



Sales & Use Tax Refund (for use by PEC entities)

KDOR (Kansas Department of Revenue) provides refunds for individuals or businesses that paid sales or use tax directly to KDOR in error. This publication provides answers to some common questions about receiving a refund for PEC (Project Exemption Certificate) entities. It also contains the applicable form, along with instructions needed to complete them.

If you would like information about how Kansas sales and use tax applies to your business operations, obtain a copy of Pub. KS-1510, Kansas Sales and Compensating Use Tax that is available on our website.

ksrevenue.org

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GENERAL INSTRUCTIONS

This refund application is for use by an entity eligible to secure a project exemption certificate but failed to do so in a timely manner or whose HPIP Certification was pending. ***This is to be used for construction projects only.*** A Project Exemption Certificate “**PEC** entity” is an entity, qualifying for exemption under K.S.A. 79-3606. *See page 3 for complete list of Entities Eligible for a Project Exemption by Kansas Statute. *(All other refund requests should be submitted utilizing Publication 1220 Sales & Use Tax Refund.)*

K.A.R. 92-19-66e(n), provides that a PEC entity that fails to secure a timely PEC for a construction project may seek a refund of the Kansas sales tax that was paid or remitted by the Project’s general contractor and subcontractors (collectively “contractors” hereafter) on their materials, supplies, and labor charges for the project in question. To establish the refund amount, the PEC entity must file a completed refund application, along with the supporting documentation that it secured from its contractors, with the Kansas Department of Revenue (KDOR). The refund application must be filed within three years of the date that the tax was paid or remitted by the contractors on the project.

K.A.R. 110-6-11(d), “Certification of a worksite for the sole purpose of obtaining training and education tax credits or a sales tax exemption certificate shall be allowed if both of the following conditions are met:

- (1) All other program requirements are satisfied.
- (2) The applicant demonstrates prior knowledge of the program by submitting the project description form. This form shall be received by the department before the start of the certification period.”

COMPLETING THIS PEC REFUND ENTITY SALES AND USE TAX APPLICATION

The PEC entity must contact the contractors who worked on the project and provide them with a copy of the Contractor Affidavit Part D with Section I completed, a copy of these instructions, and an electronic copy of the schedule of supplier invoices. The PEC entity’s completion of Part D Section I of the affidavit will identify the project in question for the contractor.

Please Note: Kansas law does not require contractors to assist a PEC entity in documenting the entity’s sales tax refund claim. If a contractor cannot provide or refuses to provide the required documentation, KDOR cannot refund the taxes that were paid or accrued by that contractor.

Please follow the accompanying instructions to complete an accurate application for a sales or use tax refund.

Parts A through C

This information is completed by the entity eligible to receive a project exemption certificate and must be completed in its’ entirety.

Part D Contractor Affidavit

Section I – Lines 1 through 5 must be completed by **PEC Entity**.

Section II – Lines 6 through 11 must be completed by the **contractor or subcontractor**.

Section III – Lines 12 through 14 to be completed by the **contractor or subcontractor**.

This portion of the application provides detailed information of how the contractor has paid taxes to supplier(s) or directly remitted taxes to the State of Kansas.

Line 12 – Enter the total tax amount paid directly to your **Kansas** suppliers. This total will originate from Part D Section V.

Line 13 – Enter the amount of sales tax you have paid directly to the State of Kansas on your **labor services** for this project. Please list each tax account period(s), amount, and jurisdiction.

Line 14 – If you have self-accrued tax on **materials taken from inventory** for this project, please list each tax account period(s), amount and jurisdiction.

Section IV – Contractor Affidavit **must** be completed by each contractor or subcontractor

Section V – Schedule of Supplier Invoices

The schedule of supplier invoices must be completed in electronic format, preferably excel. **Do not list** purchases of tools used on the project, cleaning supplies, blueprints purchased, equipment repairs, or purchases made in a state other than Kansas as **these do not qualify for**

exemption in Kansas. When providing a description of items purchased, please give a specific description of these items.

After the contractor has completed Sections II, III, IV, and V, the contractor will return this information to the PEC Entity.

ENTITIES QUALIFYING FOR A PROJECT EXEMPTION CERTIFICATE PER K.S.A. 79-3606

The following exempt entities qualify for a PEC.

