

**131.020 Major organizational units of the Department of Revenue -- Functions and duties.**

- (1) The department, headed by a commissioner appointed by the secretary with the approval of the Governor, shall be organized into the following functional units:
  - (a) Office of the Commissioner, which shall consist of:
    1. The Division of Protest Resolution, headed by a division director who shall report directly to the commissioner. The division shall administer the protest functions for the department from office resolution through court action;
    2. The Division of Taxpayer Ombudsman, headed by a division director who shall report to the commissioner. The division shall perform those duties set out in KRS 131.083;
    3. The Special Investigations Division, headed by a division director who shall report directly to the commissioner. The division shall investigate alleged violations of the tax laws and recommend criminal prosecution of the laws when warranted; and
    4. The Division of Information Management, headed by a division director who shall report directly to the commissioner. The division shall provide project management, planning, analysis, application development, implementation, security, support, and maintenance for new and existing legacy systems of the department;
  - (b) Office of Tax Policy and Regulation, headed by an executive director who shall report directly to the commissioner. The office shall be responsible for:
    1. Providing oral and written technical advice on Kentucky tax law;
    2. Drafting proposed tax legislation and regulations;
    3. Testifying before legislative committees on tax matters;
    4. Analyzing tax publications;
    5. Publishing administrative writings on its official website promptly after issuance or finalization, but no more than one hundred twenty (120) days thereafter;
    6. Publishing all tax forms and instructions to those tax forms on its official website no later than:
      - a. Forty-five (45) days prior to the date a taxpayer is required to:
        - i. File a tax form;
        - ii. Make a payment of taxes due or estimated to be due; or
        - iii. Electronically submit the information or payment; or
      - b. In the case of income tax forms, thirty (30) days prior to the end of the calendar year for which the tax form, payment, or information applies;
    7. Providing expert witness testimony in tax litigation cases;
    8. Providing consultation and assistance in protested tax cases; and
    9. Conducting training and education programs;

- (c) Office of Registration and Operations, headed by an executive director who shall report directly to the commissioner. The office shall be responsible for processing documents, depositing funds, collecting debt payments, and coordinating, planning, and implementing a data integrity strategy. The office shall consist of the:
  - 1. Division of Operations, which shall be responsible for opening all tax returns, preparing the returns for data capture, coordinating the data capture process, depositing receipts, maintaining tax data, and assisting other state agencies with similar operational aspects as negotiated between the department and the other agency; and
  - 2. Division of Registration, which shall be responsible for registering businesses for tax purposes, ensuring that the data entered into the department's tax systems is accurate and complete, and assisting the taxing areas in proper procedures to ensure the accuracy of the data over time;
- (d) Office of Property Valuation, headed by an executive director who shall report directly to the commissioner. The office shall consist of the:
  - 1. Division of Local Support, which shall be responsible for providing supervision, assistance, and training to the property valuation administrators and sheriffs within the Commonwealth;
  - 2. Division of State Valuation, which shall be responsible for providing assessments of public service companies and motor vehicles, and providing assistance to property valuation administrators and sheriffs with the administration of tangible and omitted property taxes within the Commonwealth; and
  - 3. Division of Minerals Taxation and Geographical Information System Services, which shall be responsible for providing geographical information system mapping support, ensuring proper filing of severance tax returns, ensuring consistency of unmined coal assessments, and gathering and providing data to properly assess minerals to the property valuation administrators within the Commonwealth;
- (e) Office of Sales and Excise Taxes, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters relating to sales and use taxes and miscellaneous excise taxes, including but not limited to technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:
  - 1. Division of Sales and Use Tax, which shall administer the sales and use tax; and
  - 2. Division of Miscellaneous Taxes, which shall administer various other taxes, including but not limited to alcoholic beverage taxes; cigarette enforcement fees, stamps, meters, and taxes; gasoline tax; bank franchise tax; inheritance and estate tax; insurance premiums and insurance surcharge taxes; motor vehicle tire fees and usage taxes; and special fuels taxes;

