

Commonwealth of Kentucky
Department of Insurance
Local Government Premium Tax Code Descriptions
Tax Year 2023-2024

<u>Tax Code</u>	<u>Tax Code Description</u>
01	Tax charge shall not apply to schools, churches, public buildings, nor burial associations for burial service.
02	Tax charge shall not apply to crop-hail, flood, bonds, or insurance purchased by the city.
03	Tax charge shall not include premiums paid on property or risks owned by the city; structures actually used as churches, places of worship or parsonages; all high schools and elementary schools whether public, church or private.
04	Tax charge shall not apply to county or county boards' coverage, or municipal and rural cooperative electric utility operations.
06	Tax charge shall not apply to insurance purchased by the city.
07	Multiple-line insurance policies, with indivisible premium, are taxed at the rate of 5.5%. Indivisible premiums (see tax code "15").
08	Tax charge shall not apply to property used exclusively for religious, educational, or charitable purposes. Indivisible premiums (see tax code "15").
09	Tax charge shall not apply to property used exclusively for religious, educational purposes, whether public, church, or private.
10	Tax charge shall not apply to bonds; religious sects; nationally recognized charitable organizations; or on property owned by federal, state, county, or municipal governments. The Magoffin County rescue squad shall be exempt from paying municipal insurance premium tax.
11	Tax charge shall not apply to properties used or owned by any religious organization.
12	Tax charge shall not apply to crop insurance.
14	Tax charge shall not apply to churches.

Tax Codes to be used in conjunction with Local Government Premium Tax Schedule for same tax year.

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15	Indivisible premiums. Indivisible premium multiple-line policies consist mainly of homeowners and farm owners policies. Other multiple-line policies have divisible premiums and the appropriate tax for the various lines of insurance is applicable separately. Since KRS 91A.080 requires a breakdown of all collections by category, indivisible premium multiple-line policies must be broken down giving a weight of two-thirds of the premium to the fire provision and one-third of the premium to the casualty provision before determining the tax.
16	Tax charge shall not apply to property used exclusively for religious, educational or charitable purposes.
17	Tax charge shall not apply to doctors malpractice insurance.
18	Tax charge shall not apply to policies issued to governmental units and policies insuring the main location of all organized charities.
19	Tax charge shall be 7% for non-commercial and 3% for commercial insurance. Tax charge shall not apply to insurance for cargo and product liability.
20	Tax charge for automobile shall be 3% on private automobiles of natural persons residing within the corporate limits and 10% on automobile insurance not on private automobiles of natural persons. Tax charge shall not apply to medical malpractice for any resident or group; bonds; property used exclusively for religious or charitable purposes; or federal, state, county, or municipal governments.
21	Tax charge shall not apply on policies of group health insurance.
23	This county tax has been imposed on all unincorporated areas within this county. Since all municipalities on the master list are incorporated, this tax will not apply to them.
24	Tax charge shall not apply to premiums collected from all accredited schools and all organized religious organizations; i.e. churches, synagogues, and places where worship services are held on a regular basis; nor premiums paid to any state employee benefit fund created pursuant to KRS Chapter 18A.
25	Tax charge shall not include premiums paid on property or risks owned by any federal, state, county, or municipal government, or any agency thereof; premiums paid on property or risks owned by any bona fide religious denomination or sect, or any nationally recognized charitable organization; any and all bonds or fiduciary, surety, or indemnity nature.
26	This city imposes a \$5.00 per policy minimum tax due quarterly.

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27	Tax charge shall not apply to property used exclusively for religious, educational, or charitable purposes, or property owned by the city . Indivisible premiums (see tax code "15").
28	Tax charge shall not apply to the city, its officers, agents, or employees while acting in official capacity.
29	Tax charge shall not apply to buildings used exclusively for public worship.
30	This county exempts crop insurance.
31	Tax charge includes all incorporated and unincorporated areas of the county except for the incorporated area of Maysville.
32	The city of Millersburg \$5.00 minimum fee shall refer to life only.
33	Tax charge shall not include premiums received for insuring the city of Radcliff against any or all liability insurance for city owned property or vehicles.
35	This tax shall not apply to premiums received on non-licensed farm equipment and agricultural related endorsements.
36	Fleming County premium tax shall not apply to the following: (1) premiums for non-licensed farm equipment insurance; (2) premiums for cargo or product liability insurance; (3) premiums for physician malpractice; (4) premiums for general liability insurance to companies and / or businesses with five or more full time employees who work at least forty hours per week; (5) premiums for general liability insurance for umbrella and excess liability policies required to obtain licenses and permits to do interstate and intrastate transit of freight; (6) premiums for property and risk insurance for property owned by the county, city, churches, parsonages, schools and fire departments.
39	Any license fee or tax imposed upon premium receipts shall not include premiums received from churches or religious organizations.
40	Excludes any license fee or tax imposed upon premium receipts for property used exclusively for religious, educational or charitable purposes.
41	There is imposed upon each company issuing life insurance within the corporate limits of the city, a minimum fee of \$25 when the percentage fees are less than \$100.

