

ADVERTISING AGENCY

Purchases by Advertising Agencies

The taxability of purchases of tangible personal property and labor services by Advertising Agency service providers is summarized below. Sales tax should be paid to the vendor or accrued and paid directly to the State of Kansas. A properly completed exemption certificate should be provided to your vendor for all purchases made without sales tax.

Advertising as in newspapers, radio, television, etc.	Exempt
Labor services on original construction of new building or facility	Exempt
Professional services such as accounting or legal services	Exempt
Purchase or lease of real estate, insurance	Exempt
Trash removal, cleaning services, plant watering and care	Exempt
Complimentary bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks	Taxable
Cameras of any type, printers and other similar equipment	Taxable
Complimentary items such as pens and calendars	Taxable
Copiers, printers, and fax machines	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs	Taxable
Parts and labor services of repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers, security equipment, etc.	Taxable
Laptop and desktop computers	Taxable
Lease or rental of any tangible personal property - copier, fax, vehicle	Taxable
Newspaper and magazine subscriptions, reference books and materials, forms, printed matter (including promotional brochures, etc.), business cards, notepads	Taxable
Office equipment and supplies	Taxable
Office utilities	Taxable
Repair and remodeling labor services to real estate	Taxable
Security cameras and other security equipment	Taxable
Software and software upgrades and labor services to modify, alter, update or maintain software	Taxable
Warranty or service agreements for tangible personal property such as, computers, printers, copiers, security equipment, etc.	Taxable
Customized software, software upgrades and labor services to modify, alter, update or maintain customized software - "customized" software = software originally developed for a single end user	Taxable on and after July 1, 2002 through December 31, 2004 - Exempt all other periods
Licensing fees, registration fees, or continuing education fees	Exempt
Promotional items including but not limited to calendars, mugs and articles of clothing	Taxable

Sales by Advertising Agencies:

The taxability of sales of tangible personal property and labor services by Advertising Agency service providers is summarized below. The applicable sales tax must be collected unless the purchasers provides a proper exemption certificate.

Advertising - Media charges for space or time purchased on behalf of clients	Exempt
Art Direction - Supervision of work-in-process	Exempt
Consulting - One-to-one and group client discussions	Exempt
Copy Editing - Editing, revising, proofing text given to you by a client	Exempt
Copy Writing - Writing original test brochures, ads, press releases, scripts, etc.	Exempt
Design - Creating visual images of graphic ideas for client approval	Exempt
Illustration - Producing finished visual images or graphics	Taxable
Keyline - Producing camera-ready artwork for printers to use	Taxable
Photography - Taking photographs, developing film, printing photos	Taxable
Printing - Printed brochures, instructional and trade show materials, flyers, etc.	Taxable
Typesetting - Producing type galleys to be used in camera-ready keylines for printers	Taxable
Videography - Taping and editing programs on videotape for clients (Multiple copies being sold)	Taxable
Videography - Taping and editing programs on videotape for clients (Only one copy sold for use in media advertising)	Exempt
Labor services on real property: (Note: To calculate the taxable portion of a job use the following formula; Gross sales, less Subcontractors, less taxed job materials = total labor)	
Total labor for improvement to real property at residence	Exempt
Total labor for improvement to real property at commercial location	Taxable