

1 AN ACT relating to exemptions for disaster response businesses and employees.

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

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

5 *As used in this section and Sections 2 and 3 of this Act:*

6 *(1) "Critical infrastructure" means property and equipment owned or used by*
7 *communications networks, electric generation, transmission and distribution*
8 *systems, gas distribution systems, or water or wastewater pipelines that service*
9 *multiple customers or citizens, including but not limited to real and personal*
10 *property such as buildings, offices, lines, poles, pipes, structures, and equipment;*

11 *(2) "Declared state disaster or emergency" means a disaster or emergency event for*
12 *which:*

13 *(a) The Governor has declared a state of emergency pursuant to KRS 39A.100;*

14 *or*

15 *(b) A presidential declaration of a federal major disaster or emergency has*
16 *been issued;*

17 *(3) "Disaster or emergency-related work" means repairing, renovating, installing,*
18 *building, or rendering services that are essential to the restoration of critical*
19 *infrastructure that has been damaged, impaired, or destroyed by a declared state*
20 *disaster or emergency;*

21 *(4) "Disaster response business" means a business entity:*

22 *(a) That has no presence in the state and conducts no business in the state,*
23 *except for disaster or emergency-related work during a disaster response*
24 *period;*

25 *(b) Whose services are requested by a registered business or by a state or local*
26 *government for purposes of performing disaster or emergency-related work*
27 *in the state during a disaster response period; and*

1 (c) That has no registrations or tax filings or nexus in this state other than
2 disaster or emergency-related work during the calendar year immediately
3 preceding the declared state disaster or emergency;

4 (5) "Disaster response employee" means an employee who does not work or reside in
5 the state, except for disaster or emergency-related work during the disaster
6 response period;

7 (6) "Disaster response period" means a period that begins ten (10) days prior to the
8 first day of the Governor's declaration under KRS 39A.100, or the President's
9 declaration of a federal major disaster or emergency, whichever occurs first, and
10 that extends thirty (30) calendar days after the declared state disaster or
11 emergency; and

12 (7) "Registered business" means a business entity that owns or otherwise possesses
13 critical infrastructure and that is registered to do business in the state prior to the
14 declared state disaster or emergency.

15 ➔Section 2. KRS 141.020 is amended to read as follows:

16 (1) An annual tax shall be paid for each taxable year by every resident individual of this
17 state upon his entire net income as defined in this chapter. The tax shall be
18 determined by applying the rates in subsection (2) of this section to net income and
19 subtracting allowable tax credits provided in subsection (3) of this section.

20 (2) (a) For taxable years beginning on or after January 1, 2018, the tax shall be five
21 percent (5%) of net income.

22 (b) For taxable years beginning after December 31, 2004, and before January 1,
23 2018, the tax shall be determined by applying the following rates to net
24 income:

25 1. Two percent (2%) of the amount of net income up to three thousand
26 dollars (\$3,000);

27 2. Three percent (3%) of the amount of net income over three thousand

- 1 dollars (\$3,000) and up to four thousand dollars (\$4,000);
- 2 3. Four percent (4%) of the amount of net income over four thousand
- 3 dollars (\$4,000) and up to five thousand dollars (\$5,000);
- 4 4. Five percent (5%) of the amount of net income over five thousand
- 5 dollars (\$5,000) and up to eight thousand dollars (\$8,000);
- 6 5. Five and eight-tenths percent (5.8%) of the amount of net income over
- 7 eight thousand dollars (\$8,000) and up to seventy-five thousand dollars
- 8 (\$75,000); and
- 9 6. Six percent (6%) of the amount of net income over seventy-five
- 10 thousand dollars (\$75,000).
- 11 (3) (a) The following tax credits, when applicable, shall be deducted from the result
- 12 obtained under subsection (2) of this section to arrive at the annual tax:
- 13 1. a. For taxable years beginning before January 1, 2014, twenty dollars
- 14 (\$20) for an unmarried individual; and
- 15 b. For taxable years beginning on or after January 1, 2014, and before
- 16 January 1, 2018, ten dollars (\$10) for an unmarried individual;
- 17 2. a. For taxable years beginning before January 1, 2014, twenty dollars
- 18 (\$20) for a married individual filing a separate return and an
- 19 additional twenty dollars (\$20) for the spouse of taxpayer if a
- 20 separate return is made by the taxpayer and if the spouse, for the
- 21 calendar year in which the taxable year of the taxpayer begins, had
- 22 no Kentucky gross income and is not the dependent of another
- 23 taxpayer; or forty dollars (\$40) for married persons filing a joint
- 24 return, provided neither spouse is the dependent of another
- 25 taxpayer. The determination of marital status for the purpose of
- 26 this section shall be made in the manner prescribed in Section 153
- 27 of the Internal Revenue Code; and

