



**KENTUCKY YMCA YOUTH ASSOCIATION
KENTUCKY YOUTH ASSEMBLY
Legislative Bill**

Red | Bill # 22

**Referred to Committee:
Senate 3**

Authors: Henry Owen, Braxton Dewey, Divija Sharma

School: duPont Manual HS

City: Louisville

Action on the Bill

House

Senate

___ Passed

___ Passed

___ Defeated

___ Defeated

An act to eliminate the corporate tax in Kentucky.

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

Section 1: The corporate tax limits the potential economic prosperity of Kentucky. The tax takes away money from companies that they could use to expand by hiring more employees. Therefore, with the elimination of the Kentucky Corporate Tax, Kentucky business will be able to expand, hire more workers, and make the state more prosperous. As of August, 2014 Kentucky had a unemployment rate of 7.1%. It is expected the corporate tax will lower the unemployment rate as more business will increase hirings.

Section 2: To receive the tax break companies will be required to employ more than 50% of its workforce in Kentucky. This eliminates the possibility of a company basing its operation in Kentucky and employing the majority of their employees from out of state.

Section 3: Every company that employs over 50% of their workforce in Kentucky will not be subject to the Kentucky Corporate Tax, currently the corporate tax rate is 4, 5, or 6 percent based upon the corporation's income.

Section 4: This bill will replace the current Kentucky Corporate Tax, KRS 141.040(1).

Section 4: Companies that do not employ more than 50% of their workforce in Kentucky will still be subject to Kentucky's 6% corporate tax rate.

Section 5: This bill will require no funding, nor will the bill result in a loss of taxes collected as the tax dollars lost from the elimination of the corporate tax will be made up from the increase in income tax collection which we result from a larger workforce.

Section 6: This bill will be enacted the following fiscal year.