

1 AN ACT relating to public transportation, making an appropriation therefor, and  
2 declaring an emergency.

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

4 ➔Section 1. KRS 96A.096 is amended to read as follows:

5 **(1)** There is created in the State Treasury a special fund to be known as the ~~["]~~Kentucky  
6 public transportation development fund.~~["]~~

7 **(2)** ***The fund shall be administered by the Transportation Cabinet.***

8 **(3)** All moneys deposited~~[ or paid]~~ into ~~the~~~~[this]~~ fund are appropriated and shall be  
9 available to the **Transportation** Cabinet for the purposes of KRS 96A.095 **and**~~[. All~~  
10 ~~moneys in this fund]~~ shall be expended for public transportation capital and  
11 operating subsidies, public transportation development, or administrative costs  
12 incidental to these developments.

13 **(4)** The fund shall consist of:

14 **(a)** **Moneys**~~[ all money]~~ appropriated by the state;

15 **(b)** **Moneys**~~[ and all money]~~ received from the United States or from any other  
16 source for the purpose of providing public transportation capital and operating  
17 subsidies and public transportation development funds; **and**

18 **(c)** **Voluntary contributions made by Kentucky employers, which shall not**  
19 **exceed five-hundredths of one percent (0.05%) of the employer's total**  
20 **payroll.**

21 **(5)** All moneys in the~~[ Kentucky public transportation development]~~ fund shall be  
22 deposited, administered, and dispersed in the same manner and under the same  
23 conditions and requirements as are provided by law for other special funds in the  
24 State Treasury, except that:

25 **(a)** **Moneys in the fund received through voluntary contributions specified in**  
26 **subsection (4)(c) of this section shall be used for providing public transit for**  
27 **workforce mobility needs;**

1 (b) Moneys distributed to public transit systems from the fund shall be allocated  
2 based on the following percentages:

3 1. Thirty-five percent (35%) of the total amount distributed shall go to  
4 each eligible public transit system as a guaranteed minimum base  
5 amount;

6 2. Thirty-five percent (35%) of the total amount distributed shall be  
7 based on the needs of the public transit systems, which shall be  
8 weighted by unlinked passenger trips, service hours, and the number  
9 of low-income or no-vehicle households served;

10 3. Twenty percent (20%) of the total amount distributed shall be based on  
11 rural equity; and

12 4. Ten percent (10%) of the total amount distributed shall be based on  
13 performance using prior-year metrics that include cost efficiency, on-  
14 time performance, ridership recovery, and safety; and

15 (c) Any balance in this fund shall not lapse at any time but shall be continuously  
16 available to the Transportation Cabinet for the purposes of carrying out the  
17 provisions of KRS 96A.095.

18 (6) A general statement that all continuing appropriations are repealed shall not be  
19 construed as abolishing this fund.

20 (7) Each public transit system that receives moneys from this fund shall provide an  
21 annual report on the use of the moneys to the Transportation Cabinet on or  
22 before October 1 of each year.

23 (8) The Transportation Cabinet shall provide an annual report on or before  
24 December 1 to the Legislative Research Commission for referral to the Interim  
25 Joint Committees on Appropriations and Revenue and Transportation. The  
26 report shall include the following information for the previous fiscal year:

27 (a) The total moneys deposited in the fund;

1 (b) The total moneys distributed to each public transit system;

2 (c) An explanation of the methods used to determine the amount of funds  
 3 distributed to each public transit system based on the allocation  
 4 requirements under subsection (5)(b) of this section; and

5 (d) The use of the moneys received by each public transit system.

6 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 141 IS CREATED TO  
 7 READ AS FOLLOWS:

8 (1) As used in this section:

9 (a) "Kentucky public transportation development fund" means the fund  
 10 established in Section 1 of this Act;

11 (b) "Public transportation contribution" means the:

12 1. Amounts of moneys contributed to the Kentucky public transportation  
 13 development fund; or

14 2. Monetary value of transit authority passes, vouchers, tickets or any  
 15 other form of fare that provides for transfer on transit authority  
 16 vehicles utilized by employees of the employer making the contribution  
 17 in commuting to and from their place of employment; and

18 (c) "Transit authority" means a transit authority established in accordance  
 19 with KRS 96A.020.

