

**131.020 Major organizational units of the Department of Revenue -- Functions and duties.**

- (1) The Department of Revenue, headed by a commissioner appointed by the secretary with the approval of the Governor, shall be organized into the following functional units:
  - (a) Office of the Commissioner of the Department of Revenue, which shall consist of:
    1. The Division of Special Investigations, headed by a division director who shall report to the commissioner. The division shall investigate alleged violations of the tax laws and recommend criminal prosecution of the laws as warranted; and
    2. The taxpayer ombudsman, who shall perform those duties set out in KRS 131.083;
  - (b) Division of Legislative Services, headed by a division director who shall report to the commissioner of the Department of Revenue. The division shall perform such duties as providing support to the commissioner's office; managing the department's legislative efforts, including developing and drafting proposed tax legislation, coordinating review of proposed legislation, and coordinating development of administrative regulations; providing technical support and research assistance to all areas of the department; performing studies, surveys, and research projects to assist in policy-making decisions; and performing various miscellaneous duties, including working on special projects and conducting training;
  - (c) Office of Processing and Enforcement, headed by an executive director who shall report directly to the commissioner. The office shall be responsible for processing documents, depositing funds, collecting debt payments, and coordinating, planning, and implementing a data integrity strategy. The office shall consist of the:
    1. Division of Operations, which shall be responsible for opening all tax returns, preparing the returns for data capture, coordinating the data capture process, depositing receipts, maintaining tax data, and assisting other state agencies with similar operational aspects as negotiated between the department and the other agency;
    2. Division of Collections, which shall be responsible for initiating all collection enforcement activity related to due and owing tax assessments, including protest resolution, and for assisting other state agencies with similar collection aspects as negotiated between the department and the other state agency; and
    3. Division of Registration and Data Integrity, which shall be responsible for registering businesses for tax purposes, ensuring that the data entered into the department's tax systems is accurate and complete, and assisting the taxing areas in proper procedures to ensure the accuracy of the data over time;
  - (d) Office of Property Valuation. The Office of Property Valuation shall be headed by an executive director who shall report directly to the commissioner. The functions and duties of the office shall include:

1. Mapping;
  2. Providing assistance to property valuation administrators;
  3. Supervising the property valuation process throughout the Commonwealth;
  4. Valuing the property of public service companies;
  5. Valuing unmined coal and other mineral resources;
  6. Administering personal property taxes;
  7. Collecting delinquent taxes;
  8. Overseeing the real property tax assessment and collection process throughout the state in each county's property valuation administrator's and sheriff's office;
  9. Administering all state-assessed taxes, including public service property tax, motor vehicle property tax, and the tangible and intangible tax program; and
  10. Administering the severance tax and unmined minerals property tax programs and coordinate the department's geographical information system (GIS);
- (e) Office of Sales and Excise Taxes, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters relating to sales and use taxes and miscellaneous excise taxes, including but not limited to technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:
1. Division of Sales and Use Tax, which shall administer the sales and use tax; and
  2. Division of Miscellaneous Taxes, which shall administer various other taxes, including but not limited to alcoholic beverage taxes; cigarette enforcement fees, stamps, meters, and taxes; gasoline tax; bank franchise tax; inheritance and estate tax; insurance premiums and insurance surcharge taxes; motor vehicle tire fees and usage taxes; and special fuels taxes;
- (f) Office of Income Taxation, headed by an executive director who shall report directly to the commissioner. The office shall administer all matters related to income and corporation license taxes, including technical tax research, compliance, taxpayer assistance, tax-specific training, and publications. The office shall consist of the:
1. Division of Individual Income Tax, which shall administer the following taxes or returns: individual income, fiduciary, and employer withholding; and
  2. Division of Corporation Tax, which shall administer the corporation income tax, corporation license tax, pass-through entity withholding, and pass-through entity reporting requirements; and
- (g) Office of Field Operations, headed by an executive director who shall report directly to the commissioner. The office shall manage the regional taxpayer service centers and the field audit program.

- (2) The functions and duties of the department shall include conducting conferences, administering taxpayer protests, and settling tax controversies on a fair and equitable basis, taking into consideration the hazards of litigation to the Commonwealth of Kentucky and the taxpayer. The mission of the department shall be to afford an opportunity for taxpayers to have an independent informal review of the determinations of the audit functions of the department, and to attempt to fairly and equitably resolve tax controversies at the administrative level.
- (3) The department shall maintain an accounting structure for the one hundred twenty (120) property valuation administrators' offices across the Commonwealth in order to facilitate use of the state payroll system and the budgeting process.
- (4) Except as provided in KRS 131.190(4), the department shall fully cooperate with and make tax information available as prescribed under KRS 131.190(2) to the Governor's Office for Economic Analysis as necessary for the office to perform the tax administration function established in KRS 42.410.
- (5) Executive directors and division directors established under this section shall be appointed by the secretary with the approval of the Governor.

**Effective:** July 12, 2012

**History:** Amended 2012 Ky. Acts ch. 69, sec. 14, effective July 12, 2012. -- Amended 2009 Ky. Acts ch. 12, sec. 36, effective June 25, 2009. -- Amended 2008 Ky. Acts ch. 178, sec. 23, effective July 15, 2008. -- Amended 2007 Ky. Acts ch. 95, sec. 26, effective March 23, 2007. -- Amended 2005 Ky. Acts ch. 85, sec. 19, effective June 20, 2005; and ch. 168, sec. 52, effective January 1, 2006. -- Amended 2000 Ky. Acts ch. 46, sec. 23, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 134, sec. 1, effective July 15, 1998; and ch. 396, sec. 1, effective July 15, 1998. -- Amended 1994 Ky. Acts ch. 65, sec. 1, effective July 15, 1994; ch. 422, sec. 2, effective April 16, 1994; and ch. 508, sec. 42, effective July 15, 1994. Amended 1992 Ky. Acts ch. 13, sec. 6, effective July 14, 1992; and ch. 361, sec. 1, effective July 14, 1992. -- Amended 1990 Ky. Acts ch. 316, sec. 1, effective July 13, 1990; and ch. 321, sec. 8, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 273, sec. 8, effective July 15, 1988. -- Amended 1984 Ky. Acts ch. 404, sec. 10, effective July 13, 1984. -- Amended 1964 Ky. Acts ch. 141, sec. 39. -- Amended 1960 Ky. Acts ch. 186, Art. I, sec. 29. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. secs. 4618-92, 4618-93.