

KENTUCKY BOARD OF ARCHITECTS SUMMER 2023

PRESIDENT'S MESSAGE

Greetings!

Summer is here. Days are longer, hotter and hopefully filled with a balance of work and pleasure. If your work involves design within the education market, it is a busy season for construction in order to renovate and build exciting, inspiring environments for learning before school starts once again. Summer can also be the start of a career in the design industry as many new architecture and interior design graduates are entering the profession.

My own daughter recently graduated from college with a degree in Elementary Education. While she is not entering into design, it has been exciting to see her passion for preparing the classroom with tools for learning and ways to welcome new students. You too, may have opportunities to welcome recently hired interns, junior designers and staff within your firms or studios. I challenge you to help them feel engaged, valued and recognized at work by inviting them to client meetings, site visits or design charettes. Allow them freedom to ask questions and contribute towards the design process. You will each benefit and grow from the collaboration. Sponsors are always needed to mentor our young professionals as they earn work experience needed before sitting for the ARE and NCIDQ Exams.

I am honored to welcome a new member to our Board. Sydney Goetz, AIA, MHA of Louisville has joined our Board replacing Sarah Mascarich whose term expired in February 2023. It was a pleasure working with Sarah and we truly appreciate her time and dedication to serving as one of our outstanding board members.

As you may be aware, the 2023 Architect Annual Renewal period is in full effect and will officially end at midnight on August 30, 2023. If a licensed Architect is no longer doing business in Kentucky, they may select the option to Voluntary Surrender of License to the Board. This option would relieve the Architect from paying the annual renewal fee; however, within five years from the time of surrender of the license, the Architect may again qualify without examination by the payment of the required fee and current renewal fee. After five years, the Architect shall return as a new applicant.

The online renewal for Certified Interior Designers is scheduled to begin on September 1, 2023. As a reminder, KY CID's are required to have twelve Professional Development Units by their renewal. Eight of those PDUs are required to be health, safety, and welfare subject activities, so don't delay in obtaining the necessary credits.

Again, thank you for the opportunity to serve as the President. Please feel free to contact the Board office at (859)246-2069 whenever you have a question or need assistance. As you enjoy your summer travels and outings with your family, please stay safe and healthy.

Sincerely,



Stephanie McCrery, CID, IIDA
President, Kentucky Board of Architect



Stephanie McCrery
CID, IIDA
Board President

IMPORTANT DATES

BOA Board Meeting

Tuesday, July 18, 2023

University of Louisville Event
and Conference Center

ShelbyHurst Campus Conference Center
Founders Union Building
450 Whittington Parkway
Louisville, Kentucky

BOA Offices Closed in Observance to Labor Day

Monday, September 4, 2023

CIDQ ANNUAL MEETING

November 9-11, 2023

Hotel Distill
101 W Main St
Louisville, KY 40202

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CONGRATULATIONS



NEW KENTUCKY LICENSED ARCHITECTS BY EXAMINATION

LICENSE NUMBER	ARCHITECT	EDUCATION	EMPLOYER
8915	Shelby Ewing Gatlin	Master/Bachelor Of Architecture University of Kentucky	Gray Architects and Engineers Lexington, Kentucky
8895	Matthew G. Harris	Bachelor of Architecture University of Kentucky Associate Architect Technician Lexington Community College	Studio Kremer Architects Louisville, Kentucky
8890	Heather Marie McCoy	Master/Bachelor of Architecture University of Kentucky	Pearson & Peters Architects PLC Lexington, Kentucky
8918	Noah C. Onkst	Master of Architecture Bachelor of Science Western Kentucky University	Robert Ehmet Hayes & Associates, PLLC Fort Mitchell, Kentucky
8908	Martin P. Renaud	Master/Bachelor Of Architecture University of Cincinnati	Architectural Group International Covington, Kentucky

"I can't change the direction of the wind, but I can adjust my sails to always reach my destination." – Jimmy Dean

