

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

**103 KAR 30:250. Property used in the publication of newspapers.**

RELATES TO: KRS 139.010, 139.200, 139.260, 139.270, 139.280, 139.290, 139.310, 139.330, 139.470(9), 139.480(10)

STATUTORY AUTHORITY: KRS 131.130(1)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 131.130(1) authorizes the Department of Revenue to promulgate administrative regulations necessary for the administration and enforcement of all tax laws in Kentucky. This administrative regulation establishes sales and use tax requirements for manufacturing activities relating to the publication of newspapers.

Section 1. Definitions.

- (1) "Manufacturing" is defined by KRS 139.010(20).
- (2) "Plant facility" is defined by KRS 139.010(28).

Section 2. Requirements for Exemption. The storage, use, or other consumption of tangible personal property for use in the manufacturing process of newspaper publication shall be exempt from the sales and use tax in accordance with KRS 139.470(9), 139.480(10), and 103 KAR 30:120.

Section 3. Manufacturing Process. The manufacturing process within a plant facility commences with the movement of raw materials from storage into a continuous, unbroken, integrated process, and ends when the finished product is packaged and ready for sale. The manufacturing process shall include the following newspaper publication operations performed at a plant facility in a continuous, unbroken, integrated process:

- (1) Prepress operations:
  - (a) Type-setting that transforms the text and images from the final preprint edit format into a design, layout, or paste-up format ready for printing whether performed electronically, digitally, by hard copy layout, or by other printing technology now in existence or later devised; and
  - (b) The production of printing plates made photo mechanically or digitally;
- (2) Press room and printing process:
  - (a) Printing and collating the hard copy newspaper pages in accordance with the preprint design;
  - (b) Examples of conventional printing processes shall include:
    1. Letterpress;
    2. Flexography;
    3. Lithography; or
    4. Gravure; and
- (3) Mail room operations, including addressing, labeling, and packaging for distribution.

Section 4. Nonmanufacturing Process. The following operations shall not constitute activities performed within the manufacturing process of newspaper publication:

- (1) Photography and reporting, except for development of negatives and the production of prints at the newspaper plant facility;
- (2) Newsroom activities. The list in this subsection shall serve as examples of newsroom activities:
  - (a) Monitoring of news events or related research;
  - (b) Composition of news stories, opinions, or editorials for editorial review;
  - (c) Editing process; or

- (d) Layout and page design by editorial staff;
- (3) Selling and design of advertisements;
- (4) Library and research, including the use of servers, computers, and other equipment to compile and index information; or
- (5) Storage and loading dock operations, including the storage of paper or other raw materials or the conveyance of packaged newspapers for storage, loading, or distribution.

Section 5. Subscription charges for wire services for the transmission of unedited text shall be considered purchases of services not subject to the sales and use tax.

Section 6.

(1) This administrative regulation shall replace Revenue Circular 51C012.

(2) Revenue Circular 51C012 is hereby rescinded and shall be null, void, and unenforceable.

(33 Ky.R. 2810; 3156; eff. 5-4-2007; TAm eff. 6-22-2016; 48 Ky.R. 509, 1517; eff. 2-1-2022.)

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