

**138.552 Definitions -- Taxes on sports wagering and fixed-odds wagering licensees -
- Reporting requirements.**

- (1) As used in this section:
 - (a) "Adjusted gross fixed-odds wagering revenue" means the total sum of wagers collected on all fixed-odds wagers on live horse racing and all combination of bets of multiple individual wagers into one (1) bet that includes one (1) or more fixed-odds wagers on live horse racing, less winnings paid to participants in the contest and all excise taxes paid pursuant to federal law;
 - (b) "Adjusted gross sports wagering revenue" means the total sum of wagers collected on all sporting events, except any combination of bets of multiple individual wagers into one (1) bet that includes one (1) or more fixed-odds wagers on live horse racing, less winnings paid to participants in the contest and all excise taxes paid pursuant to federal law;
 - (c) "Department" means Department of Revenue;
 - (d) "Fixed-odds wagering" has the same meaning as in KRS 230.210;
 - (e) "Sporting event" means an event at which two (2) or more persons participate in athletic contests or an event that takes place in relation to athletic contests as approved by the corporation, but shall not include horse racing or amateur youth sports or athletic events in which the majority of participants are under the age of eighteen (18) years;
 - (f) "Sports wagering" means the wagering conducted under KRS Chapter 230 on sporting events or portions of sporting events, or on the individual performance statistics of athletes in a sporting event or combination of sporting events, in conformance with federal law and as authorized by the corporation pursuant to KRS Chapter 230; and
 - (g) "Taxpayer" means any person liable for tax under this section.
- (2) An excise tax is imposed on persons licensed under KRS 230.811 and 230.814 to conduct:
 - (a) Sports wagering at a rate of:
 - 1. Nine and three-quarters percent (9.75%) on the adjusted gross sports wagering revenue on wagers placed at the licensed track; and
 - 2. Fourteen and one-quarter percent (14.25%) on the adjusted gross sports wagering revenue on wagers placed online via websites or mobile applications or other off-site technology approved by the Kentucky Horse Racing and Gaming Corporation; and
 - (b) Fixed-odds wagering at a rate of:
 - 1. Nine and three-quarters percent (9.75%) on the adjusted gross fixed-odds wagering revenue of fixed-odds wagers on live horse racing placed at the licensed track; and
 - 2. Fourteen and one-quarter percent (14.25%) on the adjusted gross fixed-odds wagering revenue of fixed-odds wagers on live horse racing placed online via websites or mobile applications or other off-site technology approved by the Kentucky Horse Racing and Gaming Corporation.

- (3) The excise taxes imposed in:
 - (a) Subsection (2)(a) of this section shall be transferred to the sports wagering administration fund established in KRS 230.817 and appropriated for the purposes established in that section; and
 - (b) Subsection (2)(b) of this section shall be transferred to the purse stabilization fund established in KRS 230.850 and appropriated for the purposes established in that section.
- (4) The department shall enforce the provisions of and collect the taxes and penalties imposed in this section, and in doing so it shall have the general powers and duties granted it in KRS Chapters 131 and 135, including the power to enforce, by an action in the Franklin Circuit Court, the collection of the taxes, penalties, and other payments imposed or required by this section.
- (5) The tax imposed by this section is due and payable to the department monthly and shall be remitted on or before the twentieth day of the next succeeding calendar month. If a taxpayer's adjusted gross revenue for a month is a negative number, the taxpayer may carry over the negative amount to the return filed for the subsequent month. However, no amount shall be carried over in any period more than twelve (12) months after the month in which the amount carried over was originally due.
- (6)
 - (a) Payment shall be accompanied by a return prescribed by the department.
 - (b) For sports wagering only, the return form shall report, at a minimum:
 - 1. The total sum of wagers collected in person and electronically through a mobile application;
 - 2. Winnings paid in person and electronically through a mobile application;
 - 3. Adjusted gross revenue in person and electronically through a mobile application;
 - 4. Tax rates applied to adjusted gross revenue in person and electronically through a mobile application;
 - 5. The tax due from adjusted gross revenues in person and electronically through a mobile application;
 - 6. Federal excise taxes paid; and
 - 7. The total wagering tax due.
- (7) Wagering taxes due and payable in accordance with this section shall be paid via electronic funds transfer. The taxpayer shall provide the department with all protocol documentation and electronic funds transfer data necessary to facilitate the timely transfer of funds.
- (8) Any taxpayer who violates any provision of this section shall be subject to the uniform civil penalties imposed pursuant to KRS 131.180 and interest at the tax interest rate as defined in KRS 131.010(6).
- (9) The Kentucky Horse Racing and Gaming Corporation may suspend, revoke, or decline to renew a license upon the taxpayer's failure to timely submit payment of taxes due under this section or the administrative regulations promulgated by the department.

- (10) The taxes imposed by this section shall be in lieu of all other state and local taxes and fees imposed on the operation of, or the proceeds from, the operation of sports wagering.

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History: Amended 2026 Ky. Acts ch. 184, sec. 13, effective July 15, 2026. -- Amended 2024 Ky. Acts ch. 171, sec. 48, effective July 1, 2024. -- Created 2023 Ky. Acts ch. 147, sec. 14, effective June 29, 2023.