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Emily B Caudill
REGULATIONS COMPILER

1 FINANCE AND ADMINISTRATION CABINET

2 Department of Revenue

3 (Amendment)

4 103 KAR 2:005. Life expectancy table.

5 RELATES TO: KRS 140.100

6 STATUTORY AUTHORITY: KRS 131.130(1)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the
8 Department of Revenue to promulgate administrative regulations for the administration and
9 enforcement of all tax laws of this state. KRS 140.100(2) requires the application of the
10 appropriate United States life mortality tables when ascertaining the value of future, contingent,
11 or limited estates which includes life estates and annuities. This administrative regulation
12 establishes the appropriate United States life mortality table as required by KRS 140.100(2).

13 Section 1. The United States [~~Decennial~~] Life Tables published by the United States
14 Department of Health and Human Services, National Center for Health Statistics, shall be utilized
15 when computing the value of a beneficiary's life estate, annuity, remainder interest, or any other
16 interest in the estate which is based on the life expectancy of the beneficiary or some other person.

17 Section 2. For inheritance tax purposes, the value of future, contingent, or limited estates
18 shall be computed using Table 1, Life Table for the Total Population: United States as published
19 in United States Life Tables. The latest version published as of January 1 of the year of the
20 decedent's death shall be used.[~~, 1999-2001, as published in United States Decennial Life~~
21 ~~Tables for 1991-2001, United States Life Tables, Vol. 57, No. 1 (Aug. 5, 2008).~~

1 ~~Section 3. Incorporation by Reference. (1) "Table 1, Life Table for the Total Population:~~

2 ~~United States, 1999 - 2001, as published in United States Decennial Life Tables for 1991- 2001,~~

3 ~~United States Life Tables, Vol. 57, No. 1", Aug. 5, 2008, is incorporated by reference.~~

4 ~~(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the~~

5 ~~Kentucky Department of Revenue, 501 High Street, Frankfort, Kentucky 40620, Monday through~~

6 ~~Friday, 8 a.m. to 5 p.m.~~]

103 KAR 2:005

APPROVED:

Daniel Bork

DANIEL BORK, COMMISSIONER
Department of Revenue
Finance and Administration Cabinet

JUNE 6, 2019

DATE APPROVED BY AGENCY

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on July 25, 2019 at 10:00 a.m. in Room 9B, State Office Building, 501 High Street, Frankfort, KY 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that 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 the 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 through July 31, 2019. 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: Lisa Swiger, Tax Policy Research Consultant II, Department of Revenue, 501 High Street, Station 1, Frankfort, Kentucky, 40601, (502) 564-9526 (telephone), (502) 564-3875(fax), Lisa.Swiger@ky.gov(email).

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation Number: 103 KAR 2:005

Contact Person: Lisa Swiger
Phone Number: (502)564-9526
Email: Lisa.Swiger@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation amends 103 KAR 2:005 to remove Section 3: Incorporated by Reference removing an outdated reference material. This regulation also updates the life expectancy table to a more current version.

(b) The necessity of this administrative regulation: Amending this administrative regulation allows a more current version of the life expectancy table to be used.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 131.130(1) grants the Department of Revenue the authority to promulgate administrative regulations as it deems necessary for the administration of Kentucky's tax laws.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: See (1)(b).

(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: See (1)(a).

(b) The necessity of the amendment to this administrative regulation: See (1)(b).

(c) How the amendment conforms to the content of the authorizing statutes: See (1)(c).

(d) How the amendment will assist in the effective administration of the statues: See (1)(d).

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Any taxpayer or taxpayer representative wishing to reference a list of rescinded policies pertaining to inheritance tax.

(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: There are no actions required.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no costs associated with these changes.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): They will have a comprehensive list of certain rescinded policies one location.

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

(a) Initially: There are no additional costs associated with this amendment. Any applicable cost will be absorbed by the current department budget.

(b) On a continuing basis: None.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Currently budgeted department funding.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change, if it is an amendment: No increase in fees or funding will be necessary to implement this amendment.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: No.

(9) TIERING: Is tiering applied? Tiering is not applied. The updating of this administrative

regulation will impact any taxpayer utilizing the guidance within equally.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 103 KAR 2:005

Contact Person: Lisa Swiger
Phone Number: (502)564-9526
Email: Lisa.Swiger@ky.gov

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? Only the Finance and Administration Cabinet, Department of Revenue will be impacted.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 131.130(1).

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. There will be no effect on expenditures and revenues for government agencies because of amending this 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? None.

(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? None.

(c) How much will it cost to administer this program for the first year? None.

(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: