

132.200 Property subject to state tax only.

All property subject to taxation for state purposes shall also be subject to taxation in the county, city, school, or other taxing district in which it has a taxable situs, except the class of property described in KRS 132.030 and the following classes of property, which shall be subject to taxation for state purposes only:

- (1) Farm implements and farm machinery owned by or leased to a person actually engaged in farming and used in his farm operation;
- (2) Livestock, ratite birds, and domestic fowl;
- (3) Capital stock of savings and loan associations;
- (4) Machinery actually engaged in manufacturing, products in the course of manufacture, and raw material actually on hand at the plant for the purpose of manufacture. The printing, publication, and distribution of a newspaper or operating a job printing plant shall be deemed to be manufacturing;
- (5)
 - (a) Commercial radio and television equipment used to receive, capture, produce, edit, enhance, modify, process, store, convey, or transmit audio or video content or electronic signals which are broadcast over the air to an antenna;
 - (b) Equipment directly used or associated with the equipment identified in paragraph (a) of this subsection, including radio and television towers used to transmit or facilitate the transmission of the signal broadcast, but excluding telephone and cellular communications towers; and
 - (c) Equipment used to gather or transmit weather information;
- (6) Unmanufactured agricultural products. They shall be exempt from taxation for state purposes to the extent of the value, or amount, of any unpaid nonrecourse loans thereon granted by the United States government or any agency thereof, and except that cities and counties may each impose an ad valorem tax of not exceeding one and one-half cents (\$0.015) on each one hundred dollars (\$100) of the fair cash value of all unmanufactured tobacco and not exceeding four and one-half cents (\$0.045) on each one hundred dollars (\$100) of the fair cash value of all other unmanufactured agricultural products, subject to taxation within their limits that are not actually on hand at the plants of manufacturing concerns for the purpose of manufacture, nor in the hands of the producer or any agent of the producer to whom the products have been conveyed or assigned for the purpose of sale;
- (7) All privately owned leasehold interest in industrial buildings, as defined under KRS 103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt statutory authority under the provisions of KRS Chapter 103, except that the rate shall not apply to the proportion of value of the leasehold interest created through any private financing;
- (8) Tangible personal property which has been certified as a pollution control facility as defined in KRS 224.1-300. In the case of tangible personal property certified as a pollution control facility which is incorporated into a landfill facility, the tangible personal property shall be presumed to remain tangible personal property for purposes of this subsection if the tangible personal property is being used for its intended purposes;

- (9) Property which has been certified as an alcohol production facility as defined in KRS 247.910;
- (10) On and after January 1, 1977, the assessed value of unmined coal shall be included in the formula contained in KRS 132.590(9) in determining the amount of county appropriation to the office of the property valuation administrator;
- (11) Tangible personal property located in a foreign trade zone established pursuant to 19 U.S.C. sec. 81, provided that the zone is activated in accordance with the regulations of the United States Customs Service and the Foreign Trade Zones Board;
- (12) Motor vehicles qualifying for permanent registration as historic motor vehicles under the provisions of KRS 186.043. However, nothing herein shall be construed to exempt historical motor vehicles from the usage tax imposed by KRS 138.460;
- (13) Property which has been certified as a fluidized bed energy production facility as defined in KRS 211.390;
- (14) All motor vehicles:
 - (a) Held for sale in the inventory of a licensed motor vehicle dealer, including motor vehicle auction dealers, which are not currently titled and registered in Kentucky and are held on an assignment pursuant to the provisions of KRS 186A.230;
 - (b) That are in the possession of a licensed motor vehicle dealer, including licensed motor vehicle auction dealers, for sale, although ownership has not been transferred to the dealer; and
 - (c) With a salvage title held by an insurance company;
- (15) Machinery or equipment owned by a business, industry, or organization in order to collect, source separate, compress, bale, shred, or otherwise handle waste materials if the machinery or equipment is primarily used for recycling purposes as defined in KRS 139.010;
- (16) New farm machinery and other equipment held in the retailer's inventory for sale under a floor plan financing arrangement by a retailer, as defined under KRS 365.800;
- (17) New boats and new marine equipment held for retail sale under a floor plan financing arrangement by a dealer registered under KRS 235.220;
- (18) Aircraft not used in the business of transporting persons or property for compensation or hire if an exemption is approved by the county, city, school, or other taxing district in which the aircraft has its taxable situs;
- (19) Federally documented vessels not used in the business of transporting persons or property for compensation or hire or for other commercial purposes, if an exemption is approved by the county, city, school, or other taxing district in which the federally documented vessel has its taxable situs;
- (20) Any nonferrous metal that conforms to the quality, shape, and weight specifications set by the New York Mercantile Exchange's special contract rules for metals, and which is located or stored in a commodity warehouse and held on warrant, or for

which a written request has been made to a commodity warehouse to place it on warrant, according to the rules and regulations of a trading facility. In this subsection:

