

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 1212

HOUSE BILL NUMBER 449 HCS1

TITLE AN ACT relating to exemptions for disaster response businesses and employees.

SPONSOR Representative Myron Dossett

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(Indeterminable)	(Indeterminable)	(Indeterminable)
EXPENDITURES				
NET EFFECT		(Indeterminable)	(Indeterminable)	(Indeterminable)

() indicates a decrease/negative

PURPOSE OF MEASURE: HB 449 HCS1 allows an income tax exemption for a disaster response business or a disaster response employee that has no other business in this state. For taxable years beginning on or after January 1, 2020, but before January 1, 2024, the income tax shall not apply to these individuals or business entities.

HB 449 HCS1 amends various local government statutes which also exempts this same activity in the Commonwealth from any local occupational license tax or business license imposed at the local level. Additionally, the legislation exempts a disaster response business from the licensing provisions for an electrical contractor, an electrician, or master electrician, if licensed in another state.

FISCAL EXPLANATION: There is a negative impact to the General Fund and a negative impact to any local government that imposes an occupational license tax or business license. The negative impact at both the state and local level is indeterminable. The negative impact would be incurred only if a disaster is declared by the Governor or the President of the United States and only if there were businesses or individuals not currently doing business in this state that respond during the disaster. There is no current data source to determine the negative fiscal impact, to determine when a disaster is likely to occur, or if individuals or businesses from outside Kentucky may respond.

DATA SOURCE(S): LRC staff

PREPARER: Jennifer Hays **NOTE NUMBER:** 224 **REVIEW:** JAB **DATE:** 3/12/2020