

KANSAS DEPARTMENT OF REVENUE  
 AUDIT SERVICES  
 BANKS SELF-AUDIT FACT SHEET

<b>BANKS</b>		
Note: Purchases made by banks operated by the federal government are exempt from sales tax. Under federal law, the following entities are not required to pay sales tax on their purchases: Federal Home Loan Banks (12 U.S.C. §1433), Federal Reserve Banks (12 U.S.C. §531), Federal National Mortgage Associations (12 U.S.C. §1723a(c)), Federal Financing Banks (12 U.S.C. §2290), Production Credit Associations (12 U.S.C. §2077), Farm Credit Banks (12 U.S.C. §2023), or Federal Land Bank Associations (12 U.S.C. §2098). All banks, however, must collect sales tax on the retail sale of tangible personal or taxable services as summarized below.		
<b>Purchases by Banks:</b>		
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs		Taxable
Copiers, printers, and fax machines		Taxable
Laptop & desktop computers		Taxable
Calculators, teller machines and proof machines		Taxable
ATMs and/or lease agreements for ATMs		Taxable
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 = software originally developed for a single end user.		Taxable on and after July 1, 2002 through December 31, 2004 - Exempt all other periods
Newspaper and magazine subscriptions, reference books and materials, forms, printed matter (including promotional brochures, etc.), business cards, notepads		Taxable
Lease or rental of any tangible personal property -		Taxable

copier, fax, vehicle.		
Deposit/Withdrawal slips and receipts, tape receipts		Taxable
Safe deposit boxes		Taxable
Security cameras and other security equipment		Taxable
Promotional items including but not limited to: coin collections, mugs and t-shirts		Taxable
Complimentary items such as balloons, stickers, pens and candy		Taxable
Bottled water, softdrinks, coffee, creamer, sugar, cups and stir sticks		Taxable
Shredding services		Exempt
Cleaning services, plant watering and care		Exempt
Trash removal		Exempt
Purchase or Lease of real estate, Insurance		Exempt
Repair and remodeling labor services to real estate		Taxable
Labor services on original construction of new building or facility		Exempt
Labor services of repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers, ATMs, security equipment, etc.		Taxable
Checks, checkbook covers, credit cards to issue to customers		Taxable
Warranty or service agreements for tangible personal property such as, computers, printers, copiers, ATMs, security equipment, etc.		Taxable
<b>Sales by Banks:</b>		
Credit/Debit card readers		Taxable
Coin collections		Taxable
Retail sale of tangible personal property - T-Shirts, stuffed toys, etc.		Taxable
U.S. Postage Stamps		Exempt
Repossessed Vehicles (tax paid by buyer at registration)		Exempt

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