On June 15, 2017, the Kentucky Supreme Court (Kentucky CATV Association, Inc. v. City of Florence, 520 S.W.3d 355 (Ky. 2017)) determined that the portion of Kentucky’s telecom taxes prohibiting municipalities from collecting franchise fees from utilities in exchange for use of their rights-of-way was invalid, as that power was constitutionally granted to local municipalities pursuant to Ky. Const. §§ 163 and 164. (Continued on page 3)

Local Jurisdictions Considering Implementation of Utility Franchise Fees

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New Form 20A100, “Declaration of Representative”

The DOR historically has accepted IRS Form 2848 or a power of attorney prepared by a lawyer and, for most cases, will continue that practice. However, the DOR accepts the new KY Form 20A100 “Declaration of Representative” as well. The form will be required for representatives of taxpayers involved with protest proceedings and may be requested by other DOR offices. Like IRS Form 2848, KY Form 20A100 authorizes representation for various tax types and periods.

All power of attorney documents will now be stored electronically in a way to make access by DOR staff much more efficient. Form 20A100 is available at https://revenue.ky.gov/Get-Help/Pages/Forms.aspx. Completed forms may be submitted to POA@ky.gov. Representatives with a current Form 20A100 on file with the DOR will be able to request tax information via the phone.

Filing Extensions Granted for Taxpayers Impacted by Recent Natural Disasters Including Hurricanes Harvey and Irma

(Continued from page 1) Under the provisions of KRS 131.081(11), Kentucky honors federal extensions related to disaster relief for filing of income tax returns including payment of tax due. This extension to file and pay taxes does not apply to sales and other types of taxes. However, taxpayers with disaster-related delays that are seeking filing extensions or that have been assessed penalties for taxes other than income may contact the DOR to request an extension or a waiver of penalties.

The Kentucky tax extensions offered allow affected taxpayers until January 31, 2018 to file Kentucky tax returns and submit tax payments for the following taxes: individual income tax, corporate income tax, limited liability entity tax, and income tax withholding. Kentucky’s tax extension includes the September 15 and October 15 due dates for estimated taxes and calendar-year business returns.

Late filing and payment penalties will be waived for those affected taxpayers seeking this relief. Kentucky’s tax laws have no provision for the waiver of interest.

Taxpayers are advised to label the top margin of the tax forms filed under this relief provision in large red letters with the words “Hurricane Harvey,” “Hurricane Irma,” or other IRS recognized disaster.

Taxpayers requiring additional tax information or assistance may contact the Department of Revenue at (502) 564-4581 (individual income tax) or (502) 564-8139 (corporation income tax and pass-through entities).

2018 Standard Deduction for Individual Income Tax

The Department of Revenue (DOR) has set the standard deduction at $2,530 for the 2018 tax year. This information may be helpful to those with estimated payments and other tax calculations. The 2017 tax year standard deduction is $2,480.

Sales Tax Remitted by “Travel Intermediaries”

Beginning October 1, 2017, sales tax due on accommodations purchased in Kentucky through online travel companies (OTCs) or “travel intermediaries” (such as Expedia or Priceline) will be collected and paid directly to the Kentucky Department of Revenue by the travel intermediary on the entire room charge (not just the portion of the charge for the room reservation retained by the OTC).

Please see the letter dated September 1, 2017 to hotel, motel, and other accommodations providers regarding the payment of Kentucky sales tax on hotel bookings reserved through “travel intermediaries.” You can access it at https://revenue.ky.gov/News/Pages/Reporting%20Sales%20Tax%20for%20Online%20Hotel%20Bookings%20-%208-31-17.pdf.

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Filing Extensions Granted for Taxpayers Impacted by Recent Natural Disasters Including Hurricanes Harvey and Irma

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Local Jurisdictions Considering Implementation of Utility Franchise Fees

(Continued from page 1) The telecom taxes imposed under KRS 136.604 and 136.616 were originally enacted as part of Tax Modernization in 2005 (HB 272). Effective January 1, 2006, the bill replaced the franchise value property tax and franchise fees on telecommunications companies with a 3% excise tax on multichannel video programming services and separate gross revenues tax rates on multichannel video programming services and communications services (2.4% and 1.3% respectively). With this legislation, existing local franchise fee collections were purportedly prohibited.

