

AN ACT relating to charity auctions.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 139.496 is amended to read as follows:

(1) Notwithstanding any other provisions of this chapter, the taxes imposed *in KRS 139.200 and 139.310*~~herein~~ do not apply to:

(a) The first one thousand dollars (\$1,000) of sales made in any calendar year by individuals or nonprofit organizations not engaged in the business of selling. This exemption is limited to the following types of transactions or activities:

~~1.(a)~~ Garage or yard sales of household items by an individual or family which are in no way associated with or related to the operation of a business; *or*

~~2.(b)~~ Fundraising *events*~~event~~ held by nonprofit civic, governmental, or other nonprofit organizations, except as set forth in KRS 139.497; *or*

(b) Gross receipts derived from a charity auction held on or after August 1, 2016, but before July 31, 2020, by a nonprofit civic, governmental, or other nonprofit organization if the total proceeds from the auction are designated and used for a specific charitable purpose.

(2) The exemption does not apply to activities in which all or substantially all the household goods of a person are offered for sale or where nonprofit organizations conduct regular selling activities in competition with private business.