



## Kentucky Sales & Use Tax

### **Purchases from Vendors by Parishes and Schools**

Parishes and schools in the Diocese of Owensboro are exempt from paying Kentucky sales and use tax **on their own purchases** of goods and services used **exclusively for educational, charitable, or religious functions**. This exemption applies at the point of purchase; parish/school should provide vendors with the parish/school **sales tax exemption certificate** prior to purchase.

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### **Sales and Admissions – Fundraising & Events**

Under **KRS 139.495 and KRS 139.498**, sales of admissions and fundraising event sales by nonprofit organizations — including parishes, schools, and affiliated groups — **are exempt from Kentucky sales tax** when the activity qualifies as a fundraising event and does not constitute ongoing retail operations.

**Examples:**

- Admissions sold for fundraising events (e.g., ticketed dinners, festivals) are exempt.
  - Sales at these events that are directly part of the fundraising are generally exempt.
  - Sales related to **retail business activities** (e.g., year-round thrift sales, bookstore operations) are taxable.
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### **Rental Income - Parish Facilities & Spaces**

Fees charged by parishes or affiliated nonprofit organizations for the **rental of facilities or space** for meetings, events, parties, or other short-term uses **are subject to Kentucky sales and use tax** unless another specific exemption applies. Note: Kentucky tax law does **not** provide a broad exemption for nonprofits simply because they are nonprofit. Rental receipts for short-term use are defined as taxable services under current law. Kentucky's *de minimis* rule provides that organizations with **taxable gross receipts of \$6,000 or less in a calendar year** are not required to register for, collect, or remit sales and use tax. Upon exceeding the \$6,000 threshold, the organization is required to register with the Kentucky Department of Revenue and collect and remit sales and use tax on all taxable rental income thereafter, in compliance with applicable law.

- **Taxable rentals include:**
    - Gym, hall, or meeting room rentals
    - Space for gatherings, weddings, banquets, workshops
    - Athletic fields, shelters, or similar
  - **Exemptions:**
    - Long-term leases for 30 days or more may fall outside the sales tax rental definition under KRS 139.200(2)(a).
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## Youth Retreat and Camp Fees

Fees charged for participation in youth retreats, camps, or similar programs **may be subject to sales tax** depending on the nature of the activities provided. To determine if taxable:

- Assess the camp curriculum: determine whether the primary functions are recreational versus purely educational/faith formation.
  - If the camp includes **recreational activities** (sports, adventure, leisure) as a significant part of the program, fees are generally taxable as “recreational camp tuition and fees.” and 6% sales tax should be collected and remitted.
  - If the camp is operated in connection with a **school or school-sponsored organization**, and the net proceeds directly benefit the school/students, the exemption for nonprofit educational activities may apply.
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## Schools and School-Related Events

- All fundraising sales by a school are exempt from Kentucky sales tax, provided the proceeds from the sales are used for the benefit of the students.
  - Concessions at athletic events at parishes with schools are not subject to sales tax if the sale is made by the school-sponsored organization for support of the school. Sales tax does not apply pursuant to KRS 139.495(2)(a)4.
  - If a parish with a school has a dinner and/or fish fry run by the PTO for the benefit of the school and the sales made by the school-sponsored organization support the school, the sales tax does not apply pursuant to KRS 139.495(2)(a)4.
  - **School-related sales & admissions exemptions are governed by KRS 139.495 through 139.498.**
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## Registration and Reporting

Entities engaging in taxable rental or taxable service activities must:

1. Register and apply for a Kentucky sales tax permit via **MyTaxes.ky.gov**.
  2. Collect required tax on taxable receipts (rentals, taxable camp fees).
  3. File sales tax returns monthly or quarterly, as required by KY DOR.
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## Recordkeeping

All parishes and schools must maintain adequate documentation for:

- Exemption certificates used for purchases
- Event descriptions and fundraising designations
- Rental agreements and receipts
- Camp/retreat program curricula and fee schedules

Documentation should support tax treatment and be available for inspection should KY DOR request verification.

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## Review and Compliance

When in doubt about a specific activity's taxability, consult the **Kentucky Department of Revenue** or a qualified tax professional.