

Get The Facts On Kentucky's Utility Sales Tax

What happened?

In 2022, the Kentucky State Legislature voted to repeal the tax exemption on residential utilities, except for those used in primary residences.

Starting in 2023, if Kentuckians own or rent more than one property in the state, they will pay 6% sales tax on utilities (electric, gas, water, sewer, and other services) in any property that is not their primary residence.

Own Your Home?

In most cases, customers that were previously exempt will remain that way.

If the only property you own is your main home, your utilities will not be taxed.

Homeowners with multiple houses are responsible for letting their utility provider know which property is their main home.

The new 6% sales tax on utilities **only** applies to Kentucky residents who have multiple residences in the Commonwealth.

This change applies to secondary properties such as vacation houses, or property used as short term rentals, like AirBnB.

Customers who own more than one residential property should complete the same form as renters (Declaration of Domicile) and submit it to their utility provider.

Contact your utility provider for additional information.

Have additional questions?
Scan here to learn more from
the KY Department of
Revenue:



What If I'm a Renter?

Renters must complete the form linked on this page and submit it to their utility provider to avoid the 6% tax increase on their utility bills. This will establish the rental as their primary living space.

Some landlords may collect the forms and submit them on behalf of their renters.

What if my utilities are included in my rent or billed to my landlord?

In this case you will contact your landlord and they will need to fill out the Declaration of Domicile for each renter if they do not want to see the utility bills incur a 6% increase.

Scan here with your phone or tablet camera to download a fillable PDF *Declaration of Domicile* form:



Own Rental Property?



Property owners must complete a *Multi-Unit Declaration of Domicile for Landlords* form (available by scanning the QR code). The declaration must a) specify the number of units and b) have a corresponding Declaration of Domicile form for each unit.

Multi-Unit declarations that do not include these forms from **all** dwelling units are not eligible for residential tax treatment.



TEAM
KENTUCKY

ENERGY AND
ENVIRONMENT CABINET
300 Sower Blvd. Frankfort, KY 40601