

1 AN ACT relating to sales tax rebates for entertainment events.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Entertainment event":*

7 *1. Means a live performance or exhibition of musical, theatrical,*
8 *cultural, culinary, or other artistic presentation; and*

9 *2. Does not include sporting events or tournaments;*

10 *(b) "Facility operator" means a person who owns or operates a venue;*

11 *(c) "Qualifying attraction" means a series of entertainment events which is:*

12 *1. Held at a venue over a duration of at least three (3) consecutive days;*

13 *2. Hosted by a sponsoring entity pursuant to an agreement with a facility*
14 *operator that authorizes the sponsoring entity to conduct one (1) or*
15 *more series of entertainment events annually during at least five (5)*
16 *consecutive years from which sales taxes eligible for rebate are*
17 *generated; and*

18 *3. Open to the public upon purchase of tickets, with attendance totaling*
19 *at least one hundred thousand (100,000) admissions over the duration*
20 *of each series of entertainment events; and*

21 *(d) "Sponsoring entity" means the person or entity hosting a qualifying*
22 *attraction; and*

23 *(e) "Venue" means:*

24 *1. Public property owned, operated, or controlled by a city, county,*
25 *charter county, urban-county government, consolidated local*
26 *government, unified local government, or the Commonwealth;*

27 *2. A park that is:*

- 1 a. Open to the general public; and
2 b. Owned, operated, or controlled by any nonprofit organization
3 under KRS 273.161 to 273.390;
4 3. Property owned, operated, or controlled by a public university; or
5 4. Privately owned property in the Commonwealth that is suitable for
6 hosting entertainment events and qualifying attractions.

7 (2) Notwithstanding KRS 134.580 and 139.770:

- 8 (a) A sponsoring entity shall be granted a sales tax rebate equal to fifty percent
9 (50%) of the Kentucky sales tax generated by the sale of admissions to a
10 qualifying attraction held at a venue, and the sales of tangible personal
11 property and services related to the qualifying attraction, including but not
12 limited to the sale of food and beverage concessions, souvenirs, camping,
13 and parking;
14 (b) The amount of the sales tax rebate authorized in paragraph (a) of this
15 subsection shall be allocated as follows:
16 1. Fifty percent (50%) shall be paid to the facility operator and utilized to
17 support operations and maintenance at the venue; and
18 2. Fifty percent (50%) shall be paid to the sponsoring entity of the
19 qualifying attraction from which the sales taxes were generated;
20 (c) Only one (1) rebate request shall be made for each qualifying attraction
21 each year;
22 (d) The sponsoring entity shall have no obligation to refund or otherwise return
23 any amount of the sales tax rebate to the persons from whom the sales tax
24 was collected;
25 (e) The sales tax rebate shall be reduced by the vendor compensation allowed
26 under KRS 139.570; and
27 (f) Interest shall not be allowed or paid on any sales tax rebate payment made

1 under this section.

2 (3) The department shall accept initial applications for sales tax rebates under this
3 section for qualifying attractions held on or after July 1, 2025.

4 (4) To be eligible for a sales tax rebate under this section, the sponsoring entity shall
5 file an initial application with the department, which:

6 (a) Includes sufficient information regarding the qualifying attraction to
7 demonstrate whether it qualifies for the sales tax rebate; and

8 (b) Is filed at least sixty (60) days prior to the date of the first entertainment
9 event constituting the qualifying attraction.

10 (5) Within thirty (30) days of receipt of the initial application, the department shall
11 notify the sponsoring entity of its preliminary approval or denial of the qualifying
12 attraction.

13 (6) If the initial application is denied, the department shall provide the reason for the
14 denial.

15 (7) After approval of its initial application and the completion of the qualifying
16 attraction, a sponsoring entity shall apply for a sales tax rebate no earlier than
17 thirty (30) days following the end of the month during which sales taxes that were
18 generated from the qualifying attraction and are eligible for rebate are collected.
19 The application may aggregate eligible sales taxes from previous months if the
20 events comprising the qualifying attraction were held in more than one (1)
21 month.

22 (8) The department shall review each application for a sales tax rebate and determine
23 if it meets the requirements of this section, pending the verification of required
24 attendance.

25 (9) In determining eligibility for a sales tax rebate authorized under this section, the
26 department shall waive the duration and attendance requirements listed in
27 subsection (1)(c)1. and 3. of this section if the person requesting a rebate

1 demonstrates that any delays, cancellations, or postponements were due to
2 inclement weather or other extraordinary events beyond the control of the parties
3 involved and that the weather or other extraordinary events rendered the
4 satisfaction of the requirement impossible.

5 (10) Both the initial application and the sales tax rebate application shall be in the
6 form prescribed by the department through the promulgation of an administrative
7 regulation in accordance with KRS Chapter 13A.

8 (11) The department shall verify the amount of sales tax rebate and pay the
9 allocations determined to be due in accordance with subsection (2)(b) of this
10 section within forty-five (45) days of receipt of the later of:

11 (a) The application submitted under subsection (7) of this section; or

12 (b) All necessary supporting information required by the department to
13 determine that the sponsoring entity is eligible for the rebate.

14 ➔Section 2. This Act takes effect July 1, 2025.