



ACTION REQUEST

July 19, 2012

INFORMATIONAL ALERT – KENTUCKY REVENUE DEPARTMENT REVERSES TAXATION STATUS ON HEADER WAGONS

The issue of header wagons being subject to Kentucky sales and use tax was first brought to our attention in November 2011. During the 2012 session of the Kentucky General Assembly, the Public Affairs team attempted to clearly define header wagons as an eligible agricultural input and therefore exempt from sales and use tax. While the legislation did not pass, we kept the lines of communication open with members of the General Assembly and the staff of the Revenue Department and ultimately the Department reversed their position on this issue.

In a letter received by our office dated July 12, 2012, the Kentucky Department of Revenue notified us that “upon further review of this issue (header wagon taxation) and based upon the recommendation of the Office of Legal Services, **the Department has now determined that the header trailers are eligible for the farm machinery exemption provided in KRS 139.480.**”

If you have previously paid sales and use tax on a header wagon, you will be eligible for a full refund of the sales tax paid. In speaking with the Department of Revenue refunds on this tax can be claimed up to four years back from when the tax was paid to the Department. If you have any questions about the refund process, please contact the Kentucky Department of Revenue, Sales and Use Tax Division, at 502.564.4581.

If you have any question or concerns please contact Jeff Harper at 502.495.5104.

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