

## **103 KAR 17:120. Estimated tax penalty.**

RELATES TO: KRS 131.175, 131.180, 141.050, 141.300, 141.305, 141.990

STATUTORY AUTHORITY: KRS 131.130(1), 131.175, 141.050(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations to administer and enforce Kentucky's tax laws. KRS 131.175 authorizes the commissioner to waive penalties if the failure to file or pay timely is due to reasonable cause. This administrative regulation establishes exceptions to the application of estimated tax penalties provided in KRS 141.990(2) and 131.180(3).

Section 1. General. Except as provided in Section 2 of this administrative regulation, an individual required by KRS 141.300 to file a declaration of estimated tax and required by KRS 141.305 to pay the declaration of estimated tax shall be subject to a penalty as provided in KRS 131.180 for a declaration underpayment or a late payment.

Section 2. Exceptions. In addition to the exceptions established in KRS 141.990(2), the penalty shall not apply to: (1) A taxable year in which the death occurs of the taxpayer's spouse if the taxpayer is filing a joint return with the deceased spouse;

(2) A taxable year in which the amount of prepaid tax equals or exceeds the previous year's income tax liability if the previous year was not less than twelve (12) months; or

(3) A taxable year in which the taxpayer files a return and pays the full amount of the tax computed on the return on or before January 31 of the succeeding taxable year and the declaration is not required until January 15 after the close of the taxable year.

Section 3. A taxpayer reporting income on a fiscal year basis shall substitute dates corresponding to the fiscal year for the dates specified for reporting the income on a calendar year basis under KRS 141.300(3) and for paying the estimated tax under KRS 141.305.

Section 4. Waiver of Penalties. A taxpayer who does not qualify for an exception established in Section 2 of this administrative regulation may request a waiver of penalty under the provisions of 103 KAR 1:040. (33 Ky.R. 1199; 1519; eff. 1-5-2007; Crt eff. 11-6-2018.)