- 1 b. For taxable years beginning on or after January 1, 2014, and before
2 January 1, 2018, ten dollars (\$10) for a married individual filing a
3 separate return and an additional ten dollars (\$10) for the spouse of
4 a taxpayer if a separate return is made by the taxpayer and if the
5 spouse, for the calendar year in which the taxable year of the
6 taxpayer begins, had no Kentucky gross income and is not the
7 dependent of another taxpayer; or twenty dollars (\$20) for married
8 persons filing a joint return, provided neither spouse is the
9 dependent of another taxpayer. The determination of marital status
10 for the purpose of this section shall be made in the manner
11 prescribed in Section 153 of the Internal Revenue Code;
- 12 3. a. For taxable years beginning before January 1, 2014, twenty dollars
13 (\$20) credit for each dependent. No credit shall be allowed for any
14 dependent who has made a joint return with his or her spouse; and
- 15 b. For taxable years beginning on or after January 1, 2014, and before
16 January 1, 2018, ten dollars (\$10) credit for each dependent. No
17 credit shall be allowed for any dependent who has made a joint
18 return with his or her spouse;
- 19 4. An additional forty dollars (\$40) credit if the taxpayer has attained the
20 age of sixty-five (65) before the close of the taxable year;
- 21 5. An additional forty dollars (\$40) credit for taxpayer's spouse if a
22 separate return is made by the taxpayer and if the taxpayer's spouse has
23 attained the age of sixty-five (65) before the close of the taxable year,
24 and, for the calendar year in which the taxable year of the taxpayer
25 begins, has no Kentucky gross income and is not the dependent of
26 another taxpayer;
- 27 6. An additional forty dollars (\$40) credit if the taxpayer is blind at the

- 1 close of the taxable year;
- 2 7. An additional forty dollars (\$40) credit for taxpayer's spouse if a
3 separate return is made by the taxpayer and if the taxpayer's spouse is
4 blind, and, for the calendar year in which the taxable year of the taxpayer
5 begins, has no Kentucky gross income and is not the dependent of
6 another taxpayer;
- 7 8. In the case of a fiduciary, other than an estate, the allowable tax credit
8 shall be two dollars (\$2);
- 9 9. In the case of an estate, the allowable tax credit shall be ten dollars
10 (\$10); and
- 11 10. An additional twenty dollars (\$20) credit shall be allowed if the taxpayer
12 is a member of the Kentucky National Guard at the close of the taxable
13 year.
- 14 (b) In the case of nonresidents, the tax credits allowable under this subsection
15 shall be the portion of the credits that are represented by the ratio of the
16 taxpayer's Kentucky adjusted gross income as determined by KRS 141.019 to
17 the taxpayer's adjusted gross income as defined in Section 62 of the Internal
18 Revenue Code. However, in the case of a married nonresident taxpayer with
19 income from Kentucky sources, whose spouse has no income from Kentucky
20 sources, the taxpayer shall determine allowable tax credit(s) by either:
- 21 1. The method contained above applied to the taxpayer's tax credit(s),
22 excluding credits for a spouse and dependents; or
- 23 2. Prorating the taxpayer's tax credit(s) plus the tax credits for the
24 taxpayer's spouse and dependents by the ratio of the taxpayer's Kentucky
25 adjusted gross income as determined by KRS 141.019 to the total joint
26 federal adjusted gross income of the taxpayer and the taxpayer's spouse.
- 27 (c) In the case of a part-year resident, the tax credits allowable under this

1 subsection shall be the portion of the credits represented by the ratio of the
2 taxpayer's Kentucky adjusted gross income as determined by KRS 141.019 to
3 the taxpayer's adjusted gross income as defined in Section 62 of the Internal
4 Revenue Code.

5 (4) An annual tax shall be paid for each taxable year as specified in this section upon
6 the entire net income except as herein provided, from all tangible property located
7 in this state, from all intangible property that has acquired a business situs in this
8 state, and from business, trade, profession, occupation, or other activities carried on
9 in this state, by natural persons not residents of this state. A nonresident individual
10 shall be taxable only upon the amount of income received by the individual from
11 labor performed, business done, or from other activities in this state, from tangible
12 property located in this state, and from intangible property which has acquired a
13 business situs in this state; provided, however, that the situs of intangible personal
14 property shall be at the residence of the real or beneficial owner and not at the
15 residence of a trustee having custody or possession thereof. **For taxable years**
16 **beginning on or after January 1, 2020, but before January 1, 2024, the tax**
17 **imposed by this section shall not apply to a disaster response employee as defined**
18 **in Section 1 of this Act or to a disaster response business as defined in Section 1**
19 **of this Act.** The remainder of the income received by such nonresident shall be
20 deemed nontaxable by this state.

21 (5) Subject to the provisions of KRS 141.081, any individual may elect to pay the
22 annual tax imposed by KRS 141.023 in lieu of the tax levied under this section.

23 (6) A part-year resident is subject to taxation, as prescribed in subsection (1) of this
24 section, during that portion of the taxable year that the individual is a resident and,
25 as prescribed in subsection (4) of this section, during that portion of the taxable year
26 when the individual is a nonresident.

