



TAX ALERT

A Kentucky Department of Revenue Publication for the Tax Professional

More Options For Taxpayers Paying Online

The Department of Revenue (DOR) is now able to offer taxpayers additional payment options for Corporation Income Tax, Limited Liability Entity Tax (LLET), and Nonresident Withholding (NRWH) Tax.

Effective immediately, taxpayers can make a payment online for an e-filed Corporation Income Tax and/or LLET return that would normally be sent with a Form 720-V voucher. Corporation Income Tax and LLET payments for bills, estimates, and extensions can also be made using the Enterprise Electronic Payment System (EEPS). To use EEPS, go to www.revenue.ky.gov and click on the E-File & Payments tile. From the selections of tax types available, click "Corporation Income Tax" or "Limited Liability Entity Tax (LLET)" and select the Electronic Payment link. To make payments, the FEIN is required along with the Kentucky Corporate/LLET 6-digit account number.

The Electronic Payment System is an easy way to make an estimate/corporation, an estimate/individual, or an extension payment for your NRWH Tax. When making this type of payment, the 9-digit NRWH account number that starts with "04" is required along with the FEIN. Taxpayers can also make a payment on an existing tax notice using the notice number or case number. To use EEPS, go to www.revenue.ky.gov and click on the E-File & Payments tile. From the selections of tax types available, select "Nonresident Withholding (NRWH) Tax" and click on the Electronic Payment link.

Please visit DOR at www.revenue.ky.gov for forms, payment options, and the latest revenue news.

Inside This Issue

- More Options for Taxpayers Paying Online 1
- Tangible Personal Property Tax Filing Requirement Reminder 1
- Bulk Filing of Withholding Tax Forms..... 2
- Withholding Tax K-1E and K-3E Filers 2
- Identity Confirmation Quiz Info..... 2
- Sales Tax Filing Example for Online Travel Companies and Hotels 3
- 2018 Tax Calendar..... 4

Due date is
Tuesday, May 15.

May 2018

S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Tangible Personal Property Tax Filing Requirement Reminder

In accordance with KRS 132.220(1)(b)2:

It shall be the duty of all persons owning any tangible personal property taxable in this state to list or have listed the property with the property valuation administrator of the county of taxable situs or with the department between January 1 and May 15 in each year, except as otherwise prescribed by law.

Form 62A500-P Packet and 62A500-P Fill-in (Excel version) can be located via DOR's website at www.revenue.ky.gov by selecting Forms Search and then searching the applicable form number. Links to current forms are also available through the same website by selecting Property and Business Personal Property from the drop-down menu.

For answers to frequently asked questions concerning the assessment of tangible personal property, please [click here](#). You can also contact the Department of Revenue, Office of Property Valuation, Division of State Valuation at (502) 564-2557 for assistance.





Bulk Filing of Withholding Tax Forms

As of January 1, 2018, DOR allows approved vendors to electronically bulk file withholding tax forms K-1, K-3, and their amendments. Approved vendors will use secure web services to transmit XML returns to and request acknowledgements from DOR. Qualified applicants are transmitters that serve multiple Kentucky clients and are capable of developing software compatible with DOR services. Bulk filing is not offered to individual business owners. Approved vendors are required to test all forms and service calls with DOR prior to filing production returns. Vendors will continue to remit payment through electronic funds transfer (EFT) in accordance with their state-assigned filing frequency. Forms K-1E and K-3E are not available for bulk filing.

Please see DOR's [Software Developer](#) page or contact Laura Congleton at laura.congleton@ky.gov for more information.



Withholding Tax K-1E and K-3E Filers

DOR will no longer mail forms K-1E and K-3E (Kentucky Employer's Return of Income Tax Withheld) to employers. If you have used these forms in the past, you may file your returns electronically through the Withholding Return and Payment System (WRAPS) instead. To do so you will need to create a user account on the Kentucky Business One Stop Portal at onestop.ky.gov. If you already have a user account, you may use that user name and password to access the WRAPS system. If you are unable to file electronically through WRAPS, the forms are available on our website at revenue.ky.gov.

Please note: Payroll providers with approval to print K-1Es and K-3Es may continue to do so.