20 (2) For taxable years beginning on or after January 1, 2027, but before January 1,  
 21 2031, there is hereby established the nonrefundable, nontransferable public  
 22 transportation contribution credit allowed against the tax imposed in KRS  
 23 141.020 or 141.040 and 141.0401 with the ordering of the credit as provided in  
 24 Section 3 of this Act.

25 (3) The credit shall:

26 (a) Equal the public transportation contribution made by an employer in this  
 27 state to promote the utilization of transit authority transportation by its

1 employees; and

2 (b) Not exceed fifty percent (50%) of the total amount of the public  
 3 transportation contribution made for the taxable year by the employer.

4 (4) (a) By November 1 of each year in which a public transportation contribution  
 5 credit is claimed, the department shall report to the Legislative Research  
 6 Commission for referral to the Interim Joint Committee on Appropriations  
 7 and Revenue:

8 1. The number of taxpayers, by county that claimed the credit for each  
 9 taxable year;

10 2. The total amount of credit, by county claimed for each taxable year;  
 11 and

12 3. a. In the case of taxpayers other than corporations, based on  
 13 ranges of adjusted gross income of no larger than five thousand  
 14 dollars (\$5,000) for the taxable year, the total amount of credit  
 15 claimed and the total number of returns claiming this credit for  
 16 each adjusted gross income range; and

17 b. In the case of corporations, based on net income of no larger  
 18 than fifty thousand dollars (\$50,000) for the taxable year, the  
 19 total amount of credit claimed and the total number of returns  
 20 claiming this credit for each net income range.

21 (b) The information required to be reported under this section shall not be  
 22 considered confidential taxpayer information and shall not be subject to KRS  
 23 Chapter 131 or any other provisions of the Kentucky Revised Statutes prohibiting  
 24 disclosure or reporting of information.

25 ➔Section 3. KRS 141.0205 is amended to read as follows:

26 If a taxpayer is entitled to more than one (1) of the tax credits allowed against the tax  
 27 imposed by KRS 141.020, 141.040, and 141.0401, the priority of application and use of

1 the credits shall be determined as follows:

- 2 (1) The nonrefundable business incentive credits against the tax imposed by KRS  
3 141.020 shall be taken in the following order:
- 4 (a) The limited liability entity tax credit permitted by KRS 141.0401;
  - 5 (b) The economic development credits computed under KRS 141.347, 141.381,  
6 141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and  
7 154.12-2088;
  - 8 (c) The qualified farming operation credit permitted by KRS 141.412;
  - 9 (d) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
  - 10 (e) The health insurance credit permitted by KRS 141.062;
  - 11 (f) The tax paid to other states credit permitted by KRS 141.070;
  - 12 (g) The credit for hiring the unemployed permitted by KRS 141.065;
  - 13 (h) The recycling or composting equipment credit permitted by KRS 141.390;
  - 14 (i) The ~~tax~~ credit for cash contributions in investment funds permitted by KRS  
15 154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS  
16 154.20-258;
  - 17 (j) The research facilities credit permitted by KRS 141.395;
  - 18 (k) The employer High School Equivalency Diploma program incentive credit  
19 permitted under KRS 151B.402;
  - 20 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
  - 21 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
  - 22 (n) The clean coal incentive credit permitted by KRS 141.428;
  - 23 (o) The ethanol credit permitted by KRS 141.4242;
  - 24 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
  - 25 (q) The energy efficiency credits permitted by KRS 141.436;
  - 26 (r) The railroad maintenance and improvement credit permitted by KRS 141.385;
  - 27 (s) The Endow Kentucky credit permitted by KRS 141.438;