27 ➔Section 3. KRS 141.040 is amended to read as follows:

1 (1) Every corporation doing business in this state, except those corporations listed in
2 paragraphs (a) ~~to (c)~~ ~~and (b)~~ of this subsection, shall pay for each taxable year a tax
3 to be computed by the taxpayer on taxable net income at the rates specified in this
4 section:

5 (a) For taxable years beginning prior to January 1, ~~2020~~ ~~2021~~:

- 6 1. Financial institutions, as defined in KRS 136.500, except bankers banks
7 organized under KRS 286.3-135;
- 8 2. Savings and loan associations organized under the laws of this state and
9 under the laws of the United States and making loans to members only;
- 10 3. Banks for cooperatives;
- 11 4. Production credit associations;
- 12 5. Insurance companies, including farmers' or other mutual hail, cyclone,
13 windstorm, or fire insurance companies, insurers, and reciprocal
14 underwriters;
- 15 6. Corporations or other entities exempt under Section 501 of the Internal
16 Revenue Code;
- 17 7. Religious, educational, charitable, or like corporations not organized or
18 conducted for pecuniary profit; and
- 19 8. Corporations whose only owned or leased property located in this state
20 is located at the premises of a printer with which it has contracted for
21 printing, provided that:
 - 22 a. The property consists of the final printed product, or copy from
23 which the printed product is produced; and
 - 24 b. The corporation has no individuals receiving compensation in this
25 state as provided in KRS 141.120(8)(b); ~~and~~

26 (b) For taxable years beginning on or after January 1, 2020, but before January 1,
27 2021:

- 1 1. Insurance companies, including farmers' or other mutual hail, cyclone,
2 windstorm, or fire insurance companies, insurers, and reciprocal
3 underwriters;
- 4 2. Corporations or other entities exempt under Section 501 of the Internal
5 Revenue Code;
- 6 3. Religious, educational, charitable, or like corporations not organized or
7 conducted for pecuniary profit;~~and~~
- 8 4. Corporations whose only owned or leased property located in this state
9 is located at the premises of a printer with which it has contracted for
10 printing, provided that:
- 11 a. The property consists of the final printed product, or copy from
12 which the printed product is produced; and
- 13 b. The corporation has no individuals receiving compensation in this
14 state as provided in KRS 141.120(8)(b); and
- 15 **5. A disaster response business as defined in Section 1 of this Act; and**
- 16 **(c) 1. For taxable years beginning on or after January 1, 2021:**
- 17 **a. Insurance companies, including farmers' or other mutual hail,**
18 **cyclone, windstorm, or fire insurance companies, insurers, and**
19 **reciprocal underwriters;**
- 20 **b. Corporations or other entities exempt under Section 501 of the**
21 **Internal Revenue Code;**
- 22 **c. Religious, educational, charitable, or like corporations not**
23 **organized or conducted for pecuniary profit; and**
- 24 **d. Corporations whose only owned or leased property located in**
25 **this state is located at the premises of a printer with which it has**
26 **contracted for printing, provided that:**
- 27 **i. The property consists of the final printed product, or copy**

1 from which the printed product is produced; and
 2 ii. The corporation has no individuals receiving compensation
 3 in this state as provided in KRS 141.120(8)(b).

4 2. For taxable years beginning on or after January 1, 2021, but before
 5 January 1, 2024, a disaster response business as defined in Section 1
 6 of this Act.

- 7 (2) For taxable years beginning on or after January 1, 2018, the rate of five percent
 8 (5%) of taxable net income shall apply.
- 9 (3) For taxable years beginning on or after January 1, 2007, and before January 1, 2018,
 10 the following rates shall apply:
- 11 (a) Four percent (4%) of the first fifty thousand dollars (\$50,000) of taxable net
 12 income;
- 13 (b) Five percent (5%) of taxable net income over fifty thousand dollars (\$50,000)
 14 up to one hundred thousand dollars (\$100,000); and
- 15 (c) Six percent (6%) of taxable net income over one hundred thousand dollars
 16 (\$100,000).
- 17 (4) (a) An S corporation shall pay income tax on the same items of income and in the
 18 same manner as required for federal purposes, except to the extent required by
 19 differences between this chapter and the federal income tax law and
 20 regulations.
- 21 (b) 1. If the S corporation is required under Section 1363(d) of the Internal
 22 Revenue Code to submit installments of tax on the recapture of LIFO
 23 benefits, installments to pay the Kentucky tax due shall be paid on or
 24 before the due date of the S corporation's return, as extended, if
 25 applicable.
- 26 2. Notwithstanding KRS 141.170(3), no interest shall be assessed on the
 27 installment payment for the period of extension.

1 (c) If the S corporation is required under Section 1374 or 1375 of the Internal
2 Revenue Code to pay tax on built-in gains or on passive investment income,
3 the amount of tax imposed by this subsection shall be computed by applying
4 the highest rate of tax for the taxable year.

5 ➔Section 4. KRS 68.180 is amended to read as follows:

6 (1) The fiscal court of each county having a population of three hundred thousand
7 (300,000) or more may by order or resolution impose license fees on franchises,
8 provide for licensing any business, trade, occupation, or profession, and the using,
9 holding, or exhibiting of any animal, article, or other thing.

10 (2) License fees on such business, trade, occupation, or profession for revenue
11 purposes, except those of the common schools, shall be imposed at a percentage
12 rate not to exceed one and one-fourth percent (1.25%) of:

13 (a) Salaries, wages, commissions, and other compensation earned by persons
14 within the county for work done and services performed or rendered in the
15 county; and

16 (b) The net profits of businesses, trades, professions, or occupations from
17 activities conducted in the county.

18 (3) (a) No public service company that pays an ad valorem tax shall be required to
19 pay a license tax.

