

1 AN ACT relating to the taxation of currency and bullion currency and declaring an
2 emergency.

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

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO
5 READ AS FOLLOWS:

6 *(1) (a) On or after the effective date of this Act, a violation shall occur when an*
7 *official notice published by the secretary of the Finance and Administration*
8 *Cabinet or the commissioner of the department instructs that taxpayers*
9 *should continue to collect and remit sales and use tax on the sale, use,*
10 *storage, or other consumption of currency or bullion currency under this*
11 *chapter.*

12 *(b) Any notice or instruction, published at any time, that states that on or after*
13 *August 1, 2024, the sale, use, storage, or other consumption of currency or*
14 *bullion currency under this chapter is taxable is void and unenforceable.*

15 *(2) Notwithstanding KRS 49.220 and 139.770, on and after August 1, 2024, any*
16 *person who paid sales tax under KRS 139.200 or use tax under KRS 139.310 on*
17 *currency or bullion currency that is exempt from sales and use tax under KRS*
18 *139.480(37) may maintain an action for a refund of the tax paid, as an individual*
19 *or by seeking certification as a class under Rule 23 of the Kentucky Rules of Civil*
20 *Procedure for a refund on behalf of the person and other persons similarly*
21 *situated against the Commonwealth.*

22 *(3) An action for a refund pursuant to subsection (2) of this section, or alleging a*
23 *violation under subsection (1) of this section, may be brought in the Circuit Court*
24 *of any county where the named plaintiff resides or where the currency or bullion*
25 *currency transaction took place.*

26 *(4) In addition to a refund of the sales or use tax, persons seeking a refund pursuant*
27 *to subsection (2) of this section or alleging a violation under subsection (1) of this*

1 section who prevail shall be entitled to:

2 (a) Prejudgment and post-judgment interest;

3 (b) Temporary or permanent injunctive relief;

4 (c) Reasonable attorney's fees and costs; and

5 (d) For allegations of a violation under subsection (1) of this section, liquidated
6 damages of one thousand dollars (\$1,000) for each day that the violation
7 occurred, which shall be paid from the administrative budget of the Finance
8 and Administration Cabinet, the department, or the Office of the Governor.

9 (5) It is the intent of the General Assembly to waive sovereign, governmental, and
10 qualified immunity for claims under this section, including immunity afforded to
11 the Commonwealth pursuant to the Eleventh Amendment to the Constitution of
12 the United States.

13 (6) Any person who directs, instructs, or causes a violation of any provision of this
14 section shall be personally, jointly, and severally liable for any awarded damages.

15 ➔Section 2. Subsection (2) of Section 1 of this Act shall be retroactive to August
16 1, 2024.

17 ➔Section 3. (1) Notwithstanding KRS 131.081(11), the Department of
18 Revenue shall adhere to certain declarations in tax return filing and tax payment
19 requirements for the 2024 federal income tax return provided by the United States
20 Department of the Treasury or the Internal Revenue Service and provide the same tax
21 return filing and tax payment timeline to certain taxpayers for comparable tax return
22 filing and tax payment requirements for Kentucky, including an extension of time to file
23 a return or report and an extension of time to pay any tax due with that return or report,
24 without the imposition of a penalty under KRS 131.180, 141.044, 141.305, or 141.990 on
25 that extended filing or payment, and without the imposition of interest under KRS
26 131.183 or 141.985.

27 (2) The provisions of subsection (1) of this section apply solely to an individual

1 whose primary residence, or to a business entity whose headquarters, was physically
2 located in a county outlined in the Presidential Declaration of a Major Disaster,
3 designated FEMA-4860-DR-KY, on or before February 14, 2025.

4 ➔Section 4. Whereas taxpayer relief is critical and timely relief is necessary, an
5 emergency is declared to exist, and this Act takes effect upon its passage and approval by
6 the Governor or upon its otherwise becoming a law.