

2008 Tax Information

A state sales tax is levied at the rate of 6% on the purchase or lease price of taxable goods and on utility services. Local sales taxes are not levied in Kentucky. The Kentucky Constitution requires the state to tax all classes of taxable property, and state statutes allow local jurisdictions to tax only a few classes. All locally taxed property is subject to county taxes and school district taxes (either a county school district or an independent school district). Property located inside city limits may also be subject to city property taxes. Property assessments in Kentucky are at 100% fair cash value. Special local taxing jurisdictions (fire protection districts, watershed districts and sanitation districts) levy taxes within their operating areas (usually a small portion of the community or county).

State Property Tax Rates Per \$100 Valuation, 2006

Selected Class of Property	State Rate	Local Taxation Permitted
Real Estate	\$0.1280	Yes
Manufacturing Machinery	\$0.1500	No
Pollution Control Equipment	\$0.1500	No
Inventories:		
Raw Materials	\$0.0500	No
Goods in Process	\$0.0500	No
Finished Goods	\$0.0500	Yes
Goods-In-Transit	Exempt	Limited
Motor Vehicles	\$0.4500	Yes
Other Tangible Personal Property	\$0.4500	Yes

Source: Kentucky Department of Revenue.

Local Property Tax Rates Per \$100 Valuation, 2006

Taxing Jurisdiction	Property Taxes Per \$100 Valuation			
	Real Estate	Tangibles	Motor Vehicles	
County				
Boyle	\$0.1510	\$0.2445	\$0.1400	
City				
Danville	\$0.1280	\$0.1470	\$0.0000	
School District				
Boyle County Schools	\$0.4600	\$0.4740	\$0.5390	
Danville Independent Schools	\$0.6370	\$0.6480	\$0.6690	

Source: Kentucky Revenue Cabinet.

Local Occupational License Taxes, 2007

Cities, counties and school districts may levy an occupational license tax on the net profits of businesses and/or on the salaries and wages of employees earned in the jurisdiction. Rates can vary between the two types of occupational license taxes. Occupational license taxes may be levied on businesses as either a flat rate schedule or as a percentage of apportioned net profits or gross receipts. Where both the city and county levy an occupational license tax, a credit may be given, at the option of the local governments, for the amount paid to the city against the occupational license tax of the county. (Consult local jurisdictions for further details.)

Taxing Jurisdiction	Tax Rate on Salaries/Wages	Tax Rate on Net Profits/Receipts
County		
Boyle	0.75%	0.75%
City		
Danville	1.20%	1.00%
School District		
Boyle County Schools	No tax	No tax
Danville Independent Schools	No tax	No tax

Source: Kentucky Society of Certified Public Accountants.