

1 AN ACT relating to local occupational license fees and taxes.

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

3 ➔Section 1. KRS 68.180 is amended to read as follows:

- 4 (1) The fiscal court of each county having a population of five~~three~~ hundred thousand
5 (500,000)~~(300,000)~~ or more may by order or resolution impose license fees on
6 franchises, provide for licensing any business, trade, occupation, or profession, and
7 the using, holding, or exhibiting of any animal, article, or other thing.
- 8 (2) License fees on such business, trade, occupation, or profession for revenue
9 purposes, except those of the common schools, shall be imposed at a percentage
10 rate not to exceed one and one-fourth percent (1.25%) of:
- 11 (a) Salaries, wages, commissions, and other compensation earned by persons
12 within the county for work done and services performed or rendered in the
13 county; and
- 14 (b) The net profits of businesses, trades, professions, or occupations from
15 activities conducted in the county.
- 16 (3) (a) No public service company that pays an ad valorem tax shall be required to
17 pay a license tax.
- 18 (b) 1. It is the intent of the General Assembly to continue the exemption from
19 local license fees and occupational taxes that existed on January 1, 2006,
20 for providers of multichannel video programming services or
21 communications services as defined in KRS 136.602 that were taxed
22 under KRS 136.120 prior to January 1, 2006.
- 23 2. To further this intent, no company providing multichannel video
24 programming services or communications services as defined in KRS
25 136.602 shall be required to pay a license tax. If only a portion of an
26 entity's business is providing multichannel video programming services
27 or communications services, including products or services that are

1 related to and provided in support of the multichannel video
2 programming services or communications services, this exclusion
3 applies only to that portion of the business that provides multichannel
4 video programming services or communications services, including
5 products or services that are related to and provided in support of the
6 multichannel video programming services or communications services
7 or communications services.

8 (c) No license tax shall be imposed upon or collected from any bank, trust
9 company, combined bank and trust company, combined trust, banking and
10 title business in this state, any savings and loan association, whether state or
11 federally chartered.

12 (d) No license tax shall be imposed upon income received by members of the
13 Kentucky National Guard for active duty training, unit training assemblies,
14 and annual field training.

15 (e) No license tax shall be imposed upon income received by precinct workers for
16 election training or work at election booths in state, county, and local primary,
17 regular, or special elections.

18 (f) No license tax shall be imposed upon any profits, earnings, or distributions of
19 an investment fund which would qualify under KRS 154.20-250 to 154.20-
20 284 to the extent any profits, earnings, or distributions would not be taxable to
21 an individual investor, or in other cases where the county is prohibited by law
22 from imposing a license tax.

23 (g) 1. No license tax shall be imposed upon:
24 a. The profits earned; or
25 b. Income received for work performed;
26 during a disaster response period by a disaster response business or a
27 disaster response employee.

1 2. As used in this paragraph, "disaster response business," "disaster
2 response employee," and "disaster response period" have the same
3 meaning as in KRS 141.010.

4 (4) The provisions and limitations of subsection (2) of this section shall not apply to
5 license fees imposed for regulatory purposes as to form and amount, or to the
6 license fees authorized by KRS 160.482 to 160.488.

7 (5) Pursuant to this section, no fiscal court shall regulate any aspect of the manner in
8 which any duly ordained, commissioned, or denominationally licensed minister of
9 religion may perform his or her duties and activities as a minister of religion. Duly
10 ordained, commissioned, or denominationally licensed ministers of religion shall be
11 subject to the same license fees imposed on others in the county on salaries, wages,
12 commissions, and other compensation earned for work done and services performed
13 or rendered.

14 ➔Section 2. KRS 68.185 is amended to read as follows:

15 (1) The fiscal court of each county having a population of five~~three~~ hundred thousand
16 (500,000)~~(300,000)~~ or more may provide for the levy, assessment, and collection
17 of the license fees authorized by KRS 68.180 and 160.482 to 160.488, provide for
18 the issuance and enforcement of licenses, and specify the county governmental
19 purposes to which the revenue derived from license fees authorized by KRS 68.180
20 shall be applied.

21 (2) In making the provisions described in subsection (1), and without limiting them, the
22 fiscal court may, by resolution or order, adopt reasonable rules or regulations
23 requiring the preparation and filing of timely, accurate, and truthful returns,
24 accounts, and license applications which will aid in the determination of the amount
25 of the fee.

26 ➔Section 3. KRS 160.482 is amended to read as follows:

27 To help provide for an efficient system of common schools in any county having

1 ~~five~~~~three~~ hundred thousand (500,000)~~(300,000)~~ or more inhabitants, the General
2 Assembly delegates to the fiscal courts and boards of education of any such county the
3 powers and duties set forth in KRS 160.482 to 160.488. The General Assembly finds and
4 declares that in any such county there are besetting public education special problems
5 which can best be solved pursuant to KRS 160.482 to 160.488. Furthermore, the General
6 Assembly declares that the public policy of the Commonwealth is not offended but is best
7 served by the authority of KRS 160.482 to 160.488 for the imposition, payment, and
8 collection of license fees on businesses, trades, occupations, and professions over and
9 above license fees that may already be imposed thereon.

10 ➔Section 4. KRS 160.607 is amended to read as follows:

- 11 (1) The school tax authorized by KRS 160.482 to 160.488 and 160.605 shall be at a
12 single uniform rate not to exceed one-half of one percent (0.5%) and shall continue
13 from year to year until changed as prescribed in KRS 160.635 and 160.484.
- 14 (2) Any county having ~~five~~~~three~~ hundred thousand (500,000)~~(300,000)~~ or more
15 inhabitants is authorized to increase the school tax rate to exceed the maximum set
16 in subsection (1) of this section by one-quarter of one percent (0.25%).

17 ➔Section 5. This Act takes effect August 1, 2026.