SALES TAX TREATMENT OF GIFT CARDS

Per KRS 139.200, Kentucky assesses the 6 percent sales tax on retail sales. KRS 139.010(28) defines retail sale as “any sale, lease or rental for any purpose other than resale, sublease or sub rent.” KRS 139.010(30) further defines a sale as “the furnishing of any services included in KRS 139.200; any transfer of title or possession, exchange, barter, lease, or rental, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property; or digital property transferred electronically for a consideration.” The sale of a gift card is not in essence the sale of tangible personal property and is excluded from the definition of digital property; therefore, the retail sale of the card itself is not subject to Kentucky sales tax. Sales tax is due, however, at the time of redemption of the gift card, provided the item being purchased is subject to Kentucky sales tax. The tax applies to the entire sales price of the transaction with no discount for the value of the gift card redeemed.

FORM 740NP-WH-ES

Effective for taxable years beginning on or after Jan. 1, 2012, every pass-through entity required to withhold Kentucky income tax as required by KRS 141.206(5) or file a composite income tax return as required by KRS 141.206(16)(a) shall make a declaration and payments of estimated tax as required by KRS 141.206(6) if: (i) a nonresident individual partner’s, member’s or shareholder’s estimated tax liability can reasonably be expected to exceed $500; or (ii) a corporate partner’s or member’s estimated tax liability can reasonably be expected to exceed $5,000.

KRS 141.206(5) provides that every pass-through entity required to file a return under KRS 141.206(2), except publicly traded partnerships as defined in KRS 141.0401(6)(r), shall withhold Kentucky income tax on the distributive share, whether distributed or undistributed, of each: (i) nonresident individual partner, member or shareholder; and (ii) corporate partner or member that is doing business in Kentucky only through its ownership interest in a pass-through entity. Withholding shall be at the maximum rate provided by KRS 141.020 or 141.040.

KRS 141.206(16)(a) provides that a pass-through entity may file a composite income tax return on behalf of electing nonresident individual partners, members or shareholders. The pass-through entity shall report and pay tax at the maximum rate provided by KRS 141.020 on any portion of a partner’s, member’s or shareholder’s pro rata or distributive share income of the pass-through entity apportioned to this state.

(A composite return should only be used if the nonresident individual is exempt from the withholding requirement and elects to be included in the composite return.)

Form 740NP-WH-ES, Kentucky Estimated Tax Vouchers, shall be used to make the estimated tax payments required by KRS 141.206(6). On or after Jan. 1, 2012, Form 740NP-WH-ES and instructions may be obtained at all Kentucky Taxpayer Service Centers; by writing FORMS, Kentucky Department of Revenue, 501 High Street, Frankfort, KY 40601-2103; by calling (502) 564-3658; or downloaded from www.revenue.ky.gov.

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LOUIS A. GRIEF TAX PLANNING INSTITUTE

The annual Louis A. Grief Tax Planning Institute will be held on December 14-16, 2011 at the University of Louisville. The Institute provides 24 hours of CPE credits (which includes two hours of ETHICS). Online registration begins November 1 at www.business.louisville.edu/taxinstitute. Early registration fee is $300 before December 1.

UNIVERSITY OF KENTUCKY 45TH ANNUAL 2011 INCOME TAX SEMINARS

Program:
Income tax seminars for individuals and professionals designed to update and increase their tax preparation skills, located in convenient locations around the state of Kentucky. CPE credits will be awarded for attending the seminar.

Focus:
Individual taxpayer and small business issues, the latest updates on new rulings and tax law changes, updates on IRS changes and much more.

Conducted by:
University of Kentucky
Agricultural Economics Department
Cooperative Extension Service

In cooperation with:
U.S. Internal Revenue Service
Kentucky Department of Revenue

Registration Information:
(Preregistration is two weeks before seminar.)

Intermediate Seminar:
Preregistration is $249.
Late registration is $275.

Basic Seminar:
Preregistration is $149.
Late registration is $175.

Ethics Seminar:
Preregistration is $59.
Late registration is $85.

Cancellation & Transfers: Cancellation requires a three-day notice before the start of the seminar to qualify for a refund. A $50 administrative fee will be retained for prior cancellation. Transfers are discouraged, but if necessary, permitted on a space-available basis, and require a $35 administrative fee.

Intermediate Seminar Schedule: 8:00 a.m. – 5:00 p.m.
• Program Level: Intermediate (for professional tax preparers with at least one year of tax preparation experience.)

