



Header: Budget bills, Insurance for BOI Services, and LMRC Updates
Sub-Header: KyCPA's Weekly Recap of the General Assembly
February 12, 2024

CPA Day 2024



Photo Caption: Senate Majority Whip, Mike Wilson (Warren County), stops by the networking breakfast hour at CPA Day in the Kentucky Capitol on January 31, 2024.

Budget bills receive referral to Senate Appropriations & Revenue

28 legislative days into this Session, the budget bills received referral to the Senate Appropriations & Revenue Committee for review and consideration. Any additional amendments to the proposals will need to be approved by this Committee before the bills move to the Senate floor for a vote. As a reminder, [HB1](#) authorizes **one-time appropriations** while [HB6](#) serves as the **operating budget** for the Executive Branch.

With primary focus on the budget proposals, discussions and recommendations for a revenue bill are underway. KyCPA is advocating policymakers carefully consider our *guiding principles of sound tax policy* along with key tax simplification enhancements recommended in the 2024 policy priorities booklet during these discussions.

KyCPA 2024 Policy Priorities



Bills to keep an eye on

Although the budget bills remain the primary focus of this Legislative Session, multiple other bills remain under consideration in the Kentucky House and Senate. Check out the priority bills and issues KyCPA is tracking below:

- **Limited liability entity tax:** [HB55](#) would implement a complete repeal of the tax and [HB120](#) would allow entities with gross receipts of less than \$100,00 to be exempt from the tax.
 - Status: *Both bills are awaiting further review in the Kentucky House.*
- [HCR38](#): A concurrent Resolution relating to the establishment of the **Artificial Intelligence Task Force** to study the impact of artificial intelligence on operation and procurement policies of Kentucky government agencies and consumer protection needed in private and public sectors.
 - Status: *Adopted by the House 93-0, referred to the Senate, 1/25/2024*

Review all priority legislation KyCPA is tracking [HERE](#).

LMRC: FEIN registration requirement for SMLLCs

For Louisville Metro tax practitioners and clients, the following update to the revised timeline regarding implementation of Louisville Metro Revenue Commission (LMRC) Regulations §1.04, §1.07 extends the guidance issued in the [bulletin](#) published on April 11, 2023 regarding the FEIN registration requirement for single member limited liability entity companies (SMLLCs). For the 2024 tax year, LMRC published this updated [bulletin](#) regarding the announcement.

KyCPA worked in collaboration with LMRC to extend this relief to prepare both tax practitioners and administrators for the regulation's proper implementation.

[H.R.7024](#), *Tax Relief for American Families & Workers Act of 2024*

H.R.7024 currently awaits action in the U.S. Senate. The U.S. House proposal includes temporary R&D expensing, full expensing for short-lived assets (100% bonus depreciation), updated child tax credit provisions, enhanced IRC Sec. 179 deduction, and additional federal tax changes. It is important to review this bill, as there are multiple retroactive tax provisions included.

[H.R.7160](#), *SALT Marriage Penalty Elimination Act*

H.R.7160 increases the state and local tax deduction (SALT) cap from \$10,000 to \$20,000 for married filing joint filers, a marriage penalty that currently exists in the federal tax code. This bill has been referred to the U.S. House Ways and Means Committee.

[AICPA member insurer clarifies coverage for BOI work by CPAs](#), *Journal of Accountancy*, February 6, 2024

The AICPA's member insurance program said its accountants' professional liability insurance coverage generally includes client work associated with beneficial ownership information (BOI) reporting.

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.