

State & Local Taxes

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 taxes 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. Accounts receivable are taxed at 85% of face 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, 2004

<u>Selected Class of Property</u>	<u>State Rate</u>	<u>Local Taxation Permitted</u>
Real Estate	\$0.1310	Yes
Manufacturing	\$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 Revenue Cabinet

Local Tax Rates Per \$100 Valuation

<u>Taxing Jurisdictions</u>	<u>Property Taxes Per \$100 Valuation</u>			Occupational License Tax
	<u>Real Estate</u>	<u>Tangibles</u>	<u>Motor Vehicles</u>	(Local tax levied on employee salaries and wages earned in the jurisdiction. Local tax levied on apportioned net profits/receipts of businesses where indicated; consult local jurisdictions for further details)
County				
Boyle	\$0.1370	\$0.2151	\$0.1400	0.75% (net profits included)
City				
Danville	\$0.1310	\$0.1876	\$0.0000	1.2% (net profits included)
School District				
Boyle County	\$0.4650	\$0.4740	\$0.5390	No Tax
Danville Independent	\$0.6060	\$0.6420	\$0.6690	No Tax

Source: Kentucky Revenue Cabinet. Tax Years: County Property Tax(es) for 2004; County Occupational Tax(es) for 2005; City Property Tax(es) for 2004; City Occupational Tax(es) for 2005; School District Property Tax(es) for 2004