

FINANCE AND ADMINISTRATION
Department of Revenue
(Amendment)

103 KAR 44:060. Motor vehicle usage tax valuation.

RELATES TO: KRS 138.450-138.470

STATUTORY AUTHORITY: KRS 131.130(1), ~~138.450, 138.460(7)~~~~[(12)(b)]~~

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the department to promulgate administrative regulations for the administration of all tax laws. This administrative regulation prescribes the automotive reference manual and procedures to establish the retail price and trade-in allowance of motor vehicles as required by KRS 138.460(7).~~[establishes the procedures to determine the retail value.]~~

Section 1. Definitions.

- (1) "Department" is defined by KRS 138.450(21).
- (2) "Gift" means the transfer of a motor vehicle from one (1) party to another for no consideration or nominal consideration.
- (3) ~~[(2)]~~ "MSRP" means the manufacturer's suggested retail price.
- (4) "Reference manual" is defined by KRS 138.450(23).
- (5) "Retail price" is defined by KRS 138.450(12)-(19).
- (6) "Total consideration given" is defined by KRS 138.450(9).
- (7) "Trade-in allowance" is defined by KRS 138.450(10).

Section 2. The following special valuation procedures shall be followed:

- (1) For purposes of establishing retail price for used motor vehicles if a notarized affidavit signed by both the buyer and the seller is not available, retail price shall be the average retail value as listed in the appropriate automotive reference manual prescribed in Section 3 of this administrative regulation.
- (2) For purposes of establishing retail price for used motor vehicles whose values do not appear in the automotive reference manual prescribed by the department, and if a notarized affidavit signed by both the buyer and the seller is not available, retail price shall be determined by the department based upon relevant, available information.
- (3) For purposes of establishing retail price for used vehicles of the current model year for which an average retail value has not been published in one of the reference manuals prescribed by the department, retail price shall be eighty-five (85) percent of the MSRP, including the MSRP of all standard and optional equipment and accessories~~[, standard and optional,]~~ and transportation charges.
- (4) For purposes of establishing retail price for used vehicles of the current model year for which a trade-in value has not been published in one of the reference manuals prescribed in Section 3 of this administrative regulation, retail price shall be eighty (80) percent of the MSRP, including the MSRP of all standard and optional equipment and accessories and transportation charges.

Section 3. The JD Power Valuation Services ~~[following]~~ automotive reference manuals, electronic or paper versions, shall be followed for the valuation of the motor vehicles contained therein for motor vehicle usage tax~~[, listed in order of prescribed use:]~~

- (1) ~~[Automobiles and light trucks:]~~
 - (a) ~~[NADA Official Used Car Guide®;]~~
 - (b) ~~[NADA Official Older Used Car Guide; or]~~
 - (c) ~~[NADA Classic Collectible and Special Interest Car Appraisal Guide.]~~
- (2) ~~[Other trucks: NADA Official Commercial Truck Guide®.]~~

- ~~[(3)] [Miscellaneous vehicles:]~~
~~[(a)] [NADA Recreational Vehicle Appraisal Guide;]~~
~~[(b)] [NADA Van/Truck Conversion and Limousine Appraisal Guide; or]~~
~~[(c)] [NADA Motorcycle/Snowmobile/ATV/Personal Watercraft Appraisal Guide.]~~
~~[(4)] [General use: Automotive Invoice Service New Car Cost Guide].~~

Section 4.

- (1) If an affidavit of total consideration given is not available and a retail price based on MSRP is prescribed by statute, a copy of the window sticker or other documentation from the manufacturer showing MSRP and listing the base price, all standard and optional equipment and accessories ~~[, standard and optional,]~~ and transportation charges shall be provided to the county clerk when a new automobile is presented for registration.
- (2) An itemized statement showing the MSRP of any additional equipment and accessories installed by the dealer and not reflected on the window sticker shall also be provided to the county clerk.
- (3) If the manufacturer's documentation does not include complete MSRP information, the department shall obtain MSRP information from available sources.
- (4) If the manufacturer's invoice to the dealer does not contain MSRP information, the dealer shall provide the county clerk a copy of the manufacturer's invoice and provide an itemized list of all equipment and accessories, whether installed by the manufacturer or dealer, plus transportation charges.
- (5) Taxable valuation shall then be determined through the use of MSRP information listed in this section provided in the price reference manual, prescribed in Section 3 of this administrative regulation, or other source of MSRP information.

