

Hotel and Motel Taxability Information Guide

The taxability of sales and purchases of tangible personal property and labor services by companies in the Hotel and Motel Industries are summarized below. This list is not all-inclusive.

Purchases by Hotel and Motel Industries:

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' compensating 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 Kansas retailers' 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

Taxable or Exempt

Purchases	Taxable or Exempt
Beds, bedding materials, curtains, drapes, mirrors, dressers, carpet, coffee makers, toasters, microwaves, refrigerators, luggage racks and carts, alarm clocks, televisions, DVD players, telephones, towels, robes, hangers, ice tubs, wastebaskets, key cards etc.	Taxable
Air-conditioners, water heaters, exercise equipment, ice machines, bathtubs, sinks, pool tables, swimming pool chemicals, countertops, toilets, vacuum cleaners and bags, dishwashers, ovens and stoves, washers, dryers, freezers, silverware, plates and linens etc.	Taxable
Cable television subscription services.	Taxable
Premium cable channels, special events and video games billed separately to customers (taxable if not billed to customers).	Exempt
Disposable items that are provided free of charge to guests in rooms include candy, facial tissue, in-room coffee, laundry bags, lotions, shampoo, soap, cups, stir sticks, toilet tissue, etc. Must provide an Ingredient or Component Part Exemption certificate.	Exempt
Food items purchased when the food provided to guests is complimentary (included in the charge of the room). Must provide an Ingredient or Component Part Exemption certificate.	Exempt
Utilities including but not limited to electricity, gas and water used in common areas such as hallways, offices, swimming pools, exercise rooms, saunas, parking lots, in house laundry facility, unoccupied rooms, and any area that is not rented as a guest sleeping room.	Taxable
Utilities that are used in the taxable sales of sleeping room rentals, laundry services of clothing for others. Exemption falls under Consumed in Production and requires a utility study, Form ST-28B, to be completed and submitted to the utility provider.	Exempt
Merchandise purchased for resale or rental to customers, including freight or delivery charges.	Exempt
Merchandise withdrawn from resale inventory for taxpayer's business use or consumption (including for use during instructional classes).	Taxable
Tangible personal property to be given away or donated except Items that are given away or donated to a tax exempt entity.	Taxable
Promotional items, including but not limited to, calendars, mugs, pens and items of clothing.	Taxable
Freight or delivery charges, billed by the vendor, on purchases subject to sales/use tax.	Taxable
Reference books and materials, newspaper and magazine subscriptions, forms, printed matter (including promotional brochures, etc.), business cards, notepads, etc.	Taxable
Office supplies such as office forms, staplers, paper, pens, pencils, labels, ink, toner and ribbon cartridges.	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators, telephones and other similar equipment.	Taxable
Furniture and fixtures, including but not limited to, desks, lights, tables, chairs, plants, planters, artwork and signs.	Taxable
Shelving, display racks, checkout counters, storage cabinets, display cases, bar code scanners, cash registers, cash register supplies, bins, boxes, etc.	Taxable
Break room supplies such as microwaves, refrigerators, tables, chairs, and paper products.	Taxable
Equipment included, but not limited to, motor vehicles, hydraulic equipment, dollies, ladders, batteries and chargers, fans, etc., including the charges for repair and/or maintaining said equipment.	Taxable
Lease or rental of any tangible personal property such as copiers, fax machines, equipment, or vehicles.	Taxable
Parts and labor services of repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers and security equipment.	Taxable
Warranty or service agreements for tangible personal property such as computers, printers, copiers and security equipment.	Taxable
Printed materials such as catalogs and flyers distributed directly to customers at the taxpayer's business or mailed directly to customers or prospective customers through mailing or delivery service.	Taxable