NEW KENTUCKY CERTIFIED INTERIOR DESIGNERS

CID NUMBER	INTERIOR DESIGNER	EDUCATION	EMPLOYER
0399CID	Sarah Barker	Bachelor of Architecture Bachelor of Science Ball State University	Stengel Hill Architecture Louisville, Kentucky
0396CID	Katie H. Butsch	Master/Bachelor Of Architecture University of Kentucky	WorK Architecture + Design Louisville, Kentucky
0397CID	Lisa A. Haude	Bachelor of Science Baylor University	LK Architecture, Inc. Wichita, Kansas
0401CID	David H. Kuo	Bachelor of Science Institute of Architecture Southern California University	Architectural Investments, Inc. Louisville, Kentucky
0402CID	Stephen P. Kromkowski	Bachelor of Architecture University of Notre Dame	DLZ National, Inc. Columbus, Ohio
0398CID	Betsy R. Reynolds	Bachelor of Arts-Interior Design University of Kentucky	BR Design Co. LLC Lexington, Kentucky
0400CID	James T. Watkins	Bachelor of Architecture Ball State University	Stengel Hill Architecture Louisville, Kentucky

Renewal Status of Kentucky Architects as of June 30, 2023

Architects Renewed as of 06/30/23	Architects Not Renewed as of 06/30/23	Emeritus Architects Renewed as of 06/30/23	Emeritus Architects Not Renewed as of 06/30/23
2624	250	71	20

AIA Kentucky Awards Grants to ARE Candidates

This year AIA Kentucky awarded eight grants to ARE candidates actively taking the Architect Registration Examination (ARE®). All awardees are Kentucky residents. KY BOA applauds AIA for supporting these individuals as they pursue their architectural license.

- Nick Abend, Assoc. AIA, Omni Architects
- Nasim Amiri, Assoc. AIA, Tetrattech
- Mary Buchenberger, Assoc. AIA
- Kathryn Curtis, Work Architecture + Design
- Lauren Osborne, Omni Architects
- Joseph Schulte, Assoc. AIA, Tate Hill Jacobs Architects
- Sydnee Watts, Assoc. AIA, Mason & Hanger
- Emily Wolfe, Assoc. AIA, Ross Tarrant Architects



*Thank
you!*



**Sarah Mascarich
Architect**

KY Board of Architects
12/2019—02/2023

*The Board appreciates
Sarah Mascarich for her
dedicated service and wishes her
continued success!*

SELF CARE TIPS

Increase Your Productivity/Mental Health

1. Take a break
2. Set Small Objectives
3. Communicate
4. Don't take on too much
5. Get a good night's sleep



[Five top tips to increase your productivity and manage your mental health \(lanereport.com\)](https://lanereport.com)

BOA SPOTLIGHT



The Board would like to welcome **Sydney Goetz**, recently appointed by Governor Andy Beshear to serve on the board until April 19, 2027. She is an architect at UofL Health in Louisville, Kentucky.

Sydney is a graduate of the College of Design School of Architecture at the University of Kentucky, and she has a master's degree in Health/Health Care Administration/Management from Western Kentucky University. She has over twenty years of experience in design and managed healthcare. Which includes working on numerous projects in ten other states. Being a healthcare architect has been the highlight of Sydney's career. She had a major health crisis that gave her a very different perspective of how to design healthcare facilities. She enjoys working with the doctors and the facilities' staff to incorporate all aspects of building healthcare facilities to serve the community. Sydney has a deep commitment to ensuring that healthcare buildings are not just brick-and-mortar. She keeps in mind the patients, devoted family members and caretakers, healthcare staff, housekeeping, the chaplain, and the community to create these environments for those she serves.

What tips or advice would you give someone starting work with a new client or new project?

I would tell them to really prioritize listening. I would also suggest getting the communication style defined and outlined to the client and group. I am a big fan of telephone communication and plans with signoffs. Many folks revert to email and web-based only communication. I think the spoken word and real graphic communication cannot be duplicated in written communication.

What techniques help you stay organized and productive?

I practice ruthless prioritization. I look at any day and determine what is the most important thing to get done. I look at what needs to be adjusted to do that. I also substitute face-to-face and phone communication as much as possible to limit writing time and unnecessary meetings. I also am not afraid to do my own drawing. I use it to communicate to architects and staff at my hospital system - even very drafty versions.

Why did you choose to pursue a career in architecture?

I began to pursue architecture as a teenager because I wanted to make really pretty houses. I got a firm job as a student though and quickly realized my favorite projects were medical clinics. I loved the systems and all of the rules. I think architecture is filled with rules. Healthcare seems to ratchet the rules thing to a high degree. I enjoyed the complexity of the exercise. I also think if I had a stronger stomach I could have become a healthcare provider. Being a healthcare architect marries my varied interests.



