

Kentucky sales tax guide

Standard rate

The standard sales tax rate in Kentucky for 2024 is 6%.

Reduced rate

There is no reduced rate for sales tax in Kentucky.

Sales of tax-free products and services

There are no specific tax-free products and services listed in Kentucky.

Who is obliged to register sales tax in Kentucky

When you sell in Kentucky and have “sufficient activity” in Kentucky, you need to be [registered to collect and pay sales tax in Kentucky](#). Kentucky requires that any merchant with a sales tax permit file a sales tax return on their due date even if they don't have any sales tax to report or pay.

Threshold

Starting October 1, 2019, and July 1, 2018, requires remote retailers with 200 or more sales into the state or \$100,000 or more in gross receipts from sales into the state to register and collect Kentucky sales tax.

[Merchant thresholds by state](#)

[Marketplace thresholds by state](#)

The special rules are applicable to the SAAS business.

[Software as Service Tax Thresholds by state.](#)

Online Marketplaces

If all of your sales in Kentucky are through a marketplace platform, you can not register for paying Kentucky sales tax. Your marketplace facilitator pays the sales tax itself.

If you are selling through your own marketplace, then you will need to [register for paying sales tax](#) if you meet the \$100,000 threshold.

Sales tax payment and filing date

Depending on your tax liability, determine your filing frequency – either annual, monthly, or quarterly:

Annual – \$0 to \$125.00;

Quarterly – \$125.01 to \$1,199.99;

Monthly – \$1,200.00 to \$9,999.99;

Monthly with Prepayment – \$10,000 and up.

Returns are always due on the 20th day of the month following the reporting period. If the filing due date falls on a weekend or holiday, the tax is due the next day.

Penalty and interest

Late Filing – 2 % of the total tax due every 30 days or cut (maximum – 20%);

Late Payment and Failure – 2 % of the total tax due every 30 days or cut (maximum – 20%, minimum – \$10).

Discounts

You may keep 1.75% of the first \$1,000 and 1% of the tax due in excess of \$1,000 on each return up to a maximum of \$1,500 for reporting and remitting the taxes on or before the due date if you have not filed or if you paid late.



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