

**139.531 Application of taxes to horse industry.**

- (1) Notwithstanding any other provisions of this chapter to the contrary, the taxes imposed by this chapter shall apply to:
  - (a) Fees paid for breeding a stallion to a mare in this state;
  - (b) Sales of horses unless exempted under the provisions of subsections (2)(a) or (2)(d) of this section; and
  - (c) The sales price of any horse claimed at any race meeting within this state.
- (2) In addition to any other exemptions provided for the horse industry in this chapter, the taxes imposed under the provisions of this chapter shall not apply to the following activities:
  - (a) The sale or use of horses, or interests or shares in horses, provided the purchase or use is made for breeding purposes only;
  - (b) The use of a stallion for breeding purposes by an owner or shareholder of the stallion;
  - (c) The trading of stallion services by an owner or shareholder of the stallion;
  - (d) The sale of horses less than two (2) years of age at the time of sale, provided the sale is made to a nonresident of Kentucky. For the purposes of this section, a nonresident means a person as defined in KRS 141.010(15) who is not a resident in this state as defined by KRS 141.010(17) or who is not commercially domiciled in this state as defined in KRS 141.120(1)(b);
  - (e) The boarding and training of horses within this state; and
  - (f) The temporary use of horses within this state for purposes of racing, exhibiting, or performing.

**Effective:** June 1, 2005

**History:** Amended 2005 Ky. Acts ch. 168, sec. 132, effective June 1, 2005. --  
Created 1976 Ky. Acts ch. 155, sec. 29.