

1 AN ACT relating to state tax administration.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 131.130 is amended to read as follows:

4 Without limitation of other duties assigned to it by law, the following powers and duties  
5 are vested in the Department of Revenue:

6 (1) The department may promulgate administrative regulations, and direct proceedings  
7 and actions, for the administration and enforcement of all tax laws of this state. To  
8 assist taxpayers in understanding and interpreting the tax laws, the department may,  
9 through incorporation by reference, include examples as part of any administrative  
10 regulation. The examples may include demonstrative, nonexclusive lists of items if  
11 the department determines the lists would be helpful to taxpayers in understanding  
12 the application of the tax laws.

13 (2) The department, by representatives it appoints in writing, may take testimony or  
14 depositions, and may examine hard copy or electronic records, any person's  
15 documents, files, and equipment if those records, documents, or equipment will  
16 furnish knowledge concerning any taxpayer's tax liability, when it deems this  
17 reasonably necessary to the performance of its functions. The department may  
18 enforce this right by application to the Circuit Court in the county where the person  
19 is domiciled or has his or her principal office, or by application to the Franklin  
20 Circuit Court, which courts may compel compliance with the orders of the  
21 department.

22 (3) The department shall prescribe the style, and determine and enforce the use or  
23 manner of keeping, of all assessment and tax forms and records employed by state  
24 and county officials, and may prescribe forms necessary for the administration of  
25 any revenue law.

26 (4) The department shall advise on all questions respecting the construction of state  
27 revenue laws and its application to various classes of taxpayers and property.

- 1 (5) Attorneys employed by the Finance and Administration Cabinet and approved by  
2 the Attorney General as provided in KRS 15.020 may prosecute all violations of the  
3 criminal and penal laws relating to revenue and taxation. If a Finance and  
4 Administration Cabinet attorney undertakes any of the actions prescribed in this  
5 subsection, that attorney shall be authorized to exercise all powers and perform all  
6 duties in respect to the criminal actions or proceedings which the prosecuting  
7 attorney would otherwise perform or exercise, including the authority to sign, file,  
8 and present any complaints, affidavits, information, presentments, accusations,  
9 indictments, subpoenas, and processes of any kind, and to appear before all grand  
10 juries, courts, or tribunals.
- 11 (6) In the event of the incapacity of attorneys employed by the Finance and  
12 Administration Cabinet or at the request of the secretary of the Finance and  
13 Administration Cabinet, the Attorney General or his or her designee shall prosecute  
14 all violations of the criminal and penal laws relating to revenue and taxation. If the  
15 Attorney General undertakes any of the actions prescribed in this subsection, he or  
16 she shall be authorized to exercise all powers and perform all duties in respect to the  
17 criminal actions or proceedings which the prosecuting attorney would otherwise  
18 perform or exercise, including but not limited to the authority to sign, file, and  
19 present any and all complaints, affidavits, information, presentments, accusations,  
20 indictments, subpoenas, and processes of any kind, and to appear before all grand  
21 juries, courts, or tribunals.
- 22 (7) The department may require the Commonwealth's attorneys and county attorneys to  
23 prosecute actions and proceedings and perform other services incident to the  
24 enforcement of laws assigned to the department for administration.
- 25 (8) **Notwithstanding KRS Chapter 13A,** the department may research the fields of  
26 taxation, finance, and local government administration,~~and~~ publish its findings,  
27 **respond to the public's and taxpayers' questions, and publish its responses,** as the

1 commissioner may deem wise. To assist taxpayers and the public in  
2 understanding and interpreting the tax laws, the department may include  
3 examples as part of any response or publication. The examples may include  
4 demonstrative, nonexclusive lists of items, if the department determines that the  
5 list would be helpful to taxpayers in understanding the application of the tax  
6 laws.

7 (9) The department may promulgate administrative regulations necessary to establish a  
8 system of taxpayer identifying numbers for the purpose of securing proper  
9 identification of taxpayers subject to any tax laws or other revenue measure of this  
10 state, and may require the taxpayer to place on any return, report, statement, or other  
11 document required to be filed, any number assigned pursuant to the administrative  
12 regulations.

13 (10) The department may, when it is in the best interest of the Commonwealth and  
14 helpful to the efficient and effective enforcement, administration, or collection of  
15 sales and use tax, motor fuels tax, or the petroleum environmental assurance fee,  
16 enter into agreements with out-of-state retailers or other persons for the collection  
17 and remittance of sales and use tax, the motor fuels tax, or the petroleum  
18 environmental assurance fee.

19 (11) The department may enter into annual memoranda of agreement with any state  
20 agency, officer, board, commission, corporation, institution, cabinet, department, or  
21 other state organization to assume the collection duties for any debts due the state  
22 entity and may renew that agreement for up to five (5) years. Under such an  
23 agreement, the department shall have all the powers, rights, duties, and authority  
24 with respect to the collection, refund, and administration of those liquidated debts  
25 as provided under:

26 (a) KRS Chapters 131, 134, and 135 for the collection, refund, and administration  
27 of delinquent taxes; and

1           (b) Any applicable statutory provisions governing the state agency, officer, board,  
2           commission, corporation, institution, cabinet, department, or other state  
3           organization for the collection, refund, and administration of any liquidated  
4           debts due the state entity.

5   (12) The department may refuse to accept a personal check in payment of taxes due or  
6   collected from any person who has ever tendered a check to the state which, when  
7   presented for payment, was not honored. Any check so refused shall be considered  
8   as never having been tendered.