

Kansas Administrative Regulations

Kansas Department of Revenue

Article 12.—Income Tax

92-12-103. Special rules; sales factor.

The following special rules are established in respect to the sales factor of the apportionment formula: (a) Where substantial amounts of gross receipts arise from an incidental or occasional sale of a fixed asset used in the regular course of the taxpayer's trade or business, such gross receipts shall be excluded from the sales factor.

(b) Insubstantial amounts of gross receipts arising from incidental or occasional transactions or activities may be excluded from the sales factor unless such exclusion would materially affect the amount of income apportioned to this state.

(c) Where the income producing activity in respect to business income from intangible personal property can be readily identified, such income is included in the denominator of the sales factor and, if the income producing activity occurs in this state, in the numerator of the sales factor as well.

Where business income from intangible property cannot readily be attributed to any particular income producing activity of the taxpayer, such income cannot be assigned to the numerator of the sales factor for any states and shall be excluded from the denominator of the sales factor.

(Authorized by K.S.A. 79-3236, 79-3288, 79-4301; effective May 1, 1979.)

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