**Opinion Letter**

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| **Letter Number:** | **O-2005-004** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Web sites to conduct retail business on line; sales taxes on retail sales that originate in Kansas and are shipped to a Kansas resident.** |
| **Keywords:** |  |
| **Approval Date:** | **08/31/2005** |

**Body:**

Office of Policy & Research

August 31, 2005

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RE: You e-mail received on August 29, 2005

Dear XXXX:

Thank you for your recent e-mail. You are in the midst of setting up web sites to conduct retail business on line. You ask how to charge sales taxes on retail sales that originate in Kansas and are shipped to a Kansas resident.

Kansas has destination-based sourcing, which means that Kansas retailers are required to collect sales tax based on the Kansas ship-to address. In other words, if a retailer is located in Wichita and ships retail goods to a buyer in Topeka, the retailer is required to collect the state and local sales tax in place at the ship-to address in Topeka. If the same retailer delivers goods to the buyer in Wichita, the retailer is required to collect the state and local sales tax in place at the Wichita address where the buyer takes possession of the goods. The different local rates are contained in a database that can be accessed on department's web site.

To find out how to incorporate the local sales tax rate database into your program, please visit our web site at www.ksrevenue.org. Click on "Kansas Sales and Use Tax Locator" under "Your Business" This takes you to a web page that contains the following:

· Lookup Tax Rate By
· Address
· Zip + 4
· Coordinates
· Wellhead
· Tax Databases
· Upload Retailer Databases - Registered retailers can get the appropriate local sales tax rates applied to their customer database through this secure application.
· Web Services - Registered users can get direct access to the Department of Revenue's sales rate tables for customizing your system.
· Registration, Specifications and Information
· Register now
· Upload/Return File Format Information
· Web Services Description Language (WSDL)

The links to these items provide retailers with step-by-step directions on how to incorporate the databases into a billing program. The individual sites are linked to pop-up screens that you can use to e-mail the department if you need help with the programming.

Please note that if you're selling good from a business in Kansas and delivering the goods to a buyer in another state by use of the United State Post Office or a common carrier like UPS, you *should not* collect Kansas sales tax. However, you will be required to register for and collect the sales tax imposed by the ship-to state if you operate a business there, send salesmen into the state, or have some other physical presence there.

If you have problems with incorporating the data bases into your program, please explain the difficulty you're having in the link labeled "Assistance" so that associates in our information systems section can assist you.

Sincerely,

Thomas E. Hatten

Attorney/Policy & Research

**Date Composed: 09/01/2005 Date Modified: 09/01/2005**