



REVENUE

The Kentucky Department of Revenue presented the following information at the Property Valuation Administrator's (PVA) Summer Conference on June 4, 2019. This annual meeting provides relevant information to the PVAs concerning various topics such as recent tax law changes enacted during the 2019 General Assembly.

The information in this presentation was prepared from information the Department of Revenue possessed and believed to be accurate and relevant on the date of the meeting. This information does not constitute a final ruling, order, or determination of the Department of Revenue and cannot be appealed.

What's New From State Valuation

PVA Summer Conference June 4, 2019



Agenda

- **Inventory Credit**
- **Kentucky Revenue Procedure KY-RP-19-01**
 - **Apportioned Trailer Exemption**
- **Form 62A044 & 62A044-T**
- **2019 Legislative Changes for personal property**



Inventory Credit

<https://revenue.ky.gov/Business/Pages/Inventory-Tax-Credit-Calculator.aspx>

Inventory Tax Credit
Phone: (502) 564-1555

Representatives will be available to answer questions on this **dedicated phone line** weekdays from 8:00 a.m. to 4:00 p.m., EST.



Kentucky Revenue Procedure KY-RP-19-01

SUBJECT: KRS 132.760(2) Apportioned Trailer Exemption

EFFECTIVE DATE: March 29, 2019

PUBLICATION DATE: March 29, 2019

SUPERSEDES: N/A

REFERENCE: KRS 132.760(2) KRS 189.010(17)

SCOPE: The purpose of a Revenue Procedure is to provide procedural guidance to the public and Kentucky Department of Revenue (“DOR”) personnel. It is guidance issued to assist in the administration of laws and administrative regulations (“regulations”) by providing guidance that may be followed in order to comply with the law. It is effective until withdrawn, superseded, or modified by a change in statute, regulation, case law, or other DOR guidance.



Purpose

To clarify the specific types of documentation a taxpayer is required to provide a county property valuation administrator (“PVA”) to verify that an apportioned trailer or trailer fleet qualifies for the exemption under KRS 132.760(2).



LAW

- KRS 132.760(2) There shall be exempt from ad valorem tax for state and local purposes semi-trailers as defined in KRS 189.010(12) and trailers as defined in KRS 189.010(17) that are used on a route or in a system that is partly within and partly outside Kentucky. Semi-trailers or trailers required to be registered under KRS 186.655 that are used only in Kentucky shall be subject to the ad valorem tax imposed by KRS 132.487.
- KRS 189.010(17) "Trailer" means any vehicle designed to be drawn by a motor truck or truck-tractor, but supported wholly upon its own wheels, intended for the carriage of freight or merchandise and having a load capacity of over one thousand (1,000) pounds.



Single Apportioned Trailer

- MOTAX Form 62A044: Affidavit for Correction/Exoneration of Motor Vehicle/Boat/Trailer Property Tax must be filed with the local PVA's office in the county of the situs of the trailer. The affidavit must be accompanied by documentation to verify the trailer is entitled to the exemption under KRS 132.760(2). PVAs shall only require one form of documentation to verify the trailer is apportioned and entitled to the exemption.

Acceptable forms include the following:

1. a current Cab Card
2. a login sheet or book
3. an IFTA license, or
4. a Lease Agreement with a trucking company.



Fleet Apportioned Trailers

MOTAX Form 62A044-T: Affidavit for Correction/Exoneration of Fleet Trailer Property Tax must be filed with the local PVA office in the county of the situs of the fleet trailers. The filed MOTAX Form 62A044-T shall include an apportioned trailer listing with the following identifying information for each trailer receiving the exemption:

Identifying Information

1. License Plate/ KY No.
2. VIN/ HIN
3. Year
4. Make
5. Model

The affidavit must be accompanied by an IFTA License for the licensee owning the apportioned trailers to receive the exemption under KRS 132.760(2).



PROCEDURE FOR CODING APPORTIONED TRAILER

PVA's shall code apportioned trailers "N".

Apportioned trailers shall be coded every year.



**AFFIDAVIT FOR CORRECTION/EXONERATION OF
MOTOR VEHICLE/BOAT/TRAILER PROPERTY TAX**



Owner _____ Telephone No. () _____
Address _____ State _____ ZIP Code _____
License Plate/KY No. _____ VIN/HIN _____
Year _____ Make _____ Model _____

