

1 AN ACT relating to an individual income tax credit for tolls.

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 *(1) As used in this section:*

6 *(a) "Authority" means the Louisville and Southern Indiana Bridges Authority;*

7 *(b) "Bridges" means the following Louisville-Southern Indiana Ohio River*
8 *bridges:*

9 *1. The Interstate 65 Abraham Lincoln Bridge;*

10 *2. The Interstate 65 John F. Kennedy Memorial Bridge; and*

11 *3. The Indiana Highway 265/Kentucky Highway 841 Lewis and Clark*
12 *Bridge connecting Jefferson County Kentucky, and Clark County*
13 *Indiana;*

14 *(c) "Department" means the Department of Revenue;*

15 *(d) "Motor vehicle" has the same meaning as in KRS 186.010(4), limited to the*
16 *following:*

17 *1. Two (2) axle passenger vehicles up to seven and one-half (7.5) feet in*
18 *height;*

19 *2. Other two (2) axle vehicles more than seven and one-half (7.5) feet in*
20 *height;*

21 *3. All three (3) axle vehicles;*

22 *4. All four (4) axle vehicles; and*

23 *5. Large vehicles with five (5) or more axles;*

24 *(e) "Resident motor vehicle owner" means a resident owner of a motor vehicle*
25 *registered in this state under the provisions of KRS 186.020;*

26 *(f) "Toll" means a payment made by a resident motor vehicle owner for travel*
27 *on the bridges; and*

1 (g) "Toll payments":

2 1. Means the toll actually paid during the calendar year ending
3 December 31, 2026; and

4 2. Does not include any fines, fees, or penalties resulting from use of the
5 bridges.

6 (2) (a) A nonrefundable 2026 toll relief credit is hereby established to be claimed
7 against the tax imposed under KRS 141.020 on resident individuals for the
8 toll payments, with the ordering of credits as provided in Section 2 of this
9 Act. The credit shall equal the toll payments made by a resident motor
10 vehicle owner required to file an income tax return under KRS 141.160 for
11 the taxable year ending on December 31, 2026.

12 (b) The credit allowed in this section shall:

13 1. Not be carried forward or backward to another taxable year; and

14 2. Only apply to the period described in this subsection.

15 (3) When claiming the credit on a return, a resident motor vehicle owner shall
16 provide receipts, invoices, or other pertinent papers in the form as the department
17 may require.

18 (4) (a) The department shall report the following information to the Legislative
19 Research Commission and the Interim Joint Committee on Appropriations
20 and Revenue no later than November 1, 2027, and on or before each
21 November 1 thereafter as long as the exclusion is claimed on any return
22 filed:

23 1. The number of tax returns claiming the credit for each taxable year;

24 2. The total amount of credits claimed and the total amount of the
25 reduced liability; and

26 3. Based on ranges of adjusted gross income of no larger than five
27 thousand dollars (\$5,000), the total amount of the reduced tax liability

1 *for each adjusted gross income range for each taxable year.*
2 ***(b) The information required to be reported under this section shall not be***
3 ***considered confidential taxpayer information and shall not be subject to***
4 ***KRS Chapter 131 or any other provisions of the Kentucky Revised Statutes***
5 ***prohibiting disclosure or reporting of information.***

6 ➔Section 2. KRS 141.0205 is amended to read as follows:

7 If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax
8 imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of
9 the credits shall be determined as follows:

10 (1) The nonrefundable business incentive credits against the tax imposed by KRS
11 141.020 shall be taken in the following order:

- 12 (a) The limited liability entity tax credit permitted by KRS 141.0401;
- 13 (b) The economic development credits computed under KRS 141.347, 141.381,
14 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
15 154.12-2088;
- 16 (c) The qualified farming operation credit permitted by KRS 141.412;
- 17 (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 18 (e) The health insurance credit permitted by KRS 141.062;
- 19 (f) The tax paid to other states credit permitted by KRS 141.070;
- 20 (g) The credit for hiring the unemployed permitted by KRS 141.065;
- 21 (h) The recycling or composting equipment credit permitted by KRS 141.390;
- 22 (i) The ~~tax~~ credit for cash contributions in investment funds permitted by KRS
23 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
24 154.20-258;
- 25 (j) The research facilities credit permitted by KRS 141.395;
- 26 (k) The employer High School Equivalency Diploma program incentive credit
27 permitted under KRS 151B.402;

