

1 AN ACT relating to transient room tax.

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

3 ➔Section 1. KRS 142.400 is amended to read as follows:

4 (1) As used in ***KRS 142.400 to 142.408***~~[this section]~~:

5 (a) ***"Department" means the Department of Revenue;***

6 ***"Person" has the same meaning as in KRS 91A.345; and***

7 ***"Rent" has the same meaning as in KRS 91A.345.***

8 (2) A statewide transient room tax shall be imposed at a rate of one percent (1%) of the
9 rent for every occupancy of any suite, room, rooms, cabins, lodgings, campsites, or
10 other accommodations charged by any hotel, motel, inn, tourist camp, tourist cabin,
11 campgrounds, recreational vehicle parks, or other place in which accommodations
12 are regularly furnished to transients for a consideration or by any person that
13 facilitates the rental of the accommodations by brokering, coordinating, or in any
14 other way arranging for the rental of the accommodations for consideration.

15 ***(3) (a) A surtax shall be imposed in addition to the tax levied in subsection (2) of***
16 ***this section at the rate of one percent (1%) of the rent charged by any***
17 ***person who facilitates the rental of the accommodation by brokering,***
18 ***coordinating, or in any other way arranging for the rental of the***
19 ***accommodation for consideration, and that person is responsible for***
20 ***collecting and remitting the surtax imposed under this subsection.***

21 ***(b) The surtax shall not be imposed on the rental of accommodations charged***
22 ***by any hotel, motel, inn, tourist camp, tourist cabin, campground, or***
23 ***recreational vehicle park.***

24 ***(c) All tax receipts from the surtax imposed under this subsection shall be***
25 ***deposited in the affordable housing trust fund established in KRS 198A.710***
26 ***to provide additional resources to fund the activities outlined in KRS***
27 ***198A.715.***

1 ~~(4)~~~~(3)~~ As used in this section~~subsection~~, rent shall not include any other local or
2 state taxes paid by the person or entity renting the accommodations.

3 ~~(5)~~~~(4)~~ The tax imposed by subsection ~~(2)~~~~(1)~~ of this section and the surtax imposed
4 by subsection (3) of this section shall not apply to rentals~~rooms, lodgings,~~
5 ~~campsites, or accommodations supplied~~ for a continuous period of thirty (30) days
6 or more to a person.

7 ➔Section 2. KRS 142.402 is amended to read as follows:

8 (1) On or before the twentieth day of every month, a taxpayer subject to any~~the~~ tax
9 set forth~~provided~~ in KRS 142.400 shall submit a return and any~~the~~ tax due for
10 the preceding month to the department~~of Revenue~~, in a form prescribed by the
11 department. To facilitate administration, the department may permit or require
12 returns or tax payments for other periods. Upon written request received on or
13 before the due date, the department may extend the filing or tax payment due date
14 up to thirty (30) days.

15 (2) The department~~of Revenue~~ shall examine and audit each return as soon as
16 practicable after it is received. If the tax computed by the department is greater than
17 the tax paid by the taxpayer, the department shall assess the excess within four (4)
18 years from the filing deadline, including any extensions granted. If the taxpayer
19 failed to file a return or filed a fraudulent return, then the excess may be assessed at
20 any time.

21 (3) A taxpayer may request a refund or credit for any overpayment of tax under KRS
22 142.400 within four (4) years after the tax due date, including any extensions
23 granted. The request shall be made to the department~~of Revenue~~ in writing and
24 shall state the amount requested, the applicable period, the basis for the request, and
25 any other information the department reasonably requires.

26 (4) Any tax not paid on or before its due date shall bear interest at the tax interest rate
27 provided in KRS 131.183 from the date due until the date of payment. If an

1 extension is granted, and the tax is not paid within the extension period, then
2 interest shall accrue from the original due date.

3 ➔Section 3. KRS 142.404 is amended to read as follows:

4 Notwithstanding any other provision of law to the contrary, the president, vice president,
5 secretary, treasurer, manager, partner, or any other person holding any equivalent office
6 or position in any corporation, limited liability company, limited liability partnership, or
7 limited liability limited partnership subject to KRS 142.400 and 142.402 shall be
8 personally and individually liable, both jointly and severally, for the tax imposed under
9 KRS 142.400. Dissolution, withdrawal of the corporation, limited liability company,
10 limited liability partnership, or limited liability limited partnership from the state, or the
11 cessation of holding any office shall not discharge the liability of any person. The
12 liability shall attach at the time the tax or surtax becomes or became due. No person shall
13 be held liable under this section if the person did not have authority to collect, truthfully
14 account for, or pay over the tax or surtax at the time it became due. "Taxes" as used in
15 this section shall include interest accrued under KRS 131.183 and all applicable penalties
16 imposed under this chapter or KRS 131.180, 131.410 to 131.445, and 131.990.

17 ➔Section 4. KRS 142.406 is amended to read as follows:

18 (1) There is hereby created and established in the State Treasury a trust and agency
19 account to be known as the tourism, meeting, and convention marketing fund. The
20 fund shall be administered by the Tourism, Arts and Heritage Cabinet, with the
21 approval of the Governor's Office for Policy and Management.

22 (2) All tax receipts from the tax imposed under subsection (2) of Section 1 of this
23 Act~~[KRS 142.400]~~ shall be deposited into the tourism, meeting, and convention
24 marketing fund, and shall be used~~[appropriated]~~ for the purposes set forth in
25 subsection (3) of this section. The fund shall also contain any other money
26 contributed, allocated, or appropriated to it from any other source. Money in the
27 fund shall be invested by the Finance and Administration Cabinet in instruments

1 authorized under KRS 42.500. Investment proceeds shall be deposited to the credit
2 of the fund. Money in the fund shall not lapse but shall be carried forward to the
3 next fiscal year or biennium.

4 (3) The tourism, meeting, and convention marketing fund shall be used for the sole
5 purpose of marketing and promoting tourism in the Commonwealth including
6 expenditures to market and promote events and venues related to meetings,
7 conventions, trade shows, cultural activities, historical sites, recreation,
8 entertainment, natural phenomena, areas of scenic beauty, craft marketing, and any
9 other economic activity that brings tourists and visitors to the Commonwealth.
10 Marketing and promoting tourism shall not include expenditures on capital
11 construction projects.

12 (4) By September 1 of each year, the secretary of the Tourism, Arts and Heritage
13 Cabinet shall report to the Governor and the Legislative Research Commission
14 concerning the receipts, expenditures, and carryforwards of the fund for the
15 preceding fiscal year.

16 ➔Section 5. KRS 198A.190 is amended to read as follows:

17 The corporation is authorized to accept and expend such moneys as may be appropriated
18 from time to time by the General Assembly or such moneys as may be received from any
19 source, including *the statewide transient room surtax imposed under subsection (3) of*
20 *Section 1 of this Act and* income from the corporation's operations, for effectuating its
21 corporate purposes including, without limitation, the payment of the initial expenses of
22 administration and operation and the establishment of a reserve or contingency fund to be
23 available for the payment of the principal of and the interest on any bonds or notes of the
24 corporation.

25 ➔Section 6. This Act takes effect August 1, 2026.