

**136.073 Average net capital tax on open-end registered investment companies.**

- (1) Every open-end registered investment company organized under the laws of this state and registered under the Investment Company Act of 1940 shall on or before the fifteenth day of the fourth month following the close of each fiscal year, if the company operates on a fiscal year basis or calendar year, file a report on forms prescribed by the Department of Revenue and pay directly to the State Treasury a tax of two dollars and ten cents (\$2.10) for each one thousand dollars (\$1,000) of "average net capital" as computed under subsections (2) and (3) of this section.
- (2) The term "net capital" as used in this section means capital stock, surplus, borrowed moneys or any other accounts representing capital of the company less the amount of such capital which by said company is invested in Kentucky municipal securities which are obligations issued by the State of Kentucky, its political subdivisions, and the districts, authorities, agencies and instrumentalities of the state and its political subdivisions, the interest on which is exempt from federal and Kentucky income tax.
- (3) The term "average net capital" as used in this section means the average of the net capital of the company as shown on financial statements of the company as of the first and last days of the fiscal or calendar year of the company, whichever is applicable.
- (4) The Department of Revenue shall examine and audit each report as soon as practicable after each report is received. Failure to make reports and pay taxes as provided in this section shall subject the company to the same penalties imposed for such failure on the part of other corporations.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 85, sec. 297, effective June 20, 2005. -- Amended 1985 (1st Extra. Sess.) Ky. Acts ch. 6, Pt. II, sec. 4, effective July 29, 1985. -- Created 1980 Ky. Acts ch. 181, sec. 2, effective July 15, 1980.

**Legislative Research Commission Note.** 1985 Acts Ex. Sess., ch. 6, Part II, Section 5, directs that the provisions of this section shall apply to taxable years ending after 7/31/85.