Basic Seminar Schedule: 8:00 a.m. – 5:00 p.m.
• Program Level: Beginner to intermediate (for those with a basic level of experience in individual tax preparation.)

Ethics Seminar Schedule: 5:30 p.m. – 7:20 p.m.
• Held at the end of day #1 at selected Intermediate Seminars only. (Boxed meal provided.)

Meals are not provided with the exception of the Ethics Seminar. Refreshments will be served at all seminar breaks. All seminars will be smoke-free. The use of cell phones and voice recorders is prohibited.

For further information on any of these seminars, please write, call, or FAX:

Kathy Roe
UK Income Tax Seminar Office
301 C.E. Barnhart Building
Lexington, KY 40546-0276
Phone: 888-808-3303 or 859-252-3769
FAX 859-225-9043
EMAIL: Kathy.roe@uky.edu
www.ca.uky.edu/agecon/index.php?p=658
2011 UK INCOME TAX SEMINAR LOCATIONS

Frankfort
Nov. 9 - 10
Capital Plaza Hotel
405 Wilkinson Blvd.
Frankfort, KY 40601
502-227-5100

Prestonsburg
Nov. 9 - 10
Mountain Arts Center
50 Hal Rogers Drive
Prestonsburg, KY 41653
606-889-9125

Maysville
Nov. 14 - 15
Mason Co. Extension Office
800 U.S. Hwy 68
Maysville, KY 41056
606-564-6808

Louisville
Nov. 15 - 16
Crowne Plaza Hotel
830 Phillips Lane
Louisville, KY 40209
502-367-2251

Erlanger
Nov. 16 - 17
Receptions Conference Center
1379 Donaldson Road
Erlanger, KY 41018
859-746-2700

Elizabethtown
Nov. 17 - 18
Elizabethtown Tourism & Convention Bureau
1030 North Mulberry Street
Elizabethtown, KY 42701
270-765-2175

Grayson
Nov. 21 - 22
Grayson Conference Center
371 CW Stevens Blvd.
Grayson, KY 41143
606-475-0565

Lexington/North
Nov. 28 - 29
Embassy Suites
1801 Newtown Pike
Lexington, KY 40511
859-455-5000

Hopkinsville
Nov. 29 - 30
Christian Co. Extension Office
2850 Pembroke Road
Hopkinsville, KY 42240
270-886-6328

Somerset
Nov. 30 - Dec. 1
Center for Rural Development
2292 So. Hwy. 27
Somerset, KY 42501
606-677-6000

Paducah
Dec. 1 - 2
Julian Carroll Convention Center
One Executive Blvd.
Paducah, KY 42001
270-408-1346

Bowling Green
Dec. 6 - 7
University Plaza & Convention Center
1021 Wilkinson Place
Bowling Green, KY 42103
270-745-0088

Owensboro
Dec. 8 - 9
Owensboro Christian Church
2818 New Hartford Road
Owensboro, KY 42303
270-683-2706

Lexington/Downtown
Dec. 13 - 14
Hyatt Regency Lexington
401 W. High Street
Lexington, KY 40507
859-253-1234

Burlington
Jan. 5 - 6
Boone County Extension Office
6028 Camp Ernst Road
Burlington, KY 41005
859-586-6101

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<td></td>
<td>Fayette Co. Extension Office</td>
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<tr>
<td></td>
<td>1140 Red Mile Place</td>
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<td>Lexington, KY 40504</td>
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<td>859-257-5582</td>
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<tr>
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General Income Tax Seminars—2011
2011 UK Income Tax Seminars Program Registration Form

Name _______________________________________________________
Company ______________________________________________________
Address ________________________________________________________
City ______________________________ State ____________ ZIP __________
Phone ( ) ___________________________ Fax ( ) _______________________

Last four digits of Social Security number _________
(Social Security number required to verify CEU credits)

Payment must accompany registration! Please duplicate this form for multiple registrations.

Payment Method: Check Visa MasterCard Discover

Make Checks Payable To: UK Income Tax Seminar, 301 C.E. Barnhart Building, Lexington, KY 40546-0276
Phone 888-808-3303 or 859-252-3769 FAX 859-225-9043
(Faxed registrations without a credit card number will not be accepted)

Card Account Number ____________________________ Expiration Date _____/_______
Amount __________________ Cardholder Name ____________________________

Signature _________________________________________________________

DO NOT supply credit card information via email for security purposes.