



Header: Key legislation to watch entering the final weeks of Session
Sub-Header: KyCPA's Weekly Recap of the General Assembly
March 4, 2024

CPA Day 2024



Photo Caption: House Appropriations & Revenue Committee Vice Chairs, Representatives Adam Bowling (Bell County) and Josh Bray (Rockcastle County) at CPA Day in the Kentucky Capitol on January 31, 2024.

Key legislation to watch entering the final weeks of Session

Last week saw the passage of the bill filing deadline in the Kentucky House of Representatives with a total of 838 bills introduced. The majority of this legislation is unlikely to pass before the end of Session, but a few key bills are worthy of consideration.

On February 26, multiple **revenue bills** were introduced making minor technical corrections to existing tax statute. [HB743](#), [HB744](#), [HB745](#), and [HB746](#) all received two of three readings required on the House floor for a vote, progressing through procedural measures to prepare the bills for amendments and passage. In addition to these bills, [HB122](#) contains provisions related to the Kentucky Department of Revenue's administrative publications and also has two readings on the House floor. Look out for important revenue and tax updates in the coming weeks as these bills potentially move forward.

The highly anticipated **local tax Constitutional amendment** proposal was introduced via [HB14](#). A similar measure progressed through the General Assembly during the 2022 Session but fell short of passage in the Senate. This year, supporters believe they have the momentum to pass the Constitutional amendment. As a refresher, the proposed amendment would allow local governments the ability to diversify revenue sources outside of occupational licensing fees, property, and insurance premium taxes. Proposed Constitutional amendments require the support of 3/5 of all members in each Chamber and a majority ratification by voters on the ballot in the November election. If passed by the General Assembly and ratified by the voters, [HB724](#) provides statutory guidance requiring any new local taxes be authorized by the General Assembly and within the bounds of Kentucky's Constitution. This bill would become effective upon ratification of the local tax Constitutional amendment.

KyCPA leaves the decision to implement the Constitutional amendment and authorize new local taxes to policymakers and voters of the Commonwealth. As objective tax policy professionals, the Society remains committed to strengthening **local tax uniformity** within this context, which decreases the taxpayers' costs of compliance with the law, and the local districts' costs for collecting taxes, examining returns, and resolving disputes. KyCPA will continue to ensure uniformity, centralized collection, and sound tax policy are critical to any new local taxes considered by the General Assembly.

Last Wednesday, February 28, the bill filing deadline also passed in the Kentucky Senate with a total of 382 bills introduced. With multiple tax and business initiatives moving through the House, the Senate continues to review and consider the biennial budget proposals. Senate amendments will play key roles in the legislative process as bills move through the upper Chamber later in the Session.

With less than 20 business days left in this 60-day Session, remain vigilant by keeping up with our legislative update emails in the coming weeks.

KyCPA 2024 Policy Priorities



Bills to keep an eye on

As we enter March of the 2024 Legislative Session, legislation will begin to move rapidly through the Kentucky General Assembly. The biennial budget bills remain under review in the Senate Appropriations & Revenue Committee with revenue legislation introduced in the House. Check out the priority bills and issues KyCPA is tracking below:

- **Budget bills:** [HB1](#) authorizes one-time appropriations while [HB6](#) serves as the operating budget for the Executive Branch. [HB262](#) amends the FY2022-2024 Executive Branch budget, [HB263](#) funds the Legislative Branch, and [HB264](#) the Judicial Branch of the Commonwealth.
 - Status: *Referred to Senate Appropriations & Revenue, 2/6/2024*

- **Revenue bills:** [HB8](#), [HB743](#), [HB744](#), [HB745](#), and [HB746](#) were all introduced in the House last week. [HB122](#) also remains under consideration in the House Appropriations & Revenue Committee. Look out for key amendments to these bills in the coming weeks.
 - Status: *Referred to House Appropriations & Revenue, 3/1/2024*

- **Licensure:** [HB124](#) would allow individuals with a criminal record the ability to petition a profession's licensing board to determine if their record disqualifies them from entering that profession.
 - Status: *Received two readings on the House floor, 2/29/2024*

- **Local government annexation:** [HB596](#) details annexation and revenue sharing agreements between Kentucky's counties, cities, and local governments.
 - Status: *Passed the House 93-1, 3/1/2024*
- **Federal tax legislation:** [H.R.7024](#), *Tax Relief for American Families & Workers Act of 2024*, is currently under review in the U.S. Senate. [H.R.7160](#), *SALT Marriage Penalty Elimination Act*, has been referred to U.S. House Ways & Means Committee for consideration.

Review all priority legislation KyCPA is tracking **HERE**.

Louisville Metro tax update

The Louisville Metro Revenue Commission has implemented additional forms into existing software programs CCH Prosystems Fx and CCH Access by Wolters Kluwer. The Revenue Commission also onboarded a new vendor, Drake Software, to its existing Modernized Electronic Filing (MeF) program.

For a complete list of vendor software and form types, visit the Revenue Commission's [Modernized Electronic Filing](#) webpage.

BOI reporting update

On Friday, March 1, a **U.S. district court ruled that the Corporate Transparency Act (CTA) is unconstitutional**, effectively placing Beneficial Ownership Information (BOI) reporting in an uncertain status.

Please stay tuned for updates as additional information regarding this ruling becomes available.

KyCPA-PAC, [Kentucky Counts on CPAs](#)

The KyCPA Political Action Committee (KyCPA-PAC) enables the CPA profession to elect business-minded legislators who support our position on issues related to tax, licensing, and client advisory services. By pooling our resources, together we can ensure the accounting profession continues to have a strong presence in Kentucky's legislative and regulatory activities.

For more information on KyCPA-PAC, what it is, why it is important, and how you can support, visit www.kycpa.org/advocacy/pac.