



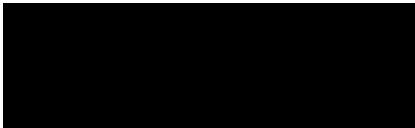
**STEVEN L. BESHEAR**  
Governor

**FINANCE AND ADMINISTRATION CABINET**  
**DEPARTMENT OF REVENUE**  
501 HIGH STREET  
FRANKFORT, KENTUCKY 40620  
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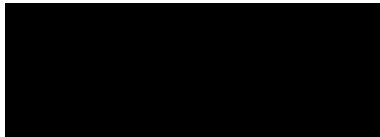
**LORI HUDSON FLANERY**  
Secretary

**THOMAS B. MILLER**  
Commissioner

In the matter of:



Contact:



**FINAL RULING NO. 2015-04**  
January 30, 2015

**Sales & Use Tax for the Periods Ending 12/31/2010, and 9/30/2011 to 9/30/2012**

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### **FINAL RULING**

The Kentucky Department of Revenue has outstanding tax assessments against [REDACTED]. These consist of sales and use tax assessments for the periods ending 12/31/2010, and 9/30/2011 to 9/30/2012.

For the periods assessed, [REDACTED] was the president of the [REDACTED], Inc. He was listed on the Kentucky Tax Registration Application submitted by [REDACTED], Inc. in July 2011 under "Ownership Disclosure—Responsible Parties," as President, and his effective date of office as was listed as [REDACTED], 2001.

Due to the failure to pay the assessed tax, [REDACTED] was assessed for the unpaid amounts. The following schedule reflects the total underpayment, applicable interest accrued to date, and all assessed fees and penalties for each period.

## SALES AND USE TAX

Period	Tax	Interest as of February 13, 2015	Fees	Penalty	Total
Periods Ending 12/31/2010, and 9/30/2011 to 9/30/2012	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

With regard to sales and use tax, KRS 139.185(1) provides that "the president, vice president, secretary, treasurer, or any other person holding any equivalent corporate office of any corporation subject to the provisions of this chapter shall be personally and individually liable, both jointly and severally, for the taxes imposed under this chapter, and neither the corporate dissolution nor withdrawal of the corporation from the state nor the cessation of holding any corporate office shall discharge the foregoing liability of any person." It further states that, "The personal and individual liability shall apply to each and every person holding the corporate office at the time the taxes become or became due." KRS 139.185(1) also provides that "[n]o person will be personally and individually liable pursuant to this section who had no authority in the management of the business or financial affairs of the corporation at the time that the taxes imposed by this chapter become or became due."

[REDACTED] claims that the company that purchased [REDACTED] Inc. in late 2012 was supposed to pay all outstanding liabilities. This is a matter for [REDACTED] to resolve with the purchaser. He also claims that he had no role in financial and accounting matters. However, he was president of [REDACTED] Inc. for the periods of the assessment. His name was also listed as the responsible party on the ownership disclosure on the [REDACTED] 2011 Kentucky Tax Registration Application. He has not submitted any further information suggesting he would not be liable under Kentucky law so he is therefore liable for the unpaid sales and use tax assessed.

This letter is the final ruling of the Department of Revenue.

### APPEAL

You may appeal this final ruling to the Kentucky Board of Tax Appeals pursuant to the provisions of KRS 131.110, KRS 131.340-131.365, 103 KAR 1:010 and 802 KAR 1:010. If you decide to appeal this final ruling, your petition of appeal must be filed at the principal office of the Kentucky Board of Tax Appeals, 128 Brighton Park Boulevard, Frankfort, Kentucky 40602-2120, within thirty (30) days from the date of this final ruling. The rules of the Kentucky Board of Tax Appeals, which are set forth in 802 KAR 1:010, require that the petition of appeal must:

1. Be filed in quintuplicate;
2. Contain a brief statement of the law and facts in issue;
3. Contain the petitioner's or appellant's position as to the law and facts; and
4. Include a copy of this final ruling with each copy of the petition of appeal.

The petition of appeal must be in writing and signed by the petitioner or appellant. Filings by facsimile or other electronic means shall not be accepted.

Proceedings before the Kentucky Board of Tax Appeals are conducted in accordance with 103 KAR 1:010, 802 KAR 1:010 and KRS 131.340-131.365 and KRS Chapter 13B. Formal

hearings are held by the Board concerning the tax appeals before it, with all testimony and proceedings officially reported. Legal representation of parties to appeals before the Board is governed by the following rules set forth in Section 2 (3) of 802 KAR 1:010:

1. An individual may represent himself in hearings before the Board;
2. An individual who is not an attorney may not represent any other individual, corporation, trust, estate, or partnership before the Board; and
3. An attorney who is not licensed to practice in Kentucky may practice before the Board if he complies with Rule 3.030(2) of the Rules of the Kentucky Supreme Court.

You will be notified by the Clerk of the Board of the date and time set for any hearing.

Sincerely,

DEPARTMENT OF REVENUE

A handwritten signature in black ink, appearing to read "Stephen J. Crawford", written over a horizontal line.

Stephen Crawford  
Assistant General Counsel

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED