

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)~~<sup>(300,000)</sup> 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)~~<sup>(300,000)</sup> 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.