Because of this Supreme Court decision, some local jurisdictions are considering whether to renew or establish a franchise fee on cable service and/or communications service instead of relying on receipts from the state telecom taxes. Below are some key points cities and other jurisdictions should consider before activating any franchise payment provisions.

- Since 2006, cities, counties and other local jurisdictions throughout the Commonwealth have received monthly distributions of state telecom receipts electronically deposited into their bank accounts. The combined amounts for all jurisdictions annually totals $36.4 million.

- According to the provisions of KRS 136.660(4), any political subdivision that chooses to impose a franchise fee on any cable or communications service will forfeit distributions of all state telecom receipts (3% excise and 2.4% and 1.3% gross revenues taxes) during the time that any franchise fees are being collected. While each franchising jurisdiction should carefully evaluate its own unique situation, in many cases, the current distributions of state telecom taxes are and will continue to be greater than any revenues that might be generated from local franchise fees on cable services.

- Before a political subdivision begins a franchise fee imposition, it must notify the Department of Revenue in writing of the effective date of the franchise fee and that it is revoking its certified participation in the state telecom distribution fund. The Department requests a ninety-day notice before franchise fees begin.

- Cable companies and other utilities will need advance notification so they can perform any database changes needed to comply with new franchise fee requirements. Depending on the terms of the franchise, providers may also need time to communicate billing changes to the affected customer base. A ninety-day notice is a recommended minimum, but please consult with local providers to coordinate implementation details.

- Overall, cable receipts are in gradual decline statewide. In contrast, the annual state telecom distributions to local jurisdictions remains fixed at the statutorily set threshold of $36.4 million. While this amount does not fully cover the 2005 baseline, it will not decline under current law regardless of any further erosion of cable receipts.

- The repealed franchise value property tax component of cities’ historical tax base comprised, on average, at least 20% of their total collections amount. If a local jurisdiction elects to activate a franchise fee, the local jurisdiction would likely want to determine whether any new collections would exceed both the property tax and franchise fee components of its 2005 tax base to verify whether the decision to opt-out of participation with the state makes sound financial sense for the local jurisdiction.

Please contact the Department of Revenue at (502) 564-5170, option #2, with any additional questions or send an email to DOR.WEB.Response.Telecom@ky.gov.
Seminar Content

Intermediate Seminar
Day 1: 8:00 a.m. to 5:30 p.m.
Day 2: 8:00 a.m. to 5:00 p.m.
Meals are not provided.

Program Level: Intermediate
A two-day, intermediate seminar covering individual and small business issues, with the latest changes to both the Federal and State tax laws, including:

Federal Updates
- Like-kind exchanges
- Loss limitations
- Foreign tax issues
- New tax legislation
- Individual issues
- Retirement

Kentucky Updates
- Individual income tax issues
- Corporate and business returns
- Other tax updates

Includes 2 hours of ethics content, including a segment covering cybersecurity.

There are no advanced preparation requirements for this course, which is designed for professional tax preparers with at least one year of tax preparation experience.

Learning Objectives
To familiarize participants with new income tax law developments, changes in tax legislation, and case rulings for both the Federal Tax Code and the Kentucky State Tax Code so that practitioners will be aware and cognizant when preparing returns for individuals and small businesses.

Continuing Education Credits
This course is approved for:

CPAs: 17 hours total
- Federal Tax Law: 11 hours
- Federal Tax Law Updates: 3 hours
- Regulatory Ethics: 2 hours
- Kentucky Tax Law Update: 1 hour
(by the Kentucky State Board of Accountancy and National Association of State Boards of Accountancy – NASBA)

Certified Financial Planner Board of Standards: 16 hours
Kentucky Department of Insurance: 17 CE hours
(including 2 hours of ethics)
Enrolled Agents, AFSP Participants and PTIN holders: 16 hours total
- Federal Tax Law: 11 hours
- Federal Tax Law Updates: 3 hours
- Ethics: 2 hours

Our IRS Provider Number is XFC9W.