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42	Excludes premiums received for: extended care policies, premiums for crop hail insurance, premiums for non-licensed farm equipment insurance, premiums for cargo or product liability insurance, premiums for malpractice insurance (all types), premiums for general liability insurance for umbrella and excess liability policy required to obtain licenses and permits to do interstate and intrastate transit of freight; and premiums for property and risk insurance for property owned by the county, city, churches, personages, schools, and fire departments.
43	No license fee or tax imposed upon premium receipts shall apply to the following: health insurance, life insurance, crop insurance, vehicles licensed at 38,000 lbs. or greater; provided only those premiums attributed to such vehicles are hereby exempted; any and all insurance policies paid by any volunteer fire department; any and all insurance policies paid by Green County Fiscal Court.
45	There is hereby imposed a minimum tax of five dollars per policy, regardless of the amount of premium paid, on all life insurance policies . The five dollar minimum tax shall only apply to life insurance policies.
46	The credit for the city of Milton taxes against Trimble County taxes shall not apply to health insurance.
47	Policies of group health insurance provided for City of Hodgenville employees are exempt.
48	Tax charge shall not apply to policies insuring churches and other religious organizations or any property, both real and personal, owned exclusively by a church or religious organization.
49	This tax has a sunset date of December 31, 2018. On that date the tax will be repealed.
50	Tax charge shall not apply to: (A) Premiums recieved for insuring employees against liability for personal injuries to their employees, or the death of their employees, caused thereby, under provisions of the Workers' Compensation Act. (B) Premiums for policies of health insurance. (C) Premiums for extended care policies. (D) Premiums for annuities. (E) Premiums for federal flood insurance. (F) Premiums for surety or preformance bonds. (G) Premiums for crop hail insurance. (H) Premiums for non-lincensed farm equipment insurance. (I) Premiums for cargo or product liability insurance. (J) Premiums for malpractice (all types) insurance. (K) Premiums for life insurance. (L) Premiums for general liability insurance for umbrella and excess liability policy required to obtain licenses and permits to do interstate and intrastate transit of freight. (M) Premiums for property and risk insurance for property owned by the county, city, churches, parsonages, school and fire departments.
51	Tax is imposed only on unincorporated areas of the County.

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52	Ten (10) percent for auto insurance premium tax on Motor Vehicles for the transportation of property, including U-Drive-Its and automobile utility trailers with the capacity of more than 18,000 lbs
53	In the event that Metro Louisville shall impose a higher percentage than 10%, either as a fee or tax, then the rate imposed herein shall be automatically increased to equal but not exceed the rate imposed by Metro Louisville
54	Exclusion of the Local Government Premium tax for; Any organization classified with a 501c3 tax exempt status; or, Any employer who locates or relocates their corporate domicile within the county under the following terms and conditions, all of which shall be verified by the employer at the request of the county: (a) The employer maintains annual gross revenues in excess of \$100,000,000.00; and (b) The employer employs no less than 100 full-time equivalent employees that are considered employees within the county; and (c) The employer is engaged in interstate transportation, which is regulated by the United States Department of Transportation; and (d) The corporate domicile is located and remains continuously within Calloway County. For the purpose of this subsection, the term "CORPORATE DOMICILE" shall mean the place considered by law as the center of corporate affairs, where the corporation's functions are discharged; the legal home of a corporation. Upon compliance with all the conditions as stipulated within this subsection, the employer shall be exempt from this license fee on the employers' insurance policies to include automobile liability, cargo, employment practices liability, directors and officers coverage, fiduciary coverage, crime, cyber liability, general liability and brokerage coverages premiums and any premiums for real and personal property. All other insurance premiums eligible for the license fee tax shall be assessed at the rate established herein. During any fiscal year that an employer fails to maintain any of the requirements for exemption pursuant to this section, the tax imposed hereinabove shall be assessed to said employer. Employer shall submit proof of exemption annually.

