

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **957**

HOUSE BILL NUMBER **245**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to state tax administration.**

SPONSOR **Representative J. Miller**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES			
NET EFFECT			

() indicates a decrease/negative

MEASURE’S PURPOSE: The bill, if enacted, would amend the duties of the Department of Revenue to allow the department to respond to the public’s and taxpayers’ questions and publish its responses, notwithstanding the provisions of KRS Chapter 13A.

PROVISIONS/MECHANICS: The bill would amend KRS 131.130 to allow the publication of its responses separate from the provisions in KRS Chapter 13A related to the filing of administrative regulations. To assist taxpayers and the public in understanding and interpreting the tax laws, the department may include examples as part of any response or publication. The examples may include demonstrative, nonexclusive lists of items, if the department determines that the list would be helpful to taxpayers in understanding the application of the tax laws. This type of publication would be similar to circulars and policy statements published by the department prior to the enactment of KRS Chapter 13A.

FISCAL EXPLANATION: The provision is permissive and does not require the publication of the information. Therefore, the department is allowed to publish that information they determined to be of need to the public. This allows the department to assemble responses and publish the information related to a similar topic in the most economic means available to assist

taxpayers and the public and as employees are available to do so. Therefore, no fiscal impact will occur.

Since the responses of the department will not be promulgated within an administrative regulation, these responses will not have the force and effect of law. In past circumstances when taxpayers have litigated issues related to policies and circulars issued by the department and no administrative regulation exists, the courts have ruled for taxpayers based upon the doctrine of contemporaneous construction, even when the facts and circumstances of a taxpayer may differ slightly from those within the policy or circular. The department may exercise caution prior to issuing any new policies or circulars because of this past history.

DATA SOURCE(S): LRC staff

PREPARER: Jennifer Hays NOTE NUMBER: 48 REVIEW: JRS DATE: 2/14/2017

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