**138.507 Liability for fantasy contest and prediction market taxes. (Effective January 1, 2027)**

(1) (a) A fantasy contest service provider shall be liable for the payment of the tax levied in KRS 138.505.

(b) A prediction market operator shall be liable for the payment of the tax levied in KRS 138.506.

(2) Notwithstanding anything in this chapter to the contrary, the president, vice president, secretary, treasurer, or any other person holding any equivalent corporate office of any corporation subject to KRS 138.505 or 138.506 shall be personally and individually liable, both jointly and severally, for the taxes imposed by KRS 138.505 or 138.506.

(3) Corporate dissolution, withdrawal of the corporation from the state, or the cessation of holding any corporate office shall not discharge the liability of any person. The personal and individual liability shall apply to every person holding a corporate office at the time the tax becomes or became due.

(4) Notwithstanding any provision of this chapter or KRS 275.150, 362.1-306(3) or predecessor law, or 362.2-404(3) to the contrary, the managers of a limited liability company, the partners of a limited liability partnership, and the general partners of a limited liability limited partnership or any other person holding any equivalent office of a limited liability company, limited liability partnership, or limited liability limited partnership subject to KRS 138.505 or 138.506 shall be personally and individually liable, both jointly and severally, for the fantasy sports service provider or prediction market operator taxes.

(5) Dissolution, withdrawal of the limited liability company, limited liability partnership, or limited liability limited partnership from the state, or the cessation of holding any office shall not discharge the liability of any person. The personal and individual liability shall apply to every manager of a limited liability company, partner of a limited liability partnership, or general partner of a limited liability limited partnership at the time the tax becomes or became due.

(6) A person shall not be personally and individually liable under this section if the person had no authority to collect, truthfully account for, or pay over any tax at the time the taxes imposed become or became due.

(7) "Taxes," as used in this section, includes interest accrued at the rate provided by KRS 131.183, all applicable penalties imposed under this chapter, and all applicable penalties imposed under KRS 131.180, 131.410 to 131.445, and 131.990.

**Effective:** January 1, 2027

**History:** Created 2026 Ky. Acts ch. 161, sec. 72, effective January 1, 2027.