

1 AN ACT relating to an exemption of income for centenarians.

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

3 ➔Section 1. KRS 141.019 is amended to read as follows:

4 For taxable years beginning on or after January 1, 2018, in the case of taxpayers other  
5 than corporations:

6 (1) Adjusted gross income shall be calculated by subtracting from the gross income of  
7 those taxpayers the deductions allowed individuals by Section 62 of the Internal  
8 Revenue Code and adjusting as follows:

9 (a) Exclude income that is exempt from state taxation by the Kentucky  
10 Constitution and the Constitution and statutory laws of the United States;

11 (b) Exclude income from supplemental annuities provided by the Railroad  
12 Retirement Act of 1937 as amended and which are subject to federal income  
13 tax by Pub. L. No. 89-699;

14 (c) Include interest income derived from obligations of sister states and political  
15 subdivisions thereof;

16 (d) Exclude employee pension contributions picked up as provided for in KRS  
17 6.505, 16.545, 21.360, 61.523, 61.560, 65.155, 67A.320, 67A.510, 78.610,  
18 and 161.540 upon a ruling by the Internal Revenue Service or the federal  
19 courts that these contributions shall not be included as gross income until such  
20 time as the contributions are distributed or made available to the employee;

21 (e) Exclude Social Security and railroad retirement benefits subject to federal  
22 income tax;

23 (f) Exclude any money received because of a settlement or judgment in a lawsuit  
24 brought against a manufacturer or distributor of "Agent Orange" for damages  
25 resulting from exposure to Agent Orange by a member or veteran of the  
26 Armed Forces of the United States or any dependent of such person who  
27 served in Vietnam;

- 1 (g) 1. a. For taxable years beginning after December 31, 2005, but before  
2 January 1, 2018, exclude up to forty-one thousand one hundred ten  
3 dollars (\$41,110) of total distributions from pension plans, annuity  
4 contracts, profit-sharing plans, retirement plans, or employee  
5 savings plans; and
- 6 b. For taxable years beginning on or after January 1, 2018, exclude  
7 up to thirty-one thousand one hundred ten dollars (\$31,110) of  
8 total distributions from pension plans, annuity contracts, profit-  
9 sharing plans, retirement plans, or employee savings plans.
- 10 2. As used in this paragraph:
- 11 a. "Annuity contract" has the same meaning as set forth in Section  
12 1035 of the Internal Revenue Code;
- 13 b. "Distributions" includes but is not limited to any lump-sum  
14 distribution from pension or profit-sharing plans qualifying for the  
15 income tax averaging provisions of Section 402 of the Internal  
16 Revenue Code; any distribution from an individual retirement  
17 account as defined in Section 408 of the Internal Revenue Code;  
18 and any disability pension distribution; and
- 19 c. "Pension plans, profit-sharing plans, retirement plans, or employee  
20 savings plans" means any trust or other entity created or organized  
21 under a written retirement plan and forming part of a stock bonus,  
22 pension, or profit-sharing plan of a public or private employer for  
23 the exclusive benefit of employees or their beneficiaries and  
24 includes plans qualified or unqualified under Section 401 of the  
25 Internal Revenue Code and individual retirement accounts as  
26 defined in Section 408 of the Internal Revenue Code;
- 27 (h) 1. a. Exclude the portion of the distributive share of a shareholder's net

- 1 income from an S corporation subject to the franchise tax imposed  
2 under KRS 136.505 or the capital stock tax imposed under KRS  
3 136.300; and
- 4 b. Exclude the portion of the distributive share of a shareholder's net  
5 income from an S corporation related to a qualified subchapter S  
6 subsidiary subject to the franchise tax imposed under KRS  
7 136.505 or the capital stock tax imposed under KRS 136.300.
- 8 2. The shareholder's basis of stock held in an S corporation where the S  
9 corporation or its qualified subchapter S subsidiary is subject to the  
10 franchise tax imposed under KRS 136.505 or the capital stock tax  
11 imposed under KRS 136.300 shall be the same as the basis for federal  
12 income tax purposes;
- 13 (i) Exclude income received for services performed as a precinct worker for  
14 election training or for working at election booths in state, county, and local  
15 primaries or regular or special elections;
- 16 (j) Exclude any capital gains income attributable to property taken by eminent  
17 domain;
- 18 (k) 1. Exclude all income from all sources for members of the Armed Forces  
19 who are on active duty and who are killed in the line of duty, for the year  
20 during which the death occurred and the year prior to the year during  
21 which the death occurred.
- 22 2. For the purposes of this paragraph, "all income from all sources" shall  
23 include all federal and state death benefits payable to the estate or any  
24 beneficiaries;
- 25 (l) Exclude all military pay received by members of the Armed Forces while on  
26 active duty;
- 27 **(m) 1. For taxable years beginning on or after January 1, 2020, but before**

