

**11.068 Office of State Budget Director -- Organizational units -- Duties, rights, and responsibilities -- Tax expenditure analysis.**

- (1) There is created an agency of state government known as the Office of State Budget Director. The office shall be attached for administrative purposes to the Office of the Governor.
- (2) The office shall include the following major organizational units:
  - (a) The Office of State Budget Director, headed by the state budget director. The state budget director shall be appointed by the Governor pursuant to KRS 11.040 and shall serve, under direction of the Governor, as state budget director and secretary of the state planning committee. The office shall include such principal assistants and supporting personnel appointed pursuant to KRS Chapter 12 as may be necessary to carry out the functions of the office. The office shall have such duties, rights, and responsibilities as are necessary to perform, without being limited to, the following functions:
    1. Functions relative to the preparation, administration, and evaluation of the executive budget as provided in KRS Chapters 45 and 48 and in other laws, including but not limited to, capital construction budgeting, evaluation of state programs, program monitoring, financial and policy analysis and issue review, and executive policy implementation and compliance;
    2. Continuous evaluation of statewide management and administrative procedures and practices, including but not limited to economic forecasting, technical assistance to state agencies, forms control, and special analytic studies as directed by the Governor; and
    3. Staff planning functions of the state planning committee and evaluation of statewide management and administrative practices and procedures.
  - (b) Governor's Office for Policy and Management, headed by the state budget director. The state budget director shall maintain staff employed pursuant to KRS Chapter 18A sufficient to carry out the functions of the office relating to state budgeting as provided in paragraph (a) of this subsection and state planning as provided in KRS Chapter 147, review of administrative regulations proposed by executive agencies prior to filing pursuant to KRS Chapter 13A and such other duties as may be assigned by the Governor.
  - (c) Governor's Office for Policy Research, headed by the state budget director. The Governor's Office for Policy Research shall assist the state budget director in providing policy research data, information, and analysis to the Governor on public policy issues that impact the Commonwealth. The state budget director shall identify and direct the research to be completed and provided by the office. The state budget director shall maintain staff employed in accordance with KRS Chapter 18A sufficient to carry out the functions of the office.
  - (d) Governor's Office for Economic Analysis, headed by the state budget director. The state budget director shall maintain staff employed in accordance with KRS Chapter 18A sufficient to carry out the functions of the office. The

Governor's Office for Economic Analysis shall carry out the revenue estimating and economic analysis functions and responsibilities, including but not limited to the functions and responsibilities assigned to the Office of State Budget Director by KRS Chapter 48. The Governor's Office for Economic Analysis shall perform the tax administrative function of using tax data to provide the Department of Revenue with studies, projections, statistical analyses, and any other information that will assist the Department of Revenue in performing its tax administrative functions.

- (3) (a) As used in this subsection, "tax expenditure" means an exemption, exclusion, or deduction from the base of a tax, a credit against the tax, a deferral of a tax, or a preferential tax rate.
- (b) On or before September 1, 2026, and every September 1 thereafter, the Office of State Budget Director shall publish on its website detailed estimates of the general fund and road fund for the current and next two (2) fiscal years of the revenue loss resulting from tax expenditures.
- (c) The Department of Revenue shall provide assistance and furnish data that is not restricted by KRS 131.190.
- (d) The estimates shall include for each tax expenditure:
1. The amount of revenue loss;
  2. A citation of the legal authority for the tax expenditure;
  3. The year in which the tax expenditure was enacted; and
  4. The tax year in which the tax expenditure became effective.

**Effective:** April 14, 2026

**History:** Amended 2026 Ky. Acts ch. 161, sec. 69, effective April 14, 2026. -- Amended 2017 Ky. Acts ch. 53, sec. 1, effective June 29, 2017. -- Amended 2009 Ky. Acts ch. 78, sec. 23, effective June 25, 2009. -- Amended 2005 Ky. Acts ch. 85, sec. 28, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 46, sec. 1, effective July 14, 2000. -- Amended 1996 Ky. Acts ch. 279, sec. 2, effective July 15, 1996. -- Created 1984 Ky. Acts ch. 186, sec. 1, effective July 13, 1984.