GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2015 REGULAR SESSION

HOUSE BILL NO. 202

AS ENACTED

WEDNESDAY, MARCH 11, 2015

RECEIVED AND FILED
DATE March 20, 2015
3:27pm

ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to taxation.

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

3 ➔Section 1. KRS 91A.392 is amended to read as follows:

4 (1) In addition to the three percent (3%) transient room tax authorized by KRS 91A.390
5 and the one percent (1%) transient room tax authorized by KRS 153.440, a
6 consolidated local government, or the fiscal court in a county containing an
7 authorized city, except those counties that are included in a multicounty tourist and
8 convention commission under KRS 91A.350, may levy an additional transient room
9 tax not to exceed two percent (2%) of the rent for every occupancy of a suite, room,
10 or rooms charged by all persons, companies, corporations, or other similar persons,
11 groups, or organizations doing business as motor courts, motels, hotels, inns, or
12 similar accommodations businesses.

13 (2) ***(a) Except as otherwise provided in paragraph (b) of this subsection,*** all money
14 collected from the tax authorized by this section shall be applied toward the
15 retirement of bonds issued pursuant to KRS 91A.390(8) to finance in part the
16 expansion or construction or operation of a governmental or nonprofit
17 convention center or fine arts center useful to the promotion of tourism
18 located in the central business district of the consolidated local government or
19 the authorized city located in the county.

20 ***(b) 1. This paragraph shall apply to the tax levied pursuant to this section,***
21 ***prior to the effective date of this Act, by a fiscal court of a county***
22 ***having a population between seventy-five thousand (75,000) and one***
23 ***hundred thousand (100,000) based on the 2010 federal decennial***
24 ***census.***

25 ***2. When, in any fiscal year, the money collected from the tax authorized***
26 ***by this section exceeds the amount required to satisfy the annual debt***
27 ***service for the bond for that fiscal year, all or a portion of the excess***

1 ***amount collected for that fiscal year may be used to defray the costs to***
2 ***operate, renovate, or expand the governmental or nonprofit***
3 ***convention center or fine arts center described in paragraph (a) of this***
4 ***subsection, if an amount equal to one (1) year's required debt service***
5 ***is held in reserve to satisfy any future debt service obligations of the***
6 ***bond.***
7 (3) After the retirement of the bonds provided for in this section, the additional
8 transient room tax levied pursuant to this section shall be void, and the consolidated
9 local government or fiscal court shall take action to repeal the ordinance which
10 levied the tax.
11 (4) As used in this section, "authorized city" means a city of the first class and a city
12 included on the registry maintained by the Department for Local Government under
13 subsection (5) of this section.
14 (5) On or before January 1, 2015, the Department for Local Government shall create
15 and maintain a registry of cities that, as of August 1, 2014, were classified as cities
16 of the second class. The Department for Local Government shall make the
17 information included on the registry available to the public by publishing it on its
18 Web site.
19 ➔Section 2. KRS 141.381 is amended to read as follows:
20 (1) As used in this section:
21 (a) "Corporation" means the Bluegrass State Skills Corporation established by
22 KRS 154.12-205;
23 (b) "Educational institution" means a regionally accredited college, university, or
24 technical school;
25 (c) "Metropolitan College" means a nonprofit consortium that includes
26 educational institutions located within the Commonwealth and the qualified
27 taxpayer as members. The purpose of Metropolitan College shall be to provide

1 postsecondary educational opportunities to employees of the qualified
2 taxpayer as part of a combined work and postsecondary education program;
3 (d) "Other educational expenses" means the same kinds of educational expenses
4 that were permitted under the Metropolitan College Consortium Agreement
5 approved November 5, 2005; and
6 (e) "Qualified taxpayer" means any taxpayer who, on June 26, 2009, is a party to
7 the Metropolitan College Consortium Agreement approved November 5,
8 2005.
9 (2) To be eligible for the tax credit provided by this section, a qualified taxpayer shall
10 be a partner in Metropolitan College.
11 (3) A qualified taxpayer shall be allowed a nonrefundable credit against the tax
12 imposed by KRS 141.020 or 141.040, and KRS 141.0401, for each taxable year
13 beginning on or after July 1, 2010, in the amount of fifty percent (50%) of the actual
14 costs incurred by the qualified taxpayer for:
15 (a) Tuition paid to an educational institution for a student participating in the
16 Metropolitan College; and
17 (b) Other educational expenses paid on behalf of a student participating in the
18 Metropolitan College;
19 on behalf of employees of the qualified corporation, for up to two thousand eight
20 hundred (2,800) employees each year.
21 (4) To claim the credit each year, the qualified taxpayer shall, on an annual basis,
22 submit to the corporation information listing each employee of the qualified
23 taxpayer for whom tuition or other educational expenses were paid, the amount paid
24 on behalf of each employee, and the amount of credit the qualified company is
25 eligible to claim. The corporation shall review the information provided by the
26 qualified company, and shall notify the department and the qualified company of the
27 amount of credit the qualified company is eligible to claim.

1 (5) The credit allowed by this section for any taxable year shall not exceed the tax
2 liability of the taxpayer for the taxable year. Any credit not used may be carried
3 forward to subsequent years.
4 (6) The qualified company shall provide to the corporation and the department any
5 information and documentation requested for the purpose of monitoring the credit
6 established by this section.
7 (7) The approved company shall maintain records and submit information as required
8 by the corporation and the department. The corporation may share information
9 provided by the approved company with the department for the purpose of
10 monitoring the credit established by this section.
11 (8) The corporation may, through the promulgation of administrative regulations in
12 accordance with KRS Chapter 13A, establish additional standards or requirements
13 for the administration of this section.
14 (9) The credit established by this section shall expire on April 15, ***2027***[~~2017~~], unless
15 extended by the General Assembly.
16 ➔Section 3. This Act takes effect July 1, 2015.

Speaker-House of Representatives

President of Senate

Attest: Chief Clerk of House of Representatives

Approved Governor

Date 3/20/15