Ann L. Swope is the Principal Designer/President and CEO of Swope Design in Louisville, Kentucky. She co-founded the business in 1989 and has provided over 35 years of professional design and project management experience. She is an extraordinary designer that is well respected as the region's preeminent commercial interior designer and environmental graphic design specialist.

Ann is a graduate of the College of Design, Architecture, Art, and Planning at the University of Cincinnati. She is certified by the National Council for Interior Design Qualification (NCIDQ) and is a Kentucky Certified Interior Designer (KYCID). Ann has also served on the Regional Board of Directors of the International Interior Design Association (IIDA).

Do you currently volunteer in your community?

Over the years I have provided time and support to the American Cancer Society, Kentucky Humane Society, Volunteers of America, and Home of the Innocents.

What's your favorite tip for someone in your profession?

Maintain integrity and recognize the knowledge and support that everyone contributes to your projects. All members of the project team are critical to a successful completion.

What is your greatest professional achievement?

That's a challenging question, but I would hope that I have contributed to the advancement of the Interior Design profession. I have been dedicated to and supported the interior design profession for over 40 years; whether to clients, peers, or industry members. Working with others to achieve professional recognition for Interior Designers in the Commonwealth of Kentucky through Certification based on qualifications, was most definitely a significant milestone.

What is the first thing that you plan to do as soon as you retire?

There are many things to do, though the focus will be spending time with family, friends, and greater involvement in our community. Certainly, there will be travel, and exploring my love of gardening and cooking.



"You don't have to be a fantastic hero to do certain things — to compete. You can be just an ordinary chap, sufficiently motivated to reach challenging goals." — Edmund Hillary

ARCHITECT NEWS

ATTENTION ARCHITECTS

Please be advised that renewals received after July 1, and not later than July 31, will be accessed a \$25.00 late fee in addition to the renewal fee of \$125.00. Those renewals received on or after August 1 and no later than August 30 will be accessed a \$50.00 late fee in addition to the renewal fee of \$125.00. If the office does not receive a renewal by August 30, the Architect's license will be automatically revoked.

If a licensed architect is no longer during business in Kentucky, they may select the option to voluntarily surrender their license. This option would relieve the architect from paying the annual renewal fee; however, within five years from the time of surrender of the license, the Architect may again qualify without examination by the payment of the required fee and current renewal fee. After five years, the Architect shall return as a new applicant.

Architect Continuing Education

2024 RENEWAL PERIOD
June 1-August 30, 2023

Twelve Continuing Education Hours (CEH) are required as a condition for the annual license renewal. The CEH requirement for the annual renewal shall be acquired during the period beginning January 1 and ending December 31 of the previous calendar year. A minimum of 12 CEHs shall consist of structured educational activities on relevant topics addressing health, safety, and welfare (HSW) subjects as referenced in 201 KAR 19:087, Section 1(3).

Frequently used abbreviations include:

- **ARE®** - Architect Registration Examination®
- **AXP** - Architectural Experience Program (Formally known as IDP - Intern Development Program)
- **CEH** - Continuing Education Hours (Formally known as PDU -Professional Development Unit)
- **CID** - Certified Interior Designer (same as KYCID)
- **CIDQ** - Council for Interior Design Qualification
- **HSW** - Health, Safety, and Welfare ([ref: 201 KAR 19:087, Section 1\(3\)](#))
- **IIDA** - International Interior Design Association
- **IPAL** - Integrated Path to Architectural Licensure
- **KAR** - Kentucky Administrative Regulation
- **KRS** - Kentucky Revised Statutes
- **NAAB** - National Architectural Accrediting Board
- **NCARB** - National Council for Architectural Registration Boards
- **NOMA** - National Organization of Minority Architects



BOA Attends NCARB 's Annual Business Meeting

NCARB's 2023 Annual Business Meeting was held June 15-17, in Tampa, Florida. Members from all 55 U.S. architectural licensing boards met to vote on resolutions, elect the FY24 Board of Directors, get updates about critical issues impacting specific licensing boards, as well as network, share best practices, and discuss resources and tools to help carry out their board's essential mission to protect the public.

Pictured from left to right: Joey Nolasco, Olivia Davis, Cordelia Harbut, Rex Cecil, and Jill Smith.

NCARB UPDATE

The Board was honored to have Michael Armstrong and Caitlin Stromberg as special guests from NCARB at the April 2023, Board meeting. Mr. Armstrong briefly reviewed the 2023 draft resolutions to be discussed at the Annual Business Meeting (ABM). He stated the last proposed resolution, related to NCARB's Governance, had been a controversial topic among member boards and would be discussed at the NCARB Board meeting in April then from there a final draft of the resolution would be distributed to the member boards.

