

HOUSE BILL No. 2585

By Committee on Taxation

1-30

1 AN ACT concerning sales and compensating use tax; relating to sourcing,
2 sales of motor vehicles; amending K.S.A. 2017 Supp. 12-191 and
3 repealing the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2017 Supp. 12-191 is hereby amended to read as
7 follows: 12-191. All retail transactions consummated within a county or
8 city having a retail sales tax, which transactions are subject to the Kansas
9 retailers' sales tax, shall also be subject to such county or city retail sales
10 tax. Except as hereinafter provided, all retail sales, for the purpose of this
11 act, shall be considered to have been consummated at the location
12 determined by the sourcing rules as provided in K.S.A. 2017 Supp. 79-
13 3670, and amendments thereto. The retail sales or transfer of watercraft,
14 modular homes, manufactured homes or mobile homes, shall be
15 considered consummated at the place of business of the retailer and
16 sourced to such location. The retail sale, excluding the lease or rental, of
17 ~~motor vehicles~~, trailers, semi-trailers or aircraft that do not qualify as
18 transportation equipment, as defined in ~~subsection (d)~~ of K.S.A. 2017
19 Supp. 79-3670(d), and amendments thereto, shall be considered
20 consummated at the place of business of the retailer and sourced to such
21 location. *The retail sale, excluding the lease or rental, of motor vehicles*
22 *that do not qualify as transportation equipment, as defined in K.S.A. 2017*
23 *Supp. 79-3670(d), and amendments thereto, shall be sourced to the*
24 *location of the address of the purchaser.* The isolated or occasional sale of
25 any motor vehicle or trailer shall be considered consummated at the taxing
26 jurisdiction where the sale is made. If the sale negotiations occurred in
27 different cities or counties, the situs of the sale for local sales tax purposes
28 shall be the place where the motor vehicle or trailer was kept at the time
29 negotiations were first entered into. In the event the place of business of a
30 retailer is doubtful the place or places at which the retail sales are
31 consummated for the purposes of this act shall be determined under rules
32 and regulations adopted by the secretary of revenue which rules and
33 regulations shall be considered with state and federal law insofar as
34 applicable. The director of taxation is hereby authorized to request and
35 receive from any retailer or from any city or county levying the tax such
36 information as may be reasonably necessary to determine the liability of

1 retailers for any county or city sales tax. The collection of any sales tax of
2 a county or city approved at any election shall commence on the first day
3 of the calendar quarter next following the 90th day after the date that the
4 city or county has provided written notice to the director of taxation of the
5 election authorizing the levy of such tax. The collection of any such sales
6 tax applicable to printed catalog purchases wherein the purchaser
7 computed the tax based upon local tax rates published in the catalog, shall
8 not commence until the first day of the calendar quarter next following the
9 150th day after the date that the city or county has provided written notice
10 to the director of taxation of the election authorizing the levy of such tax.
11 The director of taxation shall provide notice to sellers of such taxes within
12 30 days after receiving such notice from the city or county.

13 A city retailers' sales tax shall not become effective within any area
14 annexed by a city levying such tax until the first day of the calendar
15 quarter next following the 90th day after the date that the governing body
16 of such city provided the state department of revenue with a certified copy
17 of the annexation ordinance and a map of the city detailing the annexed
18 area. The director of taxation shall provide notice to sellers of such tax
19 within 30 days after receiving such notice from the city or county.

20 Whenever any sales tax, imposed by any city or county under the
21 provisions of this act, shall become effective, at any time prior to the time
22 that revenue derived therefrom may be budgeted for expenditure in such
23 year, such revenue shall be credited to the funds of the taxing subdivision
24 or subdivisions and shall be carried forward to the credit of such funds for
25 the ensuing budget year in the manner provided for carrying forward
26 balances remaining in such funds at the end of a budget year.

27 Sec. 2. K.S.A. 2017 Supp. 12-191 is hereby repealed.

28 Sec. 3. This act shall take effect and be in force from and after its
29 publication in the statute book.