

## Rental And Leasing Companies

The taxability of sales and purchases of tangible personal property and labor services by rental and leasing companies are summarized below. This list is not all-inclusive.

### Purchases by Rental And Leasing Companies:

Kansas sales or compensating use tax applies to those purchases identified or designated 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 consumers compensating use tax return.

### Purchases for use

Items and equipment purchased exclusively to rent to others may be purchased exempt with a Resale Exemption Certificate. Items may include but not limited to electronics, appliances, formal wear, costumes, camping gear, boats, bikes, motorcycles, sporting goods, office equipment, compressors, power washers, cleaning equipment, furniture, musical instruments, tables and tableware.	Exempt
Repair services to damaged rental property. A Resale Exemption Certificate will need to be provided when repairs are made.	Exempt
Repairs and maintenance to existing buildings, and existing covered structures.	Taxable
Repair and replacement services to commercial real estate such as parking lots, fences, light poles, etc.	Taxable
Labor services for the <b>original construction</b> of new building	Exempt
Repair and replacement Parts, and labor service charges for repairing, servicing, altering or maintaining the rental company's tangible personal property for items <u>not</u> exclusively for rental such as tools, computers, printers, copiers, security equipment, etc.	Taxable
Warranty or service agreements for tangible personal property not in rental inventory such as, equipment and tools, computers, printers, copiers, security equipment, etc.	Taxable
Motor vehicle fuel (gas & diesel) purchased for off road use when purchased without paying the motor fuel excise tax. This includes fuel for which the motor fuel tax (road tax) has been refunded to you.	Taxable
Tangible property purchased 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
Motor vehicles and accessories not in rental inventory.	Taxable
Maintenance/repair of motor vehicles and accessories including lifts and other mechanical equipment not in rental inventory.	Taxable
Educational materials, posters, maps or other literature.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs not in rental inventory.	Taxable
Linen (not in rental inventory) services.	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators and other similar equipment not in rental inventory.	Taxable
Printed materials production and distribution (such as direct mail items)..	Taxable
Security monitoring service.	Exempt
Security cameras and other security equipment purchased by a club.	Taxable
Canned Software and software upgrades and labor services to modify, alter, update or maintain software.	Taxable
<u>Custom</u> software, custom software upgrades and labor services to modify, alter, update or maintain customized software. <i>"Custom" software = software developed for a single end user.</i>	Exempt
Newspaper and magazine subscriptions.	Taxable
Advertising in newspapers, radio, television, etc.	Exempt
Promotional items purchased by a company including but not limited to: calendars, mugs and items of clothing.	Taxable
Services to install, replace, or repair plumbing, wiring, built-in cabinets and other fixtures.	Taxable
Complimentary items that are given away, such as bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, balloons, stickers, pens and candy.	Taxable
Pest control materials and supplies purchased by company.	Taxable
Janitorial supplies	Taxable

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### Purchases for use continued

Trash removal, shredding services, cleaning services, city sewer service.	Exempt
Utilities including but not limited to electricity, gas and water	Taxable
Professional services such as legal or accounting services	Exempt
Telephone answering services	Taxable
Business cards, office supplies, paper, toner cartridges, etc.	Taxable

### Sales By Rental And Leasing Companies:

The taxability of sales of tangible personal property and labor services by rental and leasing companies is summarized below. **This list is not all inclusive.** The applicable sales tax must be collected unless the purchaser provides a valid exemption certificate\*.

### Sales

Rental, rent to own and lease charges to a customer including; all fees such as; insurance and damage waiver fees, late fees and property tax charges, delivery, pick-up, labor and fuel.	Taxable
Rental and lease charges to a contractor providing a project exemption certificate.	Exempt
Any charge to the customer for repair, replacement, refurbishment or any other type of damage charge.	Taxable
Retail sales of tangible personal property.	Taxable

\* Sales/rentals to exempt entities with proper exemption certificates provided are exempt from sales tax. Ensure the exemption certificates are retained to substantiate all non taxed transactions.

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.