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TO: Craig Thompson, Executive Director
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FROM: Richard Dobson, Executive Director
Office of Sales and Excise Taxes
Department of Revenue

DATE: July 31, 2013

RE: Kentucky's Annual Recertification

Please see the enclosed Streamlined Sales Tax Compliance Certification and Taxability Matrix for the Commonwealth of Kentucky. We believe these documents confirm that Kentucky remains in substantial compliance with the Streamlined Sales and Use Tax Agreement (SSUTA).

Within House Bill 440, enacted by the 2013 Kentucky General Assembly, the partial sales tax exemption in KRS 139.470(9) was repealed. This provision allowed an exclusion for the portion of a residential phone charge related to utility gross receipts license tax (school tax) liability that providers passed on to their residential customers. This provision became effective July 1, 2013, and represents a simplification to Kentucky's sales and use tax laws. This change also maintains compliance with the SSUTA definition of sales price and the requirements of Rule 327.9 regarding excluded taxes. Furthermore, there was no other sales and use tax legislation that impacted any matters within the scope of the SSUTA.

If you should have any questions or require further explanation of the contents of these materials, please do not hesitate to contact me. Thank you for your consideration of this filing.