20 (b) 1. It is the intent of the General Assembly to continue the exemption from
21 local license fees and occupational taxes that existed on January 1, 2006,
22 for providers of multichannel video programming services or
23 communications services as defined in KRS 136.602 that were taxed
24 under KRS 136.120 prior to January 1, 2006.

25 2. To further this intent, no company providing multichannel video
26 programming services or communications services as defined in KRS
27 136.602 shall be required to pay a license tax. If only a portion of an

1 entity's business is providing multichannel video programming services
2 or communications services, including products or services that are
3 related to and provided in support of the multichannel video
4 programming services or communications services, this exclusion
5 applies only to that portion of the business that provides multichannel
6 video programming services or communications services, including
7 products or services that are related to and provided in support of the
8 multichannel video programming services or communications services
9 or communications services.

10 (c) No license tax shall be imposed upon or collected from any bank, trust
11 company, combined bank and trust company, combined trust, banking and
12 title business in this state, any savings and loan association, whether state or
13 federally chartered.

14 (d) No license tax shall be imposed upon income received by members of the
15 Kentucky National Guard for active duty training, unit training assemblies,
16 and annual field training.

17 (e) No license tax shall be imposed upon income received by precinct workers for
18 election training or work at election booths in state, county, and local primary,
19 regular, or special elections.

20 (f) No license tax shall be imposed upon any profits, earnings, or distributions of
21 an investment fund which would qualify under KRS 154.20-250 to 154.20-
22 284 to the extent any profits, earnings, or distributions would not be taxable to
23 an individual investor, or in other cases where the county is prohibited by law
24 from imposing a license tax.

25 **(g) No license tax shall be imposed upon the profits earned during a disaster**
26 **response period as defined in Section 1 of this Act by a disaster response**
27 **business as defined in Section 1 of this Act.**

1 *(h) No license tax shall be imposed upon income received for work performed*
2 *during a disaster response period as defined in Section 1 of this Act by a*
3 *disaster response employee as defined in Section 1 of this Act.*

4 (4) The provisions and limitations of subsection (2) of this section shall not apply to
5 license fees imposed for regulatory purposes as to form and amount, or to the
6 license fees authorized by KRS 160.482 to 160.488.

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

14 ➔Section 5. KRS 68.197 is amended to read as follows:

15 (1) The fiscal court of each county having a population of thirty thousand (30,000) or
16 more may by ordinance impose license fees on franchises, provide for licensing any
17 business, trade, occupation, or profession, and the using, holding, or exhibiting of
18 any animal, article, or other thing.

19 (2) License fees on business, trade, occupation, or profession for revenue purposes,
20 except those of the common schools, may be imposed at a percentage rate not to
21 exceed one percent (1%) of:

22 (a) Salaries, wages, commissions, and other compensation earned by persons
23 within the county for work done and services performed or rendered in the
24 county;

25 (b) The net profits of self-employed individuals, partnerships, professional
26 associations, or joint ventures resulting from trades, professions, occupations,
27 businesses, or activities conducted in the county; and

- 1 (c) The net profits of corporations resulting from trades, professions, occupations,
2 businesses, or activities conducted in the county.
- 3 (3) In order to reduce administrative costs and minimize paperwork for employers,
4 employees, and businesses, the fiscal court may provide:
- 5 (a) For an annual fixed amount license fee which a person may elect to pay in lieu
6 of reporting and paying the percentage rate as provided in this subsection on
7 salaries, wages, commissions, and other compensation earned within the
8 county for work done and services performed or rendered in the county; and
- 9 (b) For an annual fixed amount license fee which an individual, partnership,
10 professional association, joint venture, or corporation may elect to pay in lieu
11 of reporting and paying the percentage rate as provided in this subsection on
12 net profits of businesses, trades, professions, or occupations from activities
13 conducted in the county.
- 14 (4) (a) Licenses imposed for regulatory purposes are not subject to limitations as to
15 form and amount.
- 16 (b) No public service company that pays an ad valorem tax is required to pay a
17 license tax.
- 18 (c) 1. It is the intent of the General Assembly to continue the exemption from
19 local license fees and occupational taxes that existed on January 1, 2006,
20 for providers of multichannel video programming services or
21 communications services as defined in KRS 136.602 that were taxed
22 under KRS 136.120 prior to the effective date of this section.
- 23 2. To further this intent, no company providing multichannel video
24 programming services or communications services as defined in KRS
25 136.602 shall be required to pay a license tax. If only a portion of an
26 entity's business is providing multichannel video programming services
27 including products or services that are related to and provided in support

1 of the multichannel video programming services or communications
 2 services, this exclusion applies only to that portion of the business that
 3 provides multichannel video programming services or communications
 4 services, including products or services that are related to and provided
 5 in support of the multichannel video programming services or
 6 communications services.

7 (d) No license tax shall be imposed upon or collected from any insurance
 8 company except as provided in KRS 91A.080, bank, trust company, combined
 9 bank and trust company, combined trust, banking, and title business in this
 10 state, or any savings and loan association whether state or federally chartered,
 11 or in other cases where the county is prohibited by law from imposing a
 12 license fee.

