

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2019 Regular Session**

Part I: Measure Information

Bill Request #: 1548

Bill #: HB 501

Document ID #: 4368

Bill Subject/Title: AN ACT relating to the taxation of off-road vehicles.

Sponsor: Representative John "Bam" Carney

Unit of Government: City County Urban-County
Unified Local
 Charter County Consolidated Local Government

Office(s) Impacted: _____

Requirement: Mandatory Optional

Effect on
Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

Section 1 amends KRS 132.010 to define “off-road vehicle”.

Section 2 amends KRS 132.200 to include off-road vehicles held for sale in a retailer’s inventory in the list of property that is exempt from local taxation for calendar years beginning on or after January 1, 2019 and ending before January 1, 2023 and to establish reporting requirements for the Kentucky Department of Revenue.

Section 3 amends KRS 131.190 to give the Kentucky Department of Revenue the authority to provide information related to the off-road vehicle tax exemption to the Legislative Research Commission.

Estimated Fiscal Impact

The bill creates a new local ad valorem tax exemption and is expected to have a negative, indeterminable fiscal impact.

Off-road vehicles, as defined in the bill, are currently taxed at full local tax rates. This bill will exempt off-road vehicles held for sale in a retailer's inventory from local taxation, which could result in a negative fiscal impact for the local taxing district. The amount of local tax revenues currently generated from off-road vehicles is based on the location of the property. The Kentucky Department of Revenue does not track the property or the tax revenues generated from it. Therefore, the data needed to determine the amount of the fiscal impact is not available.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II, above, pertains to the bill as introduced. There is no prior version of the bill to complete Part III.

Data Source(s): Kentucky Department of Revenue; LRC staff

Preparer: Cynthia Brown **Reviewer:** KHC **Date:** 3/4/19