

 KENTUCKY YMCA YOUTH ASSOCIATION KENTUCKY YOUTH ASSEMBLY Legislative Bill	Red Bill # HB 54						
	Referred to Committee: House 4						
Authors: John Mark McElroy, Molli Guelde	Action on the Bill <table> <tr> <th>House</th> <th>Senate</th> </tr> <tr> <td>___ <input type="checkbox"/> Passed</td> <td>___ <input type="checkbox"/> Passed</td> </tr> <tr> <td>___ <input type="checkbox"/> Defeated</td> <td>___ <input type="checkbox"/> Defeated</td> </tr> </table>	House	Senate	___ <input type="checkbox"/> Passed	___ <input type="checkbox"/> Passed	___ <input type="checkbox"/> Defeated	___ <input type="checkbox"/> Defeated
House		Senate					
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School: South Warren High School							
City: Bowling Green							

1 An Act to Raise Sales Tax in Kentucky and Eradicate Personal Income Tax

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3 **Be it enacted by the Youth Assembly of the Commonwealth of Kentucky**

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5 Section 1: This bill would eliminate income tax in the state of Kentucky in favor of an increased sales tax. An
6 increased sales tax would tax individuals based on their consumption rather than their level of production.
7 This would aid Kentuckians with lower incomes and who struggle with the burden of paying income tax.
8 Increasing sales tax would place more responsibility on the consumer and would encourage Kentuckians to
9 save their income instead of spending beyond their means. This will benefit low income families in Kentucky.
10 The sales tax should be raised to a state-wide 8% tax.

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12 Section 2: While some states modify sales tax with local rates, such as Tennessee, Kentucky would still
13 adopt a state-wide policy of a standard 8% tax rate.

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15 Section 3: The Kentucky Department of Revenue would enforce and monitor this law and make modifications
16 for tax-exempt entities. Kentucky retailers would be responsible for charging the 8% sales tax on qualifying
17 purchases; the qualifying purchases for sales tax will remain the same.

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19 Section 4: Sales tax fraud, or sales tax that is not remitted to the Commonwealth, will be persecuted by local
20 courts and a fine or punishment will be determined on a case-by-case basis. Qualifying institutions may
21 apply for purchase exemption, which would be determined by the Department of Revenue. The increased
22 sales tax will produce an increased revenue for Kentucky, and the tax will be consumption based.

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24 Section 5: This bill will be enacted on January of 2015 at the beginning of the fiscal year.