13 (5) No license fee shall be imposed or collected on:

14 (a) Income received by members of the Kentucky National Guard for active duty
 15 training, unit training assemblies, and annual field training;~~[-, or on]~~

16 (b) Income received by precinct workers for election training or work at election
 17 booths in state, county, and local primary, regular, or special elections;~~[-, or~~
 18 ~~upon]~~

19 (c) Any profits, earnings, or distributions of an investment fund which would
 20 qualify under KRS 154.20-250 to 154.20-284 to the extent any profits,
 21 earnings, or distributions would not be taxable to an individual investor;

22 (d) Profits earned during a disaster response period as defined in Section 1 of
 23 this Act by a disaster response business as defined in Section 1 of this Act;
 24 or

25 (e) Income received for work performed during a disaster response period as
 26 defined in Section 1 of this Act by a disaster response employee as defined
 27 in Section 1 of this Act.

- 1 (6) Persons who pay a county license fee pursuant to this section and who also pay a
2 license fee to a city contained in the county may, upon agreement between the
3 county and the city, credit their city license fee against their county license fee. As
4 used in this subsection, "city contained in the county" shall include a city that is in
5 more than one (1) county.
- 6 (7) The provisions of subsection (6) of this section notwithstanding, effective with
7 license fees imposed under the provisions of subsection (1) of this section on or
8 after July 15, 1986, persons who pay a county license fee and a license fee to a city
9 contained in the county shall be allowed to credit their city license fee against their
10 county license fee. As used in this subsection, "city contained in the county" shall
11 include a city that is in more than one (1) county.
- 12 (8) Notwithstanding any statute to the contrary, the provisions of subsection (7) of this
13 section shall apply as follows from March 14, 2012, through July 15, 2014:
- 14 (a) Any set-off or credit of city license fees against county license fees that exists
15 between a city and county as of March 15, 2012, shall remain in effect as it is
16 on March 15, 2012; and
- 17 (b) The provisions of subsection (7) of this section shall not apply to a city and
18 county unless both the city and the county have both levied and are collecting
19 license fees on March 15, 2012.
- 20 (9) A county that enacted an occupational license fee under the authority of KRS
21 67.083 shall not be required to reduce its occupational tax rate when it is
22 determined that the population of the county exceeds thirty thousand (30,000).
- 23 (10) Notwithstanding any statute to the contrary:
- 24 (a) In those counties where a license fee has been authorized by a public question
25 approved by the voters, there shall be no credit of a city license fee against a
26 county license fee except by agreement between the county and the city in
27 accordance with subsection (6) of this section;

- 1 (b) Notwithstanding any provision of the KRS to the contrary, no taxpayer shall
2 be refunded or credited for any overpayment of a license tax paid to any
3 county to the extent the overpayment is attributable to or derives from this
4 section as it existed at any time subsequent to July 15, 1986, and the taxpayer
5 seeks a credit for a license tax paid to a city located within such county, if
6 such refund claim or amended tax return claim was filed or perfected after
7 November 18, 2004, except by agreement between the city and county in
8 accordance with subsection (6) of this section;
- 9 (c) In those counties where a license fee has been authorized by a public question
10 approved by the voters, the percentage rate of the license fee in effect on
11 January 1, 2005, and any maximum salary limit upon which the license fee is
12 calculated shall remain unchanged for subsequent fiscal years. A percentage
13 rate higher than the percentage rate in effect on January 1, 2005, or any change
14 in the maximum salary limit upon which a license fee is calculated shall be
15 prohibited unless approved by the voters at a public referendum. The
16 percentage rate of a license fee in such counties shall at no time exceed one
17 percent (1%). Any question to be placed before the voters as a result of this
18 paragraph shall be placed on the ballot at a regular election or nominating
19 primary.
- 20 (d) This subsection shall have retroactive application; and
- 21 (e) If any provision of this subsection or the application thereof to any person or
22 circumstance is held invalid, the invalidity shall not affect other provisions or
23 application of this section that can be given effect without the invalid
24 provision or application, and to this end the provisions of this subsection are
25 severable.
- 26 (11) Pursuant to this section, no fiscal court shall regulate any aspect of the manner in
27 which any duly ordained, commissioned, or denominationally licensed minister of

1 religion may perform his or her duties and activities as a minister of religion. Duly
2 ordained, commissioned, or denominationally licensed ministers of religion shall be
3 subject to the same license fees imposed on others in the county on salaries, wages,
4 commissions, and other compensation earned for work done and services performed
5 or rendered.

6 ➔Section 6. KRS 91.200 is amended to read as follows:

7 (1) The board of aldermen of every city of the first class, in addition to levying ad
8 valorem taxes, may by ordinance impose license fees on franchises, provide for
9 licensing any business, trade, occupation, or profession and the using, holding, or
10 exhibiting of any animal, article, or other thing.

11 (2) License fees on a business, trade, occupation, or profession for revenue purposes
12 may be imposed at a percentage rate not to exceed those hereinafter set forth on:

13 (a) Salaries, wages, commissions and other compensations earned by every
14 person within the city for work done and services performed or rendered in the
15 city (all of such being hereinafter collectively referred to as "wages"); and

16 (b) The net profits of all businesses, professions, or occupations from activities
17 conducted in the city (hereinafter collectively referred to as "net profits").

18 (3) (a) Licenses imposed for regulatory purposes shall not be subject to such
19 limitations as to form and amount.