- public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school, a public or private nonprofit educational institution, state correctional institution including a privately constructed correctional institution - **79-3606(d)**;
- government of the United States, its agencies or instrumentalities - **79-3606(e)**;
- business or retail business which meets the requirements established in K.S.A. 74-50,115(e) by the Department of Commerce - **79-3606(cc)**;
- nonprofit museum or historical society - **79-3606(qq)**;
- nonprofit zoo - **79-3606(xx)**;
- religious organizations - **79-3606(aaa)**;
- primary care clinic or health center - **79-3606(ccc)**;
- organization in the collection, storage and distribution of food products to nonprofit organizations which distribute such food products to persons pursuant to a food distribution program on a charitable basis without fee or charge - **79-3606(iii)**;
- homeless shelter which is exempt from federal income taxation pursuant to section 501(c)(3) - **79-3606(ppp)**;
- TLC for Children and Families, Inc. - **79-3606(qqq)**;
- Catholic Charities or Youthville, referred to as Charitable Family Providers - **79-3606(sss)**;

- Nonprofit museum which has been granted an exemption pursuant to subsection (qq) - **79-3606(ttt)**;
- Kansas Children's Service League - **79-3606(uuu)**;
- Booth Theatre Foundation, Inc. - **79-3606(xxx)**;
- TLC Charities Foundation, Inc. - **79-3606(yyy)**;
- Victory in the Valley, Inc. - **79-3606(aaaa)**;
- Wayside Waifs, Inc. - **79-3606(cccc)**;
- Goodwill Industries or Easter Seals of Kansas, Inc. - **79-3606(dddd)**;
- Sheltered Living, Inc. - **79-3606(ffff)**;
- Agricultural Operations identified under the North American industry classification system (NAICS) subsectors 1123, 1124, 112112, 112120 or 112210 for qualifying projects equal to or in excess of \$50,000 - **79-3606(hhhh)**;
- Wichita Children's Home - **79-3606(iiii)**

WHERE TO FILE

The PEC entity should send the completed Refund Application, which includes Contractor Affidavit, supplier invoices and electronic schedule of supplier invoices to:

Kansas Department of Revenue
Audit Services/Sales Tax Refunds
PO Box 3506
Topeka KS 66601-3506

TAXPAYER ASSISTANCE

If you have questions about completing the form contained in this publication call, fax or email your questions to KDOR:

Phone: 785-296-7108
Fax: 785-296-0531
Email: KDOR_Audit.Funds@ks.gov

SALES AND USE TAX REFUND APPLICATION FOR USE BY PEC ENTITIES

Note: A "PEC Entity" is an entity such as a political subdivision, school, church, or a firm certified by the Kansas Department of Commerce qualifying for exemption under K.S.A. 79-3606. *See page 3 for a complete list of Entities Eligible for a Project Exemption by Kansas Statute.

Form with fields for Name, Address, City, State, Zip Code, Contact Person, Telephone Number, Email Address, Employer Identification Number or Social Security Number, Exempt Entity Number, Department of Commerce HPIP Certification Letter(s) #, NAICS Code for Agricultural Operation, and Fax Number.

* Denotes required fields for completion

1. Check the appropriate PEC exemption:

- Checkboxes for various exemptions: Hospital, School, Political Subdivision Project, HPIP Certified Project, Primary Care Clinic or Health Center, Other, U.S. Government Project, Religious Organizations, and Certain Agricultural Operations.

Empty rectangular box for additional information.

2. Project location: _____ Street and City

3. Description of project: _____ (Roof repair, bathroom remodel, building addition, etc.)

4. Name of general contractor: _____

5. Approximate begin and end dates of the project: _____

6. Approximate project cost to the PEC entity: \$ _____

7. Did the Kansas Department of Revenue (KDOR) issue a Project Exemption Certificate that covered part of the project? [] No [] Yes If yes, please state the project exemption number on the certificate: _____

8. Did your company meet the eligibility criteria for the High Performance Incentive Program (HPIP)? [] No [] Yes If yes, please provide the project number and a copy of the project description pre-identifying this investment and complete Parts A, B, C, and D of this form.

Empty rectangular box for additional information.

AFFIDAVIT

I certify under penalties of perjury that, to the best of my knowledge, all of the information and statements made in this refund application are true and correct.

Affiant's Signature Date

STATE OF KANSAS)
COUNTY OF _____) SS:

This PEC refund application was acknowledged before me on _____, 20____ by

Name of Affiant as _____
Official Capacity (officer, superintendent, business manager, etc.)

Notary Public: _____

My appointment expires: _____

DIRECTIVE TO CONTRACTORS THAT RECEIVE THIS AFFIDAVIT: The PEC (Project Exemption Certificate) Entity identified in Section I (below) failed to secure a timely PEC for the construction project listed. The entity is attempting to secure a refund of Kansas sales or use taxes that you, the contractor, paid or accrued on project materials, supplies, and labor services for this project. Complete this affidavit and return it, along with the required supporting documentation, to the PEC Entity identified in Section I, this will allow the entity to submit for a refund.

