

AN ACT relating to resources to support local tourism, recreation, and economic development.

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

➔ Section 1. KRS 91A.400 is amended to read as follows:

- (1) As used in this section, **"merged government" means an urban-county government, charter county government, consolidated local government or a unified local government.** ~~["authorized city" means a city on the registry maintained by the Department for Local Government under subsection (2) of this section.~~
- ~~(2) On or before January 1, 2015, the Department for Local Government shall create and maintain a registry of cities that, as of January 1, 2014, were classified as cities of the fourth or fifth class. The Department for Local Government shall make the information included on the registry available to the public by publishing it on its Web site.~~
- ~~(3) In addition to the three percent (3%) transient room tax authorized by KRS 91A.390,~~
- (2) The** ~~city~~ legislative body **of any city or merged government that has formed a tourism and convention commission pursuant to this chapter or a city or merged government that is served by a tourism and convention commission pursuant to an interlocal agreement or other provision of law** ~~in an authorized city~~ may levy **a** ~~an additional~~ restaurant tax not to exceed three percent (3%) of the retail sales **made** by all restaurants doing business in the city **or merged government imposing the tax, subject to the following:**
- (a) The maximum levy that may be imposed within the boundaries of a county containing a merged government shall not exceed three percent (3%); and**
- (b) If a levy has been imposed by a consolidated local government on retail sales made by restaurants pursuant to KRS 153.460(2)(b), the combined tax levy of that tax and the tax levied under this section shall not exceed three**

percent (3%). ~~[-All moneys collected from the tax authorized by this section shall be turned over to the tourist and convention commission established in that city as provided by KRS 91A.350 to 91A.390.]~~

- (3) The revenue generated by the restaurant tax shall be divided between the taxing jurisdiction and the tourist and convention commission that is either established by the taxing jurisdiction pursuant to KRS Chapter 91A or one (1) that serves the taxing jurisdiction pursuant to an interlocal agreement or other provision of law. The taxing jurisdiction shall distribute a minimum of twenty-five percent (25%) of all restaurant tax revenues collected to the tourist and convention commission for uses consistent with KRS Chapter 91A. The taxing jurisdiction may use the remainder of all restaurant tax revenues collected for the capital construction, maintenance, and operation of infrastructure that supports tourism, recreation, and economic development within the taxing jurisdiction.
- (4) If both a city within a county containing a merged government and the merged government impose a restaurant tax pursuant to this section, a restaurant shall credit the payment of the city restaurant tax against the amount due the merged government.
- (5) A restaurant that pays a restaurant tax pursuant to this section to a taxing jurisdiction shall not be required to pay a percentage-based occupational license fee or license tax imposed on the net profits or gross receipts of the business by the same taxing jurisdiction. This subsection shall not be construed to eliminate the requirement of any restaurant to apply for and obtain a business license for operation as may be required under a local ordinance or to prevent the application of an occupational license fee or tax from being assessed on the wages of employees for the privilege of working within the taxing jurisdiction.