He reported that NCARB would be hosting the Architects Registration Board of the United Kingdom to roll out the Mutual Recognition Agreement between the two registration boards. They plan to host a webinar as well as a live event at NCARB's headquarters in Washington D.C.

When asked about fees charged, Mr. Armstrong stated that the funds generated by the NCARB certification fees, cover the expense of the Architectural Registration Examination (ARE), and the Architectural Experience Program (AXP) which NCARB operates at a loss. He explained that this is a pay-it-forward business model where licensed practitioners are helping to support new professionals on their journey to licensure. The cost of the exam is constantly on the rise due to cyber security and exam protection, exam proctoring, IT software programmers, and the psychometricians, which are used to create and evaluate the exam questions. NCARB has not raised the \$235 per division cost of the exam in over 10 years and may have saved some candidates money by changing proctors from prometric to PSI because PSI does not charge a rescheduling fee.

He then went on to explain that as a regulatory board the members have a civic and political duty to their specific jurisdiction to be present at the meetings to vote on matters that may affect the public in their jurisdiction, furthermore, NCARB provides funds to allow member boards to attend to include the diverse viewpoints in the decision-making and to further improvement of the organization.



Michael Armstrong
NCARB CEO



Caitlin Stromberg
NCARB Member
Relations and
Volunteer
Engagement

KY BOA Votes to Remove 5-yr Rolling Clock

KY BOA anticipates the amended regulation will be active December 2023

At the April board meeting, the Board voted unanimously to remove reference to the 5-yr Rolling Clock by amending 201 KAR 19:225. The amendment will replace the 5-year Rolling Clock with NCARB's new score validity policy, which bases the validity of passed ARE divisions on exam versions (such as ARE 4.0, ARE 5.0, etc.) rather than a set time frame. The amended regulation will reinstate previously expired division of ARE 4.0 for candidates seeking licensure.

New Score Validity Policy Details

Under the score validity policy, a passed exam division would remain valid throughout the delivery of the exam version under which it was taken, as well as the next exam version. This means that passed exam divisions:

- Would be valid throughout the delivery of the version of the exam under which they were taken, AND
- Would be used to establish appropriate credits under the next version of the exam

Passed divisions would expire after two versions of the exam. For example: Passed ARE 5.0 divisions would remain valid throughout the delivery of ARE 5.0 and would be used to establish credits for the next version of the exam. ARE 5.0 divisions would expire with the retirement of the next version of the exam if a candidate has not completed their examination.

INTERIOR DESIGNERS

NEW LEGISLATION

The 90th General Assembly of Iowa passed legislation that expands the interior design title act to include a stamp and seal privileges. The new bills is SF135, which was backed by the Iowa Chapters of the American Society of Interior Designers (ASID) and the International Interior Design Association (IIDA), with the support of CIDQ. It was signed by the Governor and went into effect on July 1, 2023.



During the 2023 Legislative Session in New Mexico, legislators passed House Bill 384 to maintain the protected title for interior designers and regulatory oversight of the profession. This legislation was signed by the Governor and went into effect on July 1, 2023. For more information on this legislation: [NEW MEXICO BILL PROTECTING INTERIOR DESIGN LEGISLATION PASSES UNANIMOUSLY \(asid.org\)](#)

“If you think education is expensive, try estimating the cost of ignorance.” –Howard Gardner

The International Interior Design Association (IIDA) - Ohio Kentucky Chapter Events



Get Involved by attending the LouLex City Center Meetings!

Dates: July 21 and August 18
Times: 12:00 p.m.-1:00 p.m.
Location: ID&A Inc.
Address: 731 Brent Street, Suite 201
Louisville, Kentucky

IIDA membership is not required to attend; however, there is usually a discounted ticket rate for those that are members.

