

Residential and Commercial Property Rental

The taxability of sales and purchases of tangible personal property and labor services by residential and commercial rental companies is summarized below. This list is not all-inclusive.

Purchases by Residential and Commercial Property Rental 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' 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 retailer's 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

Purchases	Taxable or Exempt
All materials and supplies, including freight charges, whether purchased in or out of state when delivered to Kansas such as: lumber, sheetrock, tape & mud, plumbing and electrical supplies, paint, painting supplies, countertops, sinks, toilets, carpet, linoleum, lighting, light bulbs, locks, fencing, etc.	Taxable
Purchase or rental of equipment such as mowers, trimmers, hoses, wheelbarrows, etc.	Taxable
Labor services for repairs and maintenance to residential real estate such as an apartment building.	Exempt
Labor services for repairs and maintenance to commercial real estate such as office buildings, retail stores, storage units, parking lots, fences, light poles, etc.	Taxable
Labor services for the original construction of new building.	Exempt
Janitorial supplies such as vacuums, carpet cleaners, sweepers, scrubbers, floor waxers, rags, toiletries, etc.	Taxable
Cleaning services (except when applying chemicals such as wax, scotch guard, etc), plant watering and care (except fertilizing).	Exempt
Repair and replacement parts, and labor service charges for repairing, servicing, altering or maintaining personal property for items such as tools, computers, printers, copiers, security equipment, appliances such as refrigerators, washers and dryers, etc.	Taxable
Warranty or service agreements for tangible personal property such as, equipment and tools, computers, printers, copiers, security equipment, appliances such as refrigerators, washers and dryers, etc.	Taxable
Security cameras, mirrors and all other security equipment.	Taxable
Security systems monitoring service.	Exempt
Laptop and desktop computers, copiers, printers, fax machines, and other similar equipment.	Taxable
Canned Software and software upgrades and labor services to modify, alter, update or maintain software.	Taxable
Custom software, custom software upgrades and labor services to modify, alter, update or maintain customized software. <i>"Custom" software = software developed for a single end user.</i>	Exempt
Newspaper and magazine subscriptions.	Taxable
Advertising in newspapers, radio, television, etc.	Exempt
Mowing and snow removal.	Exempt
Lease or rental of any tangible personal property.	Taxable
Maintenance contracts and warranties including optional and extended warranties on tangible personal property or real estate.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs, etc.	Taxable
Linen and uniform services.	Taxable
Newspaper and magazine subscriptions, reference books and materials, forms, printed matter (including promotional brochures, etc), business cards, notepads, etc.	Taxable
Office supplies, such as, paper, pens, pencils, labels, calculators, etc.	Taxable
Pest control materials and supplies.	Taxable
Printed materials production and distribution (such as direct mail items).	Taxable
Professional services such as legal or accounting services.	Exempt
Trash removal and shredding services.	Exempt
Tangible property to be given away or donated. <i>(Items that are given away or donated to a tax exempt entity are not subject to sales tax)</i>	Taxable
Promotional items such as calendars, mugs, and items of clothing.	Taxable
Complimentary bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, balloons, stickers, pens and candy.	Taxable

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Sales by Residential and Commercial Property Rental Companies:

The taxability of sales of tangible personal property and labor services are summarized below. This list is not all inclusive. The applicable sales tax must be collected unless the purchaser provides a properly completed valid exemption certificate.

Sales

	Taxable or Exempt
Lease and rentals of an apartment, office space, conference room, storage unit, flea market space or mobile home park space.	Exempt
Lease or rental of tangible personal property such as table and chairs.	Taxable
Labor Services for Commercial property maintenance and repairs charged to the tenant.	Taxable

Sales/rentals to exempt 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 any amounts collected from the customer including any charges billed for freight, delivery or special handling.