20 (b) No company that pays an ad valorem tax and a franchise tax is required to pay
21 a license tax.

22 (c) 1. It is the intent of the General Assembly to continue the exemption from
23 local license fees and occupational taxes that existed on January 1, 2006,
24 for providers of multichannel video programming services or
25 communications services as defined in KRS 136.602 that were taxed
26 under KRS 136.120 prior to January 1, 2006.

27 2. To further this intent, no company providing multichannel video

1 programming services or communications services as defined in KRS
2 136.602 shall be required to pay a license tax. If only a portion of an
3 entity's business is providing multichannel video programming services
4 or communications services, including products or services that are
5 related to and provided in support of the multichannel video
6 programming services or communications services, this exclusion
7 applies only to that portion of the business that provides multichannel
8 video programming services or communications services including
9 products or services that are related to and provided in support of the
10 multichannel video programming services or communications services.

11 (d) No license tax shall be imposed upon or collected from any bank, trust
12 company, combined bank and trust company or combined trust, banking and
13 title business in this state, any savings and loan association whether state or
14 federally chartered.

15 (e) No license tax shall be imposed upon income received by members of the
16 Kentucky national guard for active duty training, unit training assemblies, and
17 annual field training.

18 (f) No license tax shall be imposed on income received by precinct workers for
19 election training or work at election booths in state, county, and local primary,
20 regular, or special elections.

21 (g) No license tax shall be imposed upon any profits, earnings, or distributions of
22 an investment fund which would qualify under KRS 154.20-250 to 154.20-
23 284 to the extent any profits, earnings, or distributions would not be taxable to
24 an individual investor, or in any other case where the city is prohibited by
25 statute from imposing a license tax.

26 **(h) No license tax shall be imposed upon any profits earned during a disaster**
27 **response period as defined in Section 1 of this Act by a disaster response**

1 *business as defined in Section 1 of this Act.*

2 *(i) No license tax shall be imposed upon income received for work performed*
3 *during a disaster response period as defined in Section 1 of this Act by a*
4 *disaster response employee as defined in Section 1 of this Act.*

5 (4) The rate fixed on both "wages" and "net profits" shall be one and one-fourth percent
6 (1.25%).

7 (5) License fees or taxes shall be collected by the commissioners of the sinking fund.
8 The proceeds from the taxes shall be paid to the secretary and treasurer of the
9 sinking fund until income from all sources of the sinking fund is sufficient to pay
10 the cost of administration and the interest charges for the current fiscal year of the
11 sinking fund in addition to a sum sufficient to amortize the outstanding principal
12 indebtedness of the city on a yearly basis in accordance with regularly used
13 amortization tables.

14 (6) Revenue remaining after meeting the foregoing requirements shall be transferred to
15 the city. Such revenues shall be credited to the general fund of the city as received
16 and may be expended for general purposes or for capital improvements.

17 (7) The term "capital improvements" as used in this section is limited to additions or
18 improvements of a substantial and permanent nature and services rendered in
19 connection therewith, and includes but is not limited to:

20 (a) The purchase of rights of way for highways, expressways, and the widening of
21 existing streets;

22 (b) The purchase of lands for park, recreational, and other governmental facilities
23 and for public off-street parking facilities;

24 (c) The purchase, construction, reconstruction, renovation, or remodeling of
25 municipal buildings, and facilities;

26 (d) The replacement of machinery, wires, pipes, structural members or fixtures,
27 and other essential portions of municipal buildings;

- 1 (e) The initial equipment of any newly acquired facility wherein any essential
2 governmental function of the municipality may be located or carried on;
- 3 (f) The purchase and installation of traffic control devices and fire alarm
4 equipment;
- 5 (g) The reconstruction and resurfacing, but not routine maintenance, of streets and
6 other public ways;
- 7 (h) The acquisition of motorized equipment purchased as additions to, but not
8 replacements for, existing equipment; and
- 9 (i) Engineering and other costs incurred by the city in connection with the
10 construction of public improvements financed under a special assessment
11 plan.
- 12 (8) Ad valorem taxes for the benefit of the sinking fund shall not be levied unless the
13 income of the sinking fund is otherwise insufficient to meet such requirements.
- 14 (9) Licenses shall be issued and enforced on terms and conditions as prescribed by
15 ordinance.
- 16 (10) Pursuant to this section, no city of the first class shall regulate any aspect of the
17 manner in which any duly ordained, commissioned, or denominationally licensed
18 minister of religion may perform his or her duties and activities as a minister of
19 religion. Duly ordained, commissioned, or denominationally licensed ministers of
20 religion shall be subject to the same license fees imposed on others in the city on
21 salaries, wages, commissions, and other compensation earned for work done and
22 services performed or rendered.
- 23 ➔Section 7. KRS 92.300 is amended to read as follows:
- 24 (1) (a) The legislative body of an urban-county government and any city of the home
25 rule class may by ordinance exempt manufacturing establishments, including
26 qualified data centers, from city taxation for a period not exceeding five (5)
27 years as an inducement to their location in the urban-county government, or

1 city.