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A	<p>This county tax is imposed pursuant to KRS 91A:080 (7/13/90), and is imposed on all areas of the county. KRS 91A.080 (7/13/90) allows insurance companies to credit city license fees or taxes against the same license fees or taxes levied by the county. For reporting purposes, where the city has the same or higher tax rate, report to the city on premiums collected for risks located within the city, and no report is necessary to the county on those premiums. However, where the city tax is less than the county tax, a report must be sent to the city and a credit taken using Form LGT-142, and the balance due, paid to the county. See Form LGT-142 for instructions.</p> <p>For this schedule, there are 9 counties that need an LGT-142 filed: (Hopkins County-City of Dawson Springs [Life Only], City of St. Charles [Life Only], City of White Plains [Life Only]); (Meade County-City of Ekron [Except Health & Life]); (Pulaski County-City of Science Hill [Except Health]); (Menifee County-City of Frenchburg [Except Health & Life]); (Trimble County-City of Milton [Except Health]); (Henderson County-City of Robards); (Floyd County-City of Wheelwright [Health Only], City of Prestonsburg [Life Only]; (Knott County-City of Hindman [Except Health & Life]); (Powell County-Clay City [Life Only].</p>
B	<p>Includes all incorporated and unincorporated areas of the county in which the license fees or taxes were implemented prior to July 13, 1990. Generally, insurers that pay license fees or taxes under KRS 91A:080 are permitted to credit city license fees or taxes against the same license fees or taxes levied by the county only "...when the license fees or taxes are levied by the county on or after July 13, 1990." The status of "grandfathered", applies only to counties in which the taxes were levied prior to July 13, 1990. Therefore, premiums collected on risks located within the cities of the 'grandfathered' counties must also be reported and remitted to the respective counties, using Form LGT-141. For this schedule, there are three counties this applies to: (Anderson County--City of Lawrenceburg); (Fulton County--City of Hickman and City of Fulton); (Washington County--City of Springfield).</p>
C	<p>County means all incorporated and unincorporated areas of Pulaski County, except the incorporated areas of the cities of Somerset, and Burnside.</p>
D	<p>This is an Urban County Government, which combines the city of Lexington and the county of Fayette into one government. This means that there is only one (1) tax payable to the Lexington-Fayette Urban County Government. Livestock and war risk are excluded from the local government premium tax in this county.</p>
E	<p>This county tax has been imposed on all unincorporated areas within this county. Since all municipalities on this master list are incorporated, this tax will not apply to them. This county tax was implemented prior to July 13, 1990; therefore, insurance companies may not take the city credits pursuant to KRS 91A:080 7/13/90.</p>
F	<p>This city exempts all administrative agencies of that city.</p>
G	<p>Tax charge shall not apply to any policy purchased by the city or any emergency service organization.</p>

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- H The cities of Keeneland and Whipps Millgate have been incorporated into the city of Lyndon. Also the city of Crescent Park has merged into the city of Fort Mitchell.
- I The cities of Cherrywood Village, Fairmeade, Plymouth Village and Springlee were incorporated into the city of St. Matthews.
- J The City of Park Lake has been annexed into the City of Crestwood and will become a part of the City of Crestwood, Oldham County, Kentucky. The City of Park Lake is no longer a municipal corporation.
- K Any refund claims made by any Company submitting payments hereunder to the City of Flemingsburg shall be made no later than two (2) years from the date such payment is made to the City.
- L This county tax has been imposed on all unincorporated areas within this county. Since all municipalities on this master list are incorporated, this tax will not apply to them and no credit will be taken. Additionally, the following incorporated cities that do not impose a tax are also exempted from the Kenton County premium tax: Crestview Hills, Edgewood, Fairview, Independence and Kenton Vale.
- P Tax charges shall not apply to premiums paid to insurers of municipal bonds, leases, or other debt instruments issued by or on behalf of a city, county, charter county government, urban county government, consolidated local government, special district nonprofit corporation, or other political subdivision of the Commonwealth.
- Q A business license fee for the privilege of engaging in the business of Insurance within Owen County Kentucky includes all incorporated areas.
- R Louisville and Jefferson County have merged as Louisville-Jefferson County Metro Government. The Louisville Urban Services District is established pursuant to KRS 67C.147 as a separate taxing district encompassing the previous boundaries of the former City of Louisville.