GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2010 REGULAR SESSION

SENATE BILL NO. 158

TUESDAY, MARCH 2, 2010

The following bill was reported to the House from the Senate and ordered to be printed.

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TREY GRAYSON
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

AN ACT relating to powers and duties of the Department of Revenue.

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

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

2 Without limitation of other duties assigned to it by law, the following powers and duties

3 are vested in the Department of Revenue:

4 (1) The department may ***promulgate***~~[make]~~ administrative regulations, and direct

5 proceedings and actions, for the administration and enforcement of all tax laws of

6 this state. ***To assist taxpayers in understanding and interpreting the tax laws, the***

7 ***department may, through incorporation by reference, include examples as part of***

8 ***any administrative regulation. The examples may include demonstrative, non-***

9 ***exclusive lists of items if the department determines such lists would be helpful to***

10 ***taxpayers in understanding the application of the tax laws.***

11 (2) The department, by representatives it appoints in writing, may take testimony or

12 depositions, and may examine hard copy or electronic records, any person's

13 documents, files, and equipment if those records, documents, or equipment will

14 furnish knowledge concerning any taxpayer's tax liability, when it deems this

15 reasonably necessary to the performance of its functions. The department may

16 enforce this right by application to the Circuit Court in the county wherein the

17 person is domiciled or has his or her principal office, or by application to the

18 Franklin Circuit Court, which courts may compel compliance with the orders of the

19 department.

20 (3) The department shall prescribe the style, and determine and enforce the use or

21 manner of keeping, of all assessment and tax forms and records employed by state

22 and county officials, and may prescribe forms necessary for the administration of

23 any revenue law by the promulgation of an administrative regulation pursuant to

24 KRS Chapter 13A incorporating the forms by reference.

25 (4) The department shall advise on all questions respecting the construction of state

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

1 administration, and publish its findings, as the commissioner may deem wise.
2 (9) The department may make administrative regulations necessary to establish a
3 system of taxpayer identifying numbers for the purpose of securing proper
4 identification of taxpayers subject to any tax laws or other revenue measure of this
5 state, and may require the taxpayer to place on any return, report, statement, or other
6 document required to be filed, any number assigned pursuant to such administrative
7 regulations.
8 (10) The department may, when it is in the best interest of the Commonwealth and
9 helpful to the efficient and effective enforcement, administration, or collection of
10 sales and use tax, motor fuels tax, or the petroleum environmental assurance fee,
11 enter into agreements with out-of-state retailers or other persons for the collection
12 and remittance of sales and use tax, the motor fuels tax, or the petroleum
13 environmental assurance fee.
14 (11) The department may enter into annual memoranda of agreement with any state
15 agency, officer, board, commission, corporation, institution, cabinet, department, or
16 other state organization to assume the collection duties for any debts due the state
17 entity and may renew that agreement for up to five (5) years. Under such an
18 agreement, the department shall have all the powers, rights, duties, and authority
19 with respect to the collection, refund, and administration of those liquidated debts
20 as provided under:
21 (a) KRS Chapters 131, 134, and 135 for the collection, refund, and administration
22 of delinquent taxes; and
23 (b) Any applicable statutory provisions governing the state agency, officer, board,
24 commission, corporation, institution, cabinet, department, or other state
25 organization for the collection, refund, and administration of any liquidated
26 debts due the state entity.
27 (12) The department may refuse to accept a personal check in payment of taxes due or

1 collected from any person who has ever tendered a check to the state which, when
2 presented for payment, was not honored. Any check so refused shall be considered
3 as never having been tendered.

President of Senate

Speaker-House of Representatives

Attest: Chief Clerk of Senate

Approved Governor

Date April 7, 2010