

Information Guide

Identifying Information: Kennel Operators Self-Audit Fact Sheet
Tax Type: Kansas Retailers' Sales Tax
Brief Description: Kennel Operators Self-Audit Fact Sheet
Keywords:
Approval Date: 05/17/2004

Body:

KANSAS DEPARTMENT OF REVENUE
AUDIT SERVICES
KENNEL OPERATORS SELF-AUDIT FACT SHEET

Purchases of Breeding Stock:

Purchases of dogs and cats used as breeding stock are exempt from sales tax.

Purchases of Food:

Food purchased for puppies and kittens that will be sold is exempt from sales tax, as is all food purchases for breeding stock and offspring kept for breeding purposes. Breeders should provide their vendor with an ingredient or component part exemption certificate, Form ST-28C or ST-28D on future purchases. Food purchased for animals that are being boarded are taxable.

Purchases for Breeding Stock:

Purchases of the following tangible personal property for the consumption of breeding stock are considered consumed in production and exempt from sales tax. This would include items which are consumed or "used up" in the process of producing puppies and kittens for the pet market including, food, all drugs, both prescription and nonprescription, flea control, etc. Breeders should provide their vendor with an ingredient or component part exemption certificate, Form ST-28C or ST-28D on future purchases.

Purchases For Puppies and Kittens:

Most purchases of tangible personal property for puppies and kittens that will be sold or kept for breeding purposes are exempt from sales tax. This would include such items as food, vaccinations, flea control, drugs, and collars (if sold with the dog/kitten), etc. All drugs, both prescription and nonprescription, purchased for puppies and kittens held for sale or breeding are not taxable. Breeders should provide their vendor with an ingredient or component part exemption certificate, Form ST-28C or ST-28D on future purchases.

Boarding Animals:

Boarding fees are not subject to sales tax. Food, supplies and equipment purchased for boarded dogs/cats are taxable.

Grooming:

Grooming (haircuts, bathing, trimming nails, flea dip, etc.) of animals for a fee is subject to sales tax (groomers shall collect Kansas sales tax on the grooming fee). Groomers may purchase items consumed in providing the grooming service, such as blades, shampoo, flea dips, etc. exempt from sales tax. Breeders should provide their vendor with an ingredient or component part exemption certificate, Form ST-28C or ST-28D on future purchases.

Stud Fees:

Stud fees are not subject to sales tax.

Veterinarian Fees:

Fees paid for any veterinarian service is not subject to sales tax.

Prescription and Nonprescription Drugs and Vaccinations:

Prescription and nonprescription drugs provided by a veterinarians or Vet Supply Stores for use on breeding stock or offspring intended for resale or to be kept for breeding purposes are not subject to sales tax. Breeders should provide their vendor with an ingredient or component part exemption certificate, Form ST-28C or ST-28D on future purchases.

Tools and Supplies:

General purchases of dishes, tools, equipment, fixtures, cages, kennels, dog boxes, collars, leads, harnesses, muzzles, nail clippers, hair clippers, hair brushes, tattoo kits, cleaning supplies, disinfectants (to be used on facilities), mats, bedding, towels, fencing are taxable.

Utilities

Utilities such as gas, propane and electricity used to heat or cool whelping houses are considered consumed in production and can be purchased exempt from sales tax. Utilities used in all non-whelping house environments are subject to sales tax. File a Form ST-28B with your utility provider on future purchases.

Sales of Puppies and Kittens:

Breeders shall collect Kansas sales tax on retail sales of animals sold as pets within the state of Kansas. File a Business Tax Application, Form CR-16, with the Kansas Department of Revenue to obtain a Kansas Sales Tax registration if you do not have a sales tax number. Animals sold and shipped outside the state are not subject to Kansas sales tax. Animals sold to pet stores or brokers for resale are not subject to sales tax. Breeders should obtain a Kansas Resale Exemption Certificate, Form ST-28A from pet stores or brokers, as evidence of why sales tax was not collected. The Resale Exemption Certificate (as should all sales tax exemption certificates) be retained in your records for a period of at least three (3) years. Items such as dog collars or crates that are included in the selling price of the animal may be purchased without tax with a Kansas Resale Exemption Certificate.

Assistance:

All forms referenced above may be obtained on the Kansas Department of Revenue's web site: www.ksrevenue.org.

Questions regarding the self audit should be directed to Carol Ireland at 785-296-3893 or Herman Lovette at 785-296-4330.

Revision: May 17, 2004

Date Composed: 05/21/2004 Date Modified: 04/07/2006