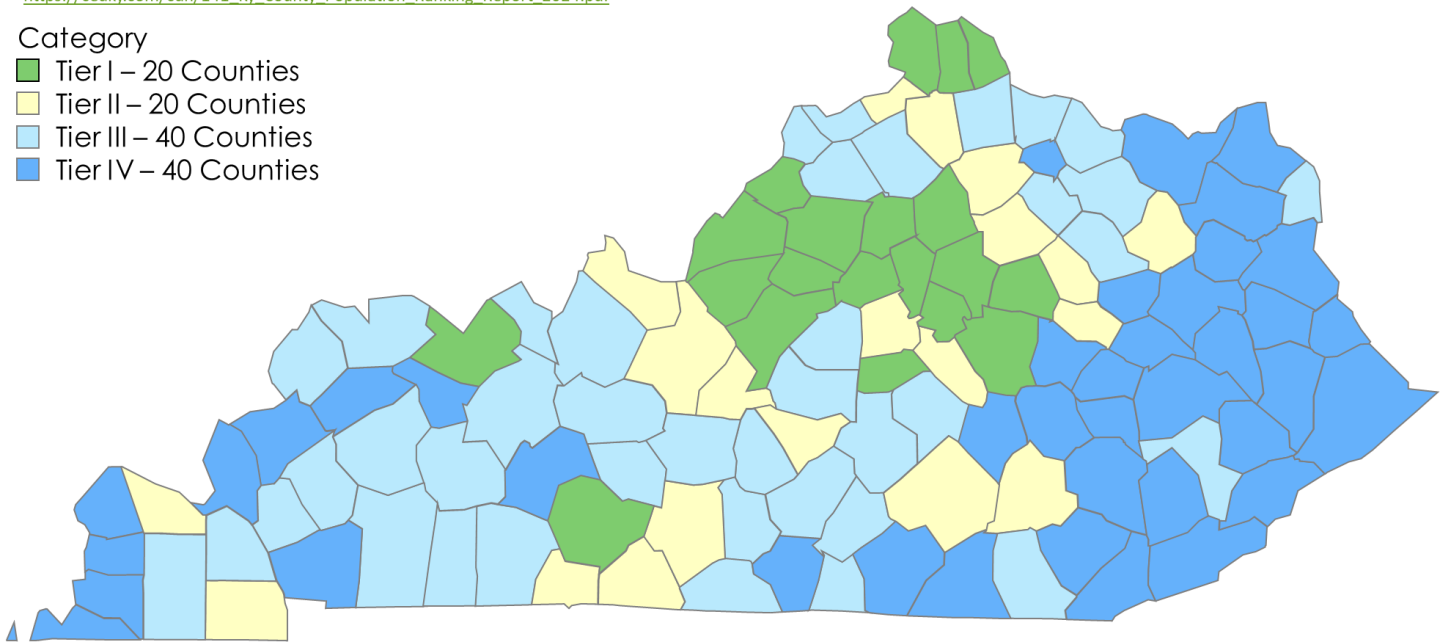
Sources:

<https://kystats.ky.gov/KYLM/LAUSUnemployment>

https://cedky.com/cdn/141_Ky_County_Population_Ranking_Report_2024.pdf

Category

- Tier I – 20 Counties
- Tier II – 20 Counties
- Tier III – 40 Counties
- Tier IV – 40 Counties



Results

Investments from both newly announced companies and expansions of existing operations benefit communities of all sizes. Capital investments in rural communities, described as counties categorized as Tier III and IV according to the [South Carolina Department of Revenue's annual county development rankings](#), accounted for nearly 34% of all statewide investment.

