

PTAC Meeting Summary
May 22, 2018

The Premium Tax Advisory Council held its latest meeting on October 17, 2017. I will key each of the items to the agenda for the meeting which is enclosed under separate cover.

IV. Minutes

The minutes from October 17, 2017 were approved as presented and they are attached.

V. Subcommittee Discussion

- a. Clarify credit on quarterly statement

I distributed HB 402 as passed along with a copy of the bill summary I had distributed to legislators.

VI. Old Business

DOI is still seeking input on an FAQ for their website on LGPT that will cover commonly asked questions from the perspective of each the policyholder, the insurer, and the local government. I suggested that they consider making the LGPT information more prominent on the website.

VII. New Business

DOI gave a summary of non-filings on Annual Reconciliation Reports for 2016. There are 54 companies and 37 brokers which have not filed for 2016. 2017 letters have not gone out.

The issue of LGPT exemptions was raised once again. DOI has held in the past that policies insuring the state were not taxable, but that policies insuring local governments are. That policy has been incorporated into past bulletins. Also, we later examined the issue of charitable exemptions and found that there is no basis for exempting policies insuring charitable entities.

The question raised was whether we need to revisit the issue of the state exemption given what we subsequently found out about the lack of applicability of Sec. 170 of the KY Constitution to LGPT. I promised to share past emails on the subject from the working group that worked on the state exemption issue.

Subsequently, I have examined the issue and I do not believe that our conclusion about the state exemption was based on Sec. 170. I also believe that the doctrine of statutory construction would preclude DOI from revising its position at this time.

VIII. Next Meeting Date

The next meeting date was set for Monday, October 22, 2018 at 1:30 PM

There being no further business the meeting adjourned.