- Vehicle was sold in state prior to January 1, _____ to: _____
Date sold _____ (Code S)
- Vehicle was sold out-of-state prior to January 1, _____ to: _____
Date sold _____ (Code S)
- Vehicle was in junkyard prior to January 1, _____ at: _____
Date junked _____ * (Code J)
- Vehicle wrecked and settled with insurance company prior to January 1, _____.
Settlement date _____ (Code J)
* I understand that if this vehicle/boat has been junked and the tag and title have not been returned to the county clerk's office and I do not have these items in my possession that I must contact the clerk.
- Vehicle repossessed by lienholder prior to January 1, _____.
Date repossessed _____ Lienholder: _____ (Code N)
- Nonresident of Kentucky on January 1, _____ (Copy of proof of nonresidence required.)
Date moved _____ Date returned _____ (Code N)
- Nonresident military personnel (Copy of military residential affidavit or wage/earning statement showing another state as residency required.)(Code N)
- Apportioned Plate (Code N)
 - Truck Reg. Code 21 or 33 Plate # 979 _____
 - Trailer (Copy of proof provided) IFTA license Login sheet or book Cab card Lease Agreement
- High mileage, according to guide, on January 1, _____. Mileage as of January 1: _____
- Damaged (physically or mechanically) prior to January 1, _____. (Description attached.)
- Other _____
- Vehicle Assessment **NOT** Updated:** Reason _____

**** In accordance with KRS 131.110 the assessment shall be due and payable if not protested in writing to the Department within sixty (60) days from the date of the notice and provide documentation setting forth the grounds upon which the protest is made.**

I, _____, hereby swear (affirm) under penalty of perjury that the information above is true and correct. I further request that the property taxes on the above listed vehicle should be corrected/exonerated for the assessment date(s) of January 1, _____.

Signature _____ Date _____
Witness _____ County _____ Date _____

It is now ordered, under the authority of Kentucky Revised Statutes 133.110 and 133.130, that shall be corrected in accordance with Department of Revenue policy based on information listed above.

Signature of Authorized Agent County Date

The above signature authorizes the clerk to reverse the ad valorem tax (if paid) from the system. The PVA office shall correct the tax segment and inform the clerk of the next step.



Protest Language Vehicle Assessment NOT Updated

Vehicle Assessment NOT Updated:** Reason _____

Signature _____

***** In accordance with KRS 131.110 the assessment shall be due and payable if not protested in writing to the Department within sixty (60) days from the date of the notice and provide documentation setting forth the grounds upon which the protest is made.***



Protest Language

Vehicle Assessment NOT Updated

- **To ensure Taxpayers are aware of their appeal rights.**
- **Provide written record to taxpayer to show they met with PVA office first. PVA office should provide a copy to the taxpayer and advise of additional protest procedures.**
- **All protests to the Department must be in writing and filed within 60 days of the date of notice.**
 - **The notices are mailed out 60 days prior to the due date.**
 - **If taxpayer comes in on the last day of his renewal month he will need to pay the taxes and registration fees to the County Clerk to avoid any delinquent charges.**
 - **The taxpayer will also need to submit a protest to the Department postmarked on the last day to be considered a timely and valid protest.**



Address to Send Protests

Kentucky Department of Revenue

Attn: Motor Vehicle Section

501 High Street, Sta 32

Frankfort, KY 40601

Fax: 502-564-8192



2019 Property Tax Legislative Changes

- **New exemption for tangible personal property return filing**
 - **Less than \$1,000 in property**
 - **Must keep property records**
- **Reclassification of heavy equipment rental inventory**
 - **Only NAICS codes 532310 and 532412**
 - **Eligible for inventory tax credit**



HB 354 Amends KRS 132.010 & 132.020

- **Defines heavy equipment rental companies; heavy equipment rental agreement; qualified heavy equipment.**
- **This provision amends tangible personal property ad valorem tax statutes to treat heavy rental equipment as inventory since the industry sells the equipment similarly to a new or used equipment dealer.**
- **Only NAICS codes 532310 and 532412**
- **Eligible for inventory tax credit**
- **The equipment was previously subject to state rate of 45 cents per \$100 of value and full local rates.**
 - **The equipment will now be subject to a state rate of 5 cents per \$100 of value and full local rates.**



HB 354 Amends KRS 132.220

- **Personal Property Tax Return Filing**
- **Businesses who own very little personal property are relieved of a substantial burden by this provision to eliminate the filing of tangible personal property tax returns with property valued at \$1,000 or less.**
- **The \$1,000 is for each address.**
- **Taxpayers must maintain records of the property and its fair cash value calculation for five (5) years after the expiration of the listing period.**



Disclaimer

The information in this presentation is for educational and informational purposes only and does not constitute legal advice. Information is presented as an overall review that is subject to law changes and may not apply to all states. For accurate information on issues related to the this presentation, please reference KRS 141.408, Kentucky Revenue Procedure KY-RP-19-01, KRS 132.760 (2), KRS 131.110, KRS 132.010, KRS 132.020, and KRS 132.220.

Information in this presentation is believed to be accurate as of the date of publication. In the event that any information in this presentation is later determined to be in error, this presentation cannot be used by taxpayers in supporting a specific position or issue before the Department of Revenue, as it does not have the statutory or regulatory authority.

Presentation Date: June 04, 2019