IRS Continuing Education is only mandatory for Enrolled Agents (EAs) and Enrolled Retirement Plan Agents. Participation in CE by all other tax return preparers is not an official designation, but these individuals may voluntarily take continuing education. IRS has developed the Annual Filing Season Program (AFSP) for non-credentialed tax return preparers. This Federal Income Tax Seminar will not include the six (6) hour Annual Federal Tax Refresher course of the test. The course counts toward continuing education for AFSP.

Kentucky Bar Association CLE credit: 14.25 hours total
- General: 12.5 hours
- Ethics: 1.75 hours

Certificates of Completion will be available on site or mailed to participants within 30 days of the conclusion of the seminar program.

Workbook Materials
You will receive the following materials included with your registration fee:

- 2017 National Income Tax Workbook, a 700+ page production of the Land Grant University Tax Education Foundation, Inc. Chapters in this textbook are available only to sponsors of tax schools and to participants in the tax schools as part of their educational material.
- A searchable CD that includes the content of the National Income Tax Workbooks from the previous five years
- U.S. Master Tax Guide, published by CCH (if not available at the seminars, the books will be mailed upon availability)
- Kentucky Department of Revenue update (emailed prior to each seminar by the KY DOR)*

*Note: no written materials will be available on location

(Continued on the next page.)
**University of Kentucky 51st Annual 2017 Income Tax Seminars**

**Cancellation/Transfers**
Cancellation requires a three-day notice before the start of the seminar to qualify for a refund (less a $25 administrative fee). Split location attendance and transfers are discouraged, but if necessary, permitted on a space-available basis and require a $50 administrative fee. In the event of cancellation due to adverse weather, registrants may 1) transfer to a later seminar, or 2) receive full credit for registration at a seminar the following year.

**For More Information**
Website: [http://www.uky.edu/uktax/gensem.html](http://www.uky.edu/uktax/gensem.html)
Email: kathy.roe@uky.edu or e.brown@uky.edu
Kathy Roe: (859) 218-5112
Emily Brown: (859) 218-3661
Toll-free: (888) 808-3303
Fax: (859) 323-0098

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**General Information**

**Schedule:** Registration begins at 7:45 a.m. Seminars begin at 8:00 a.m. Lunch is on your own. Refreshments served throughout the day.

**Smoking:** All seminars will be smoke-free

**Electronic communications:** prohibited during our seminars

**Room temperature:** Satisfactory meeting room temperatures are difficult to maintain. We suggest that you dress in layers to ensure comfort.

**Delivery method:** Group—Live.

**No voice recording permitted due to legal issues.**

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**Individual and Corporate Tax Form Changes**

For the 2017 tax year, all Kentucky tax forms and instructions have been redesigned to make them more user-friendly. Here are some of the more significant tax form changes you’ll see for 2017.

<table>
<thead>
<tr>
<th>Form/Package</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form 20A100</td>
<td>New “Declaration of Representative”; completed forms may be submitted to <a href="mailto:POA@ky.gov">POA@ky.gov</a></td>
</tr>
<tr>
<td>Form KW-2</td>
<td>New form to summarize Form W-2 information to attach to Form 740</td>
</tr>
<tr>
<td>Form 740-X</td>
<td>New amended checkbox on Form 740 eliminates Form 740-X for 2017</td>
</tr>
<tr>
<td>Form 725-EZ</td>
<td>New short form for $175 minimum single-member LLET filers; Schedule CP discontinued</td>
</tr>
<tr>
<td>Schedule LLET</td>
<td>Information and calculations are now Schedule L on main forms; related Schedule LLET forms have been consolidated into Schedule L-C</td>
</tr>
<tr>
<td>Schedules K and K-1</td>
<td>Updated for clearer LLET and apportionment pass-through items</td>
</tr>
<tr>
<td>Schedule A</td>
<td>Updated to include Schedules A-C and A-N</td>
</tr>
<tr>
<td>Schedules CR and KCR</td>
<td>Updated to include Schedules CR-C and KCR-C</td>
</tr>
<tr>
<td>Schedule DS</td>
<td>Updated to include Schedule DS-R</td>
</tr>
<tr>
<td>Schedule NOL</td>
<td>Updated to include Schedule NOL-CF</td>
</tr>
<tr>
<td>Form 740NP-WH-P</td>
<td>Discontinued—included as a worksheet within the instruction package</td>
</tr>
<tr>
<td>Tax Credit Packages</td>
<td>Most tax credit forms combined into packages to ease use</td>
</tr>
</tbody>
</table>
October 2017 Tax Calendar