- 1 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 2 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 3 (n) The clean coal incentive credit permitted by KRS 141.428;
- 4 (o) The ethanol credit permitted by KRS 141.4242;
- 5 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 6 (q) The energy efficiency credits permitted by KRS 141.436;
- 7 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 8 (s) The Endow Kentucky credit permitted by KRS 141.438;
- 9 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 10 (u) The distilled spirits credit permitted by KRS 141.389;
- 11 (v) The angel investor credit permitted by KRS 141.396;
- 12 (w) The film industry credit permitted by KRS 141.383 for applications approved
- 13 on or after April 27, 2018, but before January 1, 2022;
- 14 (x) The inventory credit permitted by KRS 141.408;
- 15 (y) The renewable chemical production credit permitted by KRS 141.4231;~~and~~
- 16 (z) The qualified broadband investment ~~tax~~ credit permitted by KRS 141.391;
- 17 **and**
- 18 **(aa) The 2026 toll relief credit permitted by Section 1 of this Act;**
- 19 (2) After the application of the nonrefundable credits in subsection (1) of this section,
- 20 the nonrefundable personal tax credits against the tax imposed by KRS 141.020
- 21 shall be taken in the following order:
- 22 (a) The individual credits permitted by KRS 141.020(3);
- 23 (b) The credit permitted by KRS 141.066;
- 24 (c) The tuition credit permitted by KRS 141.069;
- 25 (d) The household and dependent care credit permitted by KRS 141.067;
- 26 (e) The income gap credit permitted by KRS 141.066; and
- 27 (f) The Education Opportunity Account Program ~~tax~~ credit permitted by KRS

- 1 141.522;
- 2 (3) After the application of the nonrefundable credits provided for in subsection (2) of
3 this section, the refundable credits against the tax imposed by KRS 141.020 shall be
4 taken in the following order:
- 5 (a) The individual withholding tax credit permitted by KRS 141.350;
- 6 (b) The individual estimated tax payment credit permitted by KRS 141.305;
- 7 (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
8 171.397(1)(b);
- 9 (d) The film industry ~~tax~~ credit permitted by KRS 141.383 for applications
10 approved prior to April 27, 2018, or on or after January 1, 2022;
- 11 (e) The development area ~~tax~~ credit permitted by KRS 141.398;
- 12 (f) The decontamination ~~tax~~ credit permitted by KRS 141.419; and
- 13 (g) The pass-through entity tax credit permitted by KRS 141.209;
- 14 (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the
15 tax imposed by KRS 141.040;
- 16 (5) The following nonrefundable credits shall be applied against the sum of the tax
17 imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)
18 of this section, and the tax imposed by KRS 141.0401 in the following order:
- 19 (a) The economic development credits computed under KRS 141.347, 141.381,
20 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
21 154.12-2088;
- 22 (b) The qualified farming operation credit permitted by KRS 141.412;
- 23 (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 24 (d) The health insurance credit permitted by KRS 141.062;
- 25 (e) The unemployment credit permitted by KRS 141.065;
- 26 (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 27 (g) The coal conversion credit permitted by KRS 141.041;

- 1 (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods
2 ending prior to January 1, 2008;
- 3 (i) The tax credit for cash contributions to investment funds permitted by KRS
4 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
5 154.20-258;
- 6 (j) The research facilities credit permitted by KRS 141.395;
- 7 (k) The employer High School Equivalency Diploma program incentive credit
8 permitted by KRS 151B.402;
- 9 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 10 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 11 (n) The clean coal incentive credit permitted by KRS 141.428;
- 12 (o) The ethanol credit permitted by KRS 141.4242;
- 13 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 14 (q) The energy efficiency credits permitted by KRS 141.436;
- 15 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit
16 permitted by KRS 141.437;
- 17 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 18 (t) The railroad expansion credit permitted by KRS 141.386;
- 19 (u) The Endow Kentucky credit permitted by KRS 141.438;
- 20 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 21 (w) The distilled spirits credit permitted by KRS 141.389;
- 22 (x) The film industry credit permitted by KRS 141.383 for applications approved
23 on or after April 27, 2018, but before January 1, 2022;
- 24 (y) The inventory credit permitted by KRS 141.408;
- 25 (z) The renewable chemical production ~~tax~~ credit permitted by KRS 141.4231;
- 26 (aa) The Education Opportunity Account Program ~~tax~~ credit permitted by KRS
27 141.522; and

- 1 (ab) The qualified broadband investment ~~tax~~ credit permitted by KRS 141.391;
2 and
- 3 (6) After the application of the nonrefundable credits in subsection (5) of this section,
4 the refundable credits shall be taken in the following order:
- 5 (a) The corporation estimated tax payment credit permitted by KRS 141.044;
6 (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and
7 171.397(1)(b);
8 (c) The film industry ~~tax~~ credit permitted by KRS 141.383 for applications
9 approved prior to April 27, 2018, or on or after January 1, 2022;
10 (d) The decontamination ~~tax~~ credit permitted by KRS 141.419; and
11 (e) The pass-through entity tax credit permitted by KRS 141.209.