The IIDA Ohio Kentucky Design Awards is November 2. To register for events and more information:

[Louisville Lexington | IIDA Ohio Kentucky Chapter \(iidaohky.org\)](#)

CID Continuing Education

2024 RENEWAL PERIOD: September 1-November 30, 2023

During the period beginning October 1, 2022, and ending September 30, 2023, a minimum of eight (8) of the twelve (12) hours of continuing education required shall be structured activities composed of one (1) or more of the following topics: life safety codes, barrier-free codes, building structural systems, lighting, electrical systems, and heating, ventilation, and air conditioning system. For more information, please review [201 KAR 19:445](#)


HOW TO GET INVOLVED WITH CIDQ

A message from CIDQ President, Jason Kasper

CIDQ could not do all it does without the many, many committed volunteers that give of their time throughout the year. Many of these individuals have been involved for several years and some are just beginning their volunteer journey with us. There is room for all, and for me, the chance to get to know like minds from all over is one of the most rewarding benefits of getting involved. If you're interested, please feel free to reach out to CIDQ at inquiries@cidq.org or complete a [Volunteer Interest Form](#).



Jason Kasper
NCIDQ Certificate
No. 17709

UPDATE YOUR CONTACT INFORMATION

It is the licensee and/or certificate holder's responsibility to insure that all contact information is current with the Board office. A Change of Address Form is available under the Forms tab on the Board website [BOA \(ky.gov\)](http://BOA.ky.gov).

Any person may file with the Board, a claim of unprofessional conduct, negligence, incompetence, dishonest practice, or other misconduct against an architect or certified interior designer. Any person may file a complaint against an unlicensed individual for a single act of unauthorized or illegal practice or representing himself or herself to the public as an architect or certified interior designer. *Click on the form to the left for a pdf version.*

If you have any questions please contact the BOA office at 859-246-2069 or email BOA.IRC@ky.gov.



“Success in life is founded upon attention to the small things rather than to the large things; to the everyday things nearest to us rather than to the things that are remote and uncommon.” - Booker T. Washington

MASTER/JOURNEYMAN TRAINING

The Associated Builders and Contractors, Inc. of Indiana/Kentucky Chapter are offering continuing education on Master/Journeyman Electrical classes. The focus of the class is discussion of the most recent changes to the National Electrical Code which varies from residential and commercial to industrial.

- *All classes will be held on Saturday.
- *The cost of the Saturday class is \$70.00.
- *Doors open at 7:30 a.m. and class sessions will be 8:00 a.m. to 2:00 p.m.
- *Lunch will be provided for all classes.
- *Participants may sign up for the class by going to abctrainin-ky.com or (270)843-1866.



LOUISVILLE CLASSES		LEXINGTON CLASSES	
July 22	October 14	July 8	October 21
August 26	November 18	August 12	November 11
September 23	December 9	September 9	December 2

PROFESSIONAL ENRICHMENT

What Kentucky buildings require the services of licensed Architects?

KRS 323.033 Buildings requiring services of licensed architect -- Exemptions.

- (1) Except as otherwise provided in this section, the following buildings, or additions to existing buildings, classified by use group shall require the services of an architect licensed in the Commonwealth of Kentucky;
 - (a) Assembly use group having a capacity of one hundred (100) persons or more, except church buildings having a capacity of four hundred (400) persons or less or six thousand (6,000) square feet or less;
 - (b) Business use group having a capacity of one hundred (100) persons or more;
 - (c) Institutional use group, regardless of capacity;
 - (d) Mercantile use group having a capacity of one hundred (100) persons or more;
 - (e) Residential use group of more than twelve (12) dwelling units or having a capacity of fifty (50) persons or more;
 - (f) Educational use groups regardless of capacity; and
 - (g) Mixed use group containing one (1) or more of the use group classifications and capacities listed under paragraphs (a) to (f) of this subsection.
- (2) Alterations or new construction requiring compliance with the Kentucky Building Code for any building containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require the services of an architect licensed in the Commonwealth of Kentucky; except that, when such alterations or new construction predominantly involve primarily structural components or mechanical or electrical systems, services may be performed by one (1) or more licensed professional engineers.
- (3) Buildings, or additions to existing buildings, containing one (1) or more of the use group classifications and capacities listed under subsection (1) of this section shall require, in addition to the services of an architect, the services of one (1) or more licensed engineers.
- (4) The following buildings and additions to existing buildings, classified by use group, shall require the services of either an architect or a professional engineer registered in the Commonwealth of Kentucky:
 - (a) Factory and industrial use group having a capacity of one hundred (100) persons or more;
 - (b) High hazard use group, regardless of capacity;
 - (c) Storage use group having a capacity of one hundred (100) persons or more; and
 - (d) Utility and miscellaneous use groups having a capacity of one hundred (100) persons or more.
- (5) Neither the state nor any of its political subdivisions shall engage in the construction of any public work involving the practice of architecture or engineering unless the plans, specifications, and estimates have been prepared and the administration of construction contracts executed under the direct supervision of a licensed architect or a professional engineer. This subsection shall not apply to:
 - (a) Any public work, including a building or capital project under KRS 56.491, that involves only maintenance or repair of the facility. Maintenance or repair shall not include any work which alters, modifies, or changes the original characteristics of the design;
 - (b) Any residential dwelling that falls under the Kentucky Residential Code; or
 - (c) Facilities used in the furtherance of security or defense contracts, grants, or agreements with the United States of America located on property owned by the Commonwealth that are industrial or storage areas measuring twenty thousand (20,000) square feet or less or a business area measuring ten thousand (10,000) square feet or less, provided work is in compliance with the United States Department of Defense Building Code.
- (6) The services required in subsections (1) to (5) of this section shall include the administration of construction contracts.