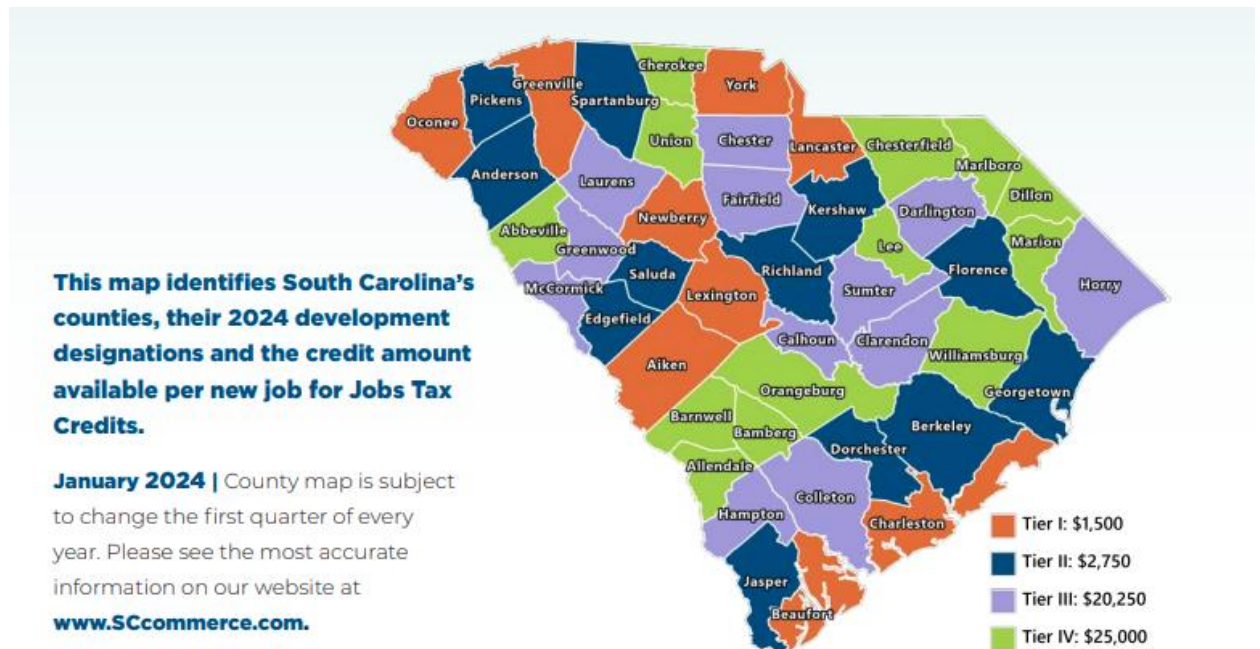
The secretary said the state has also worked with rural counties through various initiatives to prepare them for economic growth.

"We've had a tremendous success in the last five years," he said.

In that time, the Department of Commerce reports the number of jobs in Tier III and IV counties has increased by more than 30%. In the last two years, more than \$2.1 billion in capital investment and nearly 6,600 jobs have been announced in these areas.

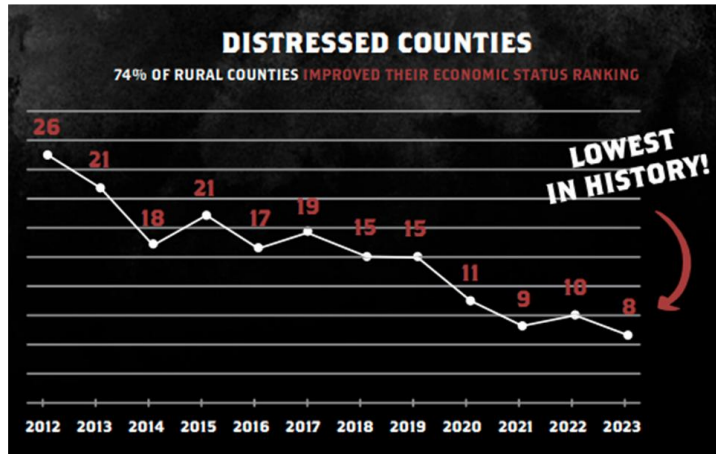
<https://www.live5news.com/2023/10/02/sc-works-ensure-rural-counties-play-role-economic-development-surge/>

<https://www.sccommerce.com/newsletter/south-carolina-achieves-impressive-economic-development-2023-including-922b-announced>



Results

In 2023, Tennessee announced 20 projects in Tier 3 & 4 counties representing 2,521 new jobs and \$1.17 Billion in new capital investment.



<https://tnecd.com/wp-content/uploads/2024/03/ECD-Report-Card-9.pdf>

State of Tennessee Tax Incentive Tiers



TAX INCENTIVE TIERS

- Tier 1
- Tier 2
- Tier 3
- Tier 4

How do states “pay” for this?

1. General Fund / State Revenues
 - Credits are claimed against state taxes (corporate, individual, franchise & excise, insurance premium, etc.)
 - When credits are applied, revenue is not collected. The “cost” is reduced tax revenue.
2. No Direct Appropriation Needed
 - Because credits reduce tax liability, there is not a budget allocation that “pays” the credit unless the credit is “Refundable.”
 - We are NOT asking for Refundable tax credits
3. Forecasting and Budgeting
 - Budget is made with assumptions about usage of tax credits. Expected costs are built into revenue forecasts.

Other State’s Estimated Cost

South Carolina	Forecast	Actual
FY 21	\$83,673,000	\$86,202,000
FY 22	\$83,673,000	\$95,240,000
FY 23	\$83,673,000	\$104,278,000

Tennessee	Forecast	Actual
FY 21	\$184,736,368	\$26,117,002
FY 22	\$228,889,532	\$31,129,976
FY 23	\$227,813,881	\$30,443,214

Tennessee’s credits carryover so the forecast is all unused job tax credits potentially available entering the year.

