

ATTENTION: ALL RETAILERS

HB 144—SALES TAX CHANGES FOR PACKAGED LIQUOR

HB 144 was recently passed by the General Assembly and signed into law by Governor Beshear on February 13, 2009. As part of this bill KRS 139.470(23) was repealed to eliminate the sales tax exemption for the sale of packaged distilled spirits, wine and malt beverages not consumed on the premises licensed for their sale per KRS 243. Effective April 1, 2009, the sale of packaged liquor, including beer, wine and distilled spirits, will be subject to the 6% Kentucky sales and use tax. Deductions previously taken for sales of beer, alcoholic beverages, or packaged liquor will no longer be allowable beginning with the filing of the April 2009 sales and use tax return. The statutory change does not affect receipts from the sale of alcohol by the drink which remains subject to the 6% sales and use tax. If your business is affected by this legislative change, please ensure your cash registers, scanners, office equipment, and computers are reprogrammed to reflect the 6% tax on the affected sales. If you require further assistance, you may contact your local Taxpayer Service Center or the Division of Sales and Use Tax at (502) 564-5170 or *DOR.WEBResponseSalesTax@ky.gov*.

HB 144—TOBACCO TAX MODIFICATIONS

Effective April 1, 2009, the cigarette tax was increased by \$0.30. Other Tobacco Products (OTP) tax was increased by 7.5%. Snuff tax was increased by \$0.095. This legislative change also established an inventory floor stock tax to properly address all affected products held for sale at the time of the rate increases. All cigarette licensees and retailers were required to take a physical inventory as of March 31, 2009 at 11:59 p.m. and file and pay the inventory floor stock tax. For further assistance with any tobacco tax questions, please contact the Division of Miscellaneous Taxes at (502) 564-6823 or *DOR.WEBResponseExciseTax@ky.gov*