

Kansas Administrative Regulations

Kansas Department of Revenue

Article 20.—Compensating Tax

92-20-7. Registration of out-of-state retailers; collection of tax by retailers.

(a) A retailer shall be deemed to be doing business in this state when engaged in business within this state under, but not limited to, any of the following methods of transacting business:

(1) Maintaining directly, indirectly, or through a subsidiary, an office, distribution house, sales house, warehouse or other place of business;

(2) having an agent, salesperson, or solicitor operating within the state under the authority of the retailer or its subsidiary, regardless of whether the agent, salesperson or solicitor is located in this state permanently or temporarily, or whether the retailer or subsidiary is qualified to do business within this state; or

(3) soliciting orders within this state through catalogues or other advertising media.

The director shall require an out-of-state retailer to apply for authority to collect and remit the tax.

Each retailer shall be deemed to have agents in this state even though the agents solicit sales intermittently; e.g. once a year or oftener, and regardless of the residency of the agent.

(b) Each retailer doing business in this state shall register, collect and remit the compensating (use) tax on tangible personal property sold for use, storage or consumption in this state, by any agent, salesperson, representative, trucker, peddler, or canvasser, regardless of whether:

(1) Sales are made on their own behalf or on behalf of the retailer;

(2) delivery and collection is made by the agent, salesperson, representative, trucker, peddler, or canvasser; or

(3) the property is shipped and collection is made by the retailer.

(c) Each salesperson, representative, trucker, peddler, canvasser, or agent shall collect the tax from the purchaser, if full collection is made from the purchaser, and

remit the tax to the registered retailer. Each salesperson, representative, trucker, peddler, canvasser, or agent authorized by the retailer to make full collection from the purchaser shall be issued a compensating (use) tax registration identification card bearing the account identification number issued to the out-of-state retailer. Each salesman, representative, trucker, peddler, canvasser, or agent shall carry upon their person this identification card and shall show it to the purchaser as proof of authority to collect the compensating (use) tax.

(d) Each holder of a certificate of registration shall indicate the account identification number found on the certificate on each billing or invoice. The retailer shall bill the compensating (use) tax due, as a separate item, on each billing or invoice. The registered retailer shall give each purchaser a receipt for each remittance of compensating (use) tax paid to the retailer. Each receipt of remittance shall be proof the purchaser has paid the compensating (use) tax. The billing shall be in substantially the form as shown:

- Merchandise \$_____
- 4% Kansas compensating (use) tax \$_____
- Kansas registration number _____

If the registered vendor maintains two or more locations from which tangible personal property may be invoiced, shipped and delivered into the state of Kansas, duplicate certificates of registration shall be issued for each location.

(e) Each retail seller is required to report, collect and remit compensating (use) tax to the state of Kansas if:

(1) Tangible personal property is purchased for use, storage, or consumption in the state of Kansas;

(2) the seller is a retailer doing business in the state of Kansas;

(3) delivery is made in the state of Kansas; and

(4) use, storage or consumption is subject to the compensating (use) tax. Each registered retailer shall collect the tax even when the purchaser's order specifies that the goods are to be manufactured or procured by the seller at a point outside the state of Kansas and shipped directly to the purchaser from the point of origin. It is immaterial

that the contract of sale is closed by acceptance outside the state or that the contract is made before the property is brought into the state of Kansas.

(Authorized by K.S.A. 79-3707; implementing K.S.A. 79-3702, 79-3704, 79-3705, 79-3706, 79-3708; effective, E-70-33, July 1, 1970; effective, E-71-8, Jan. 1, 1971; effective Jan. 1, 1972; amended May 1, 1987.)

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