- (a) "Commodity warehouse" means a warehouse, shipping plant, depository, or other facility that has been designated or approved by a trading facility as a regular delivery point for a commodity on contracts of sale for future delivery; and
 - (b) "Trading facility" means a facility that is designated by or registered with the federal Commodity Futures Trading Commission under 7 U.S.C. secs. 1 et seq. "Trading facility" includes the Board of Trade of the City of Chicago, the Chicago Mercantile Exchange, and the New York Mercantile Exchange;
- (21) Qualifying voluntary environmental remediation property for a period of three (3) years following the Energy and Environment Cabinet's issuance of a No Further Action Letter or its equivalent, pursuant to the correction of the effect of all known releases of hazardous substances, pollutants, contaminants, petroleum, or petroleum products located on the property consistent with a corrective action plan approved by the Energy and Environment Cabinet pursuant to KRS 224.1-400, 224.1-405, or 224.60-135, and provided the cleanup was not financed through a public grant program of the petroleum storage tank environmental assurance fund;
- (22) Biotechnology products held in a warehouse for distribution by the manufacturer or by an affiliate of the manufacturer. For the purposes of this section:
- (a) "Biotechnology products" means those products that are applicable to the prevention, treatment, or cure of a disease or condition of human beings and that are produced using living organisms, materials derived from living organisms, or cellular, subcellular, or molecular components of living organisms. Biotechnology products does not include pharmaceutical products which are produced from chemical compounds;
 - (b) "Warehouse" includes any establishment that is designed to house or store biotechnology products, but does not include blood banks, plasma centers, or other similar establishments;
 - (c) "Affiliate" means an individual, partnership, or corporation that directly or indirectly owns or controls, or is owned or controlled by, or is under common ownership or control with, another individual, partnership, or corporation;
- (23) Recreational vehicles held for sale in a retailer's inventory;
- (24) A privately owned leasehold interest in residential property described in KRS 132.195(2)(g), if an exemption is approved by the county, city, school, or other taxing district in which the residential property is located; and
- (25) Prefabricated homes held for sale in a manufacturer's or retailer's inventory.

Effective: July 14, 2022

History: Amended 2022 Ky. Acts ch. 212, sec. 48, effective July 14, 2022. -- Amended 2020 Ky. Acts ch. 91, sec. 62, effective April 15, 2020. -- Amended 2016 Ky. Acts ch. 93, sec. 3, effective July 15, 2016. -- Amended 2014 Ky. Acts ch. 128, sec. 5, effective July 15, 2014. -- Amended 2013 Ky. Acts ch. 94, sec. 3, effective June 25, 2013; and ch. 119, sec. 8, effective January 1, 2014. -- Amended 2010 Ky. Acts ch.

24, sec. 98, effective July 15, 2010. -- Amended 2008 Ky. Acts ch. 81, sec. 1, effective July 15, 2008; and ch. 95, sec. 18, effective August 1, 2008. -- Amended 2007 Ky. Acts ch. 100, sec. 3, effective June 26, 2007. -- Amended 2005 Ky. Acts ch. 25, sec. 1, effective June 20, 2005; and ch. 168, sec. 57, effective January 1, 2006. -- Amended 2002 Ky. Acts ch. 324, sec. 2, effective July 15, 2002. -- Amended 2001 Ky. Acts ch. 55, sec. 1, effective June 21, 2001. -- Amended 2000 Ky. Acts ch. 327, sec. 3, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 55, sec. 2, effective July 15, 1998; ch. 168, sec. 2, effective July 15, 1998; ch. 266, sec. 2, effective July 15, 1998; ch. 385, sec. 2 effective July 15, 1998; and ch. 600, sec. 9, effective April 14, 1998. -- Amended 1996 Ky. Acts ch. 254, sec. 26, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 68, sec. 3, effective July 15, 1994. -- Amended 1992 Ky. Acts ch. 8, sec. 1, effective July 14, 1992; and ch. 338, sec. 22, effective July 14, 1992. -- Amended 1991 (1st Extra. Sess.) Ky. Acts ch. 12, sec. 47, effective February 26, 1991. -- Amended 1990 Ky. Acts ch. 106, sec. 3, effective July 13, 1990; ch. 461, sec. 2, effective July 13, 1990; and ch. 476, Pt. V, sec. 323, effective July 13, 1990. -- Amended 1986 Ky. Acts ch. 359, sec. 2, effective July 15, 1986; ch. 431, sec. 17, effective July 15, 1986; and ch. 476, sec. 6, effective July 15, 1986. -- Amended 1984 Ky. Acts ch. 169, sec. 2, effective July 13, 1984. -- Amended 1982 Ky. Acts ch. 229, sec. 2, effective July 15, 1982. -- Amended 1980 Ky. Acts ch. 210, sec. 7, effective July 15, 1980. -- Amended 1978 Ky. Acts ch. 116, sec. 1, effective June 17, 1978; and ch. 404, sec. 2, effective March 30, 1978. -- Amended 1976 Ky. Acts ch. 84, sec. 5, effective March 29, 1976. -- Amended 1974 Ky. Acts ch. 137, sec. 5, effective June 21, 1974. -- Amended 1970 Ky. Acts ch. 185, sec. 1. -- Amended 1968 Ky. Acts ch. 152, sec. 103. -- Amended 1965 (1st Extra. Sess) Ky. Acts ch. 2, sec. 12. -- Amended 1954 Ky. Acts ch. 159, sec. 1. -- Amended 1948 Ky. Acts ch. 207, sec. 1. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4019a-5, 4019a-10, 4019a-16.

