

Kansas Administrative Regulations

Kansas Department of Revenue

Article 19.—Kansas Retailers' Sales Tax

92-19-18a. Signs and billboards.

(a) Signs.

(1) The custom fabrication, sale, and installation of a sign shall be a retail sale. The sale shall be subject to sales tax on the full selling price charged to the consumer.

(2) The custom painting, lettering, maintenance, and repair of signs shall be retail sales of taxable services. These sales shall be subject to sales tax on the full selling price charged to the consumer, whether the sign is on a door, window, building, motor vehicle, trailer, or other real or personal property.

(3) Materials that are used to fabricate, paint, maintain, or repair signs of others shall be exempt from sales tax when purchased by a sign dealer or custom painter since sales tax is required to be collected by the dealer or painter on the full selling price charged to the consumer. Sales to sign dealers and sign painters of tools, equipment, and machinery shall be subject to sales tax at the time of sale.

(b) Billboards.

(1) Sales tax shall not apply to charges for the rental or lease of billboard space, for advertising messages on electronic billboards, or for other advertising exposure time on other types of signs and billboards.

(2) When a billboard advertising company fabricates and erects a billboard, the billboard company's subsequent rental or lease of space on the billboard shall be considered to be a nontaxable advertising service. A billboard advertising company that erects its own billboards and leases billboard space shall be responsible for paying or accruing tax on the materials used to fabricate, erect, and alter the billboard.

(3) When a sign company fabricates and erects a billboard for a third party billboard advertising company that is buying the billboard, the sign company shall collect sales tax on the full selling price. Any subsequent rental or lease of space on the billboard by the billboard advertising company shall be considered to be a nontaxable service.

(c) Portable sign rentals. Sales tax shall apply to rental or lease charges for the use of portable advertising signs. Sales tax shall be collected on the lease and rental charges in the same manner as for other leases and rentals of tangible personal property.

(Authorized by K.S.A. 79-3618 and 79-3619; implementing K.S.A. 79-3602, 79-3603, and K.S.A. 79-3619; effective June 26, 1998.)

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