

**103 KAR 27:240. Reporting of sales tax relating to equine breeding fees.**

RELATES TO: KRS 139.010, 139.200, 139.531, 139.720, 230.800, 230.802, 230.804

STATUTORY AUTHORITY: KRS 131.130(1), 139.710

NECESSITY, FUNCTION AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations necessary for the administration and enforcement of all tax laws in Kentucky. This administrative regulation establishes requirements for the application and reporting of the sales tax from breeding a stallion to a mare in Kentucky pursuant to KRS 139.531 and the transfer of these funds pursuant to KRS 230.800, 230.802, and 230.804.

Section 1. Reporting Requirements. Any person who breeds a stallion to a mare in Kentucky shall:

- (1) Maintain records pursuant to KRS 139.720;
- (2) Collect, report, and remit applicable sales tax due on the transactions; and
- (3) File a supplementary schedule entitled "Kentucky Sales and Use Tax Equine Breeders Supplementary Schedule", Form 51A132, which is incorporated by reference in 103 KAR 3:020, for each sales tax filing period that includes sales tax from sales for breeding a stallion to a mare in Kentucky.

Section 2. Filing Process. The supplementary schedule shall be due the same date as the sales and use tax return for which the supplement is required. The supplementary schedule shall be filed separately from the sales and use tax return according to the instructions provided by the department in the form. (33 Ky.R. 2807; 3152; eff. 5-4-2007; TAm eff. 5-20-2009.)