

Kansas Administrative Regulations

Kansas Department of Revenue

Article 12.—Income Tax

92-12-94. Payroll factor; compensation paid in this state.

Compensation is paid in this state if any of the following tests, applied consecutively, are met: (a) The employee's service is performed entirely within in the state.

(b) The employee's service is performed both within and without the state, but the service performed without the state is incidental to the employee's service within the state. The word "incidental" means any service which is temporary or transitory in nature, or which is rendered in connection with an isolated transaction.

(c) If the employee's services are performed both within and without this state, the employee's compensation will be attributed to this state: (1) If the employee's base of operations is in this state; or

(2) If there is no base of operations in any state in which some part of the service is performed, but the place from which the service is directed or controlled is in this state; or

(3) If the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed but the employee's residence is in this state.

The term "place from which the service is directed or controlled" refers to the place from which the power to direct or control is exercised by the taxpayer.

The term "base of operations" is the place of more or less permanent nature from which the employee starts his work and to which he customarily returns in order to receive instructions from the taxpayer, or communications from his customers or other persons, or to replenish stock or other materials, repair equipment, or perform any other functions necessary to the exercise of his trade or profession at some other point or points.

(Authorized by K.S.A. 79-3236, 79-3284, 79-4301; effective May 1, 1979.)