

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2026 REGULAR SESSION**

MEASURE

2026 BR NUMBER 1803

HOUSE BILL NUMBER 645

TITLE AN ACT relating to the Kentucky Tax Tribunal.

SPONSOR Representative Patrick Flannery

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

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

APPROPRIATION UNIT(S) IMPACTED: Kentucky Tax Tribunal

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Various

FISCAL ESTIMATES	2025-2026	2026-2027	2027-2028	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			Indeterminable	Indeterminable
EXPENDITURES			Indeterminable	Indeterminable
NET EFFECT			See Explanation	See Explanation

() indicates a decrease/negative

PURPOSE OF MEASURE: The proposed legislation establishes the Kentucky Tax Tribunal as a new independent administrative body within the executive branch, replacing the existing Board of Tax Appeals. The tribunal will serve as the single forum for all tax-related disputes in the Commonwealth, beginning January 1, 2028. All property, employees, and records of the Kentucky Board of Tax Appeals will be transferred to the Kentucky Tax Tribunal.

FISCAL EXPLANATION: The Kentucky Tax Tribunal will consist of up to three judges appointed by the Governor, each receiving a salary comparable to that of circuit court judges. Currently, the salary for a circuit court judge is approximately \$290,300, including benefits. In contrast, the salary for the current members of the Board of Tax Appeals ranges between \$2,200 and \$2,400.

In addition to salaries, there may be an increase in other operational costs associated with the establishment and functioning of the Tax Tribunal. These costs may include administrative support, facilities, and other related expenses.

It is anticipated that revenue generated from case filings and associated fees may offset some or all of these costs. However, due to various factors, the overall fiscal impact of establishing the Kentucky Tax Tribunal remains indeterminable at this time.

DATA SOURCE(S): LRC Staff, Kentucky's Transparency Website

PREPARER: Wendy Bohn NOTE NUMBER: 95 REVIEW: JMR DATE: 3/11/2026