Identity Confirmation Quiz Information

DOR is committed to the safe processing of all tax returns. For three years, DOR has completed an initial screening of tax returns and has identified some as needing additional information. This verification is accomplished through the Identity Confirmation Quiz. A letter is sent advising the taxpayer that a short, 5-minute quiz must be taken and passed in order for DOR to continue processing his or her return. The letter will give specifics as to what the taxpayer should do to take the quiz. Taxpayers should not ignore these letters. The sooner the quiz is taken and passed, the quicker DOR can continue processing the return. Receiving this letter does not mean the taxpayer has been a victim of identity theft. It only means DOR wishes to verify the identity of the person filing before issuing a refund.

If a taxpayer receives this letter and has not yet filed a return, he or she should access the quiz website noted on the identity confirmation quiz letter. From the website, the taxpayer can check a new box that indicates he or she did not file the tax return or the taxpayer may contact DOR by email at kyidquiz@ky.gov or by telephone at (502) 892-3399.

For information regarding tax-related identity theft, please visit our website's [Identity Theft Overview](#) page.



Sales Tax Filing Example for Online Travel Companies and Hotels

DOR is providing the following example as supplementary material to the September 1, 2017 guidance published regarding travel intermediaries, such as Online Travel Companies (OTC), paying Kentucky sales tax on the entire charge for a hotel room reservation in this state when the OTC is the merchant of record for the customer's payment transaction. This example also addresses hotels' obligations to continue remitting state and local transient taxes on the net room rate. These changes are effective for tax periods beginning October 1, 2017 forward.

Example: The gross room rate charged by the OTC is \$105. The net room rate that is due to the hotel per the contractual agreement with the OTC is \$100. The Kentucky sales tax (6%) applies to the gross room rate and three other taxes apply to the net room rate. The three other taxes are the state transient tax (1%), a local transient tax (3%), and a city transient tax (4%). The OTC reports the gross receipts from the transaction for a Kentucky hotel stay and remits the Kentucky sales tax directly to DOR.

In this example, the total room rate charged by the OTC is \$105, excluding taxes, and the hotel will receive the \$100 net room rate per the contractual agreement with the OTC. The OTC remits the 6% Kentucky sales tax of \$6.78 on the total sale price of the room rental (\$113, see example to the right) which includes the transient gross receipts taxes imposed on the hotels and passed on and collected from the customers. The OTC will then forward the \$1.00 state transient tax, the \$3.00 local transient tax, and the \$4.00 city transient tax to the hotel. The hotel remits these amounts to each of the respective jurisdictions on the applicable transient tax returns.

Please note that this guidance does not change how receipts are reported and remitted by the hotels for charges directly to a customer during the hotel stay. For example, the hotel is responsible for any Kentucky sales and use tax that may be owed by a guest for extra nights not covered by the reservation through the travel intermediary. In addition, resort fees, other hotel-imposed fees, or other amounts the hotel charges to the consumer's credit card must be reported on the hotel's tax return.

For additional assistance, please contact the Division of Sales and Use Tax via telephone at (502) 564-5170 or email at DORWebResponseSalesTax@ky.gov.



OTC Sales Tax Return

Line 1 Total Receipts (paper return):
\$119.78 (\$105+\$1+\$3+\$4+\$6.78)

Line 22 Taxable Receipts per paper return (Gross Receipts of \$119.78 divided by 1.06): \$113.00 for electronic filing, sales tax already excluded from line 1

Sales Tax Due: \$6.78=\$113.00 of taxable receipts X 6%

Revenue Sent to the Hotel: \$108 (\$100+\$1+\$3+\$4)

Hotel Sales Tax Return

Line 1 Total Receipts: \$108.00 amount from OTC including all transient taxes

Line 17 Other Deduction: \$108.00 amount from OTC including all transient taxes

Description of Other Deductions:

Line 17/Code 170: OTC transaction receipts
Line 27 Sales tax due from hotels on reported OTC receipts: \$0.00

MATTHEW G. BEVIN

Governor, Commonwealth of Kentucky

WILLIAM M. LANDRUM III

Secretary, Finance & Administration Cabinet

DANIEL P. BORK

Commissioner, Department of Revenue

PAMELA TRAUTNER

Editor, Finance & Administration Cabinet

ADRIENNE B. ERNST, JD, CPA

Copyeditor, Department of Revenue

STACY BUSH

Publications Coordinator/Designer, Department of Revenue

The Kentucky Department of Revenue does not discriminate on the basis of race, color, national origin, sex, age, religion, disability, sexual orientation, gender identity, veteran status, genetic information, or ancestry in employment or the provision of services.

Please address your comments and suggestions to:

Office of the Commissioner
Department of Revenue
Finance & Administration Cabinet
Frankfort, Kentucky 40601

(502) 564-2548.