1 January 1, 2024, exclude all income received by any resident  
 2 centenarian.

3 2. The department shall provide the following information to the  
 4 Legislative Research Commission no later than December 1, 2021,  
 5 and on or before each December 1, thereafter as long as the deduction  
 6 in claimed on any return filed:

7 i. The number of tax returns claiming the deduction for each  
 8 taxable year;

9 ii. The total amount of the deductions claimed and the total amount  
 10 of the reduced tax liability for each taxable year;

11 iii. The cumulative total of the reduced tax liability by county, based  
 12 on the mailing address on the return claiming the deduction, for  
 13 each taxable year; and

14 iv. Based on ranges of adjusted gross income of no larger than five  
 15 thousand dollars (\$5,000), the total amount of the reduced tax  
 16 liability for each adjusted gross income range for each taxable  
 17 year.

18 ~~(n)~~~~(m)~~ 1. Include the amount deducted for depreciation under 26 U.S.C. sec.  
 19 167 or 168; and

20 2. Exclude the amounts allowed by KRS 141.0101 for depreciation; and

21 ~~(o)~~~~(n)~~ Include the amount deducted under 26 U.S.C. sec. 199A; and

22 (2) Net income shall be calculated by subtracting from adjusted gross income all the  
 23 deductions allowed individuals by Chapter 1 of the Internal Revenue Code, as  
 24 modified by KRS 141.0101, except:

25 (a) Any deduction allowed by 26 U.S.C. sec. 164 for taxes;

26 (b) Any deduction allowed by 26 U.S.C. sec. 165 for losses, except wagering  
 27 losses allowed under Section 165(d) of the Internal Revenue Code;

- 1 (c) Any deduction allowed by 26 U.S.C. sec. 213 for medical care expenses;
- 2 (d) Any deduction allowed by 26 U.S.C. sec. 217 for moving expenses;
- 3 (e) Any deduction allowed by 26 U.S.C. sec. 67 for any other miscellaneous  
4 deduction;
- 5 (f) Any deduction allowed by the Internal Revenue Code for amounts allowable  
6 under KRS 140.090(1)(h) in calculating the value of the distributive shares of  
7 the estate of a decedent, unless there is filed with the income return a  
8 statement that the deduction has not been claimed under KRS 140.090(1)(h);
- 9 (g) Any deduction allowed by 26 U.S.C. sec. 151 for personal exemptions and  
10 any other deductions in lieu thereof;
- 11 (h) Any deduction allowed for amounts paid to any club, organization, or  
12 establishment which has been determined by the courts or an agency  
13 established by the General Assembly and charged with enforcing the civil  
14 rights laws of the Commonwealth, not to afford full and equal membership  
15 and full and equal enjoyment of its goods, services, facilities, privileges,  
16 advantages, or accommodations to any person because of race, color, religion,  
17 national origin, or sex, except nothing shall be construed to deny a deduction  
18 for amounts paid to any religious or denominational club, group, or  
19 establishment or any organization operated solely for charitable or educational  
20 purposes which restricts membership to persons of the same religion or  
21 denomination in order to promote the religious principles for which it is  
22 established and maintained; and
- 23 (i) A taxpayer may elect to claim the standard deduction allowed by KRS  
24 141.081 instead of itemized deductions allowed pursuant to 26 U.S.C. sec. 63  
25 and as modified by this section.

26 ➔Section 2. KRS 131.190 is amended to read as follows:

- 27 (1) No present or former commissioner or employee of the department, present or

1 former member of a county board of assessment appeals, present or former property  
2 valuation administrator or employee, present or former secretary or employee of the  
3 Finance and Administration Cabinet, former secretary or employee of the Revenue  
4 Cabinet, or any other person, shall intentionally and without authorization inspect or  
5 divulge any information acquired by him of the affairs of any person, or information  
6 regarding the tax schedules, returns, or reports required to be filed with the  
7 department or other proper officer, or any information produced by a hearing or  
8 investigation, insofar as the information may have to do with the affairs of the  
9 person's business.