- 1 (t) The New Markets Development Program credit permitted by KRS 141.434;
- 2 (u) The distilled spirits credit permitted by KRS 141.389;
- 3 (v) The angel investor credit permitted by KRS 141.396;
- 4 (w) The film industry credit permitted by KRS 141.383 for applications approved
- 5 on or after April 27, 2018, but before January 1, 2022;
- 6 (x) The inventory credit permitted by KRS 141.408;
- 7 (y) The renewable chemical production credit permitted by KRS 141.4231;~~and~~
- 8 (z) The qualified broadband investment ~~tax~~ credit permitted by KRS 141.391;
- 9 **and**
- 10 **(aa) The public transportation contribution credit permitted by Section 2 of this**
- 11 **Act;**
- 12 (2) After the application of the nonrefundable credits in subsection (1) of this section,
- 13 the nonrefundable personal tax credits against the tax imposed by KRS 141.020
- 14 shall be taken in the following order:
- 15 (a) The individual credits permitted by KRS 141.020(3);
- 16 (b) The credit permitted by KRS 141.066;
- 17 (c) The tuition credit permitted by KRS 141.069;
- 18 (d) The household and dependent care credit permitted by KRS 141.067;
- 19 (e) The income gap credit permitted by KRS 141.066; and
- 20 (f) The Education Opportunity Account Program ~~tax~~ credit permitted by KRS
- 21 141.522;
- 22 (3) After the application of the nonrefundable credits provided for in subsection (2) of
- 23 this section, the refundable credits against the tax imposed by KRS 141.020 shall be
- 24 taken in the following order:
- 25 (a) The individual withholding tax credit permitted by KRS 141.350;
- 26 (b) The individual estimated tax payment credit permitted by KRS 141.305;
- 27 (c) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and

- 1           171.397(1)(b);
- 2           (d) The film industry ~~tax~~ credit permitted by KRS 141.383 for applications
- 3           approved prior to April 27, 2018, or on or after January 1, 2022;
- 4           (e) The development area ~~tax~~ credit permitted by KRS 141.398;
- 5           (f) The decontamination ~~tax~~ credit permitted by KRS 141.419; and
- 6           (g) The pass-through entity tax credit permitted by KRS 141.209;
- 7           (4) The nonrefundable credit permitted by KRS 141.0401 shall be applied against the
- 8           tax imposed by KRS 141.040;
- 9           (5) The following nonrefundable credits shall be applied against the sum of the tax
- 10          imposed by KRS 141.040 after subtracting the credit provided for in subsection (4)
- 11          of this section, and the tax imposed by KRS 141.0401 in the following order:
- 12          (a) The economic development credits computed under KRS 141.347, 141.381,
- 13               141.384, 141.3841, 141.400, 141.403, 141.407, 141.415, 154.12-207, and
- 14               154.12-2088;
- 15          (b) The qualified farming operation credit permitted by KRS 141.412;
- 16          (c) The certified rehabilitation credit permitted by KRS 171.397(1)(a);
- 17          (d) The health insurance credit permitted by KRS 141.062;
- 18          (e) The unemployment credit permitted by KRS 141.065;
- 19          (f) The recycling or composting equipment credit permitted by KRS 141.390;
- 20          (g) The coal conversion credit permitted by KRS 141.041;
- 21          (h) The enterprise zone credit permitted by KRS 154.45-090, for taxable periods
- 22               ending prior to January 1, 2008;
- 23          (i) The ~~tax~~ credit for cash contributions to investment funds permitted by KRS
- 24               154.20-263 in effect prior to July 15, 2002, and the credit permitted by KRS
- 25               154.20-258;
- 26          (j) The research facilities credit permitted by KRS 141.395;
- 27          (k) The employer High School Equivalency Diploma program incentive credit

