

1 AN ACT relating to the taxation of recreational vehicles.

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

3 ➔Section 1. KRS 138.450 is amended to read as follows:

4 As used in KRS 138.455 to 138.470, unless the context requires otherwise:

- 5 (1) "Current model year" means a motor vehicle of either the model year corresponding
6 to the current calendar year or of the succeeding calendar year, if the same model
7 and make is being offered for sale by local dealers;
- 8 (2) "Dealer" means "motor vehicle dealer" as defined in KRS 190.010;
- 9 (3) "Dealer demonstrator" means a new motor vehicle or a previous model year motor
10 vehicle with an odometer reading of least one thousand (1,000) miles that has been
11 used either by representatives of the manufacturer or by a licensed Kentucky dealer,
12 franchised to sell the particular model and make, for demonstration;
- 13 (4) "Historic motor vehicle" means a motor vehicle registered and licensed pursuant to
14 KRS 186.043;
- 15 (5) "Motor vehicle" means:
- 16 (a) Any vehicle that is propelled by other than muscular power and that is used
17 for transportation of persons or property over the public highways of the state,
18 except road rollers, mopeds, vehicles that travel exclusively on rails, and
19 vehicles propelled by electric power obtained from overhead wires; ***or***
- 20 (b) ***Recreational vehicles;***
- 21 (6) "Moped" means either a motorized bicycle whose frame design may include one (1)
22 or more horizontal crossbars supporting a fuel tank so long as it also has pedals, or a
23 motorized bicycle with a step through type frame which may or may not have pedals
24 rated no more than two (2) brake horsepower, a cylinder capacity not exceeding
25 fifty (50) cubic centimeters, an automatic transmission not requiring clutching or
26 shifting by the operator after the drive system is engaged, and capable of a
27 maximum speed of not more than thirty (30) miles per hour;

- 1 (7) "New motor vehicle" means a motor vehicle of the current model year which has
2 not previously been registered in any state or country;
- 3 (8) "Previous model year motor vehicle" means a motor vehicle not previously
4 registered in any state or country which is neither of the current model year nor a
5 dealer demonstrator;
- 6 (9) "Total consideration given" means the amount given, valued in money, whether
7 received in money or otherwise, at the time of purchase or at a later date, including
8 consideration given for all equipment and accessories, standard and optional. "Total
9 consideration given" shall not include:
- 10 (a) Any amount allowed as a manufacturer or dealer rebate if the rebate is
11 provided at the time of purchase and is applied to the purchase of the motor
12 vehicle;
- 13 (b) Any interest payments to be made over the life of a loan for the purchase of a
14 motor vehicle; and
- 15 (c) The value of any items that are not equipment or accessories including but not
16 limited to extended warranties, service contracts, and items that are given
17 away as part of a promotional sales campaign;
- 18 (10) "Trade-in allowance" means:
- 19 (a) The value assigned by the seller of a motor vehicle to a motor vehicle
20 registered to the purchaser and offered in trade by the purchaser as part of the
21 total consideration given by the purchaser and included in the notarized
22 affidavit attesting to total consideration given; or
- 23 (b) In the absence of a notarized affidavit, the value of the vehicle being offered
24 in trade as established by the department through the use of the reference
25 manual;
- 26 (11) "Used motor vehicle" means a motor vehicle which has been previously registered
27 in any state or country;

1 (12) "Retail price" for:

2 (a) New motor vehicles;

3 (b) Dealer demonstrator vehicles;

4 (c) Previous model year motor vehicles; and

5 (d) U-Drive-It motor vehicles that have been transferred within one hundred
6 eighty (180) days of being registered as a U-Drive-It and that have less than
7 five thousand (5,000) miles;

8 means the total consideration given, as determined in KRS 138.4603;

9 (13) "Retail price" for historic motor vehicles shall be one hundred dollars (\$100);

10 (14) "Retail price" for used motor vehicles being titled or registered by a new resident
11 for the first time in Kentucky whose values appear in the reference manual means
12 the trade-in value given in the reference manual;

13 (15) "Retail price" for older used motor vehicles being titled or registered by a new
14 resident for the first time in Kentucky whose values no longer appear in the
15 reference manual shall be one hundred dollars (\$100);

16 (16) (a) "Retail price" for:

17 1. Used motor vehicles, except those vehicles for which the retail price is
18 established in subsection (13), (14), (15), (17), or (19) of this section;
19 and

20 2. U-Drive-It motor vehicles that are not transferred within one hundred
21 eighty (180) days of being registered as a U-Drive-It or that have more
22 than five thousand (5,000) miles;

23 means the total consideration given, excluding any amount allowed as a trade-
24 in allowance by the seller, as attested to in a notarized affidavit, provided that
25 the retail price established by the notarized affidavit shall not be less than fifty
26 percent (50%) of the difference between the trade-in value, as established by
27 the reference manual, of the motor vehicle offered for registration and the

1 trade-in value, as established by the reference manual, of any motor vehicle
2 offered in trade as part of the total consideration given.

3 (b) The trade-in allowance shall also be disclosed in the notarized affidavit.

4 (c) If a notarized affidavit is not available, "retail price" shall be established by
5 the department through the use of the reference manual;

6 (17) Except as provided in KRS 138.470(6), if a motor vehicle is received by an
7 individual as a gift and not purchased or leased by the individual, "retail price" shall
8 be the trade-in value given in the reference manual;

9 (18) If a dealer transfers a motor vehicle which he has registered as a loaner or rental
10 motor vehicle within one hundred eighty (180) days of the registration, and if less
11 than five thousand (5,000) miles have been placed on the vehicle during the period
12 of its registration as a loaner or rental motor vehicle, then the "retail price" of the
13 vehicle shall be the same as the retail price determined by paragraph (a) of
14 subsection (12) of this section computed as of the date on which the vehicle is
15 transferred;

16 (19) "Retail price" for motor vehicles titled pursuant to KRS 186A.520, 186A.525,
17 186A.530, or 186A.555 means the total consideration given as attested to in a
18 notarized affidavit;

19 (20) "Loaner or rental motor vehicle" means a motor vehicle owned or registered by a
20 dealer and which is regularly loaned or rented to customers of the service or repair
21 component of the dealership;

22 (21) "Department" means the Department of Revenue;

23 (22) "Notarized affidavit" means a dated affidavit signed by the buyer and the seller on
24 which the signature of the buyer and the signature of the seller are individually
25 notarized;~~and~~

26 (23) "Reference manual" means the automotive reference manual prescribed by the
27 department; ***and***

1 (24) "Recreational vehicle" means any motor home, travel trailer, fifth-wheel trailer,
2 pull-behind camper, or pop-up camping trailer, which:

3 (a) Contains living quarters; and

4 (b) Is required to be licensed in order to be used on the public highways.

5 ➔Section 2. This Act takes effect January 1, 2024.