- 10 (2) The prohibition established by subsection (1) of this section shall not extend to:
- 11 (a) Information required in prosecutions for making false reports or returns of  
12 property for taxation, or any other infraction of the tax laws;
  - 13 (b) Any matter properly entered upon any assessment record, or in any way made  
14 a matter of public record;
  - 15 (c) Furnishing any taxpayer or his properly authorized agent with information  
16 respecting his own return;
  - 17 (d) Testimony provided by the commissioner or any employee of the department  
18 in any court, or the introduction as evidence of returns or reports filed with the  
19 department, in an action for violation of state or federal tax laws or in any  
20 action challenging state or federal tax laws;
  - 21 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or  
22 energy resources assessed under KRS 132.820, or owners of surface land  
23 under which the unmined minerals lie, factual information about the owner's  
24 property derived from third-party returns filed for that owner's property, under  
25 the provisions of KRS 132.820, that is used to determine the owner's  
26 assessment. This information shall be provided to the owner on a confidential  
27 basis, and the owner shall be subject to the penalties provided in KRS

- 1           131.990(2). The third-party filer shall be given prior notice of any disclosure  
2           of information to the owner that was provided by the third-party filer;
- 3           (f) Providing to a third-party purchaser pursuant to an order entered in a  
4           foreclosure action filed in a court of competent jurisdiction, factual  
5           information related to the owner or lessee of coal, oil, gas reserves, or any  
6           other mineral resources assessed under KRS 132.820. The department may  
7           promulgate an administrative regulation establishing a fee schedule for the  
8           provision of the information described in this paragraph. Any fee imposed  
9           shall not exceed the greater of the actual cost of providing the information or  
10          ten dollars (\$10);
- 11          (g) Providing information to a licensing agency, the Transportation Cabinet, or  
12          the Kentucky Supreme Court under KRS 131.1817;
- 13          (h) Statistics of gasoline and special fuels gallonage reported to the department  
14          under KRS 138.210 to 138.448;
- 15          (i) Providing any utility gross receipts license tax return information that is  
16          necessary to administer the provisions of KRS 160.613 to 160.617 to  
17          applicable school districts on a confidential basis;
- 18          (j) Providing documents, data, or other information to a third party pursuant to an  
19          order issued by a court of competent jurisdiction; or
- 20          (k) Providing information to the Legislative Research Commission under:
- 21            1.    KRS 139.519 for purposes of the sales and use tax refund on building  
22            materials used for disaster recovery;
- 23            2.    KRS 141.436 for purposes of the energy efficiency products credits;
- 24            3.    KRS 141.437 for purposes of the ENERGY STAR home and the  
25            ENERGY STAR manufactured home credits;
- 26            4.    KRS 148.544 for purposes of the film industry incentives;
- 27            5.    KRS 154.26-095 for purposes of the Kentucky industrial revitalization

- 1 tax credits and the job assessment fees;
- 2 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 3 7. KRS 141.396 for purposes of the angel investor tax credit;
- 4 8. KRS 141.389 for purposes of the distilled spirits credit;
- 5 9. KRS 141.408 for purposes of the inventory credit; ~~and~~
- 6 10. KRS 141.390 for purposes of the recycling and composting credit; and
- 7 **11. Section 1 of this Act for purposes of the adjusted gross income tax**
- 8 **deduction for centenarians.**

9 (3) The commissioner shall make available any information for official use only and on  
10 a confidential basis to the proper officer, agency, board or commission of this state,  
11 any Kentucky county, any Kentucky city, any other state, or the federal government,  
12 under reciprocal agreements whereby the department shall receive similar or useful  
13 information in return.

14 (4) Access to and inspection of information received from the Internal Revenue Service  
15 is for department use only, and is restricted to tax administration purposes.  
16 Information received from the Internal Revenue Service shall not be made available  
17 to any other agency of state government, or any county, city, or other state, and shall  
18 not be inspected intentionally and without authorization by any present secretary or  
19 employee of the Finance and Administration Cabinet, commissioner or employee of  
20 the department, or any other person.

