

Kansas Administrative Regulations

Kansas Department of Revenue

Article 19.—Kansas Retailers' Sales Tax

92-19-76. Sales to political subdivisions of the state of Kansas.

(a) All direct purchases of tangible personal property and taxable services by a political subdivision of the state of Kansas shall be exempt from sales tax, unless otherwise provided by law.

(b) To qualify as a direct purchase, each bill, invoice, contract or other evidence of the transaction shall be made out in the name of the political subdivision which qualifies for an exemption under the act, and each payment shall be made on the check, warrant or voucher of that political subdivision.

(c) All sales of tangible personal property or taxable services made to and paid for by an agent, employee or other representative of a political subdivision shall be subject to sales tax, unless expressly authorized under a project exemption certificate issued by the department of revenue, even though the same purchase would have been exempt from sales tax had the political subdivision directly purchased the tangible personal property or service. Any contractual arrangement or understanding between an agent or employee and a political subdivision shall not be recognized by the department, and the retailer shall charge and collect the sales tax on the total selling price of tangible personal property or service, even though:

(1) The agent or employee may be on official business on behalf of the political subdivision;

(2) is on a per diem from the political subdivision;

(3) is on an expense account, allowance or shall otherwise be reimbursed by the political subdivision; or

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

(d) The exemption from sales tax for political subdivisions applies only to the extent the political subdivision is not engaged nor proposes to engage in the business of

furnishing gas, water, electricity or heat to others and the tangible personal property or taxable services are used or proposed to be used in such business. When a political subdivision is engaged or proposes to engage in furnishing any of these four businesses, the political subdivision shall pay sales tax on all purchases of tangible personal property and taxable services used in these businesses. Nothing under this section of the act shall be construed to limit other exemptions which may be available to a political subdivision which furnishes gas, water, electricity or heat.

(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 *****