Effective: June 29, 2021 History: Amended 2021 Ky. Acts ch. 183, sec. 1, effective June 29, 2021. -- Amended 2008 Ky. Acts ch. 59, sec. 8, effective July 15, 2008. -- Amended 2002 Ky. Acts ch. 111, sec. 8, effective July 15, 2002. -- Amended 1990 Ky. Acts ch. 190, sec. 2, effective July 13, 1990. -- Created 1980 Ky. Acts ch. 332, sec. 4, effective July 15, 1980.

WAYS TO BUILD PROFESSIONAL RELATIONSHIPS

- *Network With Those Who Share Your Values
- *Extend Your Curiosity Beyond Work Identity
- *Engage In Active Listening
- *Work On Creating An Instant Bond
- *Focus More On Their Interests
- *Demonstrate Humility To Deepen Understanding
- *Offer Access To The Human Inside The Leader
- *Invest In Your Own Trustworthiness Every Day
- *Accept Your Weaknesses And Leverage Your Strengths
- *Shape Industry Connections In Mindful Ways
- *Show Appreciation Through Consistency

- *Learn What Makes People Tick At Work And At Home
- *Prime Yourself With A Smile
- *Receive Frank Words As Valuable Feedback



To read the article in its entirety: [14 Ways To Build More Meaningful Professional Relationships \(forbes.com\)](#)

Architects and Interior Designers 2023 Kentucky Sales & Use Tax Changes

By Jon Tennent, CPA
jon@ebdcpa.com
Besten & Dieruf PLLC



In 2016, Kentucky sales tax was largely imposed on physical items (referred to as “tangible personal property”). Of course, there were exceptions and some services subject to sales tax, but most people thought of sales tax in the context of buying a thing. In July of 2018, a large range of services (such as labor charges for installation or repair of tangible personal property) became subject to sales tax. And as of January 1, 2023, a new and more expansive set of services became subject to sales tax as the Commonwealth sought to expand the sales tax base.

Architectural services are still largely exempt; however, if you’re an interior designer, you may be disappointed to learn that “interior decorating and design services” are now specifically enumerated as services subject to sales tax in Kentucky. And interior design services are taxable regardless of whether decorating services are part of the charges or not.

If that seems straightforward enough, read on to find out just how much gray there can be...

Scenario 1: Architecture and Interior Design

From the feedback we’ve received, the greatest amount of confusion has surrounded the intersection of architecture (generally exempt from sales tax) and interior design (generally subject to sales tax).

Let’s consider a gray scenario in which an architecture firm provides in-house interior design services as part of a wider multi-disciplinary contract that is billed without a breakdown of services. Further assume that the interior design portion can be considered de minimis in comparison to the contract overall. In this scenario, the multi-disciplinary contract itself can be considered the service, and that comprehensive package, viewed as a whole, is not one of the newly enumerated taxable services (such as interior design) in KRS 139.200. The architecture firm would not be required to assess sales tax on their invoices.

However, sales tax still depends on how the charges are passed on to the consumer. If the same architectural and interior design services (still provided by a licensed architect) are itemized separately on the customer’s billing, the interior design portion is subject to sales tax since the firm is selling a service (interior design) that is specifically listed as taxable in KRS 139.200.

Since sales tax is a transactional tax, what service you’re performing matters more than what your job title is. However, your job and title may function as a shortcut as you analyze the landscape. For example, generally only licensed architects in architecture firms will be handling the type of large multi-disciplinary contracts that would fit the bill of the scenario outline above.