21 (5) Statistics of crude oil as reported to the Department of Revenue under the crude oil  
22 excise tax requirements of KRS Chapter 137 and statistics of natural gas production  
23 as reported to the Department of Revenue under the natural resources severance tax  
24 requirements of KRS Chapter 143A may be made public by the department by  
25 release to the Energy and Environment Cabinet, Department for Natural Resources.

26 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map  
27 submissions for the 1989 tax year, the department may make public or divulge only



1 those portions of mine maps submitted by taxpayers to the department pursuant to  
2 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-  
3 out parcel areas. These electronic maps shall not be relied upon to determine actual  
4 boundaries of mined-out parcel areas. Property boundaries contained in mine maps  
5 required under KRS Chapters 350 and 352 shall not be construed to constitute land  
6 surveying or boundary surveys as defined by KRS 322.010 and any administrative  
7 regulations promulgated thereto.

8 ➔Section 3. KRS 68.180 is amended to read as follows:

- 9 (1) The fiscal court of each county having a population of three hundred thousand  
10 (300,000) or more may by order or resolution impose license fees on franchises,  
11 provide for licensing any business, trade, occupation, or profession, and the using,  
12 holding, or exhibiting of any animal, article, or other thing.
- 13 (2) License fees on such business, trade, occupation, or profession for revenue  
14 purposes, except those of the common schools, shall be imposed at a percentage  
15 rate not to exceed one and one-fourth percent (1.25%) of:
- 16 (a) Salaries, wages, commissions, and other compensation earned by persons  
17 within the county for work done and services performed or rendered in the  
18 county; and
- 19 (b) The net profits of businesses, trades, professions, or occupations from  
20 activities conducted in the county.
- 21 (3) (a) No public service company that pays an ad valorem tax shall be required to  
22 pay a license tax.
- 23 (b) 1. It is the intent of the General Assembly to continue the exemption from  
24 local license fees and occupational taxes that existed on January 1, 2006,  
25 for providers of multichannel video programming services or  
26 communications services as defined in KRS 136.602 that were taxed  
27 under KRS 136.120 prior to January 1, 2006.

- 1           2. To further this intent, no company providing multichannel video  
2           programming services or communications services as defined in KRS  
3           136.602 shall be required to pay a license tax. If only a portion of an  
4           entity's business is providing multichannel video programming services  
5           or communications services, including products or services that are  
6           related to and provided in support of the multichannel video  
7           programming services or communications services, this exclusion  
8           applies only to that portion of the business that provides multichannel  
9           video programming services or communications services, including  
10          products or services that are related to and provided in support of the  
11          multichannel video programming services or communications services  
12          or communications services.
- 13          (c) No license tax shall be imposed upon or collected from any bank, trust  
14          company, combined bank and trust company, combined trust, banking and  
15          title business in this state, any savings and loan association, whether state or  
16          federally chartered.
- 17          (d) No license tax shall be imposed upon income received by members of the  
18          Kentucky National Guard for active duty training, unit training assemblies,  
19          and annual field training.
- 20          (e) No license tax shall be imposed upon income received by precinct workers for  
21          election training or work at election booths in state, county, and local primary,  
22          regular, or special elections.
- 23          (f) No license tax shall be imposed upon any profits, earnings, or distributions of  
24          an investment fund which would qualify under KRS 154.20-250 to 154.20-  
25          284 to the extent any profits, earnings, or distributions would not be taxable to  
26          an individual investor, or in other cases where the county is prohibited by law  
27          from imposing a license tax.

1        *(g) No license tax shall be imposed upon income received by a centenarian.*

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

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

12       ➔Section 4. KRS 68.197 is amended to read as follows:

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

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

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

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

26       (c) The net profits of corporations resulting from trades, professions, occupations,  
27       businesses, or activities conducted in the county.

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

1 provides multichannel video programming services or communications  
 2 services, including products or services that are related to and provided  
 3 in support of the multichannel video programming services or  
 4 communications services.

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

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

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

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

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

21 (d) *Income received by a centenarian.*

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

27 (7) The provisions of subsection (6) of this section notwithstanding, effective with

1 license fees imposed under the provisions of subsection (1) of this section on or  
2 after July 15, 1986, persons who pay a county license fee and a license fee to a city  
3 contained in the county shall be allowed to credit their city license fee against their  
4 county license fee. As used in this subsection, "city contained in the county" shall  
5 include a city that is in more than one (1) county.

