

Auction Companies Fact Sheet

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

Purchases by Auction 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' compensating 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	Taxable or Exempt
Sound equipment included, but not limited to, PA systems, speakers, microphones, headsets, batteries or power cords.	Taxable
Auctioneer's equipment such as but not limited to gavel, sound block, or podium.	Taxable
Motor vehicles and trailers	Taxable
Display equipment such as but not limited to, display cases, tables, lotting cards and flipper decks or holders, tagging or tach-it guns, markers and paint sticks, signs, banners or flags.	Taxable
Cashier supplies included, but not limited to, registration forms, receipts or statements, labels, clerk sheets, winning bid slips or tickets, clerk slot file or box, clip boards and form holders, bidder cards and paddles, cash box, counterfeit detectors or rubber stamps.	Taxable
Weather protection equipment such as rain ponchos, tents, canopies, umbrellas and instant shelters.	Taxable
Staff identification gear such as name tags, vests, shirts, caps, jackets or armbands.	Taxable
Safety gear and equipment such as back supports, traffic gloves, barricade tape, directional stanchions.	Taxable
Merchandise purchased for resale or rental to customers, including freight or delivery charges.	Exempt
Merchandise withdrawn from resale inventory for store use or consumption.	Taxable
Tangible personal property to be given away or donated (Items that are given away or donated to a tax exempt entity are not subject to sales tax).	Taxable
Complimentary items such as bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, and candy.	Taxable
Promotional items, including but not limited to, calendars, mugs, pens and items of clothing.	Taxable
Freight or delivery charges, billed by the vendor, on purchases subject to sales/use tax.	Taxable
Reference books and materials, newspaper and magazine subscriptions, forms, printed matter (including promotional brochures, etc.), business cards, notepads, etc.	Taxable
Office supplies such as office forms, staplers, paper, pens, pencils, labels, ink, toner and ribbon cartridges.	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators, telephones and other similar equipment.	Taxable
Furniture and fixtures, including but not limited to, desks, lights, tables, chairs, plants, planters, artwork and signs.	Taxable
Shelving, display racks, checkout counters, storage cabinets, display cases, bar code scanners, cash registers, cash register supplies, bins, boxes, etc.	Taxable
Break room supplies such as microwaves, refrigerators, tables, chairs and paper products.	Taxable
Equipment included, but not limited to, motor vehicles, hydraulic equipment, dollies, ladders, batteries and chargers, fans, etc., including the charges for repair and/or maintaining said equipment.	Taxable
Lease or rental of any tangible personal property such as copiers, fax machines, equipment or vehicles.	Taxable
Parts and labor services of repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers, security equipment, etc.	Taxable
Warranty or service agreements for tangible personal property such as computers, printers, copiers and security equipment.	Taxable
Printed materials such as catalogs and flyers distributed directly to customers at the store or mailed directly to customers or prospective customers through mailing or delivery service.	Taxable
Printed materials provided to a newspaper or other publication to be included as an insert in the newspaper or publication that is to be sold at retail.	Exempt

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Signs, banners or posters purchased from an outside printer, or the costs of all materials if produced by the store.	Taxable
Exterior building or parking lot signage, including charges for parts and labor for repairs and maintenance.	Taxable
Advertising as in newspapers, radio, television, etc.	Exempt
Professional services such as legal or accounting services.	Exempt
Canned software, software upgrades and labor services to modify, alter, update or maintain software.	Taxable
Customized software, software upgrades and labor services to modify, alter, update or maintain customized software. "Customized" software is software developed for a single end user.	Exempt
Software or databases accessed via the internet and not installed on owned or leased computers or servers.	Exempt
Labor services on original construction of a new building or facility.	Exempt
Labor services for repairs, maintenance and remodeling of existing commercial buildings or facilities.	Taxable
Security cameras, mirrors, security tags, tag detachers, countertop deactivators, all other security equipment.	Taxable
Security systems monitoring service.	Exempt
Cleaning services (except when applying products such as wax, scotch guard, etc), plant watering and care.	Exempt
Janitorial supplies such as vacuums, carpet cleaners, sweepers, scrubbers, floor waxers, rags and toiletries.	Taxable
Trash removal, shredding services.	Exempt
Linen services.	Taxable
Pest control materials and supplies.	Taxable
Professional services such as legal or accounting services	Exempt

Sales by Auction Companies:

*Sales/rentals to 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 amounts collected from the customer such as charges billed for freight, delivery or special handling.

The taxability of sales of tangible personal property and labor services by Auction Companies is summarized below. This list is not all inclusive.

Sales	Taxable or Exempt
Sale of tangible personal property made by an auctioneer or agent on behalf of not more than 2 "principals" or households if such sale is nonrecurring and any such "principal" or household is not engaged in the business of selling tangible personal property at the time of such sale.	Exempt
Sales of tangible personal property made by an auctioneer or agent on behalf of more than 2 "principals" or households.	Taxable
Sale of the inventory of a business, regardless of the number of "principals". (Sale of the inventory is subject to sales tax because the owner was engaged in the retail business of said inventory. See Example below).	Taxable

Example: An auctioneer conducts an auction of the inventory of a clothing store. Sale of the inventory is subject to sales tax because the owner of the store was engaged in the retail clothing business.

For the purpose of this fact sheet, the term "principals" is the primary or main party, owner or entity whose items are being auctioned.

K.A.R. 92-21-12 Place of business—auctioneers. For the purpose of local sales tax the place of business of auctioneers who conduct auction sales in different taxing jurisdictions shall be deemed to be the place where the auction is held. (Authorized by K.S.A. 79-3618, K.S.A. 1971 Supp. 79-4425, 79-4426; effective, E-71-21, July 1, 1971; effective Jan. 1, 1972.)