

Happy New Year? Over 30 Services Became Subject to Tax on January 1, 2023.



ARTICLE 01.11.23 ERICA HORN

With legislation enacted in 2022, the Kentucky General Assembly imposed sales tax on over thirty services not previously subject to tax and made other changes that will increase costs for businesses and individuals alike. You can find a list of the specific services and most changes [here](#). In exchange the legislature lowered Kentucky's individual income tax rate to 4.5% for 2023, and the House of Representatives has lowered it again to 4.0% for 2024.

The Department of Revenue ("DOR") has been working steadily to issue guidance on numerous issues raised by the 2022 changes. That guidance is being posted to a DOR website called "[Tax Answers](#)." Through the site, taxpayers can access two newsletters ([June](#) and [September](#) Sales Tax Facts) and [FAQs](#) on several of the newly taxable services to help them navigate the changes.

Some of the common questions we've been asked are listed below. As you read through the answers please keep in mind that specific facts and circumstances can change the taxability of transactions and we encourage you to reach out to your Dean Dorton advisor or other professional advisor if you have further concerns.

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