

Tire Dealers

The taxability of sales and purchases of tangible personal property and labor services by Tire Dealers are summarized below. This list is not all-inclusive.

Purchases by Tire Dealers:

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 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 for use

Equipment purchased and used to perform repair, install or mounting services including, air compressors and their components, alignment systems and kits, tire maters, tire balancing equipment, tire changing equipment, tire inflation systems, battery chargers and testers, lifts and exhaust hoses.	Taxable
Tools purchased and used to perform services including, pressure gauges, regrooving tools, spreaders, air ratchet, tire branders, wheel lug torque, wheel dollies and storage systems and racks.	Taxable
All materials, supplies, tools, other equipment and specialty equipment purchased and used in providing various repair services not specified.	Taxable
Uniforms, shop apparel, coats, hardhats, gloves, safety glasses, etc.	Taxable
A tire dealer's lease or rental of any tangible personal property – service equipment and tools, copier, fax, vehicle.	Taxable
Repairs and maintenance to existing buildings, and existing covered structures. (Note: Repairs to existing structures are taxable regardless of whether or not its covered)	Taxable
Repairs and maintenance to existing buildings, and existing covered structures	Taxable
Labor services on original construction of new building.	Exempt
Repair and replacement parts and labor services of repairing, servicing, altering or maintaining tangible personal property such as shop equipment and tools, computers, printers, copiers, security equipment, etc.	Taxable
Warranty or service agreements for the shop's tangible personal property such as, shop equipment and tools, computers, printers, copiers, security equipment, etc.	Taxable
Motor vehicle fuel (gas & diesel) purchased for off road use when purchased without paying the motor fuel excise tax. This includes fuel for which the motor fuel tax (road tax) has been refunded to you.	Taxable
Tangible property purchased by the shop to be given away or donated. (Items that are given away or donated to a tax exempt entity are not subject to sales tax as of April 2007).	Taxable
Motor vehicles and accessories.	Taxable
Maintenance/repair of motor vehicles and accessories including lifts and other mechanical equipment.	Taxable
Educational materials, posters, maps or other literature.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs.	Taxable
Linen services.	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators and other similar equipment.	Taxable
Printed materials production and distribution (such as direct mail items).	Taxable
Security systems monitoring service.	Exempt
Security cameras and other security equipment purchased.	Taxable
Canned Software and software upgrades and labor services to modify, alter, update or maintain software.	Taxable
<u>Custom</u> 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

Tire Dealers

Purchases for use continued:

Advertising in newspapers, radio, television, etc.	Exempt
Promotional items including but not limited to: calendars, mugs and items of clothing.	Taxable
Plumbing, wiring, cabinets and other installation and repair services.	Taxable
Complimentary bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, balloons, stickers, pens and candy.	Taxable
Pest control materials and supplies.	Taxable
Janitorial supplies.	Taxable
Trash removal, shredding services, cleaning services (except when applying chemicals such as wax, scotch guard, etc).	Exempt
Utilities including but not limited to electricity, gas and water.	Taxable
Professional services such as legal or accounting services.	Exempt
Telephone answering services.	Taxable
Business cards, office supplies, paper, toner cartridges, etc.	Taxable

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

Sales by Tire Dealers

Sale of service labor and parts for items such as tires, alignments, brakes, A/C Service and repair, preventative maintenance, transmission flush and fill, oil changes and filter replacement.	Taxable
Counter sales of items directly to customer.	Taxable
Tire disposal fee	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.

Tire Excise Tax

Kansas has imposed a tire excise tax on the retail sale of new vehicle tires. Tire excise tax applies to the sale of new vehicle tires by a tire retailer and the sale of new tires mounted on a new or used vehicle sold at retail for the first time.

The tire excise tax does NOT apply to these tire sales; Used, recapped, or retreaded tires., a spare tire included in the sale of a new vehicle, innertubes, new tires for vehicles not authorized or allowed to operate on public streets and highways, such as garden tractors, ATVs and wheelbarrows, new tires for vehicles powered by humans, such as bicycles and tricycles, new tires for mobile homes or manufactured homes, new tires sold to the federal government (also exempt from sales tax if a direct purchase), new tires delivered by the retailer to a point outside Kansas or delivered to an interstate common carrier for transportation to a point outside the state. (These out-of-state sales must be documented in the seller's records by an invoice or bill of lading showing an out-of-state address.), new tires sold by one registered tire retailer to another registered tire retailer.

The tire excise tax is 25 cents on each new vehicle tire sold on or after July 1, 2001. Please refer to Publication KS-1530 on our website, www.ksrevenue.org, for more information on how the tire excise tax is imposed. For the purposes of this self audit, please report the number of tires that the tire excise tax was not charged in the appropriate column on the Untaxed Purchases and Sales Worksheet.

Kansas Waste Tire Law

If your business generates or collects waste tires, you may also have specific responsibilities under the Kansas Waste Tire law administered by the Kansas Department of Health and Environment (KDHE). Please refer to the KDHE for more information on waste management at www.kdheks.gov or call 785-296-1500.