12 ➔Section 3. KRS 131.190 is amended to read as follows:

- 13 (1) No present or former commissioner or employee of the department, present or
14 former member of a county board of assessment appeals, present or former property
15 valuation administrator or employee, present or former secretary or employee of the
16 Finance and Administration Cabinet, former secretary or employee of the Revenue
17 Cabinet, or any other person, shall intentionally and without authorization inspect
18 or divulge any information acquired by him or her of the affairs of any person, or
19 information regarding the tax schedules, returns, or reports required to be filed with
20 the department or other proper officer, or any information produced by a hearing or
21 investigation, insofar as the information may have to do with the affairs of the
22 person's business.
- 23 (2) The prohibition established by subsection (1) of this section shall not extend to:
- 24 (a) Information required in prosecutions for making false reports or returns of
25 property for taxation, or any other infraction of the tax laws;
26 (b) Any matter properly entered upon any assessment record, or in any way made
27 a matter of public record;

- 1 (c) Furnishing any taxpayer or his or her properly authorized agent with
2 information respecting his or her own return;
- 3 (d) Testimony provided by the commissioner or any employee of the department
4 in any court, or the introduction as evidence of returns or reports filed with the
5 department, in an action for violation of state or federal tax laws or in any
6 action challenging state or federal tax laws;
- 7 (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or
8 energy resources assessed under KRS 132.820, or owners of surface land
9 under which the unmined minerals lie, factual information about the owner's
10 property derived from third-party returns filed for that owner's property, under
11 the provisions of KRS 132.820, that is used to determine the owner's
12 assessment. This information shall be provided to the owner on a confidential
13 basis, and the owner shall be subject to the penalties provided in KRS
14 131.990(2). The third-party filer shall be given prior notice of any disclosure
15 of information to the owner that was provided by the third-party filer;
- 16 (f) Providing to a third-party purchaser pursuant to an order entered in a
17 foreclosure action filed in a court of competent jurisdiction, factual
18 information related to the owner or lessee of coal, oil, gas reserves, or any
19 other mineral resources assessed under KRS 132.820. The department may
20 promulgate an administrative regulation establishing a fee schedule for the
21 provision of the information described in this paragraph. Any fee imposed
22 shall not exceed the greater of the actual cost of providing the information or
23 ten dollars (\$10);
- 24 (g) Providing information to a licensing agency, the Transportation Cabinet, or
25 the Kentucky Supreme Court under KRS 131.1817;
- 26 (h) Statistics of gasoline and special fuels gallonage reported to the department
27 under KRS 138.210 to 138.448;

- 1 (i) Providing any utility gross receipts license tax return information that is
2 necessary to administer the provisions of KRS 160.613 to 160.617 to
3 applicable school districts on a confidential basis;
- 4 (j) Providing documents, data, or other information to a third party pursuant to an
5 order issued by a court of competent jurisdiction;
- 6 (k) Publishing administrative writings on its official website in accordance with
7 KRS 131.020(1)(b); or
- 8 (l) Providing information to the Legislative Research Commission under:
- 9 1. KRS 139.519 for purposes of the sales and use tax refund on building
10 materials used for disaster recovery;
- 11 2. KRS 141.436 for purposes of the energy efficiency products credits;
- 12 3. KRS 141.437 for purposes of the ENERGY STAR home and the
13 ENERGY STAR manufactured home credits;
- 14 4. KRS 141.383 for purposes of the film industry incentives;
- 15 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization
16 credit~~{tax credits}~~ and the job assessment fees;
- 17 6. KRS 141.068 for purposes of the Kentucky investment fund;
- 18 7. KRS 141.396 for purposes of the angel investor ~~{tax}~~ credit;
- 19 8. KRS 141.389 for purposes of the distilled spirits credit;
- 20 9. KRS 141.408 for purposes of the inventory credit;
- 21 10. KRS 141.390 for purposes of the recycling and composting credit;
- 22 11. KRS 141.3841 for purposes of the selling farmer ~~{tax}~~ credit;
- 23 12. KRS 141.4231 for purposes of the renewable chemical production ~~{tax}~~
24 }credit;
- 25 13. KRS 141.524 for purposes of the Education Opportunity Account
26 Program ~~{tax}~~ credit;
- 27 14. KRS 141.398 for purposes of the development area ~~{tax}~~ credit;

- 1 15. KRS 139.516 for the purposes of the sales and use tax
2 exemptions~~[exemption]~~ on the commercial mining of cryptocurrency;
3 16. KRS 141.419 for purposes of the decontamination ~~[tax]~~ credit;
4 17. KRS 141.391 for purposes of the qualified broadband investment ~~[tax]~~
5 ~~[credit;]~~~~[and]~~
6 18. KRS 139.499 for purposes of the sales and use tax
7 exemptions~~[exemption]~~ for a qualified data center project; and
8 19. Section 1 of this Act for purposes of the 2026 toll relief credit.

- 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
12 government, under reciprocal agreements whereby the department shall receive
13 similar or useful 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
18 shall not be inspected intentionally and without authorization by any present
19 secretary or employee of the Finance and Administration Cabinet, commissioner or
20 employee of the department, or any other person.
- 21 (5) Statistics of crude oil as reported to the department under the crude oil excise tax
22 requirements of KRS Chapter 137 and statistics of natural gas production as
23 reported to the department under the natural resources severance tax requirements
24 of KRS Chapter 143A may be made public by the department by release to the
25 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.