

The Louisville Municipal Code (LMC) prohibits any retailer to advertise or state to the public or to any customer, directly or indirectly, that the sales tax imposed by the LMC will be assumed or absorbed by the retailer, or that the tax will not be added to the selling price of the property being sold.

The Louisville Municipal Code (LMC) provides that each retailer shall add the tax imposed to the sale price or charge and that such tax must be shown as a separate and distinct item and included as part of the full purchase price. This means that tax may never be combined with other fees or charges. All such amounts indicated as tax and collected, must be remitted to the proper taxing authority and may not be retained by the retailer.

If a retailer collects as sales tax, an amount greater than the tax imposed under the LMC, the retailer is required to remit to the City the full amount of tax due and also all excess amounts collected.

Only retailers selling liquor by the drink or vending machine operators are permitted to include the tax in the price of the purchase; however, such retailers may not advertise, hold out or state to the public in any manner, directly or indirectly, that the tax is not included as part of the sale price.

See Tax Guide topics “Restaurants and Bars”, “Vending and Coin-Operated Devices”, and “Special Event Vendors”, for additional information.

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The information contained in the Tax Guide publications is intended to offer general guidance in layman’s terms, for this topic, industry or business segment, and is not intended for legal purposes to be substituted for the full text of the Louisville Municipal Code rules and regulations. This guide does not constitute a city tax policy.