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

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

11 (b) The provisions of subsection (7) of this section shall not apply to a city and  
12 county unless both the city and the county have both levied and are collecting  
13 license fees on March 15, 2012.

14 (9) A county that enacted an occupational license fee under the authority of KRS  
15 67.083 shall not be required to reduce its occupational tax rate when it is  
16 determined that the population of the county exceeds thirty thousand (30,000).

17 (10) Notwithstanding any statute to the contrary:

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

22 (b) Notwithstanding any provision of the KRS to the contrary, no taxpayer shall  
23 be refunded or credited for any overpayment of a license tax paid to any  
24 county to the extent the overpayment is attributable to or derives from this  
25 section as it existed at any time subsequent to July 15, 1986, and the taxpayer  
26 seeks a credit for a license tax paid to a city located within such county, if  
27 such refund claim or amended tax return claim was filed or perfected after

1 November 18, 2004, except by agreement between the city and county in  
2 accordance with subsection (6) of this section;

3 (c) In those counties where a license fee has been authorized by a public question  
4 approved by the voters, the percentage rate of the license fee in effect on  
5 January 1, 2005, and any maximum salary limit upon which the license fee is  
6 calculated shall remain unchanged for subsequent fiscal years. A percentage  
7 rate higher than the percentage rate in effect on January 1, 2005, or any change  
8 in the maximum salary limit upon which a license fee is calculated shall be  
9 prohibited unless approved by the voters at a public referendum. The  
10 percentage rate of a license fee in such counties shall at no time exceed one  
11 percent (1%). Any question to be placed before the voters as a result of this  
12 paragraph shall be placed on the ballot at a regular election or nominating  
13 primary.

14 (d) This subsection shall have retroactive application; and

15 (e) If any provision of this subsection or the application thereof to any person or  
16 circumstance is held invalid, the invalidity shall not affect other provisions or  
17 application of this section that can be given effect without the invalid  
18 provision or application, and to this end the provisions of this subsection are  
19 severable.

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

27 ➔Section 5. KRS 91.200 is amended to read as follows:

- 1 (1) The board of aldermen of every city of the first class, in addition to levying ad  
2 valorem taxes, may by ordinance impose license fees on franchises, provide for  
3 licensing any business, trade, occupation, or profession and the using, holding, or  
4 exhibiting of any animal, article, or other thing.
- 5 (2) License fees on a business, trade, occupation, or profession for revenue purposes  
6 may be imposed at a percentage rate not to exceed those hereinafter set forth on:
- 7 (a) Salaries, wages, commissions and other compensations earned by every  
8 person within the city for work done and services performed or rendered in the  
9 city (all of such being hereinafter collectively referred to as "wages"); and
- 10 (b) The net profits of all businesses, professions, or occupations from activities  
11 conducted in the city (hereinafter collectively referred to as "net profits").
- 12 (3) (a) Licenses imposed for regulatory purposes shall not be subject to such  
13 limitations as to form and amount.
- 14 (b) No company that pays an ad valorem tax and a franchise tax is required to pay  
15 a license tax.
- 16 (c) 1. It is the intent of the General Assembly to continue the exemption from  
17 local license fees and occupational taxes that existed on January 1, 2006,  
18 for providers of multichannel video programming services or  
19 communications services as defined in KRS 136.602 that were taxed  
20 under KRS 136.120 prior to January 1, 2006.
- 21 2. To further this intent, no company providing multichannel video  
22 programming services or communications services as defined in KRS  
23 136.602 shall be required to pay a license tax. If only a portion of an  
24 entity's business is providing multichannel video programming services  
25 or communications services, including products or services that are  
26 related to and provided in support of the multichannel video  
27 programming services or communications services, this exclusion



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

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

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

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

15 (g) No license tax shall be imposed upon any profits, earnings, or distributions of  
16 an investment fund which would qualify under KRS 154.20-250 to 154.20-  
17 284 to the extent any profits, earnings, or distributions would not be taxable to  
18 an individual investor, or in any other case where the city is prohibited by  
19 statute from imposing a license tax.

20 **(h) No license tax shall be imposed upon income received by a centenarian.**

21 (4) The rate fixed on both "wages" and "net profits" shall be one and one-fourth percent  
22 (1.25%).

