

1 AN ACT relating to the farm implements and farm machinery ad valorem tax  
2 exemption.

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

4 ➔Section 1. KRS 132.096 is amended to read as follows:

5 The following classes of property shall be exempt from state and local ad valorem taxes,  
6 including the county, city, school, and other taxing district in which it has a taxable situs:

- 7 (1) Farm implements and farm machinery ~~{owned by or leased to a person actually~~  
8 ~~{engaged in farming {and used in his or her farm} operations;~~
- 9 (2) Livestock, ratite birds, and domestic fowl;
- 10 (3) Tangible personal property located in a foreign trade zone established pursuant to  
11 19 U.S.C. secs. 81a to 81u, provided that the zone is activated in accordance with  
12 the regulations of ~~{the}~~ United States Customs ***and Border Protection***~~{Service}~~ and  
13 the Foreign Trade Zones Board;
- 14 (4) Property that is certified as an alcohol production facility as defined in KRS  
15 247.910;
- 16 (5) Property that is certified as a fluidized bed energy production facility as defined in  
17 KRS 211.390;
- 18 (6) Computer software, except prewritten computer software as defined in KRS  
19 139.010;
- 20 (7) Trucks, tractors, and buses used on routes or in systems that are partly within and  
21 partly outside this state, and that are subject to the fee imposed by KRS 136.188;
- 22 (8) Semitrailers and trailers, as defined in KRS 189.010, if the semitrailers or trailers  
23 are used on a route or in a system that is partly within and partly outside this state.  
24 Semitrailers or trailers required to be registered under KRS 186.655 that are used  
25 only in this state shall be subject to the ad valorem tax imposed by KRS 132.487;
- 26 (9) All intangible personal property, except intangible personal property assessed under  
27 KRS 132.030 or KRS Chapter 136. Nothing in this subsection shall prohibit local

1           taxation of franchises of:

2           (a) Corporations;

3           (b) Financial institutions as provided in KRS 136.575; or

4           (c) Domestic life insurance companies;

5   (10) All real and personal property owned by another state or a political subdivision of  
6       another state that is used exclusively for public purposes, if a comparable  
7       exemption is provided in that state or political subdivision for property owned by  
8       the Commonwealth of Kentucky or its political subdivisions;

9   (11) Every fraternal benefit society organized or licensed under Subtitle 29 of KRS  
10       Chapter 304 that is a charitable and benevolent institution, and its funds shall be  
11       exempt from all state, county, district, city, and school taxes, other than taxes on  
12       real property and office equipment; and

13   (12) (a) Any bridge built by an adjoining state, by the government of the United  
14       States, or by any commission created by an Act of Congress, over a boundary  
15       line stream between this state and an adjoining state, which is:

16           1. Not operated for profit and, if it connects with a primary highway of this  
17           state, is declared to be public property used for public purposes; and

18           2. Exempt from taxation unless the adjoining state, or other public body  
19           constructing the bridge, taxes similar bridges built by this  
20           Commonwealth in like manner.

21       (b) The issuance of bonds for the purpose of amortizing the cost of construction  
22       of the bridges, as described in paragraph (a) of this subsection, shall not affect  
23       the tax exemption granted.