April 2018 Tax Calendar

- April 1** Domestic Life Insurance Return
- April 2** Minerals and Gas Severance Tax Return (February payment)
- April 10** Affordable Housing
Legal Process
Twice-Monthly Income Tax Withholding Return (March 16–March 31 payment)
- April 16** Annual Clay Property Tax Return
Annual Limestone and Sand and Gravel Property Tax Return
Annual Natural Gas Property Tax Return
Annual Oil Property Tax Return Lease Report
Annual Unmined Coal Property Tax Information Return
Motor Vehicle Usage Tax—Loaner/Rental
- April 17** Annual Individual Income Tax Return
Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 12/31)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Estimate (FY ending 10/31)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Estimate (FY ending 4/30)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Estimate (FY ending 7/31)
Estimated Tax/Individuals/One Fourth Estimate
Monthly Income Tax Withholding Return (March payment)
- April 20** Alcohol Tax
Cigarette Wholesaler
Coal Severance Tax Return (March payment)
Consumer Use Tax
Emergency 911 Fee
Health Care Provider Tax
Insurance Premium Surcharge
Oil Production Tax Return (March payment)
Sales Tax
Telecommunications Tax
Tobacco Products, Snuff, and Chewing Tobacco
Transient Room Tax
Utility Gross Receipts License Tax
Waste Tire Fee
- April 25** Motor Fuels Tax
Sales Tax Accelerated Filers
Twice-Monthly Income Tax Withholding Return (April 1–April 15 payment)
- April 30** Electric Plant Board Property Tax Return (as of 1/1/07)
Public Service Company Property Tax Return
Quarterly Income Tax Withholding Return (January 1–March 31 payment)
Railroad Car Line Property Tax Return
Minerals and Gas Severance Tax Return (March payment)

NOTE: If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.



May 2018 Tax Calendar

- May 10** Legal Process Return
Twice-Monthly Income Tax Withholding Return (April 16–April 30 payment)
- May 15** Commercial Watercraft Return
Communication Service Providers and Multichannel Video Programming Service Providers Return
Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 1/31)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Estimate (FY ending 11/30)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Estimate (FY ending 5/31)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Estimate (FY ending 8/31)
Monthly Income Tax Withholding Return (April payment)
Motor Vehicle Usage Tax–Loaner/Rental
Tangible Personal Property Tax Return (Taxpayer will be billed later.)
- May 21** Alcohol Tax
Cigarette Wholesaler
Coal Severance Tax Return (April payment)
Consumer Use Tax
Emergency 911 Fee
Health Care Provider Tax
Insurance Premium Surcharge
Oil Production Tax Return (April payment)
Sales Tax
Tobacco Products, Snuff, and Chewing Tobacco
Transient Room Tax
Utility Gross Receipts License Tax
Waste Tire Fee
- May 25** Motor Fuels Tax
Sales Tax Accelerated Filers
Twice-Monthly Income Tax Withholding Return (May 1–May 15 payment)
- May 31** Minerals and Gas Severance Tax Return (April payment)

NOTE: *If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.*



June 2018 Tax Calendar

- June 1** Estimated Insurance Premiums (first installment)
- June 10** Twice-Monthly Income Tax Withholding Return (May 16–May 31 payment)
- June 11** Legal Process
- June 15** Bank Franchise Tax (if filed for 90-day extension)
Corporation Income Tax/LLET and Pass-through Entity Return and Payment Due (FY ending 2/28)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Half Estimate (FY ending 12/31)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Estimate (FY ending 6/30)
Estimated Corporation Income Tax/Limited Liability Entity Tax/One Fourth Estimate (FY ending 9/30)
Estimated Tax/Individuals/One Fourth Estimate
Monthly Income Tax Withholding Return (March payment)
Motor Vehicle Usage Tax—Loaner/Rental
- June 20** Alcohol Tax
Cigarette Wholesaler
Coal Severance Tax Return (May payment)
Consumer Use Tax
Emergency 911 Fee
Health Care Provider Tax
Insurance Premium Surcharge
Oil Production Tax Return (May payment)
Sales Tax
Telecommunications Tax
Tobacco Products, Snuff, and Chewing Tobacco
Transient Room Tax
Utility Gross Receipts License Tax
Waste Tire Fee
- June 25** Motor Fuels Tax
Sales Tax Accelerated Filers
Twice-Monthly Income Tax Withholding Return (June 1–June 15 payment)

NOTE: *If a return due date falls on a scheduled holiday or weekend, returns will be due the next working day.*