**Directive**

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| **Directive Number:** | **Taxation of Check Printing Charges** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Taxation of checks** |
| **Keywords:** |  |
| **Effective Date:** | **02/01/1988** |

**Body:**

**TO:**Deluxe Check Printing Co.
Deluxe Check Printers, Inc.
Heart of America Forms, Inc.
Rocky Mountain Bank Note
John H. Harland Co.

**FROM:**Kansas Department of Revenue
Business Tax Bureau

**DATE:**January 8, 1987

**SUBJECT:**Check Printing Charges

Effective February 1, 1988, the total amount which a bank, savings and loan, credit union or other thrift institution charges to its customers of the printing and delivery of checks will be subject to the Kansas Retailer's Sales Tax. This will include any "upcharges" which the bank, savings and loan, credit union or other thrift institution charges to its customer. These "upcharges" had previously been ruled to be exempt from the sales tax.

Rather than having all of the banks, savings and loans, credit unions and other thrift institutions become registered to collect and remit the appropriate amount of sales tax on this particular item, it has been agreed that the check printing companies will collect and remit the correct amount of sales tax from the banks, savings and loans, credit unions and other thrift institutions. The correct rate of sales tax which the check printing companies will collect and remit will be determined by the location of the bank, savings and loan, credit union or other thrift institution. Thus, not only will the 4% state sales tax (Effective 6/1/92 the state sales tax rate is 4.9%) be collected and remitted but various county and city local sales taxes as well. If the bank, savings and loan, credit union or other thrift institution is located within a county and/or city which imposes a local sales tax, that county and/or city local sales tax must be collected and remitted along with the 4% state sales tax (Effective 6/1/92 the state sales tax rate is 4.9%). Enclosed is an STD-100 which lists all of the counties and cities which currently impose a local sales tax as well as the corresponding rates imposed.

Finally, it will be necessary to change your current Kansas sales/compensating tax number to a statewide sales tax number in order to enable you to remit the various local sales taxes collected. This change will be made after the January 1988 sales tax returns have been printed and you will be notified of the new number. Since you will be collecting and remitting various local sales taxes, it will be necessary for you to file an STD-16A along with the regular monthly sales tax return. An STD-16A as well as instructions for completing said STD-16A are enclosed. A supply of these forms will be went to you when the new number has been assigned.

Should you have any questions regarding this matter, please contact Cleo Murphy or Roy Haines Kansas Department of Revenue, Business Tax Bureau, Robert B. Docking State Office Building, Topeka, Kansas 66625-0001, telephone number (913) 296-2461.

**Date Composed: 10/06/1997 Date Modified: 10/09/2001**