

131.400 Definitions -- Amnesty period -- Tax liabilities and taxable periods eligible.

- (1) KRS 131.410 to 131.445 shall be known as and may be cited as the "Kentucky Tax Amnesty Act."
- (2) As used in KRS 131.410 to 131.445:
 - (a) "Account receivable" means an amount of state or federal tax, penalty, fee, or interest which has been recorded as due and entered in the account records of the department, or which the taxpayer should reasonably expect to become due as a direct or indirect result of any pending or completed audit or investigation which the taxpayer knows is being conducted by any federal or state government taxing authority;
 - (b) "Amnesty period" means the period of time established pursuant to subsection (3) of this section during which a taxpayer may apply for tax amnesty;
 - (c) "Due and owing" means an assessment which has become final and is owed to the Commonwealth due to either the expiration of the taxpayer's appeal rights pursuant to KRS 131.110 or, if an assessment has been appealed, the issuance of a final order by the board or by any court of this Commonwealth. For the purposes of KRS 131.410 to 131.445, assessments that have been appealed shall be final, due and owing fifteen (15) days after the last unappealed or unappealable order sustaining the assessment or any part thereof has become final;
 - (d) "Federal government" means either the United States Department of the Treasury or the Internal Revenue Service; and
 - (e) "Taxpayer" means any individual, partnership, joint venture, association, corporation, receiver, trustee, guardian, executor, administrator, fiduciary, limited liability company, limited liability partnership, or any other entity of any kind subject to any tax set forth in subsection (3) of this section or any person required to collect any such tax under subsection (3) of this section.
- (3) Notwithstanding the provisions of any other law to the contrary, a tax amnesty program shall be conducted for a period of sixty (60) days, beginning on October 1, 2024, and ending on November 29, 2024. The program shall be available to all taxpayers owing:
 - (a) Taxes, penalties, fees, or interest subject to the administrative jurisdiction of the department, with the exception of:
 1. Ad valorem taxes levied on real property pursuant to KRS Chapter 132;
 2. Ad valorem taxes on motor vehicles and motorboats collected by the county clerks;
 3. Ad valorem taxes on personal property levied pursuant to KRS Chapter 132 that are payable to local officials; and
 4. Any penalties imposed under KRS 131.630 or 138.205; and
 - (b) Federal taxes, penalties, fees, or interest referred to the department from the federal government for collection purposes.
- (4) If the department is unable to secure a successful bid for the procurement of services under KRS 131.435, the department shall implement a tax amnesty

program during a sixty (60) day period similar to the period established in subsection (3) of this section, except that the sixty (60) day period shall be held during the calendar year 2025.

- (5) The program shall apply to tax liabilities for taxable periods ending or transactions occurring on or after October 1, 2011, but prior to December 1, 2023, and any federal tax liability referred to the department.

Effective: July 15, 2024

History: Amended 2024 Ky. Acts ch. 166, sec. 43, effective July 15, 2024. -- Amended 2022 Ky. Acts ch. 212, sec. 33, effective April 14, 2022. -- Amended 2012 Ky. Acts ch. 110, sec. 1, effective April 11, 2012. -- Amended 2005 Ky. Acts ch. 85, sec. 135, effective June 20, 2005. -- Amended 2002 Ky. Acts ch. 366, sec. 1, effective July 15, 2002. -- Created 1988 Ky. Acts ch. 322, sec. 1, effective July 15, 1988.

Legislative Research Commission Note (7/15/2024). During the 2024 Regular Session, the General Assembly enacted House Bill 8, which included amendments to this statute that established a tax amnesty period from October 1, 2024, through November 29, 2024, and provided that the tax amnesty "program shall apply to tax liabilities for taxable periods ending or transactions occurring on or after October 1, 2011, but prior to December 1, 2023, and any federal tax liability referred to the department." On April 9, 2024, the Governor vetoed House Bill 8, in part, including amendments to KRS 131.420, 131.435, 131.440, and 131.445 that changed the deadline for remittance of all installment payments under the tax amnesty program described in subsection (3) of this section from May 31, 2023, to May 31, 2025; required the Department of Revenue to submit a report summarizing the tax amnesty program results to the Interim Joint Committee on Appropriations and Revenue no later than July 1, 2025; imposed a 25 percent cost-of-collection fee on "[t]axes which are assessed and collected after the amnesty period for taxable periods ending or transactions occurring prior to December 1, 2023," for purposes of the program described in subsection (3) of this section; and provided that amnesty received by a taxpayer under the program described in subsection (3) of this section shall be invalidated if the taxpayer fails to timely file any tax return or timely pay "any tax and interest due for any period ending on or after October 1, 2011, but prior to December 1, 2023," or "any tax for any period beginning December 1, 2023, and ending within three (3) years of the date amnesty was granted to the taxpayer." The Governor did not, however, include the amendments to this section in his veto message regarding House Bill 8. On April 12, 2024, the House of Representatives ruled that House Bill 8 was not an appropriation bill and that the Governor's veto had no effect on the bill. Upon request by the Speaker of the House and President of the Senate for an opinion on whether the Governor's purported line-item vetoes of House Bill 8 are valid and whether those vetoed sections should be included in the Kentucky Acts and Kentucky Revised Statutes, the Attorney General issued OAG 24-06 on May 20, 2024, stating, in part, that because House Bill 8 is not an appropriation bill, the Governor's purported use of the line-item veto exceeds the powers granted to him by Section 88 of the Kentucky Constitution, the attempted line-item vetoes are invalid and nullities, the sections that the Governor purported to veto became law along with the rest of the bill, and the purportedly vetoed provisions must be incorporated into the permanent laws of the Commonwealth.