

Kansas Administrative Regulations

Kansas Department of Revenue

Article 19.—Kansas Retailers' Sales Tax

92-19-6a. Retailer's duties when a retail business moves, ceases operation, or changes its name, ownership, or form of ownership.

(a) If a retailer ceases to do business or if a change of ownership occurs through the sale of a business or through a change in the legal form of business ownership, the retailer shall notify the department of the date of the last day of business operation or the date of the change of ownership. The retailer shall return its certificate for cancellation, remit all taxes, and file its final return during the month that follows the sale or the change of ownership of the business. The retailer shall preserve its business records for three years from the end of the calendar year or fiscal year, whichever is later, in which the retailer files its final return.

(b) When there is a sale or other change of ownership of a business, the entity acquiring ownership shall secure a certificate in its name before beginning business as the new owner.

(c) Each retailer shall promptly notify the department of any change in location, mailing address, business name, or trade name. Upon receipt of this notification, the retailer shall be issued an amended certificate by the department, or the old certificate shall be canceled and the retailer shall be issued a new certificate by the department.

(d)(1) For purposes of sales tax registration, a change in ownership of a business shall be deemed to occur when a business is sold or when a business changes its legal form of ownership from a sole proprietorship, partnership, corporation, or other legal form to another form of ownership. A change in ownership of a general partnership shall include the withdrawal, substitution, or addition of one or more general partners if the general partnership continues as a business organization and the change in the number of partners is equal to or greater than 50 percent.

(2) For purposes of sales tax registration, a change in ownership shall be deemed not to occur when there is a sale of all or part of the common stock in a corporation. A

change in ownership of a limited partnership shall be deemed not to occur if the limited partnership continues as a business organization and either of the following occurs:

(A) A withdrawal, substitution, or addition of one or more limited partners in a partnership; or

(B) a withdrawal, substitution, or addition of one or more general partners if the number of general partners being changed is less than 50 percent.

(3) When control of a corporation is transferred to a different corporation or owner, or when new corporate officers are added or replaced, the corporation shall notify the department of the changes although no new sales tax certificate shall be required. When the change in the number of general partners is less than 50 percent, the partnership shall notify the department of the changes although no new sales tax certificate shall be required.

(4) Partners and officers who leave a business may, in their individual capacity, notify the department of the change to avoid possible claims of personal liability being made against them for reporting periods that occur after they have left the business. (Authorized by K.S.A. 2001 Supp. 79-3618; implementing K.S.A. 79-3608; effective Aug. 23, 2002.)

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