

### **164A.370 Tax exemption.**

The property of the trust and its income from operations shall be exempt from all taxation by the Commonwealth of Kentucky or any of its political subdivisions. Investment income earned on contributions paid by any participant and used for higher education costs defined in KRS 164A.305(6) or refunded under KRS 164A.350(8)(a) or (b) shall not be subject to Kentucky income tax by either a participant or any beneficiary of a participation agreement, the purposes for which the investment income was accrued being deemed and declared to be entirely public in nature. Earnings that are not used for higher education costs as defined in KRS 164A.305(6) and are refunded shall be subject to Kentucky income tax, except for earnings refunded pursuant to KRS 164A.350(8)(a) or (b).

**Effective:** June 24, 2003

**History:** Amended 2003 Ky. Acts ch. 150, sec. 2, effective June 24, 2003; and ch. 180, sec. 6, effective June 24, 2003. -- Amended 2000 Ky. Acts ch. 382, sec. 9, effective July 14, 2000. -- Created 1988 Ky. Acts ch. 88, sec. 15, effective July 15, 1988.

**Legislative Research Commission Note** (6/24/2003). This section was amended by 2003 Ky. Acts chs. 150 and 180, which do not appear to be in conflict and have been codified together.