

PTAC Meeting Summary
October 27, 2015

The Premium Tax Advisory Council held its latest meeting on October 27, 2015. I will key each of the items to the agenda for the meeting which is enclosed under separate cover.

II. Roll Call

New PTAC member Steve Dawson, Finance Director of the City of Frankfort, was introduced.

IV. Minutes

The minutes from August 11, 2015 were approved as presented and they are attached.

V. Subcommittee Reports

- a. Clarify credit on quarterly statement

I reported that the Subcommittee had been engaged in discussions since the last meeting and that we were scheduled to meet again on November 6. I have reported the status of those discussions and sent our latest proposed draft to members in separate communications.

VI. Old Business

DOI gave a summary of non-filings on Annual Reconciliation Reports for 2014.

It was announced that the hearing on the issue of whether installment fees are premiums for the purpose of LGPT has been postponed again, and that it will be held on February 2 & 3, 2016

DOI followed up our discussion at the last meeting of whether an institution that is of “purely public charity and education” is exempt from LGPT under Section 170 of the Constitution. At that meeting Prentice Harvey who represents State Farm had presented the KY Supreme Court case [Children's Psychiatric Hospital Of Northern Kentucky v. Revenue](#) in which the Court held that Section 170 should only be applied to ad valorem taxes. In effect, this means that charities cannot look to Section 170 as a justification for exemption from LGPT.

After reviewing the case, DOI agreed that non-profit entities cannot claim an exemption under Section 170 of the Constitution. Therefore non-profits are only exempt if there is a provision in the local ordinance providing for that exemption, and insurers may pass the tax along to them. The Council memorialized that finding with a motion affirming it.

VII. New Business

None.

VIII. Next Meeting Date

The next meeting was set for May 10, 2016 at 1:30 PM.

There being no further business the meeting adjourned.