



Andy Beshear
Governor

OFFICE OF SALES AND EXCISE TAXES

DEPARTMENT OF REVENUE
FINANCE AND ADMINISTRATION CABINET
501 HIGH STREET, STATION 50
FRANKFORT, KENTUCKY 40601-2103
revenue.ky.gov

Holly M. Johnson
Secretary

Thomas B. Miller
Commissioner

Richard Dobson
Executive Director

July 29, 2020

Craig Johnson
Executive Director
Streamlined Sales Tax Governing Board, Inc.
100 Majestic Drive, Suite 400
Westby, WI 54667

Re: Kentucky's 2020 Statement of Non-Compliance W/ the SSUTA

Dear Mr. Johnson:

Pursuant to Section 803 of the Streamlined Sales and Use Tax Agreement ("Agreement") and Rule 803.1, on behalf of the state of Kentucky, a Streamlined Sales Tax Governing Board member state, and as Executive Director of the Office of Sales and Excise Taxes, I hereby certify to the Streamlined Sales Tax Governing Board that Kentucky is in substantial compliance with the terms of the Agreement as of August 1, 2020, with the exception of the following provision: House Bill 354 passed by the 2019 General Assembly is the Kentucky version of marketplace provider legislation establishing economic nexus at the same thresholds as established for remote retailers by the 2018 General Assembly. The bill amended KRS 139.450 to require marketplace providers to register for one sales and use tax account number to report their own sales and register separately with another account number to report sales by marketplace retailers that the providers facilitate.

Although the Department has not applied this legislative requirement retroactively and the affected parties are limited to the defined business sector of marketplace providers, the provision appears to violate Section 318 of the SSUTA regarding Uniform Tax Returns. This section specifies that member states shall require only one tax return from each seller for each reporting period. Therefore, the Department intends to seek a legislative amendment during the upcoming 2021 legislative session that will make the monthly dual reporting requirements optional. None of the other legislative and regulatory changes made since August 1, 2019 have any impact on Kentucky's compliance with the terms of the Agreement.

As part of this annual recertification, Kentucky updated its Online Certificate of Compliance and Taxability Matrix that reflect Kentucky's laws as enacted through the 2020 General Assembly and has approved them to be published on the Streamlined Sales Tax Governing Board website beginning August 1, 2020. They (or links to them) will also be posted on the Department of Revenue's website at: <https://revenue.ky.gov/Business/Sales-Use-Tax/Pages/default.aspx>.

If you have any questions regarding Kentucky's compliance with the Streamlined Sales and Use Tax Agreement, please contact me at Richard.Dobson@ky.gov or (502) 564-5523.

I also declare that the Online Certificate of Compliance and Taxability Matrix are true, correct, and complete to the best of my knowledge and belief.

Sincerely,

A handwritten signature in black ink that reads "Richard Dobson". The signature is written in a cursive, flowing style.

Richard Dobson
Executive Director
Office of Sales & Excise Taxes
KY Department of Revenue