

**FINANCE AND ADMINISTRATION CABINET**  
**Department of Revenue**  
**(Amendment)**

**103 KAR 2:005. Life Mortality Table.**

RELATES TO: KRS 140.100

STATUTORY AUTHORITY: KRS 131.130, 140.100(2)

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration and enforcement of all tax laws of this state. KRS 140.100(2) requires the application of the appropriate United States life mortality tables when ascertaining the value of future, contingent, or limited estates, which includes life estates and annuities. This administrative regulation establishes the appropriate United States life mortality table as required by KRS 140.100(2).

Section 1. Table 1, Life Table for the Total Population: United States published by the United States Department of Health and Human Services, National Center for Health Statistics ~~[The mortality table as prescribed in of the Internal Revenue Code, 26 U.S.C. 7520(a)(1)]~~, shall be utilized when computing the value of a beneficiary's life estate, annuity, remainder interest, or any other interest in the estate which is based on the life expectancy of the beneficiary or some other person. The life mortality table prescribed by National Center for Health Statistics as of January 1 of the year of the decedent's death shall be used. ~~[The mortality table prescribed by the Internal Revenue Service as of January 1 of the year of the decedent's death shall be used.]~~

COMPILER'S NOTE: 2025 RS HB 6, enacted by the General Assembly on March 27, 2025, altered the information to be provided at the time an administrative regulation is filed. Aside from formatting changes necessary to upload the regulation into the LRC's publication application, this regulation has been published as submitted by the agency.

*THOMAS B. MILLER, Commissioner*

APPROVED BY AGENCY: July 11, 2025

FILED WITH LRC: July 11, 2025 at 10:30 a.m.

PUBLIC HEARING AND COMMENT PERIOD: A public comment on this administrative regulation shall be held on September 23, 2025, at 10:00 a.m. in Room 11A, State Office Building, 501 High Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing at least five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through September 30, 2025. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Gary Morris, Executive Director, Office of Tax Policy and Regulation, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky 40601, phone (502) 564-0424, fax (502) 564-3875, email DORTAXPOLICY@ky.gov.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

**Contact Person: Gary Morris**

**(1) Provide a brief summary of:**

**(a) What this administrative regulation does:**

This administrative regulation amends 103 KAR 2:005 to update the life expectancy table to a more current version and provides for automatic updates to published life expectancy tables.

**(b) The necessity of this administrative regulation:**

Amending this administrative regulation allows a more current version of the life expectancy table to be used and allows for it to be updated automatically by reference to U.S. Department of Health and Human Services, National Center for Health Statistics' life expectancy tables.

**(c) How this administrative regulation conforms to the content of the authorizing statutes:**

KRS 131.130(1) grants the Department of Revenue the authority to promulgate administrative regulations as it deems necessary for the administration of Kentucky's tax laws.

**(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:**

See (1)(b).

**(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:**

**(a) How the amendment will change this existing administrative regulation:**

See 1(a).

**(b) The necessity of the amendment to this administrative regulation:**

See 1(b).

**(c) How the amendment conforms to the content of the authorizing statutes:**

See 1(c).

**(d) How the amendment will assist in the effective administration of the statutes:**

See 1(d) for how the regulation will assist the effective administration of the statutes.

**(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:**

Any taxpayer or taxpayer representative that needs to calculate inheritance tax based on future, contingent, and life estates will find appropriate guidance in this regulation.

**(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:**

**(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:**

There are no actions required.

**(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):**

There are no costs associated with these changes.

**(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):**

Taxpayers and taxpayer representatives will be able to locate current guidance regarding which life expectancy table to use for Kentucky inheritance tax purposes.

**(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:**

**(a) Initially:**

There are no additional costs associated with this amendment. Current staff and budgeted funding will absorb any cost associated with implementation.

**(b) On a continuing basis:**

The Department of Revenue should not incur additional costs on an ongoing basis due to this amendment.

**(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:**

Current budgeted funding for the Department of Revenue will be used to implement and enforce the amendment to this regulation.

**(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:**

No increase in fees or funding will be necessary to implement this administrative regulation.

**(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:**

This administrative regulation does not establish any fees.

**(9) TIERING: Is tiering applied?**

Tiering is not applied. The updating of this administrative regulation will impact all taxpayers subject to inheritance tax equally.

## FISCAL IMPACT STATEMENT

**(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation:**

KRS 131.130(1), KRS 140.100(2)

**(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:**

N/A

**(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:**

Department of Revenue

**(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):**

**1. Expenditures:**

**For the first year:**The amendment to this administrative regulation will not affect expenditures.

**For subsequent years:**The amendment to this administrative regulation will not affect expenditures.

**2. Revenues:**

**For the first year:**The amendment to this administrative regulation will not affect revenues.

**For subsequent years:**The amendment to this administrative regulation will not affect revenues.

**3. Cost Savings:**

**For the first year:**The amendment to this administrative regulation will not result in any cost savings.

**For subsequent years:**The amendment to this administrative regulation will not result in any cost savings.

**(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):**

The amendment to this administrative regulation will not impact local entities.

**(b) Estimate the following for each affected local entity identified in (4)(a):**

**1. Expenditures:**

**For the first year:**The amendment to this administrative regulation will not impact the expenditures of local entities.

**For subsequent years:**The amendment to this administrative regulation will not impact the expenditures of local entities.

**2. Revenues:**

**For the first year:**The amendment to this administrative regulation will not impact the revenues of local entities.

**For subsequent years:**The amendment to this administrative regulation will not impact the revenues of local entities.

**3. Cost Savings:**

**For the first year:**The amendment to this administrative regulation will not impact the cost savings of local entities.

**For subsequent years:**The amendment to this administrative regulation will not impact the cost savings of local entities.

**(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):**

None

**(b) Estimate the following for each regulated entity identified in (5)(a):**

**1. Expenditures:**

**For the first year:**N/A

**For subsequent years:**N/A

**2. Revenues:**

**For the first year:**N/A

**For subsequent years:**N/A

**3. Cost Savings:**

**For the first year:**N/A

**For subsequent years:**N/A

**(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a)**

**(a) Fiscal impact of this administrative regulation:**

The administrative regulation will have a negligible fiscal impact on the Department of Revenue.

**(b) Methodology and resources used to reach this conclusion:**

The current Life Mortality Tables used and knowledge of how these tables fluctuate minimally.

**(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):**

**(a) Whether this administrative regulation will have a "major economic impact", as defined by KRS 13A.010(13):**

The amendment to this administrative regulation will not have a "major economic impact".

**(b) The methodology and resources used to reach this conclusion:**

No methodology was necessary, since there is no "major economic impact".