

**103 KAR 18:010. Employers required to withhold.**

RELATES TO: KRS 141.070, 141.310, 141.320

STATUTORY AUTHORITY: KRS Chapter 13A

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: This administrative regulation defines the terms "employer" and "wages" from the standpoint of Kentucky income tax withholding requirements.

Section 1. Employers. Every employer incorporated in Kentucky, qualified to do business in Kentucky, doing business in Kentucky, or subject to the jurisdiction of Kentucky in any manner, and making payment of wages subject to withholding shall deduct, withhold, and pay to the department the tax required to be withheld.

Section 2. Wages. All wages paid to a Kentucky resident whether working in or out of Kentucky, as a regular employee in the conduct of business of an employer required to withhold taxes, are subject to withholding. The wages paid to nonresidents of Kentucky are subject to withholding to the extent that they are wages for personal services rendered in Kentucky as a regular employee in the conduct of the business of an employer in Kentucky. However, the nonresident is not subject to withholding where a reciprocal exemption agreement is in effect between Kentucky and the state of residence of the nonresident employee.

(103 KAR 018:010. IW-1; 1 Ky.R. 329; eff. 2-5-1975; TAm eff. 5-16-2017; Crt eff. 11-6-2018; Crt eff. 10-1-2025.)