- 1 permitted by KRS 151B.402;
- 2 (l) The voluntary environmental remediation credit permitted by KRS 141.418;
- 3 (m) The biodiesel and renewable diesel credit permitted by KRS 141.423;
- 4 (n) The clean coal incentive credit permitted by KRS 141.428;
- 5 (o) The ethanol credit permitted by KRS 141.4242;
- 6 (p) The cellulosic ethanol credit permitted by KRS 141.4244;
- 7 (q) The energy efficiency credits permitted by KRS 141.436;
- 8 (r) The ENERGY STAR home or ENERGY STAR manufactured home credit
- 9 permitted by KRS 141.437;
- 10 (s) The railroad maintenance and improvement credit permitted by KRS 141.385;
- 11 (t) The railroad expansion credit permitted by KRS 141.386;
- 12 (u) The Endow Kentucky credit permitted by KRS 141.438;
- 13 (v) The New Markets Development Program credit permitted by KRS 141.434;
- 14 (w) The distilled spirits credit permitted by KRS 141.389;
- 15 (x) The film industry credit permitted by KRS 141.383 for applications approved
- 16 on or after April 27, 2018, but before January 1, 2022;
- 17 (y) The inventory credit permitted by KRS 141.408;
- 18 (z) The renewable chemical production ~~tax~~ credit permitted by KRS 141.4231;
- 19 (aa) The Education Opportunity Account Program ~~tax~~ credit permitted by KRS
- 20 141.522;~~and~~
- 21 (ab) The qualified broadband investment ~~tax~~ credit permitted by KRS 141.391;
- 22 and
- 23 **(ac) The public transportation contribution credit permitted by Section 2 of this**
- 24 **Act; and**
- 25 (6) After the application of the nonrefundable credits in subsection (5) of this section,
- 26 the refundable credits shall be taken in the following order:
- 27 (a) The corporation estimated tax payment credit permitted by KRS 141.044;

- 1 (b) The certified rehabilitation credit permitted by KRS 171.3961, 171.3963, and  
2 171.397(1)(b);
- 3 (c) The film industry tax credit permitted by KRS 141.383 for applications  
4 approved prior to April 27, 2018, or on or after January 1, 2022;
- 5 (d) The decontamination ~~tax~~ credit permitted by KRS 141.419; and
- 6 (e) The pass-through entity tax credit permitted by KRS 141.209.

7 ➔Section 4. KRS 131.190 is amended to read as follows:

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

- 1           action challenging state or federal tax laws;
- 2           (e) Providing an owner of unmined coal, oil or gas reserves, and other mineral or  
3           energy resources assessed under KRS 132.820, or owners of surface land  
4           under which the unmined minerals lie, factual information about the owner's  
5           property derived from third-party returns filed for that owner's property, under  
6           the provisions of KRS 132.820, that is used to determine the owner's  
7           assessment. This information shall be provided to the owner on a confidential  
8           basis, and the owner shall be subject to the penalties provided in KRS  
9           131.990(2). The third-party filer shall be given prior notice of any disclosure  
10          of information to the owner that was provided by the third-party filer;
- 11          (f) Providing to a third-party purchaser pursuant to an order entered in a  
12          foreclosure action filed in a court of competent jurisdiction, factual  
13          information related to the owner or lessee of coal, oil, gas reserves, or any  
14          other mineral resources assessed under KRS 132.820. The department may  
15          promulgate an administrative regulation establishing a fee schedule for the  
16          provision of the information described in this paragraph. Any fee imposed  
17          shall not exceed the greater of the actual cost of providing the information or  
18          ten dollars (\$10);
- 19          (g) Providing information to a licensing agency, the Transportation Cabinet, or  
20          the Kentucky Supreme Court under KRS 131.1817;
- 21          (h) Statistics of gasoline and special fuels gallonage reported to the department  
22          under KRS 138.210 to 138.448;
- 23          (i) Providing any utility gross receipts license tax return information that is  
24          necessary to administer the provisions of KRS 160.613 to 160.617 to  
25          applicable school districts on a confidential basis;
- 26          (j) Providing documents, data, or other information to a third party pursuant to an  
27          order issued by a court of competent jurisdiction;

