

1 AN ACT relating to occupational license taxes.

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

3 ➔Section 1. KRS 68.197 is amended to read as follows:

- 4 (1) The fiscal court of each county having a population of **less than three hundred**  
5 **thousand (300,000)**~~[thirty thousand (30,000) or more]~~ may by ordinance impose  
6 license fees on franchises, provide for licensing any business, trade, occupation, or  
7 profession, and the using, holding, or exhibiting of any animal, article, or other  
8 thing.
- 9 (2) License fees on business, trade, occupation, or profession for revenue purposes,  
10 except those of the common schools, may be imposed at a percentage rate~~[not to~~  
11 ~~exceed one percent (1%)]~~ of **one (1) or more of the following:**
- 12 (a) Salaries, wages, commissions, and other compensation earned by persons  
13 within the county for work done and services performed or rendered in the  
14 county;
- 15 (b) The net profits of self-employed individuals, partnerships, professional  
16 associations, or joint ventures resulting from trades, professions, occupations,  
17 businesses, or activities conducted in the county; and
- 18 (c) The net profits of corporations resulting from trades, professions, occupations,  
19 businesses, or activities conducted in the county.
- 20 (3) In order to reduce administrative costs and minimize paperwork for employers,  
21 employees, and businesses, the fiscal court may provide:
- 22 (a) For an annual fixed amount license fee which a person may elect to pay in lieu  
23 of reporting and paying the percentage rate as provided in this subsection on  
24 salaries, wages, commissions, and other compensation earned within the  
25 county for work done and services performed or rendered in the county; and
- 26 (b) For an annual fixed amount license fee which an individual, partnership,  
27 professional association, joint venture, or corporation may elect to pay in lieu

1 of reporting and paying the percentage rate as provided in this subsection on  
2 net profits of businesses, trades, professions, or occupations from activities  
3 conducted in the county.

4 (4) (a) Licenses imposed for regulatory purposes are not subject to limitations as to  
5 form and amount.

6 (b) No public service company that pays an ad valorem tax is required to pay a  
7 license tax.

8 (c) 1. It is the intent of the General Assembly to continue the exemption from  
9 local license fees and occupational taxes that existed on January 1, 2006,  
10 for providers of multichannel video programming services or  
11 communications services as defined in KRS 136.602 that were taxed  
12 under KRS 136.120 prior to the effective date of this section.

13 2. To further this intent, no company providing multichannel video  
14 programming services or communications services as defined in KRS  
15 136.602 shall be required to pay a license tax. If only a portion of an  
16 entity's business is providing multichannel video programming services  
17 including products or services that are related to and provided in support  
18 of the multichannel video programming services or communications  
19 services, this exclusion applies only to that portion of the business that  
20 provides multichannel video programming services or communications  
21 services, including products or services that are related to and provided  
22 in support of the multichannel video programming services or  
23 communications services.

24 (d) No license tax shall be imposed upon or collected from any insurance  
25 company except as provided in KRS 91A.080, bank, trust company, combined  
26 bank and trust company, combined trust, banking, and title business in this  
27 state, or any savings and loan association whether state or federally chartered,

1 or in other cases where the county is prohibited by law from imposing a  
2 license fee.

3 (5) No license fee shall be imposed or collected on income received by members of the  
4 Kentucky National Guard for active duty training, unit training assemblies, and  
5 annual field training, or on income received by precinct workers for election  
6 training or work at election booths in state, county, and local primary, regular, or  
7 special elections, or upon any profits, earnings, or distributions of an investment  
8 fund which would qualify under KRS 154.20-250 to 154.20-284 to the extent any  
9 profits, earnings, or distributions would not be taxable to an individual investor.

10 (6) Persons who pay a county license fee pursuant to this section and who also pay a  
11 license fee to a city contained in the county may, upon agreement between the  
12 county and the city, credit their city license fee against their county license fee. As  
13 used in this subsection, "city contained in the county" shall include a city that is in  
14 more than one (1) county.

15 ~~(7) [The provisions of subsection (6) of this section notwithstanding, effective with~~  
16 ~~license fees imposed under the provisions of subsection (1) of this section on or~~  
17 ~~after July 15, 1986, persons who pay a county license fee and a license fee to a city~~  
18 ~~contained in the county shall be allowed to credit their city license fee against their~~  
19 ~~county license fee. As used in this subsection, "city contained in the county" shall~~  
20 ~~include a city that is in more than one (1) county.~~

21 ~~(8) Notwithstanding any statute to the contrary, the provisions of subsection (7) of this~~  
22 ~~section shall apply as follows from March 14, 2012, through July 15, 2014:~~

23 ~~(a) Any set-off or credit of city license fees against county license fees that exists~~  
24 ~~between a city and county as of March 15, 2012, shall remain in effect as it is on~~  
25 ~~March 15, 2012; and~~