Scenario 2: Subcontractors

Consider a scenario where the architecture firm subcontracts out interior design services, and the interior designer is paid by the architect. In situations like this, the architect in the middle is required to obtain a KY sales & use tax account and then issue a “resale certificate” (form 51A105) presented to the interior designer. This certificate allows the interior designer to invoice the architecture firm without sales tax with the understanding that the architecture firm will charge this sales tax on their invoice to the client. In turn, the architecture firm is required to separately state the interior design services on their invoice and charge sales tax to the client. There is no option to bill a lump sum as in scenario 1 above.

Scenario 3: Exempt Clients

If your clients are tax-exempt organizations, such as school districts, certain governmental entities, or 501(c)(3)s; you are not required to charge sales tax if the service are used solely within the educational, charitable, or religious function of the entity per KRS 139.495.

As the service provider, you are required by KRS 139.260 to obtain and keep on file a fully completed exemption certificate (form 51A126) provided to you by the tax-exempt client.

Also note that contractors may not use a nonprofit organization’s exemption certificate to make tax-exempt purchases of materials, even if those materials are going to be used on work for the nonprofit itself (see Section 3 of Kentucky Regulation 103 KAR 26:070). In that case, the contractor is the one using the materials and the contractor is not an exempt organization.

Scenario 4: Fabricating New Products

Only the consumer (end user) pays sales tax. But it’s not always easy to determine who the client is. For this example, let’s consider the wood necessary to build a piece of furniture.

(Please continue on Page 11)

—Continued Kentucky Sales & Use Tax for Architects and Interior Designers in 2023

This one is relatively simple: the piece of furniture is considered a new and separate product from the wood. So you, as the woodworker, would be the consumer or end user of the wood. But your client would be the consumer or end user of the furniture. So sales tax would need to be charged at both levels – to you (on the wood) and also to the client (on the sale of the furniture itself).

Scenario 5: Labor

Labor is an area that has received a lot of attention because of how intertwined it is with the sale of tangible personal property. Note that “personal” property is a term used in the tax law to distinguish it from “real” property, such as real estate. “Real” property is not subject to sales tax and therefore the labor associated with the repair of fixtures integral to the real property (such as HVAC units, water heaters, or plumbing fixtures) are not subject to sales tax. However, since 2018, the labor associated with the installation or repair of tangible “personal” or digital property has been subject to sales tax (example: the labor bill of a mechanic to sell and install parts in a car).

Since architects and interior designers work almost exclusively with “real” property, why does this matter? A few reasons:

First, as discussed above, contractors still need to pay sales tax on their materials, even though they will not necessarily need to charge sales tax on their labor.

Second, to illustrate how gray this can get, one of the new services subject to sales tax starting in 2023 is “Labor and services to repair or maintain commercial refrigeration equipment and systems when no tangible personal property is sold in that transaction including service calls and trip charges.” If a plumber is called out to repair a broken drain line, no sales tax needs to be considered because it is labor related to “real” property. But if that same plumber is called out to repair commercial refrigeration equipment, sales tax must be charged.

Scenario 6: Small Businesses

If you’re a part-time or small business interior designer with a low annual revenue (\$6,000 or less in gross receipts in 2021 and in 2022), you can remain exempt from the new sales tax requirement. However, as soon as your gross receipts exceed \$6,000 in any subsequent year, all your receipts will become subject to sales tax.

Sticks and Carrots

Our firm sees a decent number of sales tax audits every year, and we expect this number to increase as the sales tax base is expanded and Kentucky begins enforcement in earnest on the new categories of services subject to tax. Penalties cover late filing, late payment, etc., and the Department of Revenue will even create estimates (usually high estimates) of your sales volume when they send you a notice – and they will assess penalties on this number, regardless of how closely it resembles your actual volume.

In short, the best course of action is to review the new regulations, obtain a sales and use tax number if needed, and become compliant – even if that means some of your sales tax filings report zero taxable sales.

However, there’s also a tiny sweetener: as you file timely sales and use tax returns each month, Kentucky pays you a small amount of “vendor compensation” to thank you for collecting the tax from the consumer and passing it on to them. This amount is 1.75% of the first \$1,000 of sales tax you remit, and then 1.5% of the rest, up to a maximum of \$50. So, you may get up to \$50 each month to compensate you for your time.

Conclusion

Hopefully these six scenarios have presented a glimpse of the sales tax landscape in Kentucky in 2023 and how it may relate to your industry.

