

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2016 REGULAR SESSION
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Amend printed copy of HB 616

On page 1, by deleting lines 3 through 13 in their entirety and inserting in lieu thereof:

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

(1) As used in this section, "qualified taxpayer" means an individual subject to the tax imposed by KRS 141.020, who:

(a) Owns a motor vehicle that is registered in his or her name under KRS 186.050 and is insured by a liability insurance policy;

(b) Has incurred expenses as a result of a collision:

1. Between the motor vehicle described in paragraph (a) of this subsection and an uninsured motor vehicle not owned by the individual; and

2. For which the individual has been determined, by his or her insurer, to have not been at fault;

(c) Has paid any amount of deductible pursuant to his or her policy, relating to the collision described in paragraph (b) of this subsection; and

(d) Has not received any amount of financial recovery from a person or entity at fault for the collision as of the date the individual makes a credit claim with the department.

Amendment No. HFA 2

Sponsor: Rep. Jeff Greer

Committee Amendment: _____

Signed: _____

Floor Amendment: _____

LRC Drafter: Donaldson, Sean

Adopted: _____

Date: _____

Rejected: _____

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- (2) For taxable years beginning on or after January 1, 2016, and before January 1, 2020, there is hereby allowed an uninsured motor vehicle credit. The credit shall be refundable, and shall apply against the tax imposed by KRS 141.020. The ordering of the credit shall be as provided in Section 2 of this Act.
- (3) A qualified taxpayer may claim the credit allowed by this section in an amount equal to the amount of deductible paid by the qualified taxpayer and described in subsection (1)(c) of this section, not to exceed one thousand dollars (\$1,000). In no event shall a qualified taxpayer claim more than one thousand dollars (\$1,000) in credit under this section in any taxable year.
- (4) A qualified taxpayer shall:
- (a) Claim the credit in the taxable year in which he or she makes the deductible payment or is determined by his or her insurer to have not been at fault for the collision, whichever is later; and
 - (b) Claim the credit on his or her return in the manner prescribed by the department, and shall submit any documentation required by the department in order to substantiate credit eligibility.
- (5) Any credit claimed by a taxpayer shall be repaid in total if, at any time within six (6) years of the date of the collision, the qualified taxpayer receives any financial recovery from any person or entity at fault in the collision.
- (6) (a) The purpose of this credit is to provide financial assistance to individuals who are insured by a motor vehicle liability insurance policy and who have incurred uncompensated expenses as a result of a collision between their motor vehicle and an uninsured motor vehicle.
- (b) Notwithstanding KRS 131.190, on or before December 1, 2017, and each year thereafter as long as the credit is allowed, the department shall report the following

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information to the Legislative Research Commission in order to evaluate the effectiveness of the credit in advancing the purpose stated in paragraph (a) of this subsection, based on tax returns processed during the prior fiscal year:

1. The number and total amount of credits claimed;
2. Based on the mailing address of the return, the total amount of credits claimed by county; and
3. Based on ranges of adjusted gross income of no larger than five thousand dollars (\$5,000), the total amount of credits claimed for each adjusted gross income range.

→Section 2. KRS 141.0205 is amended to read as follows:

If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of the credits shall be determined as follows:

- (1) The nonrefundable business incentive credits against the tax imposed by KRS 141.020 shall be taken in the following order:
 - (a) 1. For taxable years beginning after December 31, 2004, and before January 1, 2007, the corporation income tax credit permitted by KRS 141.420(3)(a);
 2. For taxable years beginning after December 31, 2006, the limited liability entity tax credit permitted by KRS 141.0401;
- (b) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.400, 141.401, 141.402, 141.403, 141.407, 141.415, 154.12-2088, and 154.27-080;
- (c) The qualified farming operation credit permitted by KRS 141.412;
- (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- (e) The health insurance credit permitted by KRS 141.062;

