

# House Bill would make it easier to lower Kentucky income tax



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House budget committee chairman Jason Petrie, R-Elkton, said the new version of House Bill 775 would “begin a conversation” but he doubts “it survives the General Assembly’s full process in its current iteration.”

BY LIAM NIEMEYER  
Kentucky Lantern

FRANKFORT — Kentucky’s Republican-controlled House voted Tuesday to make sprawling changes to the state’s tax laws and also to make it easier for lawmakers to incrementally lower the state’s income tax rate in the future.

The 107-page measure that emerged for the first time in the final days of this year’s session was inserted into a “shell” bill by the House budget committee Tuesday morning and approved by the full House Tuesday afternoon, despite protests by Democrats that the changes were moving too fast and without public notice.

Rep. Anne Donworth, D-Lexington, on the House floor questioned how the bill’s widely ranging provisions — from making a statement in support of “alternative jet fuels” to levying a tax on hemp-derived beverages — relate to each other.

The vehicle for making the changes, House Bill 775, sponsored by House Majority Whip Jason Nemes, R-Louisville, was originally a four-page bill making small changes in laws governing tax increment financing

districts.

The bill would change a law enacted by the legislature in 2022 that created guardrails for gradually lowering the individual income tax by half a percentage point only when several metrics predict that state finances could sustain the loss of revenue. If approved by the Senate, the new law could potentially allow the GOP-controlled legislature to reduce the tax rate from 0.1% to 0.5% each year depending on how much General Fund revenues exceeded General Fund expenditures.

The 2022 law only allows the legislature to approve a half-percent reduction each legislative session if specific fiscal triggers in the state budget are met; if the triggers aren’t met, then the legislature keeps the income tax rate as is.

All 16 Republicans present on the House Appropriations and Revenue Committee voted to advance the expanded piece of legislation. The minority of Democrats on the committee voted against or passed on the bill, concerned about the numerous changes to state law and the lack of notice to the public.

Rep. Ken Fleming, R-Louisville, explaining his support for the bill, said lawmakers previously looked at potentially lowering the income tax by smaller increments, calling the newly unveiled framework a “good process.” He said the framework would give “more flexibility” to “make sure we attract workforce and help businesses as well as put more money in people’s pockets.”

## MOVING THE GOALPOSTS AGAIN

Committee chair Jason Petrie, R-Elkton, told the committee the new version of HB 775 would “begin a conversation” but he doubted “it survives the General Assembly’s full process in its current iteration.”

It’s long been a Republican goal to completely eliminate the income tax. Economic analysts with the progressive think tank Kentucky Center for Economic Policy (KCEP) have warned further cuts in the state’s income tax revenue could threaten adequately funding government services including education.

Jason Bailey, the executive director for KCEP, in a state-

ment said HB 775 “moves the goalposts once again on the legislature’s income tax cut triggers, allowing additional cuts even as the costs of those already in place grow.” He said the proposed framework for reducing income tax cuts could allow for tax revenues to be cut by over \$100 million if General Fund revenues exceed spending by “just one penny in one year.”

“Continuing down this path will require more and more cuts to the state budget, sacrificing investments in education, Medicaid and infrastructure in order to provide more tax breaks that go overwhelmingly to the wealthy,” Bailey said in his statement.

Moore stands up speaks on HB 775 in the background while Nemes, in the foreground, listens.

Democrats expressed concern in the committee and on the House floor that the public, let alone lawmakers, didn’t have enough time to understand the numerous changes being put forward in the legislation. Republicans voted down an effort by Rep. Adam Moore, D-Lexington, to lay the bill on the clerk’s desk to provide more time for lawmakers to go through the bill’s changes.

Rep. Tina Bojanowski, D-Louisville, who voted against the bill in the committee, said she didn’t believe there was transparency in the process of advancing the bill because the substitute language wasn’t available to the public when the committee voted on the bill. The substitute language is available publicly on the Legislative Research Commission’s website as of Tuesday afternoon.

“If you are not talking to the Republicans and you’re just trying to get your information from the media, how would they know?” Bojanowski told reporters after the committee meeting. “Transparency I think is the most important thing we can do here, and if they’re going to make the change ... I can’t prevent that from happening. But hopefully the public could chime in and give their perspectives.”

## ‘SHELL BILLS’ CONTROVERSIAL

The practice of rewriting insignificant bills, known as “shell bills,” with short notice

to enact major changes to state law has been criticized by the Kentucky League of Women Voters, along with other legislative maneuvers that the League says exclude the public from participation in the legislative process. Lawmakers have argued “shell” bills give them more time to work on legislation and advance it beyond the deadline to file bills each legislative session.

