Kentucky General Assembly Passes Emergency COVID-19 Relief Bill

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Following the U.S. Senate's approval of the CARES Act granting federal aid in response to the COVID-19 pandemic, many state legislatures have worked to provide additional relief to individuals and businesses. This week, the Kentucky General Assembly passed its own COVID-19 relief bill. The bill mimics some of the provisions included in the federal CARES Act, but also includes additional support for those affected by the COVID-19 state of emergency.

First, the bill authorizes the Governor to direct administrative agencies to waive license fees, renewal fees, application fees, forms, applications, and other administrative requirements. If not directed by the Governor, administrative agencies may elect to waive these fees and requirements on their own. This grace period is to last until the state of emergency is declared over by the Governor and at least for 30 days thereafter. This could affect businesses receiving tax incentives from the Kentucky Cabinet for Economic Development[1], as well as other benefits and reporting obligations from other state and local administrative agencies.

Additionally, the bill authorizes the Governor to waive or suspend provisions of the Kentucky Unemployment Compensation statutes and regulations to streamline the application process and broaden the beneficiary pool. These provisions provide relief not only for individuals that have lost employment as a result of the state of emergency, but also for those that have lost between 10 and 60 percent of work hours because of the pandemic.

In terms of tax implications, the bill directs the Department of Revenue to adhere to any changes in tax filing and payments made by the U.S. Treasury Department or the Internal Revenue Service. As of last week, the Secretary of the Treasury announced that the federal tax filing and payment date is extended to July 15, 2020, meaning the Kentucky income tax filing deadline will also be extended to this date. The Department is also waiving all interest through the extended filing date. Additionally, the bill authorizes local taxing jurisdictions to suspend or extend filing deadlines for required Occupational License Tax returns.

Lastly, the bill authorizes for more telecommunications flexibility as well as protections for the health care industry. Examples include, expanded telehealth providers, protections from liability for healthcare workers providing care to COVID-19 patients, court-ordered counseling or educational programs may be conducted via live teleconferencing, for compliance with any law, rule, an order requiring testimony or signature from any party or witness or the acknowledgment or notarization of any document it can be completed via video teleconference, and the ability for the State Board of Medical Licensure, Kentucky Board of Emergency Medical Services and the Board of Nursing to waive or modify certain licensure requirements.

The bill also requires that when the state of emergency is over, the Governor must declare it in writing. It further grants the legislature power to end the state of emergency if the Governor has not done so by the start of the next legislative session.

We continue to follow and report on the changing circumstances surrounding the COVID-19 pandemic. For more information on federal and state government relief and how the pandemic is affecting businesses and individuals, visit the FBT COVID-19 Response Team Page and Tax Law Defined blog.

The text of the Kentucky COVID-19 relief bill

To provide guidance and support to clients as this global public-health crisis unfolds, Frost Brown Todd has created a Coronavirus Response Team. Our attorneys are on hand to answer your questions and provide guidance on how to proactively prepare for and manage any coronavirus-related threats to your business operations and workforce.

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[1] For more information on how COVID-19 may affect tax incentives, visit FBT Tax Law Defined Blog.