

Kentucky Tax Alert

A REVENUE PUBLICATION FOR THE TAX PROFESSIONAL

September/October 2012, Vol. 31, No. 5



KENTUCKY ANNOUNCES TAX AMNESTY PROGRAM

Kentucky is launching a Tax Amnesty program allowing people or businesses who owe back taxes to the Commonwealth of Kentucky to pay with no fees or penalties. The threat of prosecution will be waived, and only half the interest owed will be due.

The 61-day program kicks off October 1, 2012. Delinquent taxpayers have or soon will receive mailed notifications stating the known amount of back taxes. They have until the end of November 2012 to apply for amnesty and pay their overdue taxes.

However, if taxpayers fail to take advantage of the amnesty program, penalties get more severe and the interest escalates. An additional 2 percent interest will be charged on unpaid amnesty-eligible taxes. Taxpayers taking advantage of amnesty must remain current over the next three years or face reinstated penalties, fees and interest.

The General Assembly authorized the amnesty program in the 2012 legislative session. Kentucky conducted a similar tax amnesty program in 2002. More than 23,000 taxpayers participated, netting more than \$40 million in back taxes.

“We’re making it as easy as possible for people to determine if they owe back taxes and to create multiple ways to pay,” said Tom Miller, Commissioner, Kentucky Department of Revenue. “They can mail in the payment or use a credit card. They can pay at any of our 10 offices around the state, or they can pay online using a website we have created just for Tax Amnesty.”

The website – www.amnesty.ky.gov provides news and information about the program, online payment options and a way to search for all persons and businesses on the delinquent tax roll. Anyone with questions can also call the Tax Amnesty toll-free hotline at 855-KYTAXES (855-598-2937).

The amnesty program applies to taxes owed only to the Kentucky Department of Revenue for eligible **tax periods ending after December 1, 2001 and prior to October 1, 2011**. While most on the delinquent taxes roll reside in Kentucky, the list includes people in all 50 states plus several other countries.

While the current database shows nearly 170,000 individuals and businesses qualifying for tax amnesty, others may also owe back taxes. The list of delinquent debtors includes those businesses and individuals who have a tax lien on file, but does not include those who may owe taxes and have not filed. The state is continuously gathering taxpayer information to discover nonfilers and under-reporters.

DEPARTMENT OF REVENUE COMMISSIONER ELECTED TO SERVE ON FEDERATION OF TAX ADMINISTRATORS BOARD

Kentucky Department of Revenue Commissioner Thomas B. Miller was recently elected to serve on the Federation of Tax Administrators (FTA) Board of Directors. Commissioner Miller assumed his one-year term Sept. 1.

“Tom’s election to the FTA board demonstrates that he is a well-versed leader for the Kentucky Department of Revenue and among his counterparts nationwide,” said

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Finance and Administration Cabinet Secretary Lori H. Flanery. “Tom’s prior experience in the financial and banking sector gives him a comfortable command of trends, policies, challenges and opportunities associated with ensuring that Kentucky is receiving the tax revenue due to the Commonwealth. We value his leadership and know he will be an excellent addition to the FTA board.”

Commissioner Miller said the FTA is an organization that allows him to share Kentucky Department of Revenues’ successes in assessment and enforcement.

“The FTA also provides an important forum for sharing best practices, researching issues affecting tax policy, assisting with technology integration and much more,” he said.

Gov. Steve Beshear appointed Miller as Commissioner of the Department of Revenue July 1, 2008. Commissioner Miller oversees the day-to-day administration and enforcement of all state revenue laws, assessment and collection of state taxes. He ensures the Department of Revenue provides courteous, accurate and efficient services for the benefit of the Commonwealth and its citizens, along with administering the tax laws in a fair and impartial manner.

More information on the Kentucky Department of Revenue can be found at <http://revenue.ky.gov/> and the Federation of Tax Administrators at www.taxadmin.org.

STANDARD DEDUCTION FOR 2013

In accordance with KRS 141.081(2)(a), the Kentucky DOR adjusts the standard deduction on an annual basis. The standard deduction for 2013 is \$2,360. Taxpayers who do not itemize deductions on their individual income tax return are entitled to claim this standard deduction.

PREVIEW 2012 INDIVIDUAL AND CORPORATE INCOME TAX DRAFT FORMS

The Department of Revenue has posted many drafts of Individual Income and Corporate Income Tax forms on its public website for software designers, tax preparers, and the public to view. This list of forms is periodically updated. In some cases separate instructions are also posted. Final

forms will not be posted for a few months, pending legal review, and last-minute federal tax updates.

To view the drafts, visit www.revenue.ky.gov and choose the “Software Developer’s Information” tab on the left, then scroll to “Substitute Forms Design”, click on that and then the Individual Income Tax drafts or Corporate Income Tax drafts.

DOR OFFICES CLOSED FOR HOLIDAYS

Pursuant to KRS 18A.190, all DOR offices will be closed Tuesday, Nov. 6, for the Presidential election, Monday, Nov. 12 in observance of Veteran’s Day; and Thursday and Friday, Nov. 22 and 23, in observance of Thanksgiving.



Kentucky Tax Alert comments and suggestions should be addressed to the Office of Income Taxation/Training Branch, Finance Cabinet, Department of Revenue, Frankfort, Kentucky, (502) 564-0937.

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Finance and Administration Cabinet**

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