26 ~~(b) The provisions of subsection (7) of this section shall not apply to a city and county~~  
27 ~~unless both the city and the county have both levied and are collecting license fees~~

1       ~~on March 15, 2012.~~

2       ~~(9) A county that enacted an occupational license fee under the authority of KRS~~  
3       ~~67.083 shall not be required to reduce its occupational tax rate when it is~~  
4       ~~determined that the population of the county exceeds thirty thousand (30,000).~~

5       ~~(10) Notwithstanding any statute to the contrary, [:~~

6       ~~(a) In those counties where a license fee has been authorized by a public question~~  
7       ~~approved by the voters, there shall be no credit of a city license fee against a~~  
8       ~~county license fee except by agreement between the county and the city in~~  
9       ~~accordance with subsection (6) of this section;~~

10       ~~(b) Notwithstanding any provision of the KRS to the contrary, no taxpayer shall~~  
11       ~~be refunded or credited for any overpayment of a license tax paid to any~~  
12       ~~county to the extent the overpayment is attributable to or derives from this~~  
13       ~~section as it existed at any time subsequent to July 15, 1986, and the taxpayer~~  
14       ~~seeks a credit for a license tax paid to a city located within such county, if~~  
15       ~~such refund claim or amended tax return claim was filed or perfected after~~  
16       ~~November 18, 2004, except by agreement between the city and county in~~  
17       ~~accordance with subsection (6) of this section;~~

18       ~~(c) ]in those counties where a license fee has been authorized by a public question~~  
19       ~~approved by the voters, the percentage rate of the license fee in effect on~~  
20       ~~January 1, 2005, and any maximum salary limit upon which the license fee is~~  
21       ~~calculated shall remained unchanged for subsequent fiscal years. A percentage~~  
22       ~~rate higher than the percentage rate in effect on January 1, 2005, or any change~~  
23       ~~in the maximum salary limit upon which a license fee is calculated shall be~~  
24       ~~prohibited unless approved by the voters at a public referendum. [The~~  
25       ~~percentage rate of a license fee in such counties shall at no time exceed one~~  
26       ~~percent (1%).] Any question to be placed before the voters as a result of this~~  
27       ~~paragraph shall be placed on the ballot at a regular election or nominating~~

1 primary.†

2 ~~(d) This subsection shall have retroactive application; and~~

3 ~~(e) If any provision of this subsection or the application thereof to any person or~~  
4 ~~circumstance is held invalid, the invalidity shall not affect other provisions or~~  
5 ~~application of this section that can be given effect without the invalid~~  
6 ~~provision or application, and to this end the provisions of this subsection are~~  
7 ~~severable.]~~

8 ~~(8)~~~~(11)~~ Pursuant to this section, no fiscal court shall regulate any aspect of the manner  
9 in which any duly ordained, commissioned, or denominationally licensed minister  
10 of religion may perform his or her duties and activities as a minister of religion.  
11 Duly ordained, commissioned, or denominationally licensed ministers of religion  
12 shall be subject to the same license fees imposed on others in the county on salaries,  
13 wages, commissions, and other compensation earned for work done and services  
14 performed or rendered.

15 ➔Section 2. KRS 68.604 is amended to read as follows:

- 16 (1) Districts shall be organized under the procedures of KRS 68.602.
- 17 (2) A district created under KRS 68.602 shall constitute a taxing district within the  
18 meaning of Section 157 of the Constitution of Kentucky.
- 19 (3) A special ad valorem tax and an occupational license tax may be imposed for the  
20 establishment, maintenance, and operation of the governmental services provided to  
21 the district.
  - 22 (a) The ad valorem tax levied shall not exceed ten cents (\$0.10) per one hundred  
23 dollars (\$100) of the assessed valuation of all property in the district.
  - 24 (b) The occupational license tax may be assessed after the approval of the fiscal  
25 court of the county in which the district is located under the provisions of  
26 KRS 68.178, 68.180, 68.185, 68.190, 68.195, 68.197, ~~68.198,~~ 68.200, and  
27 68.202, as may be amended from time to time.

1 (4) All special ad valorem taxes and occupational license taxes authorized by KRS  
2 65.180, 65.182, and 68.600 to 68.606 shall be collected in the same manner as are  
3 other county ad valorem taxes and occupational license taxes in each county  
4 affected and shall be turned over to the board, or to the fiscal court if there is no  
5 board. The special ad valorem tax shall be in addition to all other ad valorem taxes.

6 ➔Section 3. The following KRS sections are repealed:

7 68.198 Fiscal court powers as to imposition of license tax (counties of 30,000).

8 68.199 County that attains population of 30,000 -- Credit against occupational license  
9 fee -- Voluntary credit -- New fee or increase in fee.

10 ➔Section 4. This Act takes effect July 1, 2018.