

## Boat/Watercraft Dealers and Marinas

**The taxability of sales and purchases of tangible personal property and labor services by Boat Dealers and Marinas is summarized below. This list is not all-inclusive.**

### **Purchases by Boat/Watercraft Dealers and Marinas:**

Kansas sales or compensating use tax applies to those purchases recorded as taxable in the chart below. The applicable Kansas sales or Kansas consumers' use tax must be paid to the vendor or accrued and remitted directly to the Kansas Department of Revenue. Purchases from Kansas vendors may be reported using the retailers sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Kansas consumer's compensating use tax return.

### **Purchases for use**

|   |         |
|---|---------|
| Equipment used to service boats and/or trailers such as boatlifts, engine hoists, tools and associated equipment.   | Taxable |
| Boatyard equipment including powerboat and sailboat stands  | Taxable |
| Dock accessories including de-icers, water agitator systems, fish cleaning stations, lights and ladders   | Taxable |
| Repairs and maintenance to existing buildings, and existing covered structures  | Taxable |
| Portable toilets, waste removal and hauling and setting up  | Taxable |
| Tangible property to be given away or donated. (Items that are given away or donated to a <b>tax exempt entity are not</b> subject to sales tax as of April 2007)   | Taxable |
| Uniforms, Shop apparel  | Taxable |
| Educational materials, posters, maps or other literature  | Taxable |
| Docking and docking systems   | Taxable |
| Motor vehicle fuel (gas & diesel) purchased for off road use when purchased without paying the motor fuel excise tax. This includes fuel in which the motor fuel tax (road tax) has been refunded to you. | Taxable |
| Motor vehicles and accessories (including forklifts and other equipment)  | Taxable |
| Maintenance/repair of motor vehicles and accessories including lifts and other mechanical equipment   | Taxable |
| Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs  | Taxable |
| Linen services  | Taxable |
| Laptop and desktop computers, copiers, printers, fax machines, calculators and other similar equipment  | Taxable |
| Printed materials production and distribution (such as direct mail items)   | Taxable |
| Security systems monitoring service   | Exempt  |
| Canned Software and software upgrades and labor services to modify, alter, update or maintain software.   | Taxable |
| Custom software, custom software upgrades and labor services to modify, alter, update or maintain customized software.<br><i>"Custom" software = software developed for a single end user.</i>            | Exempt  |
| Newspaper and magazine subscriptions  | Taxable |
| Lease or rental of any tangible personal property - copier, fax, vehicle  | Taxable |
| Advertising in newspapers, radio, television, etc.  | Exempt  |
| Security cameras and other security equipment purchased   | Taxable |
| Promotional items including but not limited to: calendars, mugs and items of clothing   | Taxable |
| Plumbing, wiring, cabinets and other installation and repair services   | Taxable |
| Complimentary bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, balloons stickers, pens and candy   | Taxable |
| Pest control materials and supplies   | Taxable |
| Janitorial supplies   | Taxable |
| Trash removal, shredding services, cleaning services, plant watering and care   | Exempt  |
| Utilities including but not limited to electricity, gas and water   | Taxable |

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|   |         |
|---|---------|
| Utilities used in providing a taxable service (such as used in powering equipment used in repairing a boat).  | Exempt  |
| Continuing Education courses (books and other course materials are taxable)   | Exempt  |
| Repair and remodeling labor services to commercial real estate  | Taxable |
| Labor services on <b>original construction</b> of new building or facility  | Exempt  |
| Parts and labor services of repairing, servicing, altering or maintaining tangible personal property, such as boats, 4 wheelers, tractors, computers, printers, copiers, security equipment, etc. | Taxable |
| Warranty or service agreements for tangible personal property such as, computers, printers, copiers, security equipment, etc.   | Taxable |
| Professional services such as legal or accounting services  | Exempt  |
| Telephone answering services  | Taxable |

**The taxability of sales of tangible personal property and labor services Boat/Watercraft Dealers and Marinas is summarized below. This list is not all inclusive. The applicable sales tax must be collected unless the purchaser provides a proper exemption certificate.**

### **Sales by Boat/Watercraft Dealers and Marinas**

|   |         |
|---|---------|
| Boat Slip or vehicle/trailer parking rental fees (separately stated)  | Exempt  |
| Retail sales of tangible personal property including snacks, beverages, boating equipment, dock supplies, skis, lifejackets, fishing bait, fishing equipment, etc.  | Taxable |
| Association membership fees when payment allows use of facilities for recreation or entertainment.  | Taxable |
| Motor fuel dispensed to boats where the marina's fuel supplier has billed and collected the appropriate Kansas fuel excise tax.   | Exempt  |
| Association membership fees that include, and do not separately itemize a boat slip, boat maintenance or space rental.  | Taxable |
| Sale of Boats, Trailers, 4 wheelers, wave runners, jet skis and all associated equipment, including brokering the sale, regardless of state of residency of purchaser when picked up at the dealership/marina. (1)                              | Taxable |
| Sale of Boats, Trailers, 4 wheelers, wave runners, jet skis and all associated equipment, including brokering the sale, when <b>delivered</b> to the customer <b>outside</b> the State of Kansas. (Subject to other states taxing requirements) | Exempt  |
| Winterization, summarization and general maintenance services of boats and trailers including battery charging.   | Taxable |
| Repair, painting, tune-ups, fiberglass and hull repair, of boats and/or trailers  | Taxable |
| Repair work done under a warranty (deductible portion paid by customer is taxable)  | Exempt  |
| Admissions for swimming, concessions and towel rentals  | Taxable |
| Rental of Equipment including wave runners, ski equipment, boats, life vests, canoes, paddle boats and fishing equipment.   | Taxable |
| Boat waxing, polishing and detailing.   | Taxable |
| Boat/trailer summer or winter storage fees. (When charges separately stated from other taxable services including maintenance charges).   | Exempt  |

(1) Manufacturers' rebates extended on purchases or leases of boats, trailers, off-highway equipment, and other merchandise shall be treated as a form of payment and shall not reduce the selling price of the merchandise even if the right to receive payment of the rebate is assigned to the retailer. The full original sales price, prior to the applying of the rebate, shall be used as the taxable base.

Note: Kansas tax applies to the "gross receipts" from the sale of taxable goods or services in Kansas. Gross receipts include any amounts collected from the customer including any charges billed for freight, delivery or special handling.