103 KAR 27:180. Vending machines.

RELATES TO: KRS 139.010, 139.240, 139.260, 139.470, 139.485, 139.720
STATUTORY AUTHORITY: KRS 131.130(1)
CERTIFICATION STATEMENT:
NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations to administer and enforce Kentucky'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 sufficient 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 operator or owner 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 (Operator), _____ 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; Crt eff. 10-2-2026.)