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

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May 8, 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 Preliminary 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 preliminary 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)	<u>- 99,702.02</u>
Receipts Available for Increment	\$ 411,141.68
80% Adjustment	<u>.80</u>
2022 Increment	\$ 328,913.35

Sales Tax

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

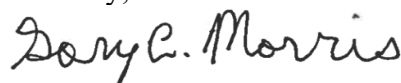
Combined Increment Calculation

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

If you agree with the Department's preliminary increment calculation, please let us know as soon as possible in writing so we can issue a final increment letter and checks for Individual Income Tax – Withholding, Sales Tax, and Property Tax.

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
Katie Smith
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