2 (b) As used in this subsection:

3 1. "Data center" means a structure or portion of a structure that is
4 predominantly used to house and continuously operate computer servers
5 and associated telecommunications, electronic data processing or
6 storage, or other similar components;

7 2. "Overall tier rating" means the overall tier rating of a data center
8 according to the TIA-942 Telecommunications Infrastructure Standard
9 for Data Centers established by the Telecommunications Industry
10 Association and published in April 2005, exclusive of any amendments
11 made subsequent to that date; and

12 3. "Qualified data center" means a data center having an overall tier rating
13 of three (3) or four (4) on the assessment date of a given taxable year, as
14 established by the owner thereof.

15 (2) (a) No city of the home rule class or urban-county government may impose or
16 collect any license tax upon:

17 1. Any bank, trust company, combined bank and trust company, or trust,
18 banking and title insurance company organized and doing business in
19 this state;

20 2. Any savings and loan association whether state or federally chartered;{
21 ~~or~~}

22 3. The provision of multichannel video programming services or
23 communications services as defined in KRS 136.602. It is the intent of
24 the General Assembly to continue the exemption from local license fees
25 and occupational taxes that existed on January 1, 2006, for providers of
26 multichannel video programming services or communications services
27 as defined in KRS 136.602 that were taxed under KRS 136.120 prior to

1 January 1, 2006. If only a portion of an entity's business is providing
 2 multichannel video programming services or communications services
 3 including products or services that are related to and provided in support
 4 of the multichannel video programming services or communications
 5 services, this exclusion applies only to that portion of the business that
 6 provides multichannel video programming services or communications
 7 services including products or services that are related to and provided
 8 in support of the multichannel video programming services or
 9 communications services; or

10 **4. A disaster relief business as defined in Section 1 of this Act for work**
 11 **performed during a disaster response period as defined in Section 1 of**
 12 **this Act.**

13 (b) No city of the home rule class or urban-county government may impose or
 14 collect any license tax upon income received:

- 15 1. By members of the Kentucky National Guard for active duty training,
 16 unit training assemblies and annual field training; ~~{or}~~
- 17 2. By precinct workers for election training or work at election booths in
 18 state, county, and local primary, regular, or special elections; or

19 **3. By a disaster response employee as defined in Section 1 of this Act for**
 20 **work performed during a disaster response period as defined in**
 21 **Section 1 of this Act.**

22 (3) Pursuant to KRS 92.281, no city shall regulate any aspect of the manner in which
 23 any duly ordained, commissioned, or denominationally licensed minister of religion
 24 may perform his or her duties and activities as a minister of religion. Duly ordained,
 25 commissioned, or denominationally licensed ministers of religion shall be subject to
 26 the same license fees imposed on others in the city enacted pursuant to KRS 92.281.

27 ➔Section 8. KRS 227.480 is amended to read as follows:

- 1 (1) (a) A city, county, urban-county government, charter county, or consolidated
2 local government or the state shall, according to the Uniform State Building
3 Code as it pertains to the plan review and inspection responsibilities of local
4 governments or the state, require any person to obtain a permit before
5 commencing construction, alteration, or repairs of any electrical system.
- 6 (b) The city, county, urban-county government, charter county, or consolidated
7 local government or the state shall require all inspections that are deemed
8 necessary by the department for the safety of life and property. The
9 department shall promulgate administrative regulations to describe the
10 circumstances where inspections are required.
- 11 (2) A city, county, urban-county government, charter county, or consolidated local
12 government or the state shall not issue a permit unless the applicant submits proof
13 of being licensed as an electrical contractor under KRS Chapter 227A or of acting
14 on behalf of a licensed electrical contractor. However, the provisions of this
15 subsection shall not apply to:
- 16 (a) A homeowner or farmer who does construction, alteration, or repairs of any
17 electrical system on his or her own premises or any other person exempt from
18 licensing under KRS 227A.030 or 227A.150;
- 19 (b) Electrical work performed by the Commonwealth of Kentucky, a city, county,
20 urban-county government, charter county, or consolidated local government,
21 or any subdivision thereof;~~[-or]~~
- 22 (c) A company with a recently deceased licensed electrical contractor, which shall
23 be granted an interim period of up to one hundred eighty (180) continuous
24 calendar days by the city, county, urban-county government, charter county,
25 consolidated local government, or state to allow the company to utilize the
26 license of the deceased electrical contractor if:
- 27 1. The company effectuates and documents all necessary bonding and

1 insurance policies required by KRS Chapter 227A; and

2 2. Ensures that the bonding and insurance policies remain in effect for the
3 entirety of the interim period of time extended; or

4 *(d) A disaster response business as defined in Section 1 of this Act.*

5 (3) A city, county, urban-county government, charter county, or consolidated local
6 government shall appoint and may fix the compensation of city, county, urban-
7 county government, charter county, or consolidated local government electrical
8 inspectors, and may by ordinance fix reasonable fees and establish other
9 requirements for the conduct of electrical inspections within its boundaries. All
10 electrical inspectors shall be certified under KRS 227.489.

11 (4) Reasonable standards for the construction, alteration, and repair of any electrical
12 system shall be those adopted in the Uniform State Building Code, as promulgated
13 by the department, and shall have as a minimum standard the requirements of the
14 National Electrical Code, which may include Kentucky amendments. These
15 standards shall be used by the electrical inspector in making his inspections.

