K A N S A S

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DEPARTMENT OF REVENUE
POLICY AND RESEARCH

NOTICE 03-02
KANSAS LOCAL CONSUMERS' COMPENSATING USE TAX

The 2003 Kansas legislature enacted a local compensating use tax takes effect July 1, 2003.

BEFORE JULY 1, 2003, the Kansas compensating use tax rate was the state sales tax rate only – currently 5.3%. **ON AND AFTER JULY 1, 2003**, the Kansas consumers' compensating use tax rate will be equal to the combined (state and local) sales tax rate on ALL purchases of tangible personal property used, stored or consumed in the state of Kansas.

EXAMPLE #1: On July 1, 2003 Dean Brown, a Goodland, Kansas resident, purchases a $1,000 Dell Computer on-line to be shipped from Texas to Goodland where it will be used. The combined rate of the Kansas consumers' compensating use tax due is 6.55% - a rate equal to Goodland's combined sales tax rate (5.3% State and 1.25% Sherman County). On and after July 1, 2003, $65.50 of Kansas consumers' compensating use tax would be due ($1,000 X.0655 = $65.50).

Kansas consumers' compensating use tax is a tax paid on goods and merchandise purchased from other states and used, stored or consumed in Kansas upon which no sales tax has been paid. It is also due if a tax rate less than the Kansas combined (state and local) is paid at the time of purchase.

EXAMPLE #2: While on vacation in Wyoming, the above Goodland, Kansas resident buys a camera for $300 plus 5% Wyoming sales tax (4% State & 1% city). Upon returning home, a Kansas compensating use tax of 1.55% or $4.65 is due on the difference between the combined Kansas consumers' compensating use tax rate in effect in Goodland, Kansas (6.55%) and the tax rate paid in Wyoming (6.55% - 5% = 1.55% X $300 = $4.65).

KANSAS SALES TAX JURISDICTION CODE BOOKLET - PUBLICATION KS-1700. As noted, the new law requires Kansas consumers to remit Kansas consumers' use tax at a rate equal to the combined sales tax rate in effect at the location where the property will be used, stored or consumed. All of the sales/compensating tax rates for Kansas cities and counties are found in Pub. KS-1700, which is available from the department's web site: http://www.ksrevenue.org/pdf/forms/pub1700.pdf or forms order line: (785) 296-4937.

FORM CT-10U – Consumers who owe Kansas compensating use tax will report the tax due on Form CT-10U, which is available from the department's web site: www.ksrevenue.org or forms order line: (785) 296-4937. Taxpayers who are currently registered to remit Consumers' Compensating Use tax will automatically begin receiving Form CT-10U.

ADDITIONAL INFORMATION – Consult the "Kansas Sales And Compensating Use Tax" Information Guide, Publication KS-1510, which is available from the department's web site: http://www.ksrevenue.org/pdf/forms/pub1510.pdf or forms order line: (785) 296-4937.

You may also contact the department toll free by calling 1-877-526-7738; press "1" for touch-tone phone (listen briefly), press "5" for Business Taxes (listen briefly); then press "2" to talk to a consumers' compensating tax representative.

SAMPLE RETURN – A completed sample return using the information from the two examples above follows on the next page.

DOCKING STATE OFFICE BUILDING, 915 SW HARRISON ST., TOPEKA, KS 66612-1588
Voice 785-296-3081 Fax 785-296-7928 http://www.ksrevenue.org/

CT-10U

(Rev. 7/03)

Kansas Consumers' Compensating Use Tax Return

FOR OFFICE USE ONLY

432003

Business Name: DEAN BROWN

Mailing Address: 101 MAIN

City: GOODLAND | State: KS | Zip Code: 67735

Tax Account Number: 006-K12345678F-01

EIN:

Due Date: 08/25/03

Tax Period	MM	DD	YY
Period Beginning Date	07	01	03
Period Ending Date	07	31	03

Date Business Closed: ☐ Amended Return: ☐ Additional Return: ☐ Name or Address Change: ☐

Part I

1. Total Tax (From Part II), line 9	70.15	1
2. Estimated Tax Due For Next Month (See instructions)	.	2
3. Estimated Tax Paid Last Month (See instructions)	.	3
4. Total Tax (Add lines 1 and 2, and subtract line 3)	70.15	4
5. Credit Memo (See instructions)	.	5
6. Subtotal (Subtract line 5 from line 4)	70.15	6
7. Penalty	.	7
8. Interest	.	8
9. Total Amount Due (Add lines 6, 7 and 8)	70.15	9

SAMPLE

I certify this return is correct.

Signature Dean Brown

Do Not Detach This Voucher

CT-10UV

(Rev. 7/03)

Kansas Consumers' Compensating Use Tax Voucher

FOR OFFICE USE ONLY

Business Name: DEAN BROWN

Mailing Address: 101 MAIN

City: GOODLAND | State: KS | Zip Code: 67735

Tax Account Number: 006-K12345678F-01

EIN:

Due Date: 08/25/03

Tax Period	MM	DD	YY
Period Beginning Date	07	01	03
Period Ending Date	07	31	03

Amount from line 2, above: .

Subtract line 2 from line 9 and enter here: .

Payment Amount: $ 70.15

CT-10U

(Rev. 7/03)

Part II

Kansas Consumers' Compensating Use Tax Return

432103

Business Name: DEAN BROWN

Tax Account Number: 006-K12345678F-01

EIN:

	MM	DD	YY
Period Beginning Date	07	01	03
Period Ending Date	07	31	03

Taxing Jurisdiction City/County	(1) Code	(2) Total Taxable	(3) Combined Tax Rate %	(4) Net Tax	(5) Tax Paid in Another State	(6) Tax Due
GOODLAND/ SHERMAN	6005H	1,300 .00	6.55	85 .15	15 .00	70 .15
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SAMPLE

Total Number of supplemental pages included with this return.

7. Total Tax Due (Part II). 70 .15

8. Sum of additional Part II supplemental pages. .

9. Total Tax (Add lines 7 and 8. Enter result here and on line 1, Part I). 70 .15