AN ACT relating to the taxation of currency and bullion currency and declaring an emergency.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

(1) A violation shall occur when an official notice published by the secretary of Finance and Administration Cabinet or the commissioner of the department improperly instructs that taxpayers should continue to collect and remit sales and use tax on the sale, use, storage or other consumption of currency or bullion currency under this chapter.

(2) Notwithstanding KRS 49.220 and 139.770, on and after August 1, 2024, any person who paid sales tax under KRS 139.200 or use tax under KRS 139.310 on currency or bullion currency that is exempt from sales and use tax under KRS 139.480(37) may maintain an action for refund as an individual or seek certification as a class under Rule 23 of the Kentucky Rules of Civil Procedure for a refund on behalf of the person and other persons similarly situated against the Commonwealth.

(3) The action for refund may be brought in the Circuit Court of any county where the named plaintiff resides or where the currency or bullion currency transaction took place.

(4) In addition to a refund of the sales or use tax, persons alleging a violation of this section who prevail shall be entitled to:

(a) Prejudgment and post judgment interest;

(b) Temporary or permanent injunctive relief;

(c) Reasonable attorney's fees and costs; and

(d) Liquidated damages of one thousand dollars ($1,000) for each day that the violation occurred, which shall be paid from the administrative budget of

the Finance and Administration Cabinet, the department, or the Office of the Governor.

(5) It is the intent of the General Assembly to waive sovereign, governmental, and qualified immunity for claims under this section, including immunity afforded to the Commonwealth pursuant to the Eleventh Amendment of the Constitution of the United States.

(6) Any person who violates any provision of this section shall be personally liable for any awarded damages.

(7) This section shall be retroactive to August 1, 2024.

➔Section 2. Whereas taxpayer relief is critical and timely relief is necessary, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.