

1 AN ACT relating to taxation.

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

3 ➔Section 1. KRS 131.560 is amended to read as follows:

4 Notwithstanding the provisions of KRS 44.030 or 131.190, the department~~[of Revenue]~~  
5 shall withhold the Kentucky individual income tax refund otherwise due a taxpayer under  
6 KRS Chapter 141 who owes overdue child support or is indebted to any state agency,  
7 officer, board, commission, corporation, institution, cabinet, department or other state  
8 organization, or any county, city, urban-county government, consolidated local  
9 government, or charter county government duly organized in this state, which has  
10 complied with the requirements of KRS 131.565. After satisfaction of any undisputed  
11 delinquent tax liability due the department~~[of Revenue]~~ from such taxpayer, the tax  
12 refund balance so withheld shall, except as provided in KRS 131.565, be transmitted as  
13 soon as practicable to the state agency, or the county, city, urban-county government,  
14 consolidated local government, or charter county government duly organized in this state,  
15 having established a claim therefor. In the case of multiple state agency or any county,  
16 city, urban-county government, consolidated local government, or charter county  
17 government duly organized in this state claims against the same tax refund, the state  
18 agency having the larger pending claim shall have priority after satisfaction of any  
19 undisputed delinquent tax liabilities due the department~~[of Revenue]~~, followed by other  
20 state agency claims. After all state agency claims have been satisfied, the claims of any  
21 county, city, urban-county government, consolidated local government, or charter county  
22 government duly organized in this state shall be satisfied with the larger pending claims  
23 satisfied first, and other claims satisfied in descending order.