Legislative Research Commission Note (7/14/2022). 2022 Ky. Acts ch. 212, sec. 69, provides that the amendments made to this statute shall apply to property assessed on or after January 1, 2023.

Legislative Research Commission Note (4/15/2020). 2020 Ky. Acts ch. 91, sec. 79 provides that the changes made to this statute in Section 62 of that Act apply to privately owned leasehold interests in residential property assessed on or after January 1, 2021.

Legislative Research Commission Note (7/15/2014). 2014 Ky. Acts ch. 128, sec. 8 provides that the amendments to this statute made in 2014 Ky. Acts ch. 128, sec. 5, shall apply to property assessed on or after January 1, 2015.

Legislative Research Commission Note (1/1/2014). 2013 Ky. Acts ch. 119, sec. 26, provides that the amendments to this statute in 2013 Ky. Acts ch. 119, sec. 8, shall apply to property assessed on or after January 1, 2014.

Legislative Research Commission Note (1/1/2014). 2013 Ky. Acts ch. 119, sec. 24, provides, "It is the intent of the General Assembly that the changes made in [this statute and KRS 132.020], relating to tangible personal property which has been certified as a pollution control facility, are to clarify existing provisions in the law, as follows:

- (1) That the tax rate of fifteen cents (\$0.15) upon each one hundred dollars (\$100) of value only applies to tangible personal property which has been certified as a pollution control facility; and
- (2) That only tangible personal property certified as a pollution control facility is subject to taxation for state purposes only while being exempt from taxation in the county, city, school, or other taxing district in which it has a taxable situs."

Legislative Research Commission Note (6/8/2011). The Reviser of Statutes has

corrected a manifest clerical or typographical error in subsection (16) of this statute by changing the citation at the end of that subsection from "KRS 139.010" to "KRS 365.800." This error occurred during the merger of amendments to this statute in 2008 Ky. Acts ch. 81, sec. 1, and ch. 95, sec. 18.

Legislative Research Commission Note (7/15/2008). 2008 Ky. Acts ch. 81, sec. 2, provides that the amendments to this section in 2008 Ky. Acts ch. 81, sec. 1, apply to assessments made on or after January 1, 2009.

Legislative Research Commission Note (6/20/2005). 2005 Ky. Acts ch. 25, sec. 2, provides that the amendments to subsection (22) of this section shall apply for tax assessment dates on or after January 1, 2002.

Legislative Research Commission Note (3/18/2005). 2005 Ky. Acts ch. 168, sec. 171, provides that: "Sections 55 (KRS 132.020) and 57 (KRS 132.200) of this Act, relating to property tax changes, take effect on January 1, 2006, except the changes made to paragraph (c) of subsection (1) of Section 55, relating to the voluntary environmental remediation credit, paragraph (a) of subsection (2) of Section 55, and paragraph (a) of subsection (4) of Section 55 of this Act, relating to new property and the state property assessment, and subsection (21) of Section 57 of this Act, which shall take effect on the effective date of this Act and which shall apply to tax years beginning on or after January 1, 2005."

Legislative Research Commission Note (6/21/2001). Under KRS 446.280, the words "or leased to" have been restored to subsection (1) of this statute after the words "owned by." The phrase was added to subsection (1) by 1986 Ky. Acts ch. 359, sec. 2, but was inadvertently omitted from the drafting database. Because of this, several subsequent acts amending this statute failed to include the phrase, and it mistakenly was not included in some codifications of this statute, although it had not been deleted by legislative action using the requisite brackets and strikethrough.

Legislative Research Commission Note (7/13/90). The two Acts amending this section prevail over the repeal and reenactment in House Bill 940, Acts ch. 476, pursuant to Section 653(1) of Acts ch. 476. The amending Acts do not appear to be in conflict and have been compiled together.