- (f) Office of Income Taxation, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters related to income and corporation license taxes, including technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:
    - 1. Division of Individual Tax, which shall administer the following taxes or returns: individual income, fiduciary, and employer withholding; and
    - 2. Division of Corporation Tax, which shall administer the corporation income tax, corporation license tax, pass-through entity withholding, and pass-through entity reporting requirements;
  - (g) Office of Field Operations, headed by an executive director who shall report directly to the commissioner. The office shall manage the regional taxpayer service centers and the field audit program; and
  - (h) Office of Enforcement, headed by an executive director who shall report directly to the commissioner. The office shall initiate all collection enforcement activity related to due and owing tax assessments, including protest resolution, and shall assist other state agencies with similar collection aspects as negotiated between the department and other state agencies. The office shall consist of the Division of Collections.
- (2) The functions and duties of the department shall include conducting conferences, administering taxpayer protests, and settling tax controversies on a fair and equitable basis, taking into consideration the hazards of litigation to the Commonwealth of Kentucky and the taxpayer. The mission of the department shall be to afford an opportunity for taxpayers to have an independent informal review of the determinations of the audit functions of the department, and to attempt to fairly and equitably resolve tax controversies at the administrative level.
  - (3) The department shall maintain an accounting structure for the one hundred twenty (120) property valuation administrators' offices across the Commonwealth in order to facilitate use of the state payroll system and the budgeting process.
  - (4) Except as provided in KRS 131.190(4), the department shall fully cooperate with and make tax information available as prescribed under KRS 131.190(3) to the Governor's Office for Economic Analysis as necessary for the office to perform the tax administration function established in KRS 42.410.
  - (5) Executive directors and division directors established under this section shall be appointed by the secretary with the approval of the Governor under KRS 12.050.

**Effective:** July 15, 2024

**History:** Amended 2024 Ky. Acts ch. 166, sec. 23, effective July 15, 2024. -- Amended 2021 Ky. Acts ch. 81, sec. 9, effective June 29, 2021. -- Amended 2018 Ky. Acts ch. 78, sec. 9, effective July 14, 2018; ch. 171, sec. 104, effective April 14, 2018; and ch. 207, sec. 104, effective April 27, 2018. -- Amended 2017 Ky. Acts ch. 131, sec. 5, effective June 29, 2017. -- Amended 2016 Ky. Acts ch. 84, sec. 2, effective July 15, 2016. -- Amended 2014 Ky. Acts ch. 48, sec. 1, effective July 15, 2014. -- Amended 2012 Ky. Acts ch. 69, sec. 14, effective July 12, 2012. -- Amended 2009 Ky. Acts ch. 12, sec. 36, effective June 25, 2009. -- Amended 2008 Ky. Acts ch. 178, sec. 23, effective July 15, 2008. -- Amended 2007 Ky. Acts ch. 95, sec. 26, effective March 23, 2007. -- Amended 2005 Ky. Acts ch. 85, sec. 19, effective June 20, 2005;

and ch. 168, sec. 52, effective January 1, 2006. -- Amended 2000 Ky. Acts ch. 46, sec. 23, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 134, sec. 1, effective July 15, 1998; and ch. 396, sec. 1, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 65, sec. 1, effective July 15, 1994; ch. 422, sec. 2, effective April 16, 1994; and ch. 508, sec. 42, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 13, sec. 6, effective July 14, 1992; and ch. 361, sec. 1, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 316, sec. 1, effective July 13, 1990; and ch. 321, sec. 8, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 273, sec. 8, effective July 15, 1988. -- Amended 1984 Ky. Acts ch. 404, sec. 10, effective July 13, 1984. -- Amended 1964 Ky. Acts ch. 141, sec. 39. -- Amended 1960 Ky. Acts ch. 186, Art. I, sec. 29. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4618-92, 4618-93.