

### **103 KAR 28:020. Layaway sales.**

RELATES TO: KRS 139.010

STATUTORY AUTHORITY: KRS 131.130(1)

NECESSITY, FUNCTION, AND CONFORMITY: To interpret the sales and use tax law as it applies to layaway sales.

Section 1. In the case of a layaway or will-call sales (including those in which a deposit is made by the customer), retailers who maintain records on a cash basis and report cash collections rather than sales transactions for sales tax purposes must report cash collections on layaway sales in the return for the period in which the cash is received. All other retailers must report layaway sales on the return for the taxable period in which they are entered as a sale on the retailer's books.

Section 2. If the deposit is forfeited by the customer, the seller shall include only the amount of the deposit received in his gross receipts subject to tax. (SU-66-1; 1 KY.R. 230; eff. 1-8-1975; TAm eff. 6-22-2016; Crt eff. 6-7-2019.)