

INSTRUCTIONS FOR COMPLETING STATEMENT OF FINANCIAL CONDITION FOR INDIVIDUALS

The Statement of Financial Condition for Individuals, Form 12A638, provides the Department of Revenue's Division of Collections with information that will be utilized in evaluating an individual's financial position. Every item of the financial statement must be completed and should reflect accurate statements and amounts. If an item is not applicable insert "N/A." An incomplete Statement of Financial Condition for Individuals may not be considered.

The Statement of Financial Condition for Individuals is presented in four segments. Instructions have been provided only for items requiring further clarification. Most of the requested items are self-explanatory. However, if you have a question, call (502) 564-4921.

General Information (Items 1–5)

Please verify the Social Security numbers reported in items 1 and 5b to make sure they are correct.

Section I—Employment Information (Items 6–15)

This section should report **all** full-time and/or part-time employers that currently make a payment(s) to you in the form of wages, salaries and/or commissions for services performed. You may use attachments as necessary.

Section II—Assets (Items 16–23)

All information furnished in this section should be verified for accuracy. The Department of Revenue may conduct an inquiry to substantiate this information.

Item 18 should report **actual** cash on hand, not cash in banks or other financial institutions.

Item 19 should include any line of credit available to you from any sources including company credit unions, finance companies, banks, etc.

Item 20 should report insurance information as verified through your insurance agent.

Item 21 should report the current market value of your vehicle(s) as determined in an automobile "blue book" or by other property valuation sources.

Item 22 should report all business real estate holdings as well as your personal residence.

Item 23 should report other assets such as furniture, recreational vehicles, recreational or hobby tools, machinery and equipment, and miscellaneous household assets.

Section III—Liabilities (Items 24–26)

Item 24 should report **all** other liabilities and debts owed for major medical bills, dental bills, educational expenses and should include any formal promissory note, loan arrangement or financial obligation currently assigned to you.

Items 25 and 26 should report all delinquent federal and other taxes.

Section IV—Monthly Income and Expense Analysis (Items 27–45)

This section must report **all** sources of income, both gross and net, earned and/or received on a monthly basis and **all** sources of necessary living expenses paid and/or incurred on a monthly basis. Additional lines have been provided for reporting income and/or expense items not already itemized in Section IV. Each entry should be verified for accuracy. The Department of Revenue may request supportive documents to substantiate this information.

Items 27 and 28 should report gross and net income figures obtained from **your entire** wage statements. If you are paid on a weekly basis, multiply your weekly gross and net salary by 4.3 to arrive at your monthly gross and net income.

Item 35 should report total income, both gross and net, from all income sources listed under items 27–34.

Items 36–43 should report accurate amounts for expenses and should be verified by examining your records for the last six months.

Item 38, Total Monthly Payment from Section III—Liabilities, includes payments on secured or legally perfected debts (car payments, judgments, etc.). **Do not** include payments on encumbered assets, which are not necessary living expenses (e.g., boats, recreational vehicles, etc.).

Item 40 should report monthly insurance premiums. If insurance is paid on any frequency other than monthly, compute the monthly amount by dividing quarterly premiums by 3, semi-annual premiums by 6, etc.

Item 41 should report all monthly medical expenses incurred except monthly medical insurance premiums and any major medical debt listed in item 24. This includes, but **is not** limited to, the cost of necessary medical products/services not covered by insurance, co-payments for office visits, prescription medication, etc. Medical insurance premiums should be reported in item 40c.

Item 44 should report total expenses from all liability sources listed under items 36–43.

Item 46 should report any extraordinary situations such as recent transfers of assets, court proceedings and anticipated changes in employment. If you have recently filed for bankruptcy, you must disclose the court and bankruptcy case number.

Certification (Items 47–49)

Signature by you and/or your spouse certifies that statements and entries contained in the Statement of Financial Condition and/or accompanying schedules are correct to the best knowledge and belief of the undersigned.

Items 47–49 must provide your signature along with the date your signature was posted. If a joint income tax return was filed, your spouse's signature must also be provided.



Mail to: Division of Collections, P.O. Box 491, Frankfort, Kentucky 40602-0491.



Questions: Call (502) 564-4921.

**STATEMENT OF FINANCIAL CONDITION
FOR INDIVIDUALS**

*If additional space is needed,
attach separate sheet.*

1. Your Name and Address (<i>including county</i>)		2. Home Phone No.	3. Marital Status	4. No. in Household
		()		
1a. Date of Birth	1b. Soc. Sec. No.	5a. Spouse's Name and Date of Birth		5b. Spouse's Soc. Sec. No.

SECTION I—EMPLOYMENT INFORMATION

6. Your Employer or Business (<i>name and address</i>)		7. Business Phone Number ()	8. Occupation	
		10. (<i>Check appropriate box</i>) <input type="checkbox"/> Employee <input type="checkbox"/> Partner <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Corporate Officer		
9. Pay Basis: <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other				
11. Spouse's Employer or Business (<i>name and address</i>)		12. Business Phone No. ()	13. Occupation	
		15. (<i>Check appropriate box</i>) <input type="checkbox"/> Employee <input type="checkbox"/> Partner <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Corporate Officer		
14. Pay Basis: <input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Other				

SECTION II—ASSETS

Assets	Name and Address of Institution	Type of Account	Account No.	Account Balance
16. Bank Accounts <i>(include savings and loans, credit unions, IRA and KEOGH accounts, certificates of deposits, etc.)</i>				
17. Stocks, Bonds, Investments				
18. Cash				
19. Bank Revolving Credit				
20. Cash or Loan Value of Life Insurance				
	Description and Type of Ownership	Address	Current Market Value	Balance Due
21. Vehicles (model, year, license no.)	a.			
	b.			
	c.			
22. Real Property	a.			
	b.			
	c.			
	d.			
23. Other Assets	a.			
	b.			

