



# INSTRUCTIONS FOR THIS EXEMPTION CERTIFICATE, FORM ST-28H

## WHO MAY USE THIS CERTIFICATE

**Purchasers.** Use this form to claim exemption from sales tax or transient guest tax. All hotel guests must sign the form where indicated. You must complete all fields on the exemption certificate and provide the fully completed certificate to the lodging facility in order to claim the exemption. You are responsible for ensuring that you are eligible for the exemption you are claiming. You will be held liable for any tax and interest, and applicable penalties imposed by the laws of this state on your purchase, if the purchase is not legally exempt.

**Hotels.** You are required to maintain proper records of exempt transactions and provide those records to the Kansas Department of Revenue (KDOR) when requested.

You are relieved of responsibility for collecting and remitting sales tax on the sale or sales for which the purchaser provided you this exemption certificate, even if it is ultimately determined that the purchaser improperly claimed an exemption, provided all of the following conditions are met.

- 1) All applicable fields on the exemption certificate are completed by the purchaser or the required information is captured and maintained. You have the option to require the "direct purchase" portion of the form to be completed to document direct purchase for sales tax exemptions granted to tax-exempt entities.
- 2) The fully completed exemption certificate (or the required information) is provided to you at the time of sale or within 90 days thereafter.
- 3) You do not fraudulently fail to collect the tax due.
- 4) You do not solicit customers to unlawfully claim an exemption.

An exemption certificate need not be renewed or updated when there is a recurring business relationship between the buyer and seller. A recurring business relationship exists when a period of not more than 12 months elapses between sales transactions.

## GENERAL EXEMPTION RULES

**State Exemption from Kansas Sales Tax.** The purchase must be made by the exempt organization to qualify for exemption. The exempt organization shall present KDOR-issued tax-exempt entity sales tax exemption certificate showing state-issued exempt organization ID number (Form PR-78SSTA); or Designated or Generic Exemption Certificate (ST-28) that authorizes exempt purchases of services. The entire Form ST-28H, including the direct purchase portion, must be completed in full and signed by the guest. The name of the exempt organization must correspond to the name on the registration card or reservation. Exemptions granted by the State of Kansas do not include exemption from transient guest tax; therefore,

transient guest tax must still be charged on lodging that is exempt from Kansas sales tax.

**Federal Exemption from Transient Guest Tax.** Only purchases made directly by the federal government are exempt from transient guest tax. The federal government charge card program currently includes the GSA SmartPay Card. Purchases made with a GSA SmartPay Card for a centrally billed account (CBA) (such as the GSA SmartPay Purchase Card) would be considered as a direct purchase by the federal government and exempt from transient guest tax. Purchases made with a GSA SmartPay Card for an individually billed account (IBA) (such as the GSA SmartPay Travel Card) would not be exempt from transient guest tax. Information on how to identify a GSA SmartPay Card and determine whether it is for a CBA or IBA can be found on the U.S. General Services Administration web site for the GSA SmartPay Card program, [smartpay.gsa.gov](http://smartpay.gsa.gov), and look for the *SmartTax Vendor Guide*. Indirect purchases by government travelers are not exempt from transient guest tax. The name of the exempt federal agency/instrumentality must be shown on the registration card or reservation of the guest exempted from transient guest tax. The direct purchase section must also be completed to validate the direct purchase requirement.

**Federal Exemption from Kansas Sales Tax.** The rental of sleeping rooms by hotels, motels, accommodation brokers, etc. to the federal government, its agencies, officers or employees is exempt from sales tax when the room rental is made in association with the performance of official federal government duties. This sales tax exemption on indirect purchases by federal employees applies ONLY to the rental of sleeping rooms. Evidence of proper form of payment by the exempt agency is not required since direct purchase is not required for this exemption. Transient guest tax is still due when a federal government employee pays for the sleeping room.

**Foreign Diplomats.** Foreign diplomats must provide their foreign diplomat number issued by the Office of Foreign Missions of the U. S. State Department on this exemption certificate. Additional information about this exemption is in our Notice 04-09 on our web site.

## TAXPAYER ASSISTANCE

Additional information about this exemption is in Publication KS-1540, Business Taxes for Hotels, Motels and Restaurants. All publications, notices and other written advice on Kansas taxes and exemptions are available from the Policy Information Library on our web site, [ksrevenue.org](http://ksrevenue.org). If you have questions you may contact KDOR:

Taxpayer Assistance Center  
Docking State Office Building, 1<sup>st</sup> Floor  
915 SW Harrison  
Topeka, KS 66612-1588  
Phone: (785) 368-8222