

# Notice

**Notice Number:**  
**Tax Type:** Vehicles Rental Excise Tax  
**Brief Description:** Exempt from personal property tax  
**Keywords:**  
**Effective Date:** 07/01/1991

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**Body:**

**NOTICE**

TO: Kansas Registered Retailers

FROM: Kansas Department of Revenue  
Business Tax Bureau

SUBJECT: 1991 Legislative Changes

DATE: June 21, 1991

The following is a brief description of legislation passed by the 1991 Kansas Legislature pertaining to the tire excise tax and the vehicle rental excise tax.

**House Bill No. 2407** - The 1990 Kansas Legislature enacted a new law that imposed an excise tax on the sale of vehicle tires. The tire excise tax was imposed at the rate of \$.50 per tire on the retail sale of new tires for automobiles and for certain other vehicles. The 1991 legislature enacted House Bill No. 2407 which makes two significant changes to the existing tire excise tax law. First, the bill broadens the definition of "vehicle" so that it has the same meaning as provided by K.S.A. 8-1485. Second, the bill imposes the tire excise tax on tires mounted on a new vehicle when the new vehicle is sold at retail for the first time. This legislation is effective on July 1, 1991.

**If you are a tire retailer or a new vehicle dealer and have not registered for the tire excise tax, please contact the Tax Registration Section of the Business Tax Bureau immediately at (913) 296-3168.**

**Senate Bill No. 14** - The 1991 Kansas Legislature enacted Senate Bill No. 14 which changes the taxation of transactions involving the rental of motor vehicles. The new law contains two significant changes for businesses. First, the bill imposes an excise tax at the rate of 3.5% on the gross receipts received from the rental or lease of motor vehicles rented or leased for a period of time not exceeding 28 days. Second, the bill provides that motor vehicles that are subject to the vehicle rental excise tax shall be exempt from personal property taxes imposed on motor vehicles pursuant to K.S.A. 79-5101 *et seq.* The effective date of this legislation is July 1, 1991.

If you are engaged in the business of renting motor vehicles for periods of 28 days or less and have not registered for the vehicle rental excise tax, please contact the Tax Registration Section of the business Tax Bureau immediately at (913) 296-3168.

If you have any questions regarding this notice, please write the Business Tax Bureau, Kansas Department of Revenue, Topeka, Kansas 66625-0001, or call (913) 296-2461.

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

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