

Kansas Administrative Regulations

Kansas Department of Revenue

Article 19.—Kansas Retailers' Sales Tax

92-19-52. Agency relationships; direct purchases.

(a) Unless specifically authorized by the sales tax act, an agency relationship between a purchaser and its principal shall not be recognized by the department of revenue for sales tax exemption purposes.

(b) To qualify as a direct purchase under K.S.A. 1986 Supp. 79-3606 as amended by L. 1987, Ch. 292, Sec. 32, as further amended by L. 1987, Ch. 64, Sec. 1 and amendments, any bill, invoice, contract or other evidence of the transaction shall be made out in the name of the entity which qualifies for an exemption under the act, and the payment shall be made on that entity's check, warrant or voucher.

(c) Each sale of tangible personal property or taxable service made to and paid for by an agent, employee or other representative shall be taxable, even though the same purchase would have been exempt from sales tax had the principal or employer directly purchased the tangible personal property or service. Any contractual arrangement or understanding between an agent, employee or other representative and a principal or employer shall not be recognized by the department. Each retailer shall charge and collect the sales tax on the total selling price of tangible personal property or service even though the agent, employee, or other representative:

(1) Is on official business on behalf of the principal or employer;

(2) is on a per diem from the principal or employer;

(3) is on an expense account or will otherwise be reimbursed by the principal or employer; or

(4) has or will receive monies, credits or other assets from the principal or employer to pay for the transaction.

(Authorized by K.S.A. 79-3618; implementing K.S.A. 1986 Supp. 79-3606 as amended by L. 1987, Ch. 292, Sec. 32, as further amended by L. 1987, Ch. 64, Sec. 1; effective May 1, 1988.)

***** Authenticated Kansas Administrative Regulation *****