

Kansas Administrative Regulations

Kansas Department of Revenue

Article 19.—Kansas Retailers' Sales Tax

92-19-22b. Charges for participation in recreational activities.

(a) Definitions. For purposes of taxing the fees and charges received for participation in sports, games, and other recreational activities, the following definitions shall apply:

(1) "Sports, games, and other recreational activities" shall mean diversions that restore or refresh strength and spirits by means of pastime, exercise, or similar activities that involve strength, speed, dexterity, stamina, or training. These activities shall include golf, pool, billiards, skating, bowling, swimming, skiing, baseball, softball, basketball, volleyball, racquetball, handball, squash, tennis, carnival rides, motor sports, batting practice, skeet, trap, target shooting, horse riding, pinball, darts, electronic games, physical fitness services, and all other similar activities.

(2) "Physical fitness services" shall include exercise classes, whether aerobic, dance, water, jazzercise, or other type; the provision of equipment for weight lifting and training; the provision of exercise equipment, including treadmills, bicycles, stairstep machines, and rowing machines; the provision of running tracks; and the provision of all other similar equipment or facilities. "Physical fitness services" shall not include instructional lessons including those for self-defense, martial arts, yoga, stress management, tennis, golf, and swimming. "Instructional lessons" can be distinguished from "exercise classes" in that instruction about the activity is the primary focus in the former and exercise is the primary focus in the latter.

(3) "Entry fees" shall mean payments that allow a person or team the right to or privilege of entering and participating in a tournament or other type of competition.

(4) "League fees" shall mean payments that allow a person or a person's team to join an association of sports teams or clubs that compete chiefly among themselves and to participate in the underlying sport or other recreational activity.

(b) Charges for participation in sports, games, and other recreational activities shall be considered to be charges for the right or privilege to participate in them. Taxable

receipts for participation in sports, games, and other recreational activities shall include all fees or charges, including entry fees and league fees.

(c) The following receipts for participation in sports, games, and other recreational activities shall not be subject to sales tax:

(1) Fees and charges by any political subdivision, green fees charged by municipal golf courses, entry fees, league fees, and other participant fees charged by park and recreation departments;

(2) fees and charges by Boy Scouts, Girl Scouts, YMCA, YWCA, and any other organization that is exempt from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-201, and amendments thereto;

(3) fees and charges for participation in sports, games, and other recreational activities by any youth recreation organization that provides services exclusively to persons 18 years of age or younger and that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(4) fees and charges for participation in automobile races sponsored by a national racing association and any other similar entry fees and charges to special events or tournaments sanctioned by a national sporting association to which spectators are charged an admission that is taxable pursuant to K.A.R. 92-19-22a; and

(5) charges for instructional lessons in sports, arts, and crafts.

(d)(1) An exemption for gas, fuel, or electricity shall not be allowed if the gas, fuel, or electricity is utilized for heating, cooling, or lighting a building or business premises where sports, games, or recreational activities are conducted. An exemption shall not be allowed for water, cleaning supplies, toilet supplies, sanitary supplies, and other consumables and supplies used to furnish and maintain a building or business premises so that the business premises or building is fit for public occupancy as a place where sports, games, or recreational activities are conducted.

(2) An exemption shall be allowed for electricity or fuel that powers a machine that provides amusement or recreation and that directly interacts with the person who pays for the time-limited, interactive service that is being provided by the machine. This exemption shall include the following:

(A) Automatic pinsetters, ball returns, telescore screens, and scorers' tables in bowling alleys;

(B) Ferris wheels, merry-go-rounds, and other carnival rides;

(C) baseball pitching machines, if rental fees are charged;

(D) pinball machines; and

(E) movie projection devices in movie theatres. The exemption for electricity consumed by machines that provide time-limited, interactive services shall be determined in accordance with K.A.R. 92-19-20.

(Authorized by K.S.A. 2001 Supp. 79-3618; implementing K.S.A. 2001 Supp. 79-3602, K.S.A. 2001 Supp. 79-3603, as amended by L. 2002, ch. 185, sec. 6, and K.S.A. 2001 Supp. 79-3606; effective Dec. 13, 2002.)

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