



## How will HB 487 Effect Your Office's Campaign in 2018?

During the 2018 Legislative Session, certain changes to Kentucky tax law were passed, that, in combination with a court case earlier this year, have resulted in some special event charitable fundraisers being subject to the collection, reporting and payment of sales tax. In short, on July 1, 2018 [House Bill 487](#) went into effect, increasing the number of new services for which non-profits are required to charge sales tax for tangible goods. This may affect the way you and your team will host events in support of the Kentucky Employees Charitable Campaign (KECC). The KECC Administrative Office, operated by United Way of Kentucky, will be required to collect a 6% sales tax on the sale of all tangible products including silent auction items, entry fees, sponsorships that include entry to an event or other benefits above and beyond recognition, and events such as chili cook offs or barbeques with a mandated cost to attend. While some sales are exempt, such as the sale of products containing flour, we do ask that offices be attentive to this change in tax law, and the following requirements:

We are asking that *every special event - including silent auctions, golf scrambles and tournaments of any kind, bake sales, etc.* submit your total receipts to KECC administration, but utilize the following "boilerplate" language in small print at the bottom of your event flyers and signage:

***Due to recent changes in Kentucky tax law, sales receipts derived through KECC Special Events may now be subject to sales tax. Please note that, if applicable, your purchases to participate in this event includes 6% sales tax paid by the KECC administration to the Commonwealth of Kentucky.***

REMEMBER: Payroll deduction pledge donations, and cash / check gifts utilizing the pledge form which are not associated with a special event fundraiser (through which the donor receives no material benefit) are not subject to this change.

If you have any questions about the new tax law and its impact of KECC special event fundraisers, please don't hesitate to contact [kevin.middleton@uwky.org](mailto:kevin.middleton@uwky.org). We realize this is a transition and we are here to help as needed.