



Header: House Republican Majority Introduces Biennial Budget Proposal
Sub-Header: KyCPA's Weekly Recap of the General Assembly
January 22, 2024

Questions, concerns or comments

Be sure to stay up to date on what's happening in Frankfort and Washington by reading the Society's Legislative Updates and joining discussions on Member Meetup.

Please do not hesitate to reach out regarding any questions, concerns, or comments to P. Anthony Allen at (859) 533-3340 or aallen@kycpa.org.

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House Republicans' Biennial Budget Proposals

On Tuesday, January 16, the House Republican Majority introduced their initial biennial budget proposals. In Kentucky, the state budget funds the government for a two-year period. This can vary by state, with some having annual budgets similar to the federal government. [House Bill \(HB\)6](#) serves as the Executive Branch's operating budget with a total of \$124.8 billion over the next two-year period, a reduced proposal compared to the Governor's \$136.6 billion budget. However, HB6 increases state investments in K-12 and higher education, raises for teachers, state police, and other state employees, more funding for clean water and broadband infrastructure development.

[HB1](#) authorizes one-time appropriations of \$1.74 billion from the Budget Reserve Trust Fund, or the "Rainy Day Fund," towards the state's pension liabilities, infrastructure projects, economic development, and public safety initiatives. If no funding is appropriated from the Rainy Day Fund by the end of FY2024 and with revenues remaining within projections, Kentucky would hold the largest Budget Reserve Trust Fund in the country at approximately \$4.5 billion. After reviewing these projections, House Republicans appropriated excess state funding towards targeted investments in contrast to significantly increasing funding to re-occurring state expenditures.

With their introduction in the House, the budget proposals will undergo further review by both Chambers of the General Assembly and the Governor. All budget proceedings are Constitutionally mandated to begin in the House. However, multiple changes are likely before a final version of the budget is completed likely towards the end of Session.

CPA Day at the Capitol

This Session, the Society will host **CPA Day at the Kentucky Capitol on Wednesday, January 31, 2024, from 9:00-11:30 AM in Frankfort**. This event provides KyCPA members with the opportunity to meet, speak with, and hear from key policymakers impacting Kentucky's business community and accounting professionals. You are welcome to register for [CPA Day 2024](#), review our lineup of speakers, and spend the morning with fellow CPAs interested in impacting Kentucky's policy process.



Photo Caption: Kentucky Senate Appropriations & Revenue Committee Chair, Senator Chris McDaniel (Kenton County), addresses KyCPA members in the Kentucky Senate Chambers, CPA Day at the Capitol 2023.

KyCPA 2024 Policy Priorities



Bills to keep an eye on

With the start of the 2024 Session's fourth week, approximately 440 bills have been introduced in both the Kentucky House and Senate. In addition to the state budget bills, check out the priority bills and issues KyCPA is tracking below:

- [HB120](#): Amends KRS 141.0401 to prevent entities doing business in Kentucky with gross receipts of less than \$100,000 from paying the **limited liability entity tax** for taxable years beginning on or after January 1, 2025.
 - Status: *Referred to the House Appropriations & Revenue Committee, 1/18/2024*

- [HB122](#): Amends KRS 131.020 to require the **Kentucky Department of Revenue** to publish administrative writings within 120 days of the issuance or finalization. "Administrative writings" is provided a statutory definition.
 - Status: *Reported favorably by the Economic Development & Workforce Investment Committee; referred to the House Appropriations & Revenue Committee, 1/19/2024*

- [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: *Posted for a House floor vote, 1/19/2024*

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

FY2024 Appropriations, U.S. Capitol Hill

The U.S. House and Senate leaders came to an agreement in an attempt to avert a government shutdown by passing another [Continuing Resolution \(CR\)](#) this week. The CR will be tiered, similar to what they passed in November 2023. Under this plan, the first four appropriations bills, in which funding would have expired Friday, will be funded until 3/1/2024. The other eight appropriations bills that are currently funded until 2/2/2024 will be funded until 3/8/2024. The Senate passed the bill by a vote of 77-18, the House passed the bill 314-108. Passing this short-term CR will give Congress more time to negotiate all 12 individual appropriations bills for FY2024.

Tax Season Begins January 29, 2024

Tax filing season will officially begin on Monday, January 29, 2024, said the U.S. Internal Revenue Service. The agency will start accepting and processing tax returns that day, and the IRS is anticipating it will receive over 128.7 million individual tax returns by the April 15, 2024, tax deadline.

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.