

1 AN ACT relating taxation.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 131.181 is amended to read as follows:

- 4 (1) Whenever it is determined that a taxpayer, who holds a license to mine coal in
5 Kentucky under KRS 351.175, is a "delinquent taxpayer" as defined in subsection
6 (3) of this section, the department~~[of Revenue]~~ shall, after giving notice as
7 provided in subsection (4) of this section, submit the name of the taxpayer to the
8 Department for Natural Resources for revocation of the license issued under KRS
9 351.175.
- 10 (2) If it is determined that a person who is an agent, contract miner, or delegate of a
11 delinquent taxpayer as defined in subsection (3) holds a license to mine coal for the
12 delinquent taxpayer in Kentucky under KRS 351.175, the department~~[of Revenue]~~
13 shall, after giving notice as provided in subsection (4) of this section, submit the
14 name of the agent, contract miner, or delegate to the Department for Natural
15 Resources for revocation of the license issued under KRS 351.175 to mine coal for
16 the delinquent taxpayer.
- 17 (3) Any of the following situations is sufficient to cause a taxpayer to be classified as a
18 "delinquent taxpayer" for purposes of this section:
- 19 (a) When a taxpayer has an overdue state tax liability arising directly or indirectly
20 from the mining, transportation, or processing of coal, for which all protest
21 and appeal rights granted by law have expired and has been contacted by the
22 department concerning the overdue tax liability. This does not include a
23 taxpayer who is making current timely installment payments on the overdue
24 tax liability under agreement with the department.
- 25 (b) When a taxpayer has not filed a required tax return as of thirty (30) days after
26 the due date or after the extended due date, and has been contacted by the
27 department concerning the delinquent return. This applies only to tax returns

1 required as the result of the taxpayer's involvement in the mining,
2 transportation, or processing of coal.

3 (c) When an owner, partner, or corporate officer of a proprietorship, partnership,
4 or corporation holding a license under KRS 351.175, held a similar position in
5 a business whose license was revoked as a "delinquent taxpayer", and the tax
6 liability remains unpaid.

7 (4) At least twenty (20) days in advance of submitting a taxpayer's name to the
8 Department for Natural Resources as provided in subsection (1) or (2) of this
9 section, the department shall notify the taxpayer by certified mail that the action is
10 to be taken. The notice shall state the reason for the action and shall set out the
11 amount of any tax liability including any applicable penalties and interest and any
12 other area of noncompliance which must be satisfied in order to prevent the
13 submission of his name to the Department for Natural Resources as a "delinquent
14 taxpayer."

15 (5) If it is determined that an applicant for a license to mine coal under the provisions
16 of KRS 351.175 is a delinquent taxpayer as defined in subsection (3) of this section,
17 or is an agent, contract miner, or delegate of a delinquent taxpayer, the Department
18 for Natural Resources shall refuse a mine license to the applicant.