

SENATE BILL No. 466

By Committee on Assessment and Taxation

2-6

1 AN ACT concerning sales taxation; relating to collection of tax; permitting
2 purchasers to pay the tax on sales of trailers to the director of taxation
3 or county treasurer instead of being collected by retailers; amending
4 K.S.A. 79-3604 and repealing the existing section.
5

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

7 Section 1. K.S.A. 79-3604 is hereby amended to read as follows: 79-
8 3604. (a) The tax levied under the Kansas retailers' sales tax act shall be
9 paid by the consumer or user to the retailer and it shall be the duty of each
10 and every retailer in this state to collect from the consumer or user, the full
11 amount of the tax imposed or an amount equal as nearly as possible or
12 practicable to the average equivalent thereof. Such tax shall be a debt from
13 the consumer or user to the retailer, when so added to the original purchase
14 price, and shall be recoverable at law in the same manner as other debts,
15 except that the tax levied on isolated or occasional sales of motor vehicles
16 or trailers within the state and upon the sales of taxable tangible personal
17 property or services when the director shall determine the same to be
18 necessary as hereinafter provided shall be paid and collected as herein
19 provided for.

20 (b) The tax on such isolated or occasional sales shall be paid to the
21 director of taxation by the purchaser of the motor vehicle or trailer or to
22 the county treasurer upon application for certificate of registration or
23 ownership. The purchaser shall sign and present to the county treasurer or
24 director of taxation a statement specifying the true and correct selling price
25 of the motor vehicle or trailer and containing a warning to the purchaser of
26 the consequences of making false statements or information or presenting
27 falsified documents related thereto. Such statement shall be in a form
28 promulgated by the director of taxation. If payment is made to the director
29 of taxation, the director shall issue a receipt therefor. If the sales tax is not
30 paid to the director of taxation, the county treasurer, upon application for
31 certificate of registration or ownership, shall collect such sales tax
32 payment from the applicant. The county treasurer shall charge the
33 applicant a collection service fee of \$.50, and shall give the applicant a
34 receipt showing the tax and fee paid in full. The county treasurer shall
35 transmit monthly all such sales tax moneys collected to the director of
36 taxation and shall place the fees collected in the special fund provided in

1 K.S.A. 8-145, and amendments thereto, to be used for the purpose of
2 paying necessary extra help and expenses.

3 (c) Whenever the director of taxation determines that in the retail sale
4 of any tangible personal property or services because of the nature of the
5 operation of the business including the turnover of independent
6 contractors, the lack of a place of business in which to display a
7 registration certificate or keep records, the lack of adequate records or
8 because such retailers are minors or transients there is a likelihood that the
9 state will lose tax funds due to the difficulty of policing such business
10 operations, it shall be the duty of the vendor to such person to collect the
11 full amount of the tax imposed by this act and to make a return and
12 payment of the tax to the director of taxation in like manner as that
13 provided for the making of returns and the payment of taxes by retailers
14 under the provisions of this act. The director shall notify the vendor or
15 vendors to such retailer of the duty to collect and make a return and
16 payment of the tax.

17 (d) In the event the full amount of the tax provided by this act is not
18 paid to the retailer by the consumer or user, the director of taxation may
19 proceed directly against the consumer or user to collect the full amount of
20 the tax due on the retail sale.

21 (e) *Notwithstanding any provisions of subsection (a) to the contrary,*
22 *the tax on any sales of trailers may be paid by the purchaser of the trailer*
23 *to the director of taxation or to the county treasurer upon application for*
24 *certificate of registration or ownership in the same manner as provided in*
25 *subsection (b) instead of being collected by the retailer. Any retailer not*
26 *collecting tax on sales of trailers pursuant to this subsection shall notify*
27 *the director of taxation and notify any purchaser that sales tax was not*
28 *collected at the time of sale and that any tax due shall be paid by the*
29 *purchaser directly to the director or to the county treasurer. The director*
30 *may provide the form and content of the notice.*

31 Sec. 2. K.S.A. 79-3604 is hereby repealed.

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