

**STATEMENT OF EMERGENCY**  
**103 KAR 3:060E**

This emergency administrative regulation is being promulgated in order to provide Kentucky taxpayers the form necessary to apply for tax amnesty. This administrative regulation must be filed as soon as possible in order to comply with the tax amnesty program time frame established by KRS 131.400(4)(b) and to incorporate by reference the Kentucky Tax Amnesty Application form as may be needed by taxpayers and their representatives to apply for tax amnesty. This emergency administrative regulation shall not be replaced by an ordinary administrative regulation because KRS 131.400(4)(b) requires that the tax amnesty program be conducted for a period between sixty (60) to 120 days during the fiscal year ending June 30, 2013.

STEVE BESHEAR, Governor  
THOMAS B. MILLER, Commissioner

**FINANCE AND ADMINISTRATION CABINET**  
**Kentucky Department of Revenue**  
**Office of Processing and Enforcement**  
**(Emergency Administrative Regulation)**

**103 KAR 3:060E. Kentucky Tax Amnesty Application.**

RELATES TO: KRS 131.400, 131.410, 131.420, 131.425, 131.430, 131.435, 131.440, 131.445  
STATUTORY AUTHORITY: KRS 131.130(3), 131.430  
EFFECTIVE: September 27, 2012  
NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(3) authorizes the Department of Revenue to prescribe forms necessary for the administration of any revenue law by the promulgation of an administrative regulation incorporating the forms by reference. KRS 131.430 authorizes the department to promulgate administrative regulations to implement a tax amnesty program. This administrative regulation incorporates by reference a form used by taxpayers to apply for tax amnesty.

Section 1. Kentucky Tax Amnesty Required Form. (1) Revenue Form 10A800, "Kentucky Tax Amnesty Application", shall be completed by taxpayers applying for tax amnesty.

Section 2. Incorporation by Reference. (1) Revenue Form 10A800, "Kentucky Tax Amnesty Application", August 2012, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Department of Revenue, 501 High Street, Frankfort, Kentucky 40620, or at any Kentucky Department of Revenue Taxpayer Service Center, Monday through Friday, 8 a.m. to 5 p.m.

THOMAS B. MILLER, Commissioner

APPROVED BY AGENCY: September 27, 2012

FILED WITH LRC: September 27, 2012 at 11 a.m.

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on November 28, 2012, from 10:00 a.m. to 12:00 p.m., in Room 386, Capitol Annex Building, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing at least five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by the required date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on this proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until November 30, 2012. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: DeVon Hankins, Policy Advisor, Office of General Counsel, Finance and Administration Cabinet, 392 Capitol

Annex, Frankfort, Kentucky 40601, phone (502) 564-6660, fax (502) 564-9875.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: DeVon Hankins

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation incorporates by reference the Kentucky Tax Amnesty Application form.

(b) The necessity of this administrative regulation: This administrative regulation is necessary in order to provide taxpayers with a form to submit an application for tax amnesty.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 131.130(3) provides that the department shall promulgate administrative regulations necessary to administer Kentucky's tax laws, and KRS 131.430 authorizes the department to promulgate administrative regulations to implement a tax amnesty program.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist the department in the administration of the Kentucky tax amnesty program by incorporating by reference an application form.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: N/A

(b) The necessity of the amendment to this administrative regulation: N/A

(c) How the amendment conforms to the content of the authorizing statutes: N/A

(d) How the amendment will assist in the effective administration of the statutes: N/A

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: All taxpayers filing applications with the department seeking approval for Kentucky tax amnesty.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new or by the change if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: The entities identified in question (3) will follow the guidance provided in this administrative regulation when filing: (i) an application (Kentucky Form 10A800) for Kentucky tax amnesty.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): Taxpayers applying for amnesty will be required to pay the tax and fifty (50) percent of the interest due the Commonwealth on tax bills that are eligible for amnesty.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The entities in question (3) will have an application form to apply for Kentucky tax amnesty.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There will be a minimal cost initially in the administrative regulation process for the department. A small amount of cost will be incurred to provide the Kentucky Tax Amnesty Application form on the tax amnesty Web site at [www.amnesty.ky.gov](http://www.amnesty.ky.gov) and on the department's Web site at [www.revenue.ky.gov](http://www.revenue.ky.gov). Also, a small amount of costs associated with notifying taxpayers of this administrative regulation will be incurred.

(b) On a continuing basis: There will be no additional cost for the department on a continuing basis as a result of this administrative regulation.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No additional funding will be needed for the implementation and enforcement of this administrative regulation.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regula-

tion, if new, or by the change if it is an amendment: No increase in fees or funding will be necessary to implement this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? Tiering does not apply to this administrative regulation as it applies to all taxpayers seeking the department's approval of their Kentucky Tax Amnesty Application.

#### FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Finance and Administration Cabinet, Department of Revenue (department), will be impacted by this administrative regulation.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 131.130(3) and KRS 131.430 authorize the action taken by this administrative regulation.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. This administrative regulation will assist in the generation of additional General Fund and Road Fund revenues as part of the Kentucky Tax Amnesty program. The Department of Revenue's expenditures will increase slightly during the notification of taxpayers of the administrative regulation.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? The application form incorporated by reference in this regulation will assist in the generation of approximately \$60,000,000 during the fiscal year ending June 30, 2013.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will not generate any tax revenue for the Commonwealth in subsequent years.

(c) How much will it cost to administer this program for the first year? The cost to administer the tax amnesty program is estimated to be three to four million dollars.

(d) How much will it cost to administer this program for subsequent years? None.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation: