Since November 2004, the Department of Revenue has issued tax entity exemption certificates to qualified organizations, including schools, governments, hospitals, and certain qualified nonprofit organizations. The certificates include a unique Kansas exemption number, contain the name and address of the exempt entity, and have a certificate expiration date. These tax entity exemption certificates are being replaced with a new certificate as the current certificates start to expire in November 2009. Some of the current certificates have expiration dates throughout 2010, with the latest expiration date being November 30, 2010 but all are being replaced at this time.

As part of the process to renew the exemption certificates the department has revised the certificate to assist you in identifying the old vs. new format. An example of the current and new certificate is on the second page of this notice. The new certificate will be available to tax exempt entities beginning on August 1, 2009. The renewal application is located on our web site, www.ksrevenue.org. Throughout August and September the department will be issuing notices to the entities on how to renew the certificate.

You can continue to honor the current exemption certificate as long as the expiration date has not passed. You must request a copy of the new certificate from your clients as they make purchases. The entities have been told to provide retailers with a copy of their new certificate. If your business provides exempt entities with your own exemption card as part of your exemption process, you must update your systems to ensure you are only allowing tax exempt entities who are issued an exemption by the department to purchase tax exempt. Please note the exemption number has not changed.

This change only affects the tax entity exemption certificate. Other exemption certificates used for agricultural purchases, purchases of resale, for manufacturing and processing, consumed in production, and purchases by the federal government are not affected and continue to be used in the same manner. As a reminder, if you question the validity of an exemption certificate, you can check on a tax entity exemption certificate through a verification process on our web site. Click on exemption certificates under ‘Your Business’ to access the verification application.

For additional information on Kansas sales and use exemptions see Publication KS-1520, Kansas Exemption Certificates, located at: www.ksrevenue.org. For specific questions on this notice or on exemption certificates contact (785) 368-8222.
Current Certificate
These are expiring but can be honored through the expiration date on the certificate.

New Certificate
These are being issued starting August 1, 2009 and will expire November 1, 2014.

KANSAS DEPARTMENT OF REVENUE
DIVISION OF TAXATION

TAX-EXEMPT ENTITY EXEMPTION CERTIFICATE

The Kansas Department of Revenue certifies that the entity to which this numbered certificate is exempt from paying Kansas sales and/or compensating use tax pursuant to:

K.S.A. 79-3600(2), which exempts all sales of tangible personal property and services, including the renting or leasing of tangible personal property, purchased directly by the State of Kansas, a political subdivision thereof (either a school or educational institution), or purchased by a public or private nonprofit hospital or public hospital authority or nonprofit blood, tissue or organ bank and used exclusively for state, political subdivision, hospital or public hospital authority or nonprofit blood, tissue or organ bank purposes. EXCEPTION: When such state, hospital or public hospital authority is engaged in any business specifically taxable, or when such political subdivisions is engaged in the business of furnishing gas, electricity or heat to others, purchases of property or service used or intended to be used in such transactions are taxable.

By furnishing this certificate, the undersigned tax-exempt entity certifies that it has made purchase of:

Description of property or service purchased:

Sellers Name:

Address:

Date: 8/1/09

Sales Tax Number:

KANSAS DEPARTMENT OF REVENUE

KANSAS EXEMPTION NUMBER: ASSAMPLE99

Expiration Date: 11/1/2014

TAX-EXEMPT ENTITY INFORMATION

Name: Tax Exempt Entity

Address: 100 Main St

PO Box 99

Emporia KS 66801

Authorized Signature:

Print:

Replaced Name:

Date:

USE OF THIS EXEMPTION CERTIFICATE

What purchases are exempt: The direct purchase, rental or lease of tangible personal property and the direct purchase of repair services are exempt, subject to the exclusions noted in the statement above.

Materials furnished by or through a contractor or materials and labor of a sub-contractor for real property projects are taxable.

Project Exemption Certificate (PEC) applicability: This entity, unless an agency of the State of Kansas, is authorized to request or issue a Project Exemption Certificate (PEC) in order that the materials furnished or purchased by the contractor or the materials and labor of a sub-contractor for a real property project may be purchased without tax. The State of Kansas, except for the Dept. of Corrections for a state correctional institution, CANNOT issue a PEC. Materials purchased by a contractor for the state projects are always taxable.