SECTION I – To be completed by the PEC Entity

- 1. PEC’s Name and Address: _____
- 2. Description of Project: _____
Roof repair, bathroom remodel, building addition, etc.
- 3. Project Location: _____
Street and City
- 4. Name of General Contractor on the Project: _____
- 5. Project’s begin and end dates: _____

SECTION II – To be completed by each General Contractor and Subcontractor(s)

- 6. General Contractor / Subcontractor Name and Address: _____
Name
- _____ Address
- _____ Phone Contact Name Email Address

- 7. Did you receive a copy of: 1) Instructions page for a PEC Entity refund; or 2) Schedule of Supplier Invoices, along with this Contractor Affidavit? Yes No If no, please return this form to the PEC Entity.
- 8. Do you wish to assist the PEC Entity in securing a refund of Kansas sales taxes that were paid because the PEC Entity did not secure a timely project exemption certificate? Yes No If no, please return this form to the PEC Entity.
- 9. Approximate dates that you worked on the Project identified in PART D Section I: _____
- 10. Approximate payment you received for your work on the Project: \$ _____
- 11. Your Employer Identification Number (FEIN) or sales tax registration number: _____

SECTION III – Amount of Kansas Sales Tax your Business Paid or Accrued

12. Tax paid to your Suppliers: After you have completed Section V, enter the total amount of **Kansas tax** you have paid to your suppliers for materials and supplies incorporated into this project. \$ _____

13. Tax paid to the State of Kansas on your labor services: Enter the amount of sales tax you have paid directly to the State of Kansas on your labor services for this project. Please list each tax account period(s), amount(s), and jurisdiction(s). (If additional lines are needed, please complete on a separate sheet of paper.)

Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____

14. Tax self-accrued to the State of Kansas on untaxed inventory: Enter the amount of tax paid directly to the State of Kansas on materials purchased without tax from your supplier(s). Please list each tax account period(s), amount(s), and jurisdiction(s). (If additional lines are needed, please complete on a separate sheet of paper.)

Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____
Tax Account Period _____	Amount _____	Jurisdiction _____

SECTION IV – Affidavit of Contractor’s Owner or Corporate Officer

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AFFIDAVIT

I certify under penalties of perjury that:

- (a) to the best of my knowledge, all of the information and statements made in this Affidavit are true and correct,
- (b) all of the taxes included in this Affidavit were paid to vendors or accrued by the contractor; and,
- (c) the contractor has not claimed, and will not claim, a refund or credit for the same taxes included in this Affidavit.

Affiant's Signature Date

STATE OF KANSAS)
) SS:
 COUNTY OF _____)

This Contractor Affidavit was acknowledged before me on _____, 20__ by

_____ as _____
 Name of Affiant Official Capacity (owner, officer, partner, etc.)

Notary Public: _____

My appointment expires: _____

TAXPAYER ASSISTANCE

This publication is a general guide and will not address every situation. If you have questions about completing this form or need additional information about this publication, please call, fax, or email the Kansas Department of Revenue at:

Phone: 785-296-7108
Fax: 785-296-0531
Email: KDOR_Audit.Funds@ks.gov

If you wish to visit with someone in person, please call 785-296-7108 to set up an appointment.
Office hours are 8 a.m. to 4:45 p.m., Monday through Friday.

PUBLICATIONS

Below is a list of publications available on the Kansas Department of Revenue's website. These publications contain instructions applicable to specific business industries and general information for all business owners.

- Publication KS-1216, Kansas Business Tax Application
- Publication KS-1510, Kansas Sales and Compensating Use Tax
- Publication KS-1515, Kansas Tax Calendar of Due Dates
- Publication KS-1520, Kansas Exemption Certificates
- Publication KS-1525, Kansas Sales and Use Tax for Contractors, Subcontractors and Repairmen
- Publication KS-1526, Kansas Sales and Use Tax for Motor Vehicle Transactions
- Publication KS-1527, Kansas Sales and Use Tax for Kansas Political Subdivisions
- Publication KS-1530, Kansas Tire Excise Tax
- Publication KS-1540, Kansas Business Taxes For Hotels, Motels and Restaurants
- Publication KS-1550, Kansas Sales and Use Tax for the Agricultural Industry
- Publication KS-1560, Kansas Tax Guide for Schools and Educational Institutions
- Publication KS-1700, Kansas Sales Tax Jurisdiction Code Booklet
- KW-100, Kansas Withholding Tax Guide

STATE SMALL BUSINESS WORKSHOPS

As part of our commitment to provide tax assistance to the business community, Tax Specialists within the Kansas Department of Revenue conduct small business workshops on Kansas taxes at various locations throughout Kansas. Whether you are a new business owner, an existing business owner, or an accountant, these workshops will give you the tools and understanding necessary to make Kansas taxes easier and less time consuming for you. Topics covered include filing and reporting requirements and methods, what is taxable, what is exempt and how to work with the department in collecting and remitting Kansas taxes.

For a schedule of our workshops, visit our website. Pre-registration is required and a fee may be charged by the sponsoring Small Business Development Center (SBDC).

SUGGESTIONS and COMMENTS

Your suggestions and comments on this publication are important to us. Please address them to: Taxpayer Education, Kansas Department of Revenue, PO Box 3506, Topeka, KS 66601-3506 or call 785-296-1048.