

Car Wash

Taxability Information Guide

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

Purchases by Car Wash:

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
Advertising as in newspapers, radio, or television.	Exempt
Break room supplies such as microwaves, refrigerators, tables, chairs, and paper products.	Taxable
Canned software, software upgrades and labor services to modify, alter, update or maintain software.	Taxable
Cleaning services (except when applying products such as wax, scotch guard, etc), plant watering and care.	Exempt
Complimentary items such as bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, and candy.	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
Electricity and gas used to heat or light the car wash premises.	Taxable
Electricity to operate the equipment used to wash or wax vehicles.	Exempt*
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
Equipment leased and/or purchased such as laptop and desktop computers, copiers, printers, fax machines, calculators, telephones, other similar equipment or vehicles including repairs.	Taxable
Equipment such as security cameras, mirrors, security tags, tag detachers, countertop deactivators, all other security equipment.	Taxable
Freight or delivery charges, billed by the vendor, on purchases subject to sales/use tax.	Taxable
Furniture, fixtures and janitorial supplies, including but not limited to, desks, lights, tables, chairs, plants, planters, artwork, signs, vacuumns, carpet cleaners, sweepers, scrubbers, floor waxers, rags, and toiletries.	Taxable
Labor services for repairs, maintenance and remodeling of existing commercial buildings or facilities including repairs to parking lots and signage.	Taxable
Labor services on original construction of a new building or facility.	Exempt
Labor services to repair car wash equipment, buildings, paving and other structures that make up the car wash.	Taxable
Linen services.	Taxable
Maintenance contracts and warranties including optional and extended warranties on tangible personal property.	Taxable
Materials and equipment used in the operation of a car wash such as, self service bay equipment, automatic car wash systems, dryer systems, coin meters, vacuums, bill changers, hoses, trash cans, sponges, chamois, rags, filters, belts, lighting, etc.	Taxable
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
Natural gas used to heat water used in the car wash.	Exempt*
Office supplies such as office forms, staplers, paper, pens, pencils, labels, ink, toner and ribbon cartridges.	Taxable
Pest control materials and supplies.	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
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

Purchases continued:	Taxable or Exempt
Professional services such as legal or accounting services.	Exempt
Promotional items, including but not limited to, calendars, mugs, pens and items of clothing.	Taxable
Reference books and materials, newspaper and magazine subscriptions, forms, printed matter (including promotional brochures, etc.), business cards, notepads, etc.	Taxable
Salt used to regenerate water softeners used in conjunction with washing vehicles.	Exempt**
Security cameras and monitoring service.	Exempt
Shelving, display racks, checkout counters, storage cabinets, display cases, bar code scanners, cash registers, cash register supplies, bins, boxes, etc.	Taxable
Signs, banners or posters purchased from an outside printer, or the costs of all materials if produced by the store.	Taxable
Soap and wax consumed by car washing and waxing operators in their business.	Exempt**
Software or databases accessed via the internet and not installed on owned or leased computers or servers.	Exempt
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
Trash removal, shredding services, lawn mowing and snow removal.	Exempt
Water used to cleaning facility and restrooms.	Taxable
Water used to wash vehicles.	Exempt*

Sales by Your Industry:

*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 (Your Industry) is summarized below. This list is not all inclusive.

Sales	Taxable or Exempt
Washing and waxing of all types of vehicles. A "vehicle" is defined as every device in, upon, or by which any person or property is or may be transported or drawn on a public highway.	Taxable
Gross receipts from manual and automatic coin-operated car washes, including those where employees wash or wax a vehicle.	Taxable
Gross receipts from coin-operated machines such as vacuum cleaners, air compressors used for tires, and vending machines.	Taxable
Car wash passes, packages, and unlimited pricing/packages.	Taxable
Charges for washing and waxing a vehicle that is held for resale by an automobile dealer.	Exempt***
Car washing services provided for automobile dealers who are subcontracting the services for their customer (the automobile dealer should bill the customer for the service and charge sales tax on it).	Exempt***
Tips that are freely given by customers.	Exempt
Gift Certificates.	Exempt

* The owner or operator should complete an ST-28B exemption certificate and submit it to their utility provider.

** To document these exempt purchases, the operator should complete a Consumed in Production Exemption Certificate, ST-28C, and furnish it to their vendor.

*** Exempt upon receipt of a completed Resale Exemption Certificate, Form ST-28A, from the automobile dealer.