

1 AN ACT relating to coal severance tax.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 143 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section, "qualified coal" means coal which is:

6 (a) Severed or processed in this state and upon which the tax imposed under
7 KRS 143.020 has been timely paid for periods beginning on or after August
8 1, 2021, but before July 1, 2023;

9 (b) Transported directly to a facility within this state; and

10 (c) Used for the manufacture of electricity in this state.

11 (2) (a) For periods beginning on or after August 1, 2021, but before July 1, 2023, a
12 taxpayer engaged in severing or processing coal within this state may apply
13 for a refund equal to the amount of tax paid on qualified coal.

14 (b) To apply for the refund allowed under paragraph (a) of this subsection, the
15 taxpayer shall file an application for refund with the department and submit
16 all information and documentation necessary to substantiate the tax paid on
17 qualified coal.

18 (3) (a) The refund process allowed under subsection (2) of this section is limited
19 during any fiscal year to a combined total of thirty million (30,000,000) tons
20 of qualified coal;

21 (b) All refunds shall be processed by the department on a first-come first-served
22 basis and shall end during the fiscal year when refunds on qualified coal
23 have been issued on the combined total of thirty million (30,000,000) tons.

24 (4) (a) The department may promulgate administrative regulations to carry out the
25 provisions of this section.

26 (b) In order for the General Assembly to evaluate the effectiveness of the
27 refund established under this section, the department shall provide the

1 following information on a cumulative basis for each fiscal year to provide
 2 a historical impact of the refunds issued:

3 1. The name of the taxpayer claiming the refund;

4 2. The date the refund was issued to the taxpayer;

5 3. The location, by county, where the eligible coal is processed;

6 4. The location, by county, where the eligible coal is transported;

7 5. The amount of qualified coal, in tons, upon which the refund was
 8 issued;

9 6. The amount of refund issued to the taxpayer;

10 7. The total amount of qualified coal for all refunds issued to all
 11 taxpayers; and

12 8. The total amount of all refunds issued to all taxpayers.

13 (c) The report required by paragraph (b) of this subsection shall be submitted
 14 to the Interim Joint Committee on Appropriations and Revenue beginning
 15 no later than November 1, 2022, and no later than each November 1
 16 thereafter, as long as any refund on qualified coal is issued by the
 17 department.

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

- 19 (1) No present or former commissioner or employee of the department, present or
 20 former member of a county board of assessment appeals, present or former property
 21 valuation administrator or employee, present or former secretary or employee of the
 22 Finance and Administration Cabinet, former secretary or employee of the Revenue
 23 Cabinet, or any other person, shall intentionally and without authorization inspect or
 24 divulge any information acquired by him of the affairs of any person, or information
 25 regarding the tax schedules, returns, or reports required to be filed with the
 26 department or other proper officer, or any information produced by a hearing or
 27 investigation, insofar as the information may have to do with the affairs of the

1 person's business.

2 (2) The prohibition established by subsection (1) of this section shall not extend to:

3 (a) Information required in prosecutions for making false reports or returns of
4 property for taxation, or any other infraction of the tax laws;

5 (b) Any matter properly entered upon any assessment record, or in any way made
6 a matter of public record;

7 (c) Furnishing any taxpayer or his properly authorized agent with information
8 respecting his own return;

9 (d) Testimony provided by the commissioner or any employee of the department
10 in any court, or the introduction as evidence of returns or reports filed with the
11 department, in an action for violation of state or federal tax laws or in any
12 action challenging state or federal tax laws;

13 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
14 energy resources assessed under KRS 132.820, or owners of surface land
15 under which the unmined minerals lie, factual information about the owner's
16 property derived from third-party returns filed for that owner's property, under
17 the provisions of KRS 132.820, that is used to determine the owner's
18 assessment. This information shall be provided to the owner on a confidential
19 basis, and the owner shall be subject to the penalties provided in KRS
20 131.990(2). The third-party filer shall be given prior notice of any disclosure
21 of information to the owner that was provided by the third-party filer;

