

131.1817 Delinquent taxpayer subject to revocation or denial of professional or occupational license, driver's license, and motor vehicle registration -- Agencies' duties to assist department -- Notice -- Appeal -- Written tax clearance before reissuance.

- (1) As used in this section:
 - (a) "Attorney's license" means a license issued pursuant to the rules of the Supreme Court of Kentucky authorizing the practice of law in the Commonwealth;
 - (b) "Delinquent taxpayer" means:
 1. A taxpayer with an overdue state tax liability:
 - a. That is not covered by a current installment payment agreement;
 - b. For which all protest and appeal rights under the law have expired; and
 - c. About which the department has contacted the taxpayer; or
 2. A taxpayer who:
 - a. Has not filed a required tax return within ninety (90) days following the due date of the return, or if the due date was extended, within ninety (90) days following the extended due date of the return; and
 - b. Was contacted by the department about the delinquent return;
 - (c) "Driver's license" means a license issued by the Transportation Cabinet;
 - (d) "License" means any occupational or professional certification, license, registration, or certificate issued by a licensing agency that is required to engage in an occupation, profession, or trade in the Commonwealth, other than a license issued to an attorney; and
 - (e) "Licensing agency" means any instrumentality, agency, board, commission, or department established by statute that has the power and authority within the Commonwealth to issue any license, except "licensing agency" shall not include the Supreme Court of Kentucky, relating to licenses issued to attorneys to practice law in the Commonwealth.
- (2) The department may identify licensing agencies from which it wants to obtain information for the purpose of tax compliance.
- (3) Any licensing agency identified by the department shall work with the department to develop a process to provide the department with information about its licensees.
- (4) Any delinquent taxpayer who:
 - (a) Holds a license;
 - (b) Is an attorney licensed to practice law in the Commonwealth;
 - (c) Holds a driver's license; or
 - (d) Owns a motor vehicle registered in the Commonwealth;may have that license or driver's license suspended or revoked, and may be denied the ability to register his or her motor vehicle in the Commonwealth as provided in

subsection (5) of this section.

- (5) (a) To begin the process of revocation of a license, or suspension of the ability to register a motor vehicle, the department shall notify the delinquent taxpayer by certified mail at least twenty (20) days prior to submission of the name of a delinquent taxpayer to the relevant agency that his or her name will be submitted to:
 1. The licensing agency, for revocation of a license;
 2. The Transportation Cabinet, for revocation of a driver's license or denial of the ability to register a motor vehicle in the Commonwealth; or
 3. The Kentucky Supreme Court, for the revocation of a license to practice law in the Commonwealth.
- (b) The notice shall:
 1. State the reason for the action;
 2. Set forth the amount of any overdue tax liability, including any applicable penalties and interest;
 3. Explain any other area of noncompliance that must be satisfied to prevent the submission of the taxpayer's name to the licensing agency as a delinquent taxpayer; and
 4. List all licenses or registrations for which revocation will be sought.
- (c) After the passage of at least twenty (20) days from the date the notice was sent under paragraph (a) of this subsection, and if the issues identified in the notice were not resolved to the satisfaction of the department, the department may:
 1. Submit the name of the delinquent taxpayer to the licensing agency or the Transportation Cabinet; or
 2. If the delinquent taxpayer is an attorney licensed to practice law in the Commonwealth, submit the name of the attorney to the Kentucky Supreme Court for appropriate action to enforce Supreme Court Rules.
- (d) Upon notification by the department that the licensee or motor vehicle owner is a delinquent taxpayer, the licensing agency or Transportation Cabinet, as the case may be, shall deny or revoke any license held or applied for by the licensee, and the Transportation Cabinet shall not allow the delinquent taxpayer to register a motor vehicle in the Commonwealth.
- (e) Any delinquent taxpayer who has had a license denied or revoked, or who has been denied the ability to register a motor vehicle shall have the right to appeal to the licensing agency or the Transportation Cabinet as authorized by law, provided that appeals shall only be permitted based upon a mistake in facts relied upon by the department, the licensing agency, or the Transportation Cabinet that the licensee or motor vehicle owner is a delinquent taxpayer.
- (f) A license that has been denied or revoked under this section shall not be reissued or renewed, and a motor vehicle registration that has been denied under this section shall not be permitted, until a written tax clearance has been

received from the department by the licensing agency or the Transportation Cabinet, as the case may be.

- (g) The department may promulgate administrative regulations under KRS Chapter 13A to implement the provisions of this section.

Effective: July 1, 2013

History: Amended 2013 Ky. Acts ch. 119, sec. 2, effective July 1, 2013. -- Created 2012 Ky. Acts ch. 110, sec. 7, effective April 11, 2012.