



**Header: Kentucky budget, revenue transparency, and BOI reporting updates**  
**Sub-Header: KyCPA's Weekly Recap of the General Assembly**  
**March 11, 2024**

**CPA Day 2024**

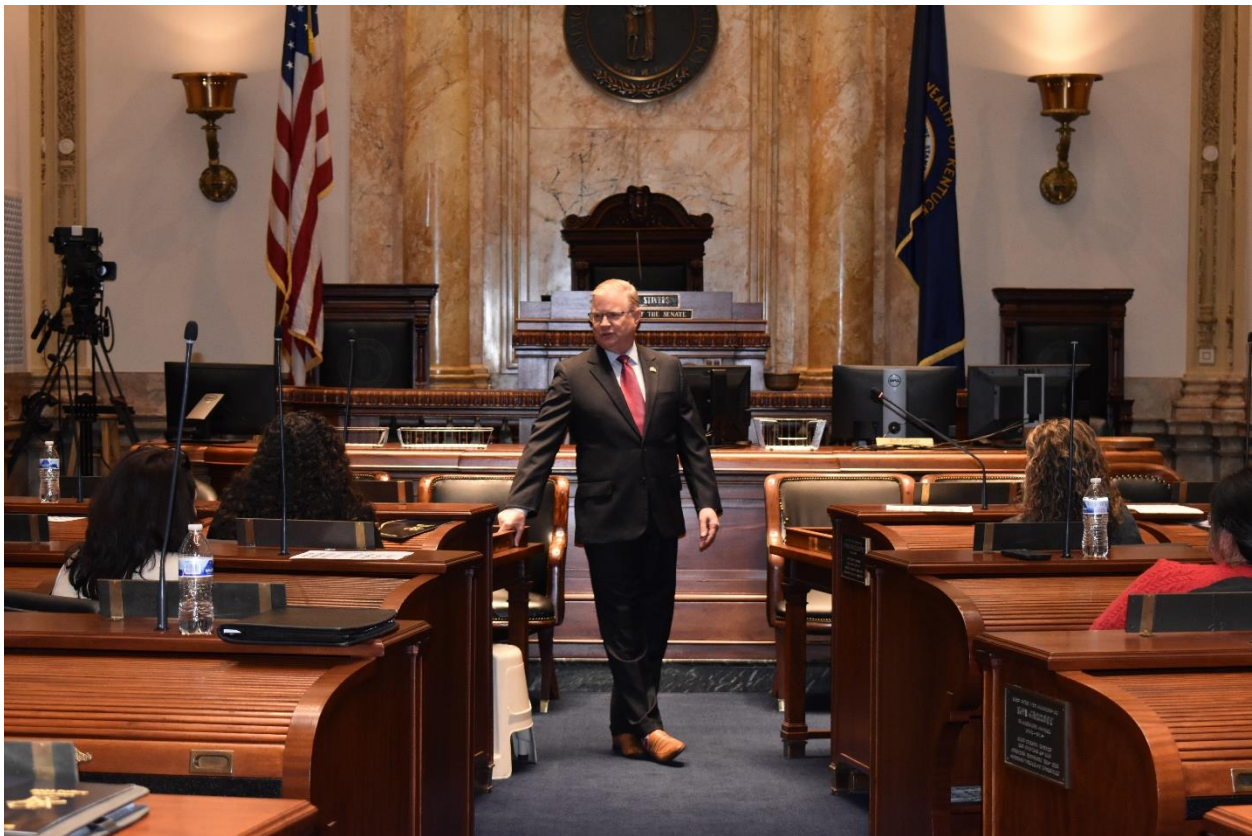


Photo Caption: Kentucky Senate Majority Leader, Senator Damon Thayer (Scott County), speaks at CPA Day in the Capitol on January 31, 2024.