- (f) The tax paid to other states credit permitted by KRS 141.070;
 - (g) The credit for hiring the unemployed permitted by KRS 141.065;
 - (h) The recycling or composting equipment credit permitted by KRS 141.390;
 - (i) The tax credit for cash contributions in investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
 - (j) The coal incentive credit permitted ~~by~~funder KRS 141.0405;
 - (k) The research facilities credit permitted ~~by~~funder KRS 141.395;
 - (l) The employer GED incentive credit permitted ~~by~~funder KRS 164.0062;
 - (m) The voluntary environmental remediation credit permitted by KRS 141.418;
 - (n) The biodiesel and renewable diesel credit permitted by KRS 141.423;
 - (o) The environmental stewardship credit permitted by KRS 154.48-025;
 - (p) The clean coal incentive credit permitted by KRS 141.428;
 - (q) The ethanol credit permitted by KRS 141.4242;
 - (r) The cellulosic ethanol credit permitted by KRS 141.4244;
 - (s) The energy efficiency credits permitted by KRS 141.436;
 - (t) The railroad maintenance and improvement credit permitted by KRS 141.385;
 - (u) The Endow Kentucky credit permitted by KRS 141.438;
 - (v) The New Markets Development Program credit permitted by KRS 141.434;
 - (w) The food donation credit permitted by KRS 141.392;
 - (x) The distilled spirits credit permitted by KRS 141.389; and
 - (y) The angel investor credit permitted by KRS 141.396.
- (2) After the application of the nonrefundable credits in subsection (1) of this section, the nonrefundable personal tax credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual credits permitted by KRS 141.020(3);

- (b) The credit permitted by KRS 141.066;
 - (c) The tuition credit permitted by KRS 141.069;
 - (d) The household and dependent care credit permitted by KRS 141.067; and
 - (e) The new home credit permitted by KRS 141.388.
- (3) After the application of the nonrefundable credits provided for in subsection (2) of this section, the refundable credits against the tax imposed by KRS 141.020 shall be taken in the following order:
- (a) The individual withholding tax credit permitted by KRS 141.350;
 - (b) The individual estimated tax payment credit permitted by KRS 141.305;
 - (c) For taxable years beginning after December 31, 2004, and before January 1, 2007, the corporation income tax credit permitted by KRS 141.420(3)(c);
 - (d) The certified rehabilitation credit permitted by KRS 171.3961 and 171.397(1)(b);~~and~~
 - (e) The film industry tax credit permitted~~allowed~~ by KRS 141.383; and
 - (f) *The uninsured motor vehicle credit permitted by Section 1 of this Act.*
- (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the tax imposed by KRS 141.040.
- (5) The following nonrefundable credits shall be applied against the sum of the tax imposed by KRS 141.040 after subtracting the credit provided for in subsection (4) of this section, and the tax imposed by KRS 141.0401 in the following order:
- (a) The economic development credits computed under KRS 141.347, 141.381, 141.384, 141.400, 141.401, 141.402, 141.403, 141.407, 141.415, 154.12-2088, and 154.27-080;
 - (b) The qualified farming operation credit permitted by KRS 141.412;
 - (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);

- (d) The health insurance credit permitted by KRS 141.062;
- (e) The unemployment credit permitted by KRS 141.065;
- (f) The recycling or composting equipment credit permitted by KRS 141.390;
- (g) The coal conversion credit permitted by KRS 141.041;
- (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods ending prior to January 1, 2008;
- (i) The tax credit for cash contributions to investment funds permitted by KRS 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS 154.20-258;
- (j) The coal incentive credit permitted ~~by~~ KRS 141.0405;
- (k) The research facilities credit permitted ~~by~~ KRS 141.395;
- (l) The employer GED incentive credit permitted ~~by~~ KRS 164.0062;
- (m) The voluntary environmental remediation credit permitted by KRS 141.418;
- (n) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- (o) The environmental stewardship credit permitted by KRS 154.48-025;
- (p) The clean coal incentive credit permitted by KRS 141.428;
- (q) The ethanol credit permitted by KRS 141.4242;
- (r) The cellulosic ethanol credit permitted by KRS 141.4244;
- (s) The energy efficiency credits permitted by KRS 141.436;
- (t) The ENERGY STAR home or ENERGY STAR manufactured home credit permitted by KRS 141.437;
- (u) The railroad maintenance and improvement credit permitted by KRS 141.385;
- (v) The railroad expansion credit permitted by KRS 141.386;
- (w) The Endow Kentucky credit permitted by KRS 141.438;
- (x) The New Markets Development Program credit permitted by KRS 141.434;
- (y) The food donation credit permitted by KRS 141.392; and

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- (z) The distilled spirits credit permitted by KRS 141.389.
- (6) After the application of the nonrefundable credits in subsection (5) of this section, the refundable credits shall be taken in the following order:
 - (a) The corporation estimated tax payment credit permitted by KRS 141.044;
 - (b) The certified rehabilitation credit permitted by KRS 171.3961 and 171.397(1)(b); and
 - (c) The film industry tax credit permitted by~~allowed in~~ KRS 141.383."