

AN ACT relating to individual income tax.

*Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO READ AS FOLLOWS:

(1) *If an individual:*

(a) *Received an airline payment amount as defined in Section 1106 of the federal FAA Modernization and Reform Act of 2012, Pub. L. No. 112-95, sec. 1106;*

(b) *Transferred any portion of the airline payment amount to a traditional IRA pursuant to Pub. L. No. 112-95, sec. 1106; and*

(c) *Was allowed an extension of time to file a claim for refund provided by Pub. L. No. 112-95, sec. 1106;*

*the individual may exclude from gross income any portion of the airline payment amount transferred to a traditional IRA.*

(2) (a) *Notwithstanding KRS 134.580, an individual described in subsection (1) of this section may file an amended income tax return claiming a refund of tax paid related to the airline payment amount, if the individual:*

1. *Filed an amended return with the Internal Revenue Service excluding the airline payment amount from federal gross income;*

2. *Received a refund of federal income tax paid based on the amended return filed as provided in subparagraph 1. of this paragraph; and*

3. *Filed an amended return with the department requesting a refund of tax paid, but was denied a refund of Kentucky tax based on KRS 134.580.*

(b) *The individual shall include documentation within the amended return verifying that the Internal Revenue Service has excluded the airline payment amount from federal gross income.*

(c) The individual shall resubmit the Kentucky amended return on or before December 31, 2015, to claim the refund allowed by subsection (1) of this section.