### **Kentucky Session update**

With only 13 legislative days remaining in the 2024 Session, priority bills are moving in both Chambers of the General Assembly. The biennial budget proposals [HB1](#), [HB6](#), [HB262](#), [HB263](#), and [HB264](#) have all received two of the three readings necessary for a Senate floor vote. [HB265](#) serves as the operating budget for the Transportation Cabinet and [HB266](#) provides appropriations for road projects throughout the Commonwealth. Both bills passed the House and have been

referred to the Senate Transportation Committee. The House continues to pass and send multiple bills to the Senate for consideration. Conversely, a comprehensive revenue package has yet to be introduced or amended into existing legislation thus far.

With a short amount of time remaining, both Chambers will strategically move priority bills to passage and leave sufficient time for any veto overrides before the end of Session. As a procedural refresher, the next two weeks will encompass regular legislative business. March 27 and 28 are concurrence days, when both Chambers compromise and deliver priority bills to the Governor for signature. Once a bill is passed, the Governor has up to ten days to sign, veto, or allow a bill to become law without his signature. The Session calendar is specifically designed to provide a ten-day veto period, beginning March 29. This allotted period provides the General Assembly the ability to override any of the Governor's vetoes before the final days of the Session on April 12 and 15.

The Kentucky Constitution requires the General Assembly end the 60-day Session by April 15, 2024, Sine Die. With less than a quarter of the Session to go, remain vigilant by keeping up with our legislative update emails in the coming weeks.

### **KyCPA 2024 Policy Priorities**



**Bills to keep an eye on**

The biennial budget bills received two of the three readings needed for a vote on the Senate floor but remain under review in the Senate Appropriations & Revenue Committee. No significant revenue legislation has seen movement in the House other than [HB122](#). 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: *All received two readings on the Senate floor, 3/8/2024*
- **Revenue bills:** [HB8](#), [HB743](#), [HB744](#), [HB745](#), and [HB746](#). Look out for potential amendments to these bills in the coming weeks.
  - Status: *All received two readings on the House floor, 3/5/2024*
- **Revenue transparency:** [HB122](#) would require the Kentucky Department of Revenue to publish “administrative writings” on their website within 120 days of issuance or finalization. **The Society supports this legislation.**
  - Status: *Passed the House 79-16, received in the Senate, 3/8/2024*
- **LLET bills:** [HB55](#) repeals the limited liability entity tax (LLET) and [HB120](#) exempts entities with gross receipts less than \$100,000 from the LLET. **KyCPA supports these pieces of legislation.**
  - Status: *Remain under consideration in the House, 1/18/2024*
- **Local tax Constitutional amendment:** [HB14](#) would allow the General Assembly the power to provide local governments the ability to diversify revenue sources outside of occupational licensing fees, property, and insurance premium taxes. **The Society remains neutral on this proposed amendment.**
  - Status: *Introduced in the House, 2/26/2024*
- **Property tax Constitutional amendment:** [SB23](#) would include in the homestead exemption for owners 65 years or older any increase in the valuation of the real property that is assessed after the later of the year the owner turned 65 or the year the owner purchased the property. **The Society takes a neutral stance on this proposed amendment.**
  - Status: *Passed the Senate 32-2-1, referred to House Elections, Constitutional Amendments & Intergovernmental Affairs Committee, 3/7/2024*

- **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](#).

### **BOI reporting update**

On Friday, March 1, a U.S. District Court in Alabama ruled that the **beneficial ownership information (BOI) reporting** required under the Corporate Transparency Act (CTA) is **an unconstitutional exercise of Congress's enumerated powers**. This ruling puts the reporting requirement into limbo until the U.S. Department of Treasury files for an appeal with the U.S. Court of Appeals for the 11<sup>th</sup> Circuit. The case is likely to continue through the judicial process for an indeterminate amount of time. During that time, small businesses should continue to file BOI reports.

KyCPA, the AICPA, and the profession continues to push for suspension of the BOI reporting rule.

### **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](http://www.kycpa.org/advocacy/pac).