

Kentucky DOI Holds Update Call on Local Government Premium Taxes and Kentucky Data Security Law



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On Monday, May 15, the Kentucky Department of Insurance (DOI) held a call discussing Bulletin 2023-002, issued on April 14 to all authorized insurance companies and surplus lines brokers subject to Kentucky Local Government Premium Taxes (LGPT). The Bulletin, [which can be downloaded here](#), informed companies of the changes to procedures for adjudicating Local Government Premium Tax (LGPT) and outlined the updates and amendments to various LGPT forms and documents regarding rates imposed by local governments on collected premium as well as the tax schedule, tax code descriptions and listing of payees and addresses documents in accordance with KRS 91A.080.

The two major take aways from the call were related to the LGPT for the city of Vicco and pending regulation related to the Kentucky Data Security law.

- **City of Vicco and Local Government Premium Taxes:** The city of Vicco is going through the process of dissolving. For now the guidance from the DOI is to continue billing and collecting the LGPT for the city of Vicco, however, they ask that those taxes be retained and held in escrow until the DOI provides guidance on where to send them.
- **Kentucky Data Security Law:** The DOI has drafted regulations implementing the Kentucky Data Security Law. The DOI expects that the regulations will become effective July 5. There is a chance the regulations will become effective sooner if picked up at a hearing prior to that date. The DOI would issue a notice if the regulations are put on the agenda prior to the July 5 hearing.

It is anticipated that the Kentucky DOI will issue further guidance in the coming weeks for the handling of the City of Vicco Local Government Premium Taxes, and we will continue to monitor for that resolution.