

1 AN ACT relating to local tourist and convention commissions.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 91A IS CREATED TO  
4 READ AS FOLLOWS:

5 *(1) If a local governing body has imposed taxes pursuant to KRS 91A.390 or 91A.400*  
6 *prior to the effective date of this Act, the local governing body shall provide*  
7 *information or training to fully explain how to properly collect and remit sales*  
8 *and use tax under KRS Chapter 139 in connection with the levy of taxes under*  
9 *KRS 91A.390 or 91A.400 to persons or entities who first become obligated to*  
10 *collect and remit the applicable taxes after the effective date of this Act.*

11 *(2) If a local governing body levies newly imposed taxes pursuant to KRS 91A.390 or*  
12 *91A.400 on or after the effective date of this Act, the local governing body shall*  
13 *provide information or training to fully explain how to properly collect and remit*  
14 *sales and use tax under KRS Chapter 139 in connection with the levy of taxes*  
15 *under KRS 91A.390 or 91A.400 to:*

16 *(a) Persons and entities who are obligated to collect and remit the applicable*  
17 *tax under KRS 91A.390 or 91A.400 on the date that the initial collection of*  
18 *the tax begins; and*

19 *(b) Persons or entities who become obligated to collect and remit the tax under*  
20 *KRS 91A.390 or 91A.400 after the date that the initial collection of the tax*  
21 *begins.*

22 *(3) (a) The local governing body shall provide written notice of the information or*  
23 *training that fully explains how to properly collect and remit the sales and*  
24 *use tax under KRS Chapter 139 in connection with the levy of taxes under*  
25 *KRS 91A.390 or 91A.400 to the person or entity obligated to collect the tax*  
26 *under KRS 91A.390 or 91A.400 prior to the date the person or entity begins*  
27 *collecting the applicable tax.*

1       **(b) The written notice concerning the information or the training shall be**  
2       **provided to a person or entity as follows:**

- 3               **1. Personal service to the person or entity obligated to collect the tax; or**  
4               **2. Mailing a copy of the written notice by regular first-class mail to the**  
5               **last known recorded mailing address of the person or entity obligated**  
6               **to collect the tax.**

7       **(c) The clerk for the local governing body shall certify a list of persons or**  
8       **entities to whom the notice was delivered, whether the notice was delivered**  
9       **in person or by mail, and the date of the hand delivery or date mailed.**

10       **(4) Prior to providing information or training to fully explain how to properly collect**  
11       **the tax, the local governing body shall contact the Department of Revenue for**  
12       **guidance for the information or training.**

13       **(5) If a person or entity obligated to collect and remit the tax as stated in subsections**  
14       **(1) and (2) of this section is issued a penalty by the Department of Revenue**  
15       **pursuant to KRS 131.180 and 131.183 for failure to properly collect and remit**  
16       **sales and use tax under KRS Chapter 139 in connection with the collection of**  
17       **taxes pursuant to KRS 91A.390 or 91A.400, and the local governing body has no**  
18       **record of providing notice of the information or training to the person or entity as**  
19       **required in subsection (3) of this section, then the person or entity may have a**  
20       **cause of action against the local tourist and convention commission for**  
21       **reimbursement of the payment of any penalty or interest charged for the**  
22       **improper collection of sales and use tax to the extent that the failure to properly**  
23       **collect and remit sales and use tax is due to the failure to provide information or**  
24       **training as required in subsection (3) of this section.**

25       **(6) (a) Any cost to implement and provide the information or training as required**  
26       **in subsections (1) to (3) of this section shall be deducted by the local**  
27       **governing body from the tax levied pursuant to KRS 91A.390 or 91A.400.**

1       **(b) The deductions taken by the local governing body shall only be made during**  
2       **the first month in which the tax is levied by the local governing body or the**  
3       **first month in which the person or entity becomes responsible for the tax**  
4       **pursuant to KRS 91A.390 or 91A.400.**