Nemes, the bill’s sponsor, dismissed Democratic concerns about the public not having notice, saying Republicans have been talking about the idea of adding further incremental reductions to the income tax rate for years.

“We started talking about this as soon as Republicans started taking over in 2017,” Nemes said. “This isn’t coming out of the blue.”

Andrew McNeill, president of the think tank Kentucky Forum for Rights, Economics and Education focused on free-market policies, supports the premise of adding more flexibility to how much the legislature can reduce the state’s income tax rate.

He said his understanding of the push toward reducing the state’s income tax rate is that spending on state corrections and Medicaid could make it harder to further reduce income taxes under the current framework that only allows half-percent reductions. He said adding more flexibility in reducing the income tax rate is “a perfectly reasonable thing to do.”

But he also criticized the last-minute process the legislature was taking to advance the changes to the income tax reduction framework through a “shell” bill. McNeill hadn’t had the chance to review the substituted language when it passed the committee Tuesday morning.

“It would just seem to me that, from our point of view, more time and transparency is always better because more input into how exactly to accomplish the goals or warn against the consequences is beneficial to the taxpayer and Kentucky’s public,” McNeill said. “It doesn’t have to be this way.”

# Adopted son seeks to intervene in Bevins’ divorce case to protect his interests

BY DEBORAH YETTER  
Kentucky Lantern

Jonah Bevin, the adopted son of former Kentucky Gov. Matt Bevin and his wife, Glenna, has filed a legal action asking to intervene in their pending divorce case, which the couple told the court this week they are ready to settle.

Now 18, Jonah — who alleges he was abandoned at age 17 by the Bevins at a brutally abusive youth facility in Jamaica — is asking for a voice in the divorce case in Jefferson Family Court he said could impact him.

“At present, no one who has Jonah’s interest is involved in the litigation,” said the motion filed Wednesday by Louisville lawyers John Helmers Jr. and Melina Hettiaratchi. “Jonah’s best guess is that his parents never revealed their abuse and neglect of him to this court, including their failure to meet his basic needs and to provide a safe home and a complete education as required by law.”

The Bevins did not immediately respond to a request for comment.

Dawn J. Post, a New York lawyer and child advocate also representing Jonah, said he has been “denied the basic support and recognition owed to him” and seeks to ensure some provision is made for his welfare as part of the divorce settlement the couple has asked the court

to keep confidential.

Matt Bevin is a business entrepreneur whose wealth was estimated in millions of dollars when he ran for governor in 2015. Glenna Bevin does not work outside the home, according to court records. The couple has owned several homes in Louisville, each valued at more than \$1 million, according to property tax records.

Post said Jonah should be considered in any settlement.

“While they attempt to divide their assets, Jonah has been left to fend for himself in abusive programs and was abandoned in Jamaica during the pendency of the divorce when he was a minor under the court’s jurisdiction,” she said.

“No parent should be allowed to abandon their child without consequence,” Post added.

Jonah’s motion is the latest twist in a flurry of legal activity since he went public about his experiences in a Feb. 28 story in the Kentucky Lantern.

On March 7, Jonah — who has been living on his own since he turned 18 — obtained an emergency protective order against Matt Bevin, alleging he experienced neglect, physical abuse and threats after he was adopted at age 5 by the couple.

He said he was first sent to a series of out-of-state residential facilities at age 13. After he



SCOTT OLSON PHOTO

Former Gov. Matt Bevin (R-Ky.) spoke at the National Rifle Association’s NRA-ILA Leadership Forum during the NRA Convention at the Kentucky Exposition Center on May 20, 2016 in Louisville, Kentucky.

returned from Jamaica, he was placed in a residential facility until he turned 18 last year.

Since then, Jonah said he has been living out of state, with no permanent home, working part-time construction jobs to support himself.

He also has filed a report with Louisville Metro Police, alleging the Bevins abandoned him

at age 17 at the facility closed last year by Jamaican authorities. The Bevins declined to respond to authorities seeking to return him to the United States, he said.

Jonah is one of four children adopted from Ethiopia by the Bevins, who as governor and first lady, promoted adoption and child welfare as their prior-

ities. The couple also have five biological children; all but one are adults.

Matt Bevin, a one-term Republican governor and conservative Christian, campaigned on reforming the state’s adoption and foster care system, which he said obstructed the