

## **Act Now to Claim Your Sales Tax Exemption**

### *Co-op members with multiple meters need to take action*

To help co-op members navigate recent changes to sales tax laws, Clark Energy is launching a public awareness campaign. Beginning January 1, 2023, the Kentucky Department of Revenue will only exempt a person's "domicile" (primary residence) from sales tax on utility services, including electric bills.

Clark Energy is one of 26 electric cooperatives in Kentucky who work together to advocate for electric consumers. These efforts have helped protect the longstanding sales tax exemption for residential energy bills. Though this sales tax exemption remains in place for electric use at a primary residence, Kentucky will begin imposing a sales tax on other properties as of January 1, 2023.

To make sure the sales tax is not mistakenly applied to the electric bill of your primary residence, some co-op members need to take action. Members who have multiple meters in their name need to declare which meter or meters(s) is/are associated with their primary residence.

Available at the Kentucky Department of Revenue website, the Primary Residence Sales Tax Form allows utility customers to declare whether the address listed on their electric bill is their primary residence. A second form from the cabinet is available for landlords with multiple tenants at a single-metered property. Failure to provide a completed declaration form may result in the loss of a sales tax exemption for members who have multiple meters in their name.

For more information, members are encouraged to contact the Kentucky Department of Revenue or visit [www.kyelectric.coop/taxanswers](http://www.kyelectric.coop/taxanswers). Members can also contact Clark Energy at 1-800-992-3269, option 3.

The Primary Residence Sales Tax Exemption Form is on page 2 of this document and can be emailed to [memberships@clarkenergy.com](mailto:memberships@clarkenergy.com).

### **Frequently Asked Questions**

#### **Can I fill out this form for a family member?**

The actual person that resides on the premises should be the one to fill out the form. However, if necessary, an adult child can fill out the form on behalf of elderly parents, or a parent can fill out the form on behalf of a child. Since the courts and the Legislature have not yet clarified this issue, be aware that it may be declared legally insufficient and you may need to have the actual resident fill the form out again in the future.

#### **Can I fill out this form for a tenant or renter on my property?**

**No.** If a landlord or owner has placed the utility service in their own name, they must pay sales tax on the service. Alternatively, a landlord or owner may elect to move service into the tenant's name and allow the tenant to claim the sales tax exemption.

#### **I have a separate account on my barn/garage/shed, do I have to pay sales tax on it?**

If a separate account is located on the same property, in close proximity to residence, and is not used for a commercial purpose – such as a separately metered garage – then it can be considered a part of the residence and *may* be tax exempt.

Separate structures that are used for commercial purposes or are not on the same property are **not** tax exempt and you should not fill out a form for those accounts.

**DECLARATION OF DOMICILE FOR  
PURCHASE OF RESIDENTIAL UTILITIES**



**(LANDLORDS OR OTHER ACCOUNTHOLDERS OF MULTI-UNIT DWELLINGS SERVED BY A SINGLE METER  
(MASTER METER) USE THE MULTI-UNIT DECLARATION OF DOMICILE)**

In accordance with the provisions of KRS 139.470(7) this declaration may only be executed for the purchase of sewer services, water, and fuel by Kentucky residents for use in heating, water heating, cooking, lighting, and other residential uses. "Fuel" shall include but not be limited to natural gas, electricity, fuel oil, bottled gas, coal, coke, and wood.

\_\_\_\_\_ is the accountholder for \_\_\_\_\_  
*Name of Accountholder* *Service Address*

I, \_\_\_\_\_, am the resident or  
*Name of Individual Signing the Declaration (cannot be landlord)*

\_\_\_\_\_  
*Relationship of the undersigned to the resident*

I declare that the address listed is my place of domicile\* or the place of domicile\* of \_\_\_\_\_  
*Name of Resident*

and the purchase of residential utilities for use at this address meets the qualifications for exemption from Kentucky sales and use tax under KRS 139.470(7).

Accordingly, I request the account associated with the above listed service address be classified as exempt from sales and use tax. I understand the exemption will begin on the date of the first full billing cycle after the date of receipt of this declaration by the utility provider or rural electric cooperative.

Under penalties of perjury, I swear or affirm that the information on this declaration is true and correct as to every material matter.

\_\_\_\_\_  
Signature of resident or representative

\_\_\_\_\_  
Date

\* KRS 139.470(7) describes a place of domicile as "the place where an individual has his or her legal, true, fixed and permanent home and principal establishment, and to which, whenever the individual is absent, the individual has the intention of returning."

**Instructions**

- Submit the Declaration of Domicile to each applicable utility provider or rural electric cooperative, not to the Department of Revenue.
- Each resident may have only one place of domicile but may be listed as a responsible party for other service addresses.
- The change in taxability for accounts will be effective on the first day of the first full billing cycle after the date of receipt of this declaration by the utility provider or rural electric cooperative.

Department of Revenue Contact Information:

Phone: 502-564-5170

Email: DOR.Webresponsesalestax@ky.gov

Form may be sent to [memberships@clarkenergy.com](mailto:memberships@clarkenergy.com).