Section 5. Forms.

- (1) The department form~~s~~ applicable to this regulation is ~~is [are:]~~
~~[(a)] [Revenue Form 71A100,]"Affidavit of Total Consideration Given for a Motor Vehicle", Revenue Form 71A100. [, and]~~
~~[(b)] [Revenue Form 71F001, "Kentucky's Taxation of Motor Vehicles for Motor Vehicle Usage Tax", Revenue Form 71AF001.]~~
- (2) This form ~~[These forms]~~ may be inspected, copied, or obtained, subject to applicable copyright law, at:
- (a) The Kentucky Department of Revenue, 501 High Street, Frankfort, Kentucky 40620;
- (b) A Kentucky Taxpayer Service Center, Monday through Friday, 8:00 a.m. to 4:30 p.m.; or
- (c) The department's ~~[department]~~ Web site at www.revenue.ky.gov.
~~[http://revenue.ky.gov.]~~

THOMAS B. MILLER, Commissioner

APPROVED BY AGENCY: June 2, 2026

FILED WITH LRC: June 2, 2026 at 3:15 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public comment on this administrative regulation shall be held on August 26, 2026, 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 August 31, 2026. 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, (502) 564-0424 (telephone), (502) 564-3875 (fax), DORTAXPOLICY@ky.gov (email).

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Gary Morris, Phone: (502) 564-0424, Email: DORTAXPOLICY@ky.gov

Subject Headings: Finance and Administration; Taxation; Motor Vehicles

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This regulation updates the automotive valuation manuals used for motor vehicle usage tax purposes to those issued by JD Power Valuation Services. This amendment also adds additional definitions to clarify terms used and removes a form that is no longer in use.

(b) The necessity of this administrative regulation:

The regulation is necessary to provide guidance on the accepted automotive valuation manuals used for motor vehicle usage tax purposes.

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

This regulation prescribes the automotive valuation manuals to be used for motor vehicle usage tax purposes.

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

This regulation prescribes the accepted automotive valuation manuals to be used for motor vehicle usage tax purposes.

(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:

No answer provided.

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

This amendment is necessary because JD Power purchased NADA.

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

KRS 138.460 allows the Department of Revenue to promulgate an administrative regulation to establish a method to determine the retail price of motor vehicle.

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

The amendment to this regulation will ensure consistency in the valuation of motor vehicles for motor vehicle usage tax purposes.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? No, KRS 138.460 was enacted more than five years ago.

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

The same valuation manuals will be used for all taxpayers required to pay motor vehicle usage tax. County Clerks offices will be required to use JD Power Valuation Services.

(5) Provide an analysis of how the entities identified in question (4) 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 (4) will have to take to comply with this administrative regulation or amendment:

JD Power Valuation Services is required to be used for all taxpayers subject to motor vehicle usage tax.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):

No costs should be incurred to comply with the amendment to this administrative regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4):

Vehicles will be valued consistently for motor vehicle usage tax.

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

(a) Initially:

There will be no additional costs associated with implementing the amendment to this administrative regulation.

(b) On a continuing basis:

See answer (6)(a).

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:

No additional funding will be required to implement the amendment to this administrative regulation.

(8) 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.

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

No fees are established or increased by this administrative regulation.

(10) TIERING: Is tiering applied?

{Explain why or why not} Tiering is not applied. Motor vehicles will be valued using the same automotive valuation guides for all taxpayers.

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 138.450(23), KRS 138.460(7)

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

This administrative regulation is not expressly authorized by an act of the General Assembly.

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

This administrative regulation will impact the Department of Revenue and the Kentucky Transportation Cabinet.

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

1. Expenditures:

For the first year:

For subsequent years:

2. Revenues:

For the first year:

For subsequent years:

3. Cost Savings:

For the first year:

For subsequent years:

(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. County clerks already use JD Power.

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

1. Expenditures:

For the first year:

For subsequent years:

2. Revenues:

For the first year:

For subsequent years:

3. Cost Savings:

For the first year:

For subsequent years:

(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:

For subsequent years:

2. Revenues:

For the first year:

For subsequent years:

3. Cost Savings:

For the first year:

For subsequent years:

(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 Department does not anticipate that the amendment to this regulation will have a fiscal impact.

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

This amendment removes the language permitting tax credits for trusts and estates due to a statutory change.

(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(14):

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

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

This amendment updates language to correct the name of the valuation guide to be used.