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GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE
OFFICE OF TAX POLICY AND REGULATION**

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May 17, 2024

VIA U.S. POST, FIRST CLASS MAIL

Erin Hensley, Commissioner
Lexington-Fayette Urban County Government
Department of Finance
200 East Main Street
Lexington, KY 40507

Re: Red Mile Tax Increment Financing Project – 2022 Final Increment Calculation

Dear Ms. Hensley:

This letter is in response to the Lexington-Fayette Urban County Government's request for Tax Increment Financing ("TIF") amounts arising from the Red Mile Mixed-Used Redevelopment TIF Project for the 2022 calendar year (the "Request").

The Department of Revenue (the "Department") has reviewed the Request. The Department was unable to verify the increment amount of \$499,226.50 that was requested. The following is the Department's final calculation of the 2022 increment broken down by tax:

Property Tax

2022 New Revenues (Real Property Tax)	\$ 51,574.22
Minus Old Revenues (CPI adjusted)	- 14,186.84
Receipts Available for Increment	\$ 37,387.38
80% Adjustment	.80
2022 Increment	\$ 29,909.91

Individual Income Tax – Withholding

2022 New Revenues	\$ 510,843.70
Minus Old Revenues (CPI adjusted)	- 99,702.02
Receipts Available for Increment	\$ 411,141.68
80% Adjustment	.80
2022 Increment	\$ 328,913.35

Sales Tax

2022 New Revenues	\$ 221,037.55
Minus Old Revenues (CPI adjusted)	- 128,906.22
Receipts Available for Increment	\$ 92,131.33
80% Adjustment	.80
2022 Increment	\$ 73,705.07

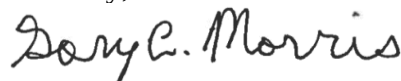
Combined Increment Calculation

Property Tax	\$ 29,909.91
Individual Income Tax – Withholding	\$ 328,913.35
Sales Tax	\$ 73,705.07
Net Increment Due	\$ 432,528.33

Based on the above, the Department's final calculation for 2022 is **\$432,528.33**. One check will be issued for the Property Tax increment, and two EFT payments will be processed for the Individual Income Tax – Withholding and Sales Tax increments.

Please let me know if you have any questions.

Sincerely,



Gary C. Morris, Executive Director
Office of Tax Policy & Regulation
(502)564-0424

cc: Richard Dobson
Lowell Manning
Barbara Quackenboss
Christy Kinney
David Gordon
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