

1       AN ACT relating to taxation.

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

3           ➔Section 1. KRS 131.150 is amended to read as follows:

4       (1) When the Department of Revenue reasonably believes that any taxpayer has  
5       withdrawn from the state or concealed his or her assets or a material part thereof so  
6       as to hinder or evade the assessment or collection of taxes, or has desisted from any  
7       taxable activity in the state, or has become domiciled elsewhere, or has departed  
8       from this state with fraudulent intent to hinder or evade the assessment or collection  
9       of taxes, or has done any other act tending to render partly or wholly ineffective  
10      proceedings to assess or collect any such taxes, or contemplates doing any of these  
11      acts in the immediate future, or that any tax claim for any other reason is being  
12      endangered, such tax liability shall become due and payable immediately upon  
13      assessment or determination of the amount of taxes due, as authorized in this  
14      section.

15      (2) Under any of the circumstances set out in subsection (1) of this section, the  
16      department may make a tentative assessment or determination of the taxes due, and  
17      may proceed immediately to bring garnishment, attachment or any other legal  
18      proceedings to collect the taxes so assessed or determined to be due.  
19      Notwithstanding the provisions of KRS 131.180(1), if the tax so assessed is due to  
20      the failure of the taxpayer to file a required tax return a minimum penalty of one  
21      hundred dollars (\$100) shall be assessed unless the taxpayer demonstrates that the  
22      failure to file was due to reasonable cause as defined in KRS 131.010(9). This  
23      penalty shall be applicable whether or not any tax is determined to be due on a  
24      subsequently filed return or if the subsequently filed return results in a refund. No  
25      bond shall be required of the department in such proceedings. The taxpayer may  
26      stay legal proceedings by filing a bond in an amount sufficient in the opinion of the  
27      department to cover the taxes, penalties, interest, and costs. If no legal proceedings

- 1 have been instituted, the department may require a bond adequate to cover all taxes,  
2 penalties, and interest. On making bond, exception to the assessment or  
3 determination of tax liability may be filed in the same manner and time as provided  
4 in KRS 131.110. If no exceptions are filed to the tentative assessment or  
5 determination, it shall become final.
- 6 (3) The department may require any such taxpayer to file with it forthwith the reports  
7 required by law or regulation, or any additional reports or other information  
8 necessary to assess the property or determine the amount of tax due.
- 9 (4) If the department fails to exercise the authority conferred by this section, such  
10 taxpayer shall report and pay all taxes due as otherwise provided by law.