

Banks, Savings and Loan, and Credit Unions

Taxability Information Guide

The taxability of sales and purchases of tangible personal property and labor services by companies in the Banks, Savings and Loan, and Credit Union Industry are summarized below. This list is not all-inclusive.

BANKS:

"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."

Purchases by Banks, Savings and Loan, Credit Unions:

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 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
ATMs and/or lease agreements for ATMs.	Taxable
Proof encoders, check sorters, coin counters, money counters, coin packages, coin sorters, coin wrappers, counterfeit detector machines.	Taxable
Night depositories, pneumatic tube remote teller systems, safe deposit boxes, windows & drawers, lockers.	Taxable
Utilities including but not limited to electricity, gas and water	Taxable
Educational materials, posters, maps or other literature.	Taxable
Telephone answering services.	Taxable
Deposit slips, withdrawal slips, receipts, counter checks, etc.	Taxable
Checkbook covers and credit cards to issue to customers	Taxable
Plumbing, wiring, cabinets and other installation and repair services.	Taxable
Purchase or Lease of real estate, Insurance.	Exempt
Merchandise purchased for resale or rental to customers, including freight or delivery charges.	Exempt
Merchandise withdrawn from resale inventory for store use or consumption (including for use during instructional classes).	Taxable
Tangible personal property to be given away or donated (Items that are given away or donated to a tax exempt entity are not subject to sales tax).	Taxable
Complimentary items such as bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, and candy.	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, including the charges for repair and/or maintaining said equipment.	Taxable

Purchases continued

Taxable or Exempt

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 store or mailed directly to customers or prospective customers through mailing or delivery service.	Taxable
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
Signs, banners or posters purchased from an outside printer, or the costs of all materials if produced by the store.	Taxable
Exterior building or parking lot signage, including charges for parts and labor for repairs and maintenance.	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.	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 Banks, Savings and Loans, Credit Unions

*Sales/rentals to 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 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 Banks, Savings and Loans, and Credit Unions is summarized below. This list is not all inclusive.

Sales	Taxable or Exempt
Credit/Debit card reader	Taxable
Retail sale of tangible personal property - T-Shirts, stuffed toys, etc.	Taxable
Repossessed Vehicles (tax paid by buyer at registration)	Exempt
Retail sale of checks, coins, bullion, collectible stamps, commemoratives	Taxable
US Postage Stamps	Exempt

Repossessed Property (if original retailer repossesses property and resells)	Taxable
Services including but not limited to stop payment, cashier check, money order, foreign currency exchange, and movie ticket sales.	Exempt
Bank money bags (locked or zipper) for customer use.	Taxable
Real Estate property	Exempt
Rental of safe deposit box	Exempt