22 (f) Providing to a third-party purchaser pursuant to an order entered in a
23 foreclosure action filed in a court of competent jurisdiction, factual
24 information related to the owner or lessee of coal, oil, gas reserves, or any
25 other mineral resources assessed under KRS 132.820. The department may
26 promulgate an administrative regulation establishing a fee schedule for the
27 provision of the information described in this paragraph. Any fee imposed

- 1 shall not exceed the greater of the actual cost of providing the information or
2 ten dollars (\$10);
- 3 (g) Providing information to a licensing agency, the Transportation Cabinet, or
4 the Kentucky Supreme Court under KRS 131.1817;
- 5 (h) Statistics of gasoline and special fuels gallonage reported to the department
6 under KRS 138.210 to 138.448;
- 7 (i) Providing any utility gross receipts license tax return information that is
8 necessary to administer the provisions of KRS 160.613 to 160.617 to
9 applicable school districts on a confidential basis;
- 10 (j) Providing documents, data, or other information to a third party pursuant to an
11 order issued by a court of competent jurisdiction; or
- 12 (k) Providing information to the Legislative Research Commission under:
- 13 1. KRS 139.519 for purposes of the sales and use tax refund on building
14 materials used for disaster recovery;
- 15 2. KRS 141.436 for purposes of the energy efficiency products credits;
- 16 3. KRS 141.437 for purposes of the ENERGY STAR home and the
17 ENERGY STAR manufactured home credits;
- 18 4. KRS 148.544 for purposes of the film industry incentives;
- 19 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
20 tax credits and the job assessment fees;
- 21 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 22 7. KRS 141.396 for purposes of the angel investor tax credit;
- 23 8. KRS 141.389 for purposes of the distilled spirits credit;
- 24 9. KRS 141.408 for purposes of the inventory credit;
- 25 10. KRS 141.390 for purposes of the recycling and composting credit;
- 26 11. KRS 141.3841 for purposes of the selling farmer tax credit;~~and~~
- 27 12. KRS 141.4231 for purposes of the renewable chemical production tax

1 credit; and

2 **13. Section 1 of this Act for purposes of the coal severance tax refund on**
3 **coal used to manufacture electricity in this Commonwealth.**

- 4 (3) The commissioner shall make available any information for official use only and on
5 a confidential basis to the proper officer, agency, board or commission of this state,
6 any Kentucky county, any Kentucky city, any other state, or the federal government,
7 under reciprocal agreements whereby the department shall receive similar or useful
8 information in return.
- 9 (4) Access to and inspection of information received from the Internal Revenue Service
10 is for department use only, and is restricted to tax administration purposes.
11 Information received from the Internal Revenue Service shall not be made available
12 to any other agency of state government, or any county, city, or other state, and shall
13 not be inspected intentionally and without authorization by any present secretary or
14 employee of the Finance and Administration Cabinet, commissioner or employee of
15 the department, or any other person.
- 16 (5) Statistics of crude oil as reported to the Department of Revenue under the crude oil
17 excise tax requirements of KRS Chapter 137 and statistics of natural gas production
18 as reported to the Department of Revenue under the natural resources severance tax
19 requirements of KRS Chapter 143A may be made public by the department by
20 release to the Energy and Environment Cabinet, Department for Natural Resources.
- 21 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map
22 submissions for the 1989 tax year, the department may make public or divulge only
23 those portions of mine maps submitted by taxpayers to the department pursuant to
24 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-
25 out parcel areas. These electronic maps shall not be relied upon to determine actual
26 boundaries of mined-out parcel areas. Property boundaries contained in mine maps
27 required under KRS Chapters 350 and 352 shall not be construed to constitute land

- 1 surveying or boundary surveys as defined by KRS 322.010 and any administrative
- 2 regulations promulgated thereto.