

139.794 Conditions for exemption from assessment for uncollected or unpaid sales or use tax.

- (1) According to the provisions of the SSUTA agreement, a seller who registers under the terms of the SSUTA agreement to pay or to collect and remit applicable sales and use tax on sales made in Kentucky shall be exempt from assessment for uncollected or unpaid sales or use tax together with penalty and interest for sales made during the period the seller was not registered in Kentucky if:
 - (a) The seller was not registered in Kentucky in the twelve (12) month period preceding the effective date of Kentucky's participation in the SSUTA agreement; and
 - (b) The seller registers in Kentucky within twelve (12) months of the effective date of Kentucky's participation in the SSUTA agreement.
- (2) The exemption is not available to a seller with respect to any matter or matters for which the seller received notice of the commencement of an audit and which audit is not yet finally resolved, including any related administrative and judicial processes.
- (3) The exemption is not available for sales or use taxes already paid or remitted to the state or to taxes collected by the seller.
- (4) The exemption is fully effective, absent the seller's fraud or intentional misrepresentation of a material fact, if the seller remains registered and continues payment or collection and remittance of applicable sales or use taxes for a period of at least thirty-six (36) months. During this thirty-six (36) month period, the statute of limitations shall be suspended for the seller remaining in compliance with registration and payment requirements. Failure to meet these terms will result in a revocation of the exemption.
- (5) This exemption shall apply to sales or use taxes due from a seller in its capacity as a seller and shall not apply to sales and use taxes due from a seller in its capacity as a buyer.

Effective: July 1, 2007

History: Amended 2007 Ky. Acts ch. 141, sec. 27, effective July 1, 2007. -- Created 2005 Ky. Acts ch. 154, sec. 4, effective June 20, 2005.