

FINANCE AND ADMINISTRATION CABINET
Department of Revenue
(Amended at ARRS Committee)

103 KAR 27:050. Sourcing of retail sales by florists.

RELATES TO: KRS 139.010, 139.105, 139.200, 139.310, 139.330

STATUTORY AUTHORITY: KRS 131.130(1), 139.105

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations for the administration and enforcement of Kentucky tax laws. KRS 139.105 requires florist wire sales to be sourced in accordance with an administrative regulation promulgated by the department. This administrative regulation interprets the sales and use tax law as it applies to sales by florists.

Section 1. Sales of the following are examples of items that shall be subject to the sales and use tax:

- (1) Balloons;
- (2) Bouquets;
- (3) Candy;
- (4) Flowers;
- (5) Potted plants;
- (6) Shrubbery;
- (7) Vases;
- (8) Wreaths; and
- (9) Other similar items of tangible personal property.

Section 2. Florist Transactions through a Florists' Wire Delivery Association. If a florist conducts transactions through a florists' wire delivery association, the following rules shall apply in the computation of tax liability:

- (1) On all orders taken by a Kentucky florist and sent to a second florist in Kentucky for delivery in Kentucky, the sending florist shall be liable for the tax based upon gross receipts from the customer who places the order;
- (2) If a Kentucky florist receives an order and subsequently sends instructions to a second florist located outside Kentucky for delivery of tangible personal property to a point outside Kentucky, the Kentucky tax owed shall be based upon gross receipts of the sending florist from the customer who places the order; and
- (3) If a Kentucky florist receives instructions from another florist within or outside of Kentucky for the delivery of tangible personal property, the receiving florist shall not be held liable for tax with respect to any receipts realized from the transaction. In this instance, if the order originated in Kentucky, the tax shall be due and payable by the Kentucky florist who first received the order and then sent instructions to the second florist.

Section 3. Florist Transactions not through a Florists' Wire Delivery Association. If a florist conducts transactions through any other means other than a florists' wire delivery association, all orders shall be sourced to the destination where the tangible personal property is delivered, pursuant to KRS 139.105. The florist shall collect and remit the sales and use tax accordingly on the retail sale of the tangible personal property.

(SU-25; 1 Ky.R. 145; eff. 12-11-1974; TAm eff. 5-20-2009; TAm eff. 6-22-2016; 48 Ky.R. 491, 1509; eff. 2-1-2022.)

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