

**139.781 Definitions for KRS 139.780 to 139.795.**

As used in KRS 139.780 to 139.795:

- (1) "SSUTA agreement" means the streamlined sales and use tax agreement;
- (2) "Certified automated system" means software certified jointly by the states that are signatories to the SSUTA agreement to calculate the tax imposed by each jurisdiction on a transaction, determine the amount of tax to remit to the appropriate state, and maintain a record of the transaction;
- (3) "Certified service provider" means an agent certified jointly by the states that are signatories to the SSUTA agreement to perform all of the seller's sales tax functions;
- (4) "Governing board" means a group of representatives from each member state that has the authority and responsibility for the administration and operation of the SSUTA agreement;
- (5) "Member state" means a state that is found to be in compliance with the SSUTA agreement and that has made the necessary changes to statutes, rules, regulations, or other authorities necessary to bring the state into compliance and those changes are currently in effect;
- (6) "Model 1 seller" means a seller that has selected a certified service provider as its agent to perform all the seller's sales and use tax functions, other than the seller's obligation to remit the tax on its own purchases;
- (7) "Model 2 seller" means a seller that has selected a certified service provider to perform a part of its sales and use tax functions, but retains responsibility for remitting the tax;
- (8) "Model 3 seller" means a seller that:
  - (a) Has sales in at least five (5) member states;
  - (b) Has total annual sales of at least five hundred million dollars (\$500,000,000);
  - (c) Has a proprietary system that calculates the amount of tax due each jurisdiction; and
  - (d) Has entered into a performance agreement with the member states that establishes a tax performance standard for the seller.

For purposes of this subsection, a seller shall include an affiliated group of sellers using the same proprietary system;

- (9) "Person" means an individual, trust, estate, fiduciary, partnership, limited liability company, limited liability partnership, corporation, or any other legal entity;
- (10) "Product-based exemption" means an exemption based on the description of the product, and not based on who purchases the product or how the purchaser intends to use the product;
- (11) "Sales tax" means the tax levied under KRS 139.200;
- (12) "Seller" means any person making sales, leases, or rentals of personal property or services;
- (13) "State" means any state of the United States, the District of Columbia, and the

Commonwealth of Puerto Rico;

- (14) "Taxability matrix" means a downloadable preformatted table approved by the governing board that contains the member state's interpretation as to the taxability of the terms found in the SSUTA agreement Appendix C, Library of Definitions and made available electronically on the member state's Web site;
- (15) "Use-based exemption" means an exemption based on a specific use of the product by the purchaser; and
- (16) "Use tax" means the tax levied under KRS 139.310.

**Effective:** August 1, 2008

**History:** Amended 2008 Ky. Acts ch. 95, sec. 2, effective August 1, 2008. -- Amended 2007 Ky. Acts ch. 141, sec. 11, effective July 1, 2007. -- Created 2001 Ky. Acts ch. 6, sec. 3, effective June 21, 2001.