INFORMATION FOR RETAILERS

- You must keep a copy of this completed certificate with your other sales tax records for a period of 12 least three years from the date the certificate was signed and presented to you.
- A completed certificate may be used by the organization or a bank to exempt future purchases from you of the same type for the same exempt purpose.
- All purchases must be direct purchases - billed directly to the entity, and paid for with entity funds (check or credit card).
- Sales to employees or agents of the exempt entity using the personal funds are taxable, even when the employee/agent is later reimbursed the expense by the exempt entity.
- The item purchased must be used exclusively by the exempt entity for the stated exempt purpose.

For additional information on Kansas sales and use taxes see Publication KS-1500, Kansas Sales Tax and Compensating Use Tax and Publications KS-1501, Kansas Exempt Entities, located at: www.revenue.ks.gov. Questions should be directed to Taxpayer Services at 785-368-2222.

KANSAS DEPARTMENT OF REVENUE

SALES AND USE TAX EXEMPTION CERTIFICATE

The Kansas Department of Revenue certifies this entity is exempt from paying Kansas sales and/or compensating use tax stated below.

KANSAS EXEMPTION NUMBER: ASSAMPLE99

Expiration Date: 11/1/2014

The tax-exempt entity understands and agrees that if the tangible personal property or service is used other than for the purpose for which the exemption was granted, for any purpose that is not exempt from the tax, the tax-exempt entity is liable for the state and local sales and use tax. The non-exempt use of this certificate is expressly prohibited by law and/or enforcement.

Exempt Entity

100 Main St

PO Box 99

Emporia KS 66866

Hayworth KS 66666

EXEMPT ENTITY INFORMATION

Authorized and/or
- K.S.A. 79-3600(2) (a) - State of Kansas, political subdivisions of the State of Kansas (County, townships, special districts), nonprofit hospitals, and blood, tissue, or organ banks.
- Employees in the exempt entity may use the exemption certificate to purchase goods for personal consumption or purchases made for any business activity specifically taxable and, if proper purchase, by a contractor for a real property project as noted below.

Restrictions:

- Only direct purchases are exempt through the use of this certificate.
- Except for state government, this entity qualifies for exemption on indirect purchases by a contractor through the issuance of a Project Exemption Certificate (PEC). Apply online at KDOC's website: www.revenue.ks.gov. The only State of Kansas agency allowed a PEC is a Kansas correctional institution. Indirect purchases by all other state agencies are subject to sales tax.
- This exemption does not apply to the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, preserving, relocating, or remodeling functions for the exempt entity.
- Subject to sales tax are purchases of capital goods used in the Kansas activities (i.e. residential housing and additions) to include materials for construction, remodeling or repair and furnishings such as books, curtains, drapes and furniture.
- Labour services on residential construction and additions are exempt as residential construction.
- All purchases of goods and services used in a business that is specifically taxable by the Sales Tax Act are subject to tax. This includes operation of a utility, restaurant, and selling of goods or services at retail.

Exempt Entity Authorized Signature:

Office, Title, or Manager or Administrator:

Federal ID Number:

Print: 

Date:

RETAILER INFORMATION

For questions for the exemption certificate must have an expiration date in the future and be signed by an authorized individual.
- Payment must be made by the entity on their checking account or on a credit card used issued to the entity. Acceptance of such personal checks, or personal credit cards is not allowed for this exemption purchase.
- The entity must have a Kansas exemption certificate. Exemption certificate issued by other states are not valid in Kansas.
- Retailers are required to maintain a copy of the exemptee’s certificate in their records for at least three years from the date of purchase. Retailers must maintain a correct certificate on file.
- Selling to exempt entities for services that are not exempt by statute may result in the assessment of tax.
- A completed certificate may be used as an affidavit exemption for future purchases with the same type and for the same exempt purposes.

For additional information on Kansas sales and use taxes see Publication KS-1500, Kansas Sales Tax and Compensating Use Tax and Publications KS-1501, Kansas Exempt Entities, located at: www.revenue.ks.gov. Questions should be directed to Taxpayer Services at 785-368-2222.

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