
RELATES TO: KRS 139.010, 139.240, 139.260, 139.470, 139.485, 139.720
STATUTORY AUTHORITY: KRS 131.130(1)
NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Depart-
ment of Revenue to promulgate administrative regulations to administer and enforce Ken-
tucky's tax laws. This administrative regulation establishes the requirements when interpreting
the sales and use tax law as it applies to sales of tangible personal property through vending
machines.

Section 1. Definition. "Bulk vending machine" is defined by KRS 139.470(5).

Section 2. Persons who own vending machines that dispense tangible personal property, or
operators of the machines under lease or rental agreements, shall complete a "Kentucky Tax
Registration Application", Revenue form 10A100, to obtain a Kentucky Retail Sales and Use
Tax permit to engage in the business of selling tangible personal property and shall report and
pay to the department the tax upon the gross receipts from sales made through the machines
by utilizing Revenue Form 51A102, "Sales and Use Tax Return". One (1) permit shall be suffi-
cient for all machines of one (1) owner or operator.

Section 3. The owners or operators of vending machines shall be responsible for reporting
and paying the tax on the total gross receipts even though the owner or operator of the place
in which the machines are located receives a share of the gross receipts under a commission
or concession contract. In reporting and paying the tax, the owner or operator shall be deemed
the agent of the owner or operator of the place of business in which the machine is located to
the extent of commissions due the latter. Gross receipts from bulk vending machine sales of
tangible personal property made in portions of fifty (50) cents or less are exempt from the sales
and use tax pursuant to KRS 139.470(5).

Section 4. A statement in the following form shall be affixed upon each vending machine in
a conspicuous place: "This vending machine is owned (operated) by _______ Owner (Opera-
tor), _________ Place of Business of Owner (Operator), who holds Permit No._____, issued
pursuant to the Sales and Use Tax Law."

Section 5. If the owner or operator of vending machines also places upon each machine a
statement that the sales tax is included in the price of the property dispensed, the liability for
the tax may be computed in the same manner as all other retailers who separately state the
tax.

Section 6. Adequate and complete records shall be kept by the owner or operator showing
the location of each vending machine owned or operated, the serial number thereof, purchases
and inventories of merchandise bought for sale through each machine, and the gross receipts
derived from each location during each tax period.

Section 7. Forms. The forms listed within this administrative regulation may be inspected,
copied, or obtained:
(1) At the Kentucky Department of Revenue, 501 High Street, Frankfort, Kentucky 40620;
(2) At a Kentucky Taxpayer Service Center; or
(3) On the department Web site at http://revenue.ky.gov. (SU-55; 1 Ky.R. 466; eff. 3-12-
1975; Am. 13 Ky.R. 1084; eff. 1-13-1987; TAm eff. 6-22-2016; 44 Ky.R. 1100, 1495; eff. 2-2-2018; 46 Ky.R. 577, 1088; eff. 11-1-2019.)