

AN ACT proposing to amend Section 181 of the Constitution of Kentucky relating to local levies of sales and use taxes.

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

➔Section 1. It is proposed that Section 181 of the Constitution of Kentucky be amended to read as follows:

(1) The General Assembly shall not impose taxes for the purposes of any county, city, town or other municipal corporation, but may, by general laws, confer on the proper authorities thereof, respectively, the power to assess and collect such taxes.

(2) The General Assembly may, by general laws only, provide for the payment of license fees on franchises, stock used for breeding purposes, the various trades, occupations and professions, or a special or excise tax.~~;~~ ~~and~~

(3) *The General Assembly* may, by general laws, delegate the power to counties, towns, cities and other municipal corporations, to impose and collect license fees on stock used for breeding purposes, on franchises, trades, occupations and professions.

(4) *The General Assembly may, by general laws, confer upon the proper authority of any city or county the power to levy and collect sales and use taxes, except that:*

(a) *Prior to imposition, the levy shall be approved by a simple majority of those voting at a general election within the city or county proposing the tax, and any tax approved by the voters shall apply in any area subsequently annexed by the city or county imposing the tax;*

(b) *The maximum aggregate local sales and use tax rates that may be imposed within the boundaries of a single county shall not exceed one percent; and*

(c) *The levy shall be for a specific purpose and shall be limited in time, to end upon the earlier of the passage of a specific number of years, or receipt of the total amount of revenue sought, all of which shall be identified in the question placed before the voters.*

(5) ~~[And]~~The General Assembly may, by general laws only, authorize cities or towns of any class to provide for taxation for municipal purposes on personal property, tangible and intangible, based on income, licenses or franchises, in lieu of an ad valorem tax thereon: Provided, Cities of the first class shall not be authorized to omit the imposition of an ad valorem tax on such property of any steam railroad, street railway, ferry, bridge, gas, water, heating, telephone, telegraph, electric light or electric power company.

→Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415. The question to be submitted to the voters shall read as follows: "Are you in favor of giving local voters a new right to approve or reject the imposition of a temporary local sales and use tax of no more than one percent, for a limited period of time, and for a specific purpose, as authorized by the General Assembly?"