

**138.4631 Estimated assessment, plus penalty and interest, against holders of U-Drive-It permits and against dealers with loaner motor vehicles for failure or refusal to pay tax.**

- (1) If any holder of a permit under KRS 138.463(2) fails or refuses to file a return or furnish any information requested in writing, the cabinet may, from any information in its possession, make an estimate of the permit holder's gross rental or lease charges and issue an assessment against the permit holder based on the estimated gross rental or lease charges and add a penalty of ten percent (10%) of the amount of the assessment so determined. This penalty shall be in addition to all other applicable penalties provided by law.
- (2) If a dealer under KRS 138.4605 fails or refuses to file a return or furnish any information requested in writing, the cabinet may, from any information in its possession, make an estimate of the tax owed by the dealer on his loaner motor vehicles and issue an assessment against the dealer after adding a penalty of ten percent (10%) of the amount of the assessment so determined. The penalty shall be in addition to all other applicable penalties provided by law.
- (3) If any holder of a permit under KRS 138.463(2) or a dealer under KRS 138.4605 fails to make and file a return required by KRS 138.4605 or 138.463 on or before the due date of the return or the due date as extended by the cabinet, or if the tax, or any installment or portion of the tax imposed by KRS 138.4605 or 138.463, is not paid on or before the date prescribed for its payment, then, unless it is shown to the satisfaction of the cabinet that the failure is due to a reasonable cause, five percent (5%) of the tax found to be due shall be added to the tax for each thirty (30) days or fraction thereof elapsing between the due date of the return and the date on which filed, but the total penalty shall not exceed twenty-five percent (25%) of the tax; provided, however, that in no case shall the penalty be less than ten dollars (\$10).
- (4) If the tax imposed by KRS 138.4605 or 138.463, whether assessed by the cabinet, the dealer, or the permit holder, or any installment or portion of the tax is not paid on or before the date prescribed for its payment, there shall be collected, as a part of the tax, interest upon the unpaid amount at the tax interest rate as defined in KRS 131.010(6) from the date prescribed for its payment until payment is actually made.

**Effective:** July 15, 1998

**History:** Amended 1998 Ky. Acts ch. 166, sec. 3, effective July 15, 1998. -- Amended 1992 Ky. Acts ch. 338, sec. 4, effective August 1, 1992. -- Amended 1986 Ky. Acts ch. 431, sec. 5, effective July 15, 1986. -- Created 1982 Ky. Acts ch. 387, sec. 5, effective July 15, 1982.