

Subject: Sales and Use Tax	Author: Lisa Hettinger
Effective Date: January 1, 2008	Last Review Date: 08/10/2011
Last Revision: 08/10/2011	Revised By: Kim Marley
Contact Name: Larry Zink	Contact Email: lwzink@louisville.edu
Approved By: Michael J. Curtin	Page 1 of 1

GENERAL

Generally the University of Louisville is not exempt from assessing and collecting Kentucky sales and use tax, although certain items may be exempt.

KRS 139.495 requires any higher education institution engaged in making taxable sales to report and pay to the Revenue Cabinet the tax on such sales. The tax must be collected from the consumer on all sales of tangible personal property which are not otherwise exempt by statute.

For detailed information please access the full policies on the Kentucky website:

[KRS 139.495 Application of taxes to resident nonprofit institutions](#)

[KRS 139.496 Exemption of certain sales](#)

Sales Exempt from Sales Tax

- Sales of food to students in school cafeterias or lunchrooms.
- Sales by school bookstores of textbooks, workbooks, and course material.

NOTE: All other sales of tangible property are considered taxable sales. This includes food sales outside of cafeterias, food sales to faculty and staff, sales by bookstores not considered course materials such as notebooks, paper, pencils and similar student aids and copier sales.

Administration

- All tangible property not exempt from sales tax should be taxed at a rate of 6%.
- All sales tax collected should be deposited and recorded to GL account 214200.
- All taxable sales revenue should be recorded in GL account 424240.
- The Controller's Office will be responsible for preparing the sales tax return and remitting sales tax by the due date.