

**139.486 Sale, use, storage, or consumption of "industrial machinery" --
Definitions for section.**

- (1) As used in this section:
 - (a) "Industrial machinery" means machinery manufactured in Kentucky directly used in manufacturing or processing which operations encompass all activities commencing with the receipt of the raw materials through the point at which the finished product is ready for sale and delivery to the purchaser.
 - (b) The term "processing" shall include: the processing and packaging of raw materials, in-process materials and finished products; the processing and packaging of farm and dairy products for sale; and the extraction of minerals, ores, coal, clay, stone, and natural gas.
- (2) Any other provision of this section to the contrary notwithstanding, the terms "sale at retail," "retail sale," "use," "storage," and "consumption," do not include the sale, use, storage, or other consumption of "industrial machinery," when the "industrial machinery" is delivered to a manufacturer or processor, or their agent for use out of state.
- (3) For purposes of the exemptions provided in subsection (2) of this section, "industrial machinery" will be presumed for sale, use, storage, or consumption outside the state if:
 - (a) Delivery is to a common carrier, whether chosen by the seller or by the purchaser, and whether F.O.B. seller's shipping point or F.O.B. purchaser's destination, provided the shipping document indicates delivery to a location outside the state; or
 - (b) Delivery is made by seller's own transportation vehicles to a location outside the state.

Effective: August 1, 2008

History: Amended 2008 Ky. Acts ch. 95, sec. 11, effective August 1, 2008. --
Created 1982 Ky. Acts ch. 431, sec. 2, effective July 15, 1982.