16 ➔Section 9. KRS 227A.030 is amended to read as follows:

17 (1) The provisions of KRS 227A.010 to 227A.140 shall not apply to installations under
18 the exclusive control of electric utilities for the purpose of communication,
19 metering, or for the generation, control, transformation, transmission, and
20 distribution of electric energy located in buildings used exclusively by utilities for
21 those purposes or located outdoors on property owned or leased by the utility or on
22 public highways, streets, or roads, or outdoors by established rights on private
23 property.

24 (2) Nothing in KRS 227A.010 to 227A.140 shall require that a maintenance worker or
25 maintenance engineer performing routine maintenance of electrical systems be
26 licensed.

27 (3) Nothing in KRS 227A.010 to 227A.140 shall prohibit or interfere with the ability of

1 a homeowner or farmer to install or repair electrical wiring on his or her real
2 property.

3 (4) Nothing in KRS 227A.010 to 227A.140 shall require that a retailer or its agent
4 engaged in making installations of an appliance purchased at a retail establishment
5 be licensed.

6 (5) Nothing in KRS 227A.010 to 227A.140 shall be construed to require persons
7 making installations exempt by KRS 227.460 to be licensed or to work for a
8 licensed person.

9 (6) Nothing in KRS 227A.010 to 227A.140 shall preclude the use of unlicensed,
10 nonresident electricians in temporary, emergency, or industrial shutdown situations.
11 Those unlicensed, nonresident electricians shall apply for an electrician's license or
12 a master electrician's license after they are employed and engaged in electrical work
13 in the Commonwealth of Kentucky for a period of ten (10) days. No unlicensed,
14 nonresident electrician shall be employed or engaged in electrical work in the
15 Commonwealth of Kentucky for a total of more than thirty (30) days in any calendar
16 year without applying for an electrician's license or a master electrician's license.
17 The license shall be obtained by the temporary, unlicensed, nonresident electricians
18 within sixty (60) days of securing employment.

19 (7) Nothing in KRS 227A.010 to 227A.140 shall apply to a person performing work at
20 a surface or underground coal mine or at a coal preparation plant.

21 (8) Nothing in KRS 227A.010 to 227A.140 shall apply to a person performing work for
22 a telecommunications company for which the voltage is fifty (50) volts or less.

23 (9) Nothing in KRS 227A.010 to 227A.140 shall prohibit a factory-authorized
24 representative from the installation, maintenance, or service of a medical equipment
25 device. This exemption does not include work providing electrical feeds into the
26 power distribution unit or installation of conduits and raceways. This exemption
27 covers only those factory engineers or third-party service companies with equivalent

1 training who are qualified to perform such service.

- 2 (10) Nothing in KRS 227A.010 to 227A.140 shall apply to low-voltage, power-limited
3 installations for control or coordination of interconnected devices separated from a
4 power source by a Class 2 or Class 3 transformer installed by a person licensed as:
- 5 (a) A master or journeyman heating, ventilation, and air conditioning technician
6 employed by a licensed HVAC contractor pursuant to KRS 198B.658;
 - 7 (b) A fire protection sprinkler contractor pursuant to KRS 198B.560;
 - 8 (c) A manufactured housing dealer or certified installer pursuant to KRS 227.610;
 - 9 (d) A boiler mechanic pursuant to KRS 236.210;
 - 10 (e) A master or journeyman plumber pursuant to KRS 318.030;
 - 11 (f) An onsite sewage disposal system installer pursuant to KRS 211.357; or
 - 12 (g) An electrician or master electrician employed by an electrical contractor
13 pursuant to KRS 227A.010 to 227A.140.

- 14 (11) The provisions of KRS 227A.010 to 227A.140 shall not apply to work performed at
15 industrial manufacturing facilities or natural gas pipeline facilities by employees of
16 those facilities.

17 **(12) Notwithstanding subsection (6) of this section, the provisions of KRS 227A.010 to**
18 **227A.140 shall not apply to a disaster response employee as defined in Section 1**
19 **of this Act who is licensed as an electrician or master electrician in another state.**

20 **(13) The provisions of KRS 227A.010 to 227A.140 shall not apply to a disaster**
21 **response business as defined in Section 1 of this Act that is licensed as an**
22 **electrical contractor in another state.**

23 ➔SECTION 10. A NEW SECTION OF KRS 67.750 TO 67.790 IS CREATED
24 TO READ AS FOLLOWS:

25 **(1) The exceptions contained in subsection (3)(g) and (h) of Section 4 of this Act,**
26 **subsection 5(d) and (e) of Section 5 of this Act, subsection 3(h) and (i) of Section**
27 **6 of this Act, and subsection (2)(a)4. and (b)3. of Section 7 of this Act shall not be**

1 interpreted, construed or otherwise relied upon in any way to establish a
2 minimum nexus or other minimum contact requirements for the purposes of
3 determining the liability for either a tax or fee placed upon a business or
4 employee by a taxing jurisdiction, except as related to disaster response
5 businesses and disaster response employees for work performed within the taxing
6 jurisdiction during a disaster response period.

7 (2) As used in this section the terms "disaster response business," "disaster response
8 employee," and "disaster response period" shall have the same meaning as
9 provided in Section 1 of this Act.