

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM  
2025 REGULAR SESSION  
**Unofficial Document**

Amend printed copy of **HB 775/GA**

On page 23, line 10, after "5." delete all new language on lines 10 and 11; and

On page 23, beginning on line 21, delete all language through page 27, line 20, and insert in lieu thereof:

**"(b) 1. Beginning with the analysis for fiscal year 2024-2025 and thereafter, and for reporting beginning on or after September 5, 2025, "tax rate reduction conditions" means the greatest reduction achieved under subparagraphs 2. to 6. of this paragraph.**

**2. If:**

**a. The balance in the BRTF at the end of a fiscal year is equal to or greater than ten percent (10%) of the GF moneys for that fiscal year; and**

**b. GF moneys at the end of a fiscal year are equal to or greater than GF appropriations for that fiscal year plus an amount that falls within a range of less than twenty-five percent (25%) of the IIT equivalent for that fiscal year;**

**then the tax rate reduction may be the current tax rate minus one-tenth of one percent (0.1%).**

**3. If:**

Amendment No. SFA 2

Rep. Sen. Gex Williams

Committee Amendment \_\_\_\_\_

Signed:  \_\_\_\_\_

Floor Amendment \_\_\_\_\_

LRC Drafter: \_\_\_\_\_

Adopted: \_\_\_\_\_

Date: \_\_\_\_\_

Rejected: \_\_\_\_\_

Doc. ID: XXXX

**Not for Filing**

# Unofficial Document

a. The balance in the BRTF at the end of a fiscal year is equal to or greater than ten percent (10%) of the GF moneys for that fiscal year;  
and

b. GF moneys at the end of a fiscal year are equal to or greater than GF appropriations for that fiscal year plus an amount that falls within a range of twenty-five percent (25%) to less than fifty percent (50%) of the IIT equivalent for that fiscal year;

then the tax rate reduction may be the current tax rate minus two-tenths of one percent (0.2%).

4. If:

a. The balance in the BRTF at the end of a fiscal year is equal to or greater than ten percent (10%) of the GF moneys for that fiscal year;  
and

b. GF moneys at the end of a fiscal year are equal to or greater than GF appropriations for that fiscal year plus an amount that falls within a range of fifty percent (50%) to less than seventy-five (75%) of the IIT equivalent for that fiscal year;

then the tax rate reduction may be the current tax rate minus three-tenths of one percent (0.3%).

5. If:

a. The balance in the BRTF at the end of a fiscal year is equal to or greater than ten percent (10%) of the GF moneys for that fiscal year;  
and

b. GF moneys at the end of a fiscal year are equal to or greater than GF appropriations for that fiscal year plus an amount that falls within a

# Unofficial Document

range of seventy-five percent (75%) to less than one hundred percent (100%) of the IIT equivalent for that fiscal year;

then the tax rate reduction may be the current tax rate minus four-tenths of one percent (0.4%).

6. If:

a. The balance in the BRTF at the end of a fiscal year is equal to or greater than ten percent (10%) of the GF moneys for that fiscal year;  
and

b. GF moneys at the end of a fiscal year are equal to or greater than GF appropriations for that fiscal year plus the IIT equivalent for that fiscal year;

then the tax rate reduction may be the current tax rate minus five-tenths of one percent (0.5%).

~~(c)~~~~(b)~~ For taxable years beginning on or after January 1, 2023, but prior to January 1, 2024, the tax shall be four and one-half percent (4.5%) of net income.

~~(d)~~~~(e)~~ For taxable years beginning on or after January 1, 2024, but before January 1, 2026, the tax shall be four percent (4%) of net income.

~~(e)~~ For taxable years beginning on or after January 1, 2026, the tax shall be three and one-half percent (3.5%) of net income.

~~(d)~~ 1. For taxable years beginning on or after January 1, 2025, the income tax rate may be reduced according to the annual process established in subparagraphs 2. to 5. of this paragraph.

2. The Office of State Budget Director shall review the reduction conditions for the fiscal year 2022-2023 no later than September 1, 2023.

3. After reviewing the reduction conditions under subparagraph 2. of this

# Unofficial Document

~~paragraph, the Office of State Budget Director shall, no later than September 5, 2023, report to the Interim Joint Committee on Appropriations and Revenue:~~

~~a. Whether the reduction conditions for the fiscal year 2022-2023 have been met; and~~

~~b. The amounts associated with each item within the reduction conditions used for making that determination.~~

~~4. a. If the reduction conditions have been met for fiscal year 2022-2023, the General Assembly may take action to reduce the rate in paragraph (c) of this subsection for the taxable year beginning January 1, 2025.~~

~~b. If the reduction conditions have not been met for fiscal year 2022-2023 or the General Assembly does not take action to reduce the rate in paragraph (c) of this subsection, the department shall maintain the rate in paragraph (c) of this subsection for the taxable year beginning January 1, 2025.]~~

**(f) 1. a. The Office of State Budget Director shall review the tax rate reduction conditions for the fiscal year 2024-2025 no later than September 1, 2025.**

**b. After reviewing the tax rate reduction conditions under subdivision a. of this subparagraph, the Office of State Budget Director shall, no later than September 5, 2025, report to the Interim Joint Committee on Appropriations and Revenue:**

**i. Whether the tax rate reduction conditions for the fiscal year 2024-2025 have been met; and**

**ii. The amounts associated with each item within the tax rate reduction conditions used for making that determination.**

c. i. If the tax rate reduction conditions have been met for fiscal year 2024-2025, the General Assembly may take action to reduce the rate in paragraph (e) of this subsection for the taxable year beginning January 1, 2027.

ii. If the tax rate reduction conditions have not been met for fiscal year 2024-2025 or the General Assembly does not take action to reduce the rate in paragraph (e) of this subsection, the department shall maintain the rate in paragraph (e) of this subsection for the taxable year beginning January 1, 2027.

2. Beginning with fiscal year 2025-2026 and each fiscal year thereafter:

a. "Reduction conditions" means the balance in the BRTF at the end of a fiscal year shall be equal to or greater than ten percent (10%) of the GF moneys for that fiscal year;

b. "Tax rate reduction" means the current tax rate minus one percent (1%) or a portion thereof, in the event the current tax rate falls below one (1) percentage point; and

c. If the reduction conditions have been met for the fiscal year, the tax rate may be reduced:

i. By one percent (1%) each year until the tax rate is reduced to zero percent (0%) of net income; and

ii. If the tax rate is less than one percent (1%), the tax rate shall be reduced to zero percent (0%) of net income;

for taxable years beginning on or after January 1, 2028."; and

On page 27, line 21, delete "4." and insert "3." in lieu thereof.