



ANDY BESHEAR
GOVERNOR

EXECUTIVE ORDER

Secretary of State
Frankfort
Kentucky

2026-236
May 5, 2026

ACTION RELATING TO MOTOR VEHICLE PROPERTY TAXES

The Kentucky Department of Revenue has reported that by using the standard value for assessing property taxes on motor vehicles for the January 1, 2027 assessment date, leaders in the automotive industry project a sharp overall valuation increase will occur in comparison to the January 1, 2026 assessment date.

The Kentucky Department of Revenue reports nearly 5 million motor vehicles in the Commonwealth of Kentucky.

The war in Iran and the closure of the Strait of Hormuz has affected the affordability of many things Kentuckians use and rely on, including the costs of motor vehicles. These events have affected the motor vehicle market, especially the used car market through, among other items, the disruption of motor vehicle supply chains and the reduction of motor vehicle inventories.

The chief economist for Kelley Blue Book's parent company, Cox Automotive, stated on April 30, 2026 that the U.S. Federal Reserve's Federal Open Market Committee's decision to hold the interest rate steady means loan rates for auto buyers and dealers will stay higher for longer, and in the current economic environment there is little reason to expect any movement that would improve inflation in the second half of the year.

Data shows the value of used cars has significantly increased. Prices jumped on average by 2.8% in April 2026, which is atypical. Prices typically only change a percentage point or less each month. A 2.8% increase is usually seen for year-over-year changes. Some experts expect the value of used vehicles to continue to rise throughout this year.

Under KRS 132.485(1)(a), the standard value of motor vehicles shall be the average trade-in value prescribed by the valuation manual unless information is available that warrants any deviation from the standard value; and

Tax policy is typically set through statute, but in Senate Joint Resolution 99 that the Kentucky Senate unanimously voted for in the 2022 Regular Session, the Kentucky Senate stated that the Governor has authority to address the issue and to deviate from the standard value of motor vehicles under KRS 132.485(1)(a). In Executive Order 2022-096, I ordered a deviation from the standard value of motor vehicles for certain assessment dates, to provide some relief to Kentuckians' pocketbooks.

The war in Iran and the closure of the Strait of Hormuz – events President Trump promised would be short-lived, but are still ongoing – call for the same deviation.

NOW, THEREFORE, I, Andy Beshear, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by the Constitution of Kentucky and by KRS 132.485, do hereby ORDER and DIRECT that:

1. Available information warrants a deviation from the standard value of motor vehicles under KRS 132.485(1)(a) for the January 1, 2027 assessment date;



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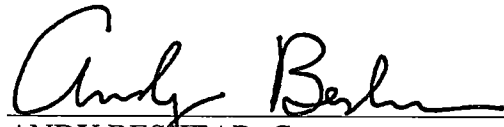
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2. For the January 1, 2027 assessment date, the deviation from the standard value of motor vehicles under paragraph 1 of this order shall be to subtract any increase in the assessed value of the motor vehicle from January 1, 2026;
3. The deviation from the standard value of a motor vehicle for which there is no record of assessment on January 1, 2026, shall be to subtract any increase in the value of the motor vehicle from January 1, 2026, as determined by the property valuation administrator;
4. The deviation from the standard value of a motor vehicle, for which there is no record of assessment on January 1, 2027, shall be to subtract any increase in the value of the motor vehicle from January 1, 2026, as determined by the property valuation administrator;
5. The property valuation administrator may adjust the value of a motor vehicle when the registrant has provided evidence that the standard value does not reflect the motor vehicle's condition, options, mileage, or certificate of title issued; and

This order is effective May 5, 2026.


ANDY BESHEAR, Governor
Commonwealth of Kentucky



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MICHAEL G. ADAMS
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY Katharine Ellis