- 1 (k) Publishing administrative writings on its official website in accordance with  
2 KRS 131.020(1)(b); or
- 3 (l) Providing information to the Legislative Research Commission under:
- 4 1. KRS 139.519 for purposes of the sales and use tax refund on building  
5 materials used for disaster recovery;
  - 6 2. KRS 141.436 for purposes of the energy efficiency products credits;
  - 7 3. KRS 141.437 for purposes of the ENERGY STAR home and the  
8 ENERGY STAR manufactured home credits;
  - 9 4. KRS 141.383 for purposes of the film industry incentives;
  - 10 5. KRS 154.26-095 for purposes of the Kentucky industrial revitalization  
11 credit and the job assessment fees;
  - 12 6. KRS 141.068 for purposes of the Kentucky investment fund;
  - 13 7. KRS 141.396 for purposes of the angel investor credit;
  - 14 8. KRS 141.389 for purposes of the distilled spirits credit;
  - 15 9. KRS 141.408 for purposes of the inventory credit;
  - 16 10. KRS 141.390 for purposes of the recycling and composting credits;
  - 17 11. KRS 141.3841 for purposes of the selling farmer credit;
  - 18 12. KRS 141.4231 for purposes of the renewable chemical production  
19 credit;
  - 20 13. KRS 141.524 for purposes of the Education Opportunity Account  
21 Program credit;
  - 22 14. KRS 141.398 for purposes of the development area credit;
  - 23 15. KRS 139.516 for purposes of the sales and use tax exemptions for the  
24 commercial mining of cryptocurrency;
  - 25 16. KRS 141.419 for purposes of the decontamination credit;
  - 26 17. KRS 141.391 for purposes of the qualified broadband investment credit;
  - 27 18. KRS 139.499 for purposes of the sales and use tax exemptions for a

1 qualified data center project;~~and~~

2 19. KRS 139.5325 for purposes of the sales and use tax incentive for a  
3 qualifying attraction; and

4 20. Section 2 of this Act for purposes of the public transportation  
5 contribution credit.

6 (3) The commissioner shall make available any information for official use only and on  
7 a confidential basis to the proper officer, agency, board or commission of this state,  
8 any Kentucky county, any Kentucky city, any other state, or the federal  
9 government, under reciprocal agreements whereby the department shall receive  
10 similar or useful information in return.

11 (4) Access to and inspection of information received from the Internal Revenue Service  
12 is for department use only, and is restricted to tax administration purposes.  
13 Information received from the Internal Revenue Service shall not be made available  
14 to any other agency of state government, or any county, city, or other state, and  
15 shall not be inspected intentionally and without authorization by any present  
16 secretary or employee of the Finance and Administration Cabinet, commissioner or  
17 employee of the department, or any other person.

18 (5) Statistics of crude oil as reported to the department under the crude oil excise tax  
19 requirements of KRS Chapter 137 and statistics of natural gas production as  
20 reported to the department under the natural resources severance tax requirements  
21 of KRS Chapter 143A may be made public by the department by release to the  
22 Energy and Environment Cabinet, Department for Natural Resources.

23 (6) Notwithstanding any provision of law to the contrary, beginning with mine-map  
24 submissions for the 1989 tax year, the department may make public or divulge only  
25 those portions of mine maps submitted by taxpayers to the department pursuant to  
26 KRS Chapter 132 for ad valorem tax purposes that depict the boundaries of mined-  
27 out parcel areas. These electronic maps shall not be relied upon to determine actual

1 boundaries of mined-out parcel areas. Property boundaries contained in mine maps  
2 required under KRS Chapters 350 and 352 shall not be construed to constitute land  
3 surveying or boundary surveys as defined by KRS 322.010 and any administrative  
4 regulations promulgated thereto.

5 ➔Section 5. There is hereby appropriated General Fund moneys in the amount of  
6 \$30,000,000 in each fiscal year of the 2026-2028 fiscal biennium to the Kentucky Public  
7 Transportation Development Fund established under Section 1 of this Act.

8 ➔Section 6. Whereas public transportation provides environmental, economic,  
9 and social equity domain benefits for communities in the Commonwealth, an emergency  
10 is declared to exist, and this Act takes effect upon its passage and approval by the  
11 Governor or upon its otherwise becoming a law.