As you have probably gathered, there are frequent changes in this area – not only as the law itself is updated, but also as the Department of Revenue issues guidance clarifying its interpretation. The information presented above is valid based on our conversations with representatives from the Department of Revenue as of May 2023.

If you have questions about sales and use tax, Kentucky’s website at revenue.ky.gov has some good resources along with a form where you can reach out to the Department of Revenue directly with your specific question. In addition, our firm (Besten & Dieruf) is a Lexington-based CPA practice specializing in small business taxation and accounting. We would be happy to assist with any further questions as well.

In Memoriam:

Gerald “Jerry” Louis Gast died on January 5, 2023, in Louisville, Kentucky. He was a graduate of the College of Design at the University of Kentucky. During his career, he worked at several architectural firms and a long career at USPS until he retired in 2013. Jerry found pleasure in drawing, painting, doodling, and building models. Most important of all, Jerry enjoyed spending time with his wife, two children, and grandchildren.



William L. “Bill” Wood died on January 30, 2023, at his home in Murfreesboro, Tennessee. For almost 37 years, Bill worked for Gresham Smith in Nashville. During his career, he traveled to England, German, Mexico and China as well as numerous cities in the United States too. He enjoyed his family, photographing nature and landscapes, playing the guitar, and watching the Tennessee Titans and LSU Tigers.



William M. Welch died on March 25, 2023, peacefully in Louisville, Kentucky. He is a graduate of the University of Kentucky and University of Notre Dame. He was a self-employed architect, an army veteran, and a very active member of the Martyr Parish since 1963. William loved life and spending time with his beautiful family.



Glenn H. Hubbuch, AIA, NCARB, CID died on April 23, 2023, in Louisville, Kentucky. He was a graduate of the College of Design at the University of Cincinnati, and also Bachelor of Architecture from the College of Design at the University of Kentucky. He was the owner of Hubbuch & Company, which he operated with his loving wife, Linda and their family. Glenn loved serving in his community and also had a passion for UK Basketball, Notre Dame Football, Saint X, and the Kentucky Derby too.



Donald L Adams, II, AIA, died on April 29, 2023. He was a graduate of the College of Design at the University of Kentucky. He worked as a Project Architect at Sherman Carter Barnhart in Lexington. Don also worked for architectural firms in Nashville and Louisville, but considered Omni Architects as his professional home from 1996 until 2022. He enjoyed working with clients, coworkers, consultants and contractors because he believed that they are what makes architecture and project management so rewarding. In a recent statement to SCB Architects regarding his work, *“It’s my job to make sure I bring out the best in each of the team members while understanding the goals and objectives of the client,”* Don said. *“Doing this successfully develops long-term relationships that will help make for an even better project down the road.”* [Sherman Carter Barnhart Welcomes Don Adams as Project Architect in](#)



The Board extends its deepest sympathy to the family and friends of our beloved architects. May their remarkable lives always be remembered by their extraordinary architectural work in the Commonwealth of Kentucky.

BOA ANNOUNCEMENTS

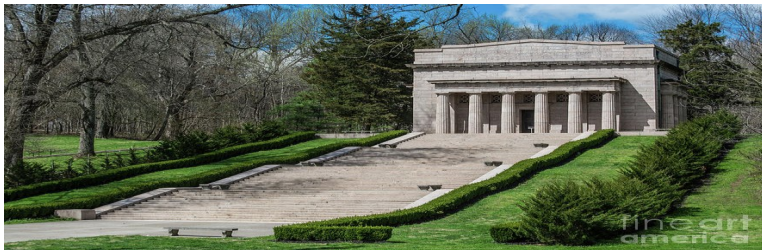


Congratulations to Billy Bob Batson!

After 63 years of service as an architect, Billy is excited to retire to spend time with his family. He has been a licensed architect in Kentucky since June 22, 1960. He is the owner of Batson & Associates in Covington. Billy stated that "Putting on paper what our excited clients dream – makes our occupation fun!"



Best wishes for a happy, healthy, and peaceful retirement!



Abraham Lincoln Birthplace National Historical Park - Hodgenville - Kentucky is a photograph by Gary Whitton which was uploaded on April 2nd, 2021.

Abraham Lincoln Birthplace National Historical Park Hodgenville, Kentucky Built in 1911

The memorial was built in the Beaux-Arts neo-classical architectural style. There are 54 steps, the age at which Lincoln died, lead up to the memorial.

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