**Memorandum**

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| **Identifying Information:** |  |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Leases Involving ICC Authority** |
| **Keywords:** |  |
| **Effective Date:** | **09/25/1990** |

**Body:**

**MEMORANDUM**

**TO:**TAX POLICY, BUSINESS TAX BUREAU, DIVISION OF MOTOR VEHICLES PRORATE  
  
**FROM:**STEVEN A. STOTTS, ACTING DIRECTOR OF TAXATION  
  
**RE:**LEASES INVOLVING ICC AUTHORITY  
  
**DATE:**SEPTEMBER 25, 1990  
  
  
  
The purpose of this memo is to clarify the department's position regarding leases to carriers with ICC authority.  
  
The purchaser of a tractor and/or trailer will pay the appropriate retailer's sales tax at the time of the purchase or pay the consumer's compensating use tax at the time the vehicle is registered.  
  
Except for the following situations:

1. After obtaining a lease from a motor carrier, with ICC authority, the purchaser may make application for a retailers' sales tax registration number.

1. The application for a sales tax registration number must be made within 30 days of the purchase of the vehicle.

2. The vehicle title, lease, and retailers' sales tax application must have all the same individual, partnership or corporate name.

Once the purchaser holds a valid retailers' sales tax registration, the vehicle may be registered, without remitting the sales or use tax. Provided, the vehicle is to be used in interstate commerce.

2. If the purchaser holds a valid retailers' sales tax registration at the time of the purchase, he vehicle may purchased without tax. Provided, the vehicle is to be used leaded to a carrier with ICC authority.

If the purchase does not fall within one of the two situations described above, the purchaser must pay the sales or use tax. After the tax is paid and the requirements listed above are met, the purchaser may file a refund request with the Business Tax Bureau, Kansas Department of Revenue

**Date Composed: 10/06/1997 Date Modified: 10/09/2001**