Purchases continued

Taxable or Exempt

Printed materials provided to a newspaper or other publication to be included as an insert in the newspaper or publication that is to be sold at retail.	Exempt
Exterior building or parking lot signage, including charges for parts and labor for repairs and maintenance.	Taxable
Signs, banners or posters purchased from an outside printer, or the costs of all materials if produced by the taxpayer's business.	Taxable
Advertising as in newspapers, radio, or television.	Exempt
Professional services such as legal or accounting services.	Exempt
Canned software, software upgrades and labor services to modify, alter, update or maintain software.	Taxable
Customized software, software upgrades and labor services to modify, alter, update or maintain customized software. "Customized" software is software developed for a single end user.	Exempt
Software or databases accessed via the internet and not installed on owned or leased computers or servers.	Exempt
Labor services on original construction of a new building or facility.	Exempt
Labor services for repairs, maintenance and remodeling of existing commercial buildings or facilities including repairs to parking lot.	Taxable
Security cameras, mirrors, security tags, tag detachers, countertop deactivators, all other security equipment.	Taxable
Security systems monitoring service.	Exempt
Cleaning services (except when applying products such as wax, scotch guard, etc.), plant watering and care.	Exempt
Janitorial supplies such as vacuums, carpet cleaners, sweepers, scrubbers, floor waxers, rags, and toiletries.	Taxable
Trash removal, shredding services.	Exempt
Linen services.	Taxable
Pest control materials and supplies.	Taxable

Sales by Hotel and Motel Industries:

*Sales/rentals to entities with proper exemption certificates provided are exempt from sales tax. Ensure the exemption certificates and proof of direct pay by an exempt entity 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 amounts collected from the customer such as charges billed for freight, delivery or special handling.

The taxability of sales of tangible personal property and labor services by Hotel and Motel Industries is summarized below. This list is not all inclusive.

Sales	Taxable or Exempt
Total gross receipts received from the rental of rooms at a hotel, motel, bed and breakfast, cabin camp or any other type of lodging unit with at least 4 sleeping rooms. The rental of sleeping rooms is subject to sales tax regardless of the length of stay.	Taxable
Rooms rented through an accommodation broker.	Taxable
Rental of non-sleeping rooms such as ballrooms, banquet, meeting or reception rooms, office space, etc.	Exempt
Fees charged for items such as roll-away beds, additional person in room, early departure fee, pet fee, deposits when the facility retains the deposit.	Taxable
Fees charged for shuttle or transportation, returned checks, parking, faxing documents, internet and computer connection use.	Exempt
Fees for the use of equipment, health club fees, telephone charges, lock-out fee, lost key fee, photocopy fees, safe boxes located in room.	Taxable
**Tourism Business Improvement District Fee - when this service fee imposed upon a hotel is passed on and collected directly from guests.	Taxable
Deposits that are returned to the customer.	Exempt
No show revenues even if guest never takes possession of the room.	Taxable

Sales Continued**Taxable or Exempt**

Rooms rented by direct purchases of a tax exempt entity. Exemption Certificate ST-28H must be fully completed and retained.	Exempt
Charges for admissions to amusement, entertainment or recreation (such as cover charges).	Taxable
Retail sales of items from a gift shop, newsstands, vending machines, minibar or pantry.	Taxable
Rental or lease of tangible personal property.	Taxable
Coin operated laundry.	Exempt
Charges for dry cleaning and laundry services, in house or out (environmental surcharge also applies to dry cleaning).	Taxable
Charges for catering services, servers, bartenders, mandatory gratuities, etc.	Taxable
Charges for premium cable channels, special events and video games.	Taxable

Transient Guest Tax

A hotel (not included within a Redevelopment District) is defined as an establishment having 'more than 2 bedrooms'. A hotel, motel tourist court or any other establishment renting out a minimum of 3 sleeping rooms within a city or county that has imposed a Transient Guest Tax must collect and remit this tax on its room rentals for 28 days or less. Please refer to Revenue Ruling 19-2010-04 for more information about Transient Guest Tax.

****Tourism Business Improvement District Fee**

The Tourism Business Improvement District Fee is a service fee levied directly on hotels, the cost of which the hotel may choose to pass on to transient guests, and funds tourism related activity within the district.

Contact the city or county where your hotel is located to determine if this type of fee has been implemented.