



Andy Beshear
Governor

OFFICE OF SALES AND EXCISE TAXES

DEPARTMENT OF REVENUE
FINANCE AND ADMINISTRATION CABINET
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Holly M. Johnson
Secretary

Thomas B. Miller
Commissioner

Richard Dobson
Executive Director

VIA EMAIL

January 28, 2021

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

Kentucky Statement of Noncompliance with Requirements of the Streamlined Sales and Use Tax Agreement

Dear Craig,

As you know, the Streamlined Sales Tax Governing Board determined that **Kentucky** is not in compliance with the following requirement of the Streamlined Sales and Use Tax Agreement (Agreement):

- Section 318.A. – Uniform Tax Returns – The Section provides that each member state shall “Require that only a single tax return for each taxing period for each seller be filed for the member state to include all the taxing jurisdictions within the member state.” Based on a recent change in Kentucky’s tax law under KRS 139.450, marketplace providers are required to register and file one sales and use tax return to report their own sales and obtain a second registration to file and report the sales by the marketplace retailers that the marketplace provider facilitates.

In an effort to get back into substantial compliance with the above requirements, legislation has been introduced in the 2021 Kentucky General Assembly that removes the mandate for marketplace providers to maintain separate account numbers for direct and facilitated sales (HB 249). This proposal is a high priority for our agency, and it was introduced by Rep. Jason Petrie, the Chair of the House Appropriations and Revenue Committee. We are hopeful that the legislature will soon take this measure up for consideration when it resumes in early February.

We will keep you and the Board updated regarding the status of the bill. In the meantime, please let me know if you have any questions regarding this matter or need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Richard Dobson".

Richard Dobson
Executive Director
Office of Sales and Excise Taxes

cc: Thomas B. Miller, Commissioner
Kentucky Department of Revenue