Oct 2  Minerals and Gas Severance Tax Returns (August payment)

Oct 10 Affordable Housing Return
Legal Process Return (September payment)
Twice-Monthly Income Tax Withholding Returns (September 16-30 payment/EFT payment)

Oct 16 Corporation Income Tax/LLET and Pass-through Entity Return and payment Due (FY ending 6/30)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 04/30)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 1/31)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 10/31)
Monthly Income Tax Withholding Returns (September payment)

Oct 20 Alcohol Returns (September payment)
Coal Severance Tax Returns (September payment)
Commercial Mobile Radio Service 911 Fee Return (September payment)
Cigarette Wholesaler Return (September payment)
Health Care Provider Tax Returns (September payment)
Insurance Premium Surcharge Return (September payment)
Monthly Sales and Use Tax Returns (September payment)
Motor Vehicle Tire Fee Return (September payment)
Oil Production Tax Returns (September payment)
Quarterly Sales and Use Tax Returns
Telecommunications Return (September payment)
Tobacco Products, Snuff, and Chewing Tobacco Return (September payment)
Transient Room Return (September payment)
Utility Gross Receipts License Tax Return (September payment)

Oct 25 Monthly Motor Fuels Tax Returns (September payment)
Monthly Sales and Use Tax Returns (Accelerated payment)
Twice-Monthly Income Tax Withholding Returns (October 1—15 payment/EFT payment)

Oct 31 Income Tax Withholding Returns/EFT Filers/Third Quarter Reconciliation
Quarterly Income Tax Withholding Returns

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

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### November 2017 Tax Calendar

#### Nov 1
Minerals and Gas Severance Tax Returns (September payment)

#### Nov 13
Legal Process Return (October payment)  
Twice-Monthly Income Tax Withholding Returns (October 16-31 payment/EFT payment)

#### Nov 15
Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 7/31)  
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Est. (FY ending 05/31)  
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 2/28)  
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Est. (FY ending 11/30)  
Monthly Income Tax Withholding Returns (October payment)

#### Nov 20
Alcohol Returns (October payment)  
Cigarette Wholesaler Return (October payment)  
Commercial Mobile Radio Service 911 Fee Return (October payment)  
Health Care Provider Tax Returns (October payment)  
Insurance Premium Surcharge Return (October payment)  
Monthly Sales and Use Tax Returns (October payment)  
Motor Vehicle Tire Fee Return (October payment)  
Telecommunications Return (October payment)  
Tobacco Products, Snuff, and Chewing Tobacco Return (October payment)  
Transient Room Return (October payment)  
Utility Gross Receipts License Tax Return (October payment)

#### Nov 21
Coal Severance Tax Returns (October payment)  
Oil Production Tax Returns (October payment)

#### Nov 27
Monthly Motor Fuels Tax Returns (October payment)  
Monthly Sales and Use Tax Returns (Accelerated payment)  
Twice-Monthly Income Tax Withholding Returns (November 1–15 payment/EFT payment)

**NOTE:** If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.

<table>
<thead>
<tr>
<th>State Holiday</th>
<th>Office Closure Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veterans Day</td>
<td>Friday, November 10, 2017</td>
</tr>
<tr>
<td>Thanksgiving</td>
<td>Thursday and Friday, November 23-24, 2017</td>
</tr>
<tr>
<td>Christmas</td>
<td>Monday and Tuesday, December 25-26, 2017</td>
</tr>
<tr>
<td>New Year’s</td>
<td>Friday, December 29, 2017 and Monday, January 1, 2018</td>
</tr>
</tbody>
</table>