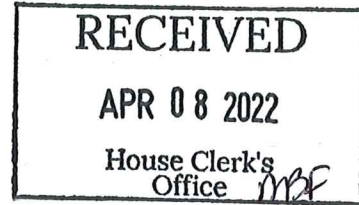




COMMONWEALTH OF KENTUCKY  
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**VETO MESSAGE FROM THE**  
**GOVERNOR OF THE COMMONWEALTH OF KENTUCKY**  
**REGARDING HOUSE BILL 8 OF THE**  
**2022 REGULAR SESSION**

*I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following:*

House Bill 8 of the 2022 Regular Session of the General Assembly in its entirety.

*I am vetoing House Bill 8 because it imposes new taxes that weaken public safety, harm vital industries, undermine economic development incentives, and threaten Kentucky's future economic security.*

*House Bill 8 was revealed to many members of the General Assembly mere hours before it was passed. As a result, the people of Kentucky and their elected representatives were deprived of the opportunity to review and weigh in on the bill. Passing such legislation without public scrutiny ensures that only lobbyists and special interest groups can have their voices heard.*

*Public input is important because House Bill 8 creates new taxes on thirty-five different services and industries, many of which the bill does not define, meaning many businesses may not know their taxes are being increased. Among these services that will have to collect new taxes from their customers are those that keep our children safe and healthy. For example, House Bill 8 imposes a tax on criminal background checks, which are an essential public safety tool to protect our children. House Bill 8 further harms our children by imposing new taxes on summer camps and youth sports.*

*House Bill 8 also takes aim at Kentucky's vital tourism industry by imposing new taxes on conferences and events, making Kentucky less competitive. House Bill 8 also imposes new taxes on hybrid and electric vehicles at a time when Kentucky is poised to become a world leader in manufacturing those vehicles and their batteries.*

*Moreover, House Bill 8 unfairly penalizes restaurants that received money from the federal Restaurant Revitalization Fund by subjecting them to Kentucky's income tax. The General Assembly should provide the same tax relief to those restaurants as provided under the federal income tax law, which is similar to the relief provided to businesses that received loan forgiveness under the Paycheck Protection Program.*

*House Bill 8 puts at risk incentive packages the Commonwealth has already agreed to, for projects in the counties that need them most, including counties with high unemployment. In particular, House Bill 8 will leave the Commonwealth unable to comply with its promise to provide incentives to some employers under the Kentucky Business Investment Program. In total, House Bill 8 will negatively impact over 207 economic development projects that have received more than \$413,000,000 in incentives.*

*The General Assembly should be supporting Kentucky's growing industries and events that promote the Commonwealth, not targeting them with tax increases.*

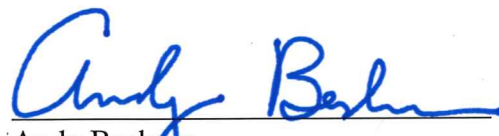
*House Bill 8 also violates the Kentucky Constitution because it provides special treatment to "public service companies," like railroads, airlines, and utilities, which will allow those companies to assess the value of their own property in some cases. Under Section 50 of House Bill 8, if those companies protest their tax bill and the Department of Revenue does not resolve their protest within one year, the Department must accept the companies' claimed value. That requirement violates Section 172 of the Kentucky Constitution, which requires all property to be assessed at fair cash value, and Section 174, which requires all property to be taxed in proportion to its actual value.*

*In addition, House Bill 8 contains another unfunded mandate for a tax amnesty program. The most recent amnesty program, in 2013, cost the Department \$3.4 million to implement. Without funding for this program, the Department would have to divert money from the new tax data system it is currently developing to replace Kentucky's outdated, unworkable, forty-year-old tax system.*

*Finally, House Bill 8 threatens Kentucky's economic future. Other states that have drastically cut income tax have seen their economies harmed by those changes. The then-Governor of Kansas promised that similar tax cuts passed in 2012 would be a "shot of adrenaline into the heart of Kansas' economy." The opposite was true, and five years later, Kansas had to roll back those tax cuts when its economy performed worse than the national average and the state could not provide essential public services. The General Assembly should learn from Kansas's mistakes. Instead, House Bill 8 repeats them.*

*For these reasons, I am vetoing House Bill 8.*

This, the 8<sup>th</sup> day of April, 2022.

  
Andy Beshear  
Governor