

**KENTUCKY RESTAURANT ASSOCIATION**  
**Government Affairs Activity**  
*2006 Summary*

*KRA recognizes the importance of being involved, as issues affecting our members are being debated and decided. Therefore, your association maintains an active presence in Frankfort. Our legislative team works closely with state lawmakers on legislation being considered by the General Assembly. KRA has initiated several bills to benefit our members but has been equally active in opposing those measures that would cause harm. The association also represents the industry in the regulatory arena. We monitor proposed regulatory changes and intervene with state agency officials on those issues directly affecting the foodservice industry.*

*Since its establishment, KRA has made government affairs activity a priority for the association. Legislators and executive branch officials recognize us as the voice of the restaurant community in Kentucky. Through our presence in Frankfort, KRA has been able to help shape public policy that affects our members. Below is a brief summary of some of the association's accomplishments on key issues.*

**2006:** Three legislative proposals initiated by KRA were enacted during the 2006 session. In addition to a bill allowing “recorking” of a bottle of wine sold with a meal so a customer can take the remaining wine with them, state lawmakers passed legislation exempting prepared food donated to help feed the needy from the state sales and use tax and permitting restaurants to accept a gift certificate or gift card for the purchase of alcoholic beverages if they so choose.

KRA was also part of a coalition that urged legislators to help small businesses to pay for health insurance for their employees. Businesses employing no more than 25 employees may be eligible for a state subsidy of up to \$60 per employee per month to help pay health insurance premiums under the “ICARE” program that was adopted as part of the budget bill. Our coalition also advocated relief for small businesses from the AMC (alternative minimum calculation) created in the 2005 tax reform package. The budget bill provided some relief by exempting a business with \$2 million or less in gross receipts from the AMC and by revising the formula for determining the AMC for businesses with up to \$10 million in annual gross receipts.

Repeal of the tip credit and an increase in the state minimum wage were avoided when bills introduced during the 2006 session failed to pass. KRA and its membership actively opposed both proposals, as well as a bill to require that certain Kentucky employers spend at least 10% of their total payroll on health care coverage for their employees. The so-called “Fair Share Health Care Act”, backed by organized labor, would have set a dangerous precedent and paved the way for a mandate that all employers provide health insurance for their employees had it been enacted.

Our legislative team has been closely following the work of the Local Taxation Task Force that is set to complete its work this summer and make recommendations for consideration during the 2007 session. KRA continues to actively oppose efforts to expand the authority for a local restaurant tax to virtually all Kentucky cities. The Kentucky League of Cities continues to call for expanded taxing authority as well as permitting local restaurant tax receipts to be used for a wide range of public programs and services.