23 (5) License fees or taxes shall be collected by the commissioners of the sinking fund.  
24 The proceeds from the taxes shall be paid to the secretary and treasurer of the  
25 sinking fund until income from all sources of the sinking fund is sufficient to pay  
26 the cost of administration and the interest charges for the current fiscal year of the  
27 sinking fund in addition to a sum sufficient to amortize the outstanding principal

1           indebtedness of the city on a yearly basis in accordance with regularly used  
2           amortization tables.

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

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

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

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

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

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

17          (e) The initial equipment of any newly acquired facility wherein any essential  
18           governmental function of the municipality may be located or carried on;

19          (f) The purchase and installation of traffic control devices and fire alarm  
20           equipment;

21          (g) The reconstruction and resurfacing, but not routine maintenance, of streets and  
22           other public ways;

23          (h) The acquisition of motorized equipment purchased as additions to, but not  
24           replacements for, existing equipment; and

25          (i) Engineering and other costs incurred by the city in connection with the  
26           construction of public improvements financed under a special assessment  
27           plan.

- 1 (8) Ad valorem taxes for the benefit of the sinking fund shall not be levied unless the  
2 income of the sinking fund is otherwise insufficient to meet such requirements.
- 3 (9) Licenses shall be issued and enforced on terms and conditions as prescribed by  
4 ordinance.
- 5 (10) Pursuant to this section, no city of the first class shall regulate any aspect of the  
6 manner in which any duly ordained, commissioned, or denominationally licensed  
7 minister of religion may perform his or her duties and activities as a minister of  
8 religion. Duly ordained, commissioned, or denominationally licensed ministers of  
9 religion shall be subject to the same license fees imposed on others in the city on  
10 salaries, wages, commissions, and other compensation earned for work done and  
11 services performed or rendered.

12 ➔Section 6. KRS 92.300 is amended to read as follows:

- 13 (1) (a) The legislative body of an urban-county government and any city of the home  
14 rule class may by ordinance exempt manufacturing establishments, including  
15 qualified data centers, from city taxation for a period not exceeding five (5)  
16 years as an inducement to their location in the urban-county government, or  
17 city.
- 18 (b) As used in this subsection:
- 19 1. "Data center" means a structure or portion of a structure that is  
20 predominantly used to house and continuously operate computer servers  
21 and associated telecommunications, electronic data processing or  
22 storage, or other similar components;
- 23 2. "Overall tier rating" means the overall tier rating of a data center  
24 according to the TIA-942 Telecommunications Infrastructure Standard  
25 for Data Centers established by the Telecommunications Industry  
26 Association and published in April 2005, exclusive of any amendments  
27 made subsequent to that date; and

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

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

6           1. Any bank, trust company, combined bank and trust company, or trust,  
7           banking and title insurance company organized and doing business in  
8           this state;

9           2. Any savings and loan association whether state or federally chartered; or

10          3. The provision of multichannel video programming services or  
11          communications services as defined in KRS 136.602. It is the intent of  
12          the General Assembly to continue the exemption from local license fees  
13          and occupational taxes that existed on January 1, 2006, for providers of  
14          multichannel video programming services or communications services  
15          as defined in KRS 136.602 that were taxed under KRS 136.120 prior to  
16          January 1, 2006. If only a portion of an entity's business is providing  
17          multichannel video programming services or communications services  
18          including products or services that are related to and provided in support  
19          of the multichannel video programming services or communications  
20          services, this exclusion applies only to that portion of the business that  
21          provides multichannel video programming services or communications  
22          services including products or services that are related to and provided  
23          in support of the multichannel video programming services or  
24          communications services.

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

27          1. By members of the Kentucky National Guard for active duty training,

- 1                   unit training assemblies and annual field training; ~~{or}~~
- 2           2.   By precinct workers for election training or work at election booths in
- 3                   state, county, and local primary, regular, or special elections; **or**
- 4           **3.   A centenarian.**
- 5   (3) Pursuant to KRS 92.281, no city shall regulate any aspect of the manner in which
- 6           any duly ordained, commissioned, or denominationally licensed minister of religion
- 7           may perform his or her duties and activities as a minister of religion. Duly ordained,
- 8           commissioned, or denominationally licensed ministers of religion shall be subject to
- 9           the same license fees imposed on others in the city enacted pursuant to KRS 92.281.