

## Sales/Use/Indirect:

### Kentucky: New Law Revises Taxability of Services Including Computer Software Access Services

H.B. 360, signed by gov. 3/24/23. Newly signed legislation incorporates some Kentucky sales and use tax-related changes that are applicable retroactively to January 1, 2023, such as:

URL: <https://apps.legislature.ky.gov/record/23rs/hb360.html>

- Excluding from taxable use prewritten computer software access services purchased for use outside Kentucky and transferred electronically outside Kentucky for use thereafter solely outside Kentucky;
- Revising the definition of taxable “telemarketing services” to include services provided via text messages and various forms of social media;
- Excluding “marketing services” from Kentucky’s list of taxable services;
- Excluding from taxable sale, use, or storage prewritten computer software access services sold to or purchased by a retailer that develops prewritten computer software for print technology and uses and sells prewritten computer software access services for print technology; and
- Making some technical corrections and clarifications regarding taxable employee recruitment services and lobbying services.

Note that many of these recent law changes involve provisions from legislation enacted in 2022 that had expanded Kentucky’s sales and use tax base to include additional taxable services [see H.B. 8 (2022) and previously issued Multistate Tax Alert for more details on the 2022 law changes]. Please contact us with any questions.

URL: <https://apps.legislature.ky.gov/record/22RS/hb8.html>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-kentucky-enacts-various-indirect-and-income-tax-changes-and-establishes-a-tax-amnesty-program.pdf>

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