

**138.874 Taxable activity prohibited unless tax paid -- Purchase of tax indicia.**

- (1) Except as provided in KRS 138.870 to 138.889, no offender shall engage in this state in a taxable activity unless the tax imposed pursuant to KRS 138.872 has been paid as evidenced by the affixing of a tax stamp, label, or other tax indicia to the marijuana or controlled substance as prescribed by the Department of Revenue. The tax shall be due and payable immediately upon the occurrence of the taxable activity in this state. If an offender engages in a taxable activity in this state involving marijuana or a controlled substance on which a tax stamp, label, or other tax indicia evidencing payment of the tax imposed pursuant to KRS 138.872 has not already been affixed, the offender shall immediately permanently affix the required tax stamp, label, or other tax indicia.
- (2) Tax stamps, labels, or other tax indicia required to be affixed to marijuana or controlled substances shall be purchased from the Department of Revenue. The purchaser shall pay one hundred percent (100%) of the face value for each tax stamp, label, or other tax indicia at the time of the purchase. The Department of Revenue shall maintain an inventory of tax stamps, labels, or other tax indicia in denominations it deems necessary to facilitate compliance by taxpayers with the provisions of this section. No purchaser of tax stamps, labels, or other tax indicia pursuant to this section shall be required to give his name, address, or otherwise identify himself to the Department of Revenue.
- (3) Each tax stamp, label, or other tax indicia shall be used only once and shall expire one (1) year after issuance by the Department of Revenue to the original purchaser thereof.

**Effective:** June 20, 2005

**History:** Amended 2005 Ky. Acts ch. 85, sec. 400, effective June 20, 2005. -- Amended 2001 Ky. Acts ch. 155, sec. 3, effective June 21, 2001. -- Created 1994 Ky. Acts ch. 315, sec. 3, effective July 15, 1994.