



ELECTRIC POWER & TELECOMMUNICATIONS

MURRAY ELECTRIC SYSTEM

P.O. Box 1095 • 401 Olive Street • Murray, Kentucky 42071
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The Kentucky Department of Revenue has implemented legislative changes affecting sales and excise tax administration on over 30 new services beginning January 1, 2023 (House Bill 8). Any provider of these newly taxable services must collect sales tax (6%) on that service and relinquish it to the state. According to the KY DOR, only a person's *domicile, or primary residence, will be exempt from sales tax on all utilities including electricity.

To make sure sales tax is not mistakenly applied to the electricity bill of your primary residence, each RESIDENTIAL account holder is requested to complete the Declaration of Domicile for Purchase of Residential Utilities form and return to Murray Electric System before March 1, 2023. The form can be found here [https://revenue.ky.gov/Forms/51A380%20\(1-23\).pdf](https://revenue.ky.gov/Forms/51A380%20(1-23).pdf) and one will be mailed to you in your January billing statements. You can return the form to us by bringing it into the office during normal business hours, dropping it in our night deposit box located in the back parking lot, mailing to PO BOX 1095, Murray, KY 42071, faxing to 270-753-6494, or emailing to murrayelectric@murray-ky.net.

What to Know:

*ONLY RESIDENTIAL customers should fill out the form and return to MES.

*If you have MULTIPLE meters in your name, please call our office to determine eligibility for exemption on those meters.

*Commercial accounts are already charged Kentucky sales tax on electricity, so no form is needed as they are currently not tax exempt.

*Effective January 1, 2023, an exemption form will be part of the application process.

*The exemption from sales and use tax for residential electricity, natural gas, fuels, water, and sewer services found in KRS 139.470(7) is amended to specify that these purchases are only exempt if they are "purchased and declared by the resident as used in his or her place of domicile." "Place of domicile" is further defined as "the place where an individual has his or her legal, true, fixed, and permanent home and principal establishment, and to which, whenever the individual is absent, the individual has the intention of returning."

*Each utility's procedures for the collection of tax exemption documentation are different. Please contact your utility provider for their specific policy/procedure regarding the new tax law.

Please contact Murray Electric System 270-753-5312 with any questions you may have. Thank you for your patience as we sorted through all the information provided at this time and made decisions best suited for Murray Electric System and our customers.

<https://taxanswers.ky.gov/Sales-and-Excise-Taxes/Pages/default.aspx>