YOUR RIGHTS AS A KENTUCKY TAXPAYER

The mission of the Kentucky Department of Revenue (DOR) is to provide courteous, accurate and efficient services for the benefit of the Commonwealth and administer Kentucky tax laws in a fair and impartial manner.

As a Kentucky taxpayer, you have the right to expect the DOR to honor its mission and uphold your rights every time you contact or are contacted by the DOR.

RIGHTS OF TAXPAYER

Privacy—You have the right to privacy of information provided to the DOR.

Assistance—You have the right to advice and assistance from the DOR in complying with state tax laws.

Explanation—You have the right to a clear and concise explanation of:

- basis of assessment of additional taxes, interest and penalties, or the denial or reduction of any refund or credit claim;
- procedure for protest and appeal of a determination of the DOR; and
- tax laws and changes in tax laws so that you can comply with the law.

Protest and Appeal—You have the right to protest and appeal a determination of the DOR if you disagree with an assessment of tax or penalty, reduction or a denial of a refund, a revocation of a license or permit, or other determination made by the DOR.

Conference—You have the right to a conference to discuss a tax matter.

Representation—You have the right to representation by your authorized agent (attorney, accountant or other person) in any hearing or conference with the DOR. You have the right to be informed of this right prior to the conference or hearing. If you intend for your representative to attend the conference or hearing in your place, you may be required to give your representative a power of attorney before the DOR can discuss tax matters with your authorized agent.

Recordings—You have the right to make an audio recording of any meeting, conference or hearing with the DOR, or to be notified in advance if the DOR plans to record the proceedings and to receive a copy of any recording.

Consideration—You have the right to consideration of:

- waiver of penalties or collection fees if "reasonable cause" for reduction or waiver is given ("reasonable cause" is defined in KRS 131.010(9) as: "an event, happening, or circumstance entirely beyond the knowledge or control of a taxpayer who has exercised due care and prudence in the filing of a return or report or the payment of monies due the department pursuant to law or administrative regulation");
- installment payments of delinquent taxes, interest and penalties;
- waiver of interest and penalties, but not taxes, resulting from incorrect written advice from the DOR if all facts were given and the law did not change or the courts did not issue a ruling to the contrary;
- extension of time for filing reports or returns; and
- payment of charges incurred resulting from an erroneous filing of a lien or levy by the DOR.

Guarantee—You have the right to a guarantee that DOR employees are not paid, evaluated or promoted based on taxes assessed or collected, or a tax assessment or collection quota or goal imposed or suggested.

Damages—You have the right to file a claim for actual and direct monetary damages with the Kentucky Board of Claims if a DOR employee willfully, recklessly and intentionally disregards your rights as a Kentucky taxpayer.

Interest—You have the right to receive interest on an overpayment of tax, except delinquent property tax, payable at the same rate you would pay if you underpaid your tax.

REVENUE DEPARTMENT RESPONSIBILITIES

The DOR has the responsibility to:

- perform audits, conduct conferences and hearings with you at reasonable times and places;
- authorize, require or conduct an investigation or surveillance of you only if it relates to a tax matter;
- make a written request for payment of delinquent taxes which are due and payable at least 30 days prior to seizure and sale of your assets;
- conduct educational and informational programs to help you understand and comply with the laws;
- publish clear and simple statements to explain tax procedures, remedies, your rights and obligations, and the rights and obligations of the DOR;
- notify you in writing when an erroneous lien or levy is released and, if requested, notify major credit reporting companies in counties where lien was filed;
- advise you of procedures, remedies and your rights and obligations with an original notice of audit or when an original notice of tax due is issued, a refund or credit is denied or reduced, or whenever a license or permit is denied, revoked or canceled;
- notify you in writing prior to termination or modification of a payment agreement;
- furnish copies of the agent's audit workpapers and a written narrative explaining the reason(s) for the assessment;
- resolve tax controversies on a fair and equitable basis at the administrative level whenever possible; and
- notify you in writing at your last known address at least 60 days prior to publishing your name on a list of delinquent taxpayers for which a tax or judgment lien has been filed.

The DOR has a Taxpayer Ombudsman's Office which consists of the Ombudsman and a staff whose job is to serve as an advocate for taxpayers' rights. One of the main functions of the office is to ensure that your rights as a Kentucky taxpayer are protected.

The Taxpayer Ombudsman's Office may be contacted by telephone at (502) 564-7822 (between 8:00 a.m. and 4:30 p.m. weekdays). From a Telecommunication Device for the Deaf (TDD), call (502) 564-3058. The mailing address is: Office of Taxpayer Ombudsman, P.O. Box 930, Frankfort, Kentucky 40602-0930.

For more information concerning the Statement of Financial Condition, contact the Division of Collections, P.O. Box 491, Frankfort, Kentucky 40602-0491, (502) 564-4921.