

## HOUSE BILL No. 2452

By Committee on Taxation

3-25

1 AN ACT concerning sales and compensating use tax; relating to motor  
2 vehicles; sourcing sales of motor vehicles to location of vehicle  
3 registration; amending K.S.A. 2020 Supp. 12-191 and 12-199 and  
4 repealing the existing sections.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2020 Supp. 12-191 is hereby amended to read as  
8 follows: 12-191. All retail transactions consummated within a county or  
9 city having a retail sales tax, which transactions are subject to the Kansas  
10 retailers' sales tax, shall also be subject to such county or city retail sales  
11 tax. Except as hereinafter provided, all retail sales, for the purpose of this  
12 act, shall be considered to have been consummated at the location  
13 determined by the sourcing rules as provided in K.S.A. 79-3670, and  
14 amendments thereto. The retail sales or transfer of watercraft, modular  
15 homes, manufactured homes or mobile homes, shall be considered  
16 consummated at the place of business of the retailer and sourced to such  
17 location. The retail sale, excluding the lease or rental, of motor vehicles,  
18 trailers, semi-trailers or aircraft that do not qualify as transportation  
19 equipment, as defined in ~~subsection (d) of~~ K.S.A. 79-3670(d), and  
20 amendments thereto, shall be considered consummated at the ~~place of~~  
21 ~~business of the retailer and sourced to such~~ location *where the vehicle is*  
22 *registered or intended to be registered under the provisions of article 1 of*  
23 *chapter 8 of the Kansas Statutes Annotated, and amendments thereto.* The  
24 isolated or occasional sale of any motor vehicle or trailer shall be  
25 considered consummated at the ~~taxing jurisdiction where the sale is made.~~  
26 ~~If the sale negotiations occurred in different cities or counties, the situs of~~  
27 ~~the sale for local sales tax purposes shall be the place where the motor~~  
28 ~~vehicle or trailer was kept at the time negotiations were first entered into.~~  
29 ~~In the event the place of business of a retailer is doubtful the place or~~  
30 ~~places at which the retail sales are consummated for the purposes of this~~  
31 ~~act shall be determined under rules and regulations adopted by the~~  
32 ~~secretary of revenue which rules and regulations shall be considered with~~  
33 ~~state and federal law insofar as applicable~~ *location where the vehicle is*  
34 *registered or intended to be registered under the provisions of article 1 of*  
35 *chapter 8 of the Kansas Statutes Annotated, and amendments thereto.* The  
36 director of taxation is hereby authorized to request and receive from any

1 retailer or from any city or county levying the tax such information as may  
2 be reasonably necessary to determine the liability of retailers for any  
3 county or city sales tax. The collection of any sales tax of a county or city  
4 approved at any election shall commence on the first day of the calendar  
5 quarter next following the 90<sup>th</sup> day after the date that the city or county has  
6 provided written notice to the director of taxation of the election  
7 authorizing the levy of such tax. The collection of any such sales tax  
8 applicable to printed catalog purchases wherein the purchaser computed  
9 the tax based upon local tax rates published in the catalog, shall not  
10 commence until the first day of the calendar quarter next following the  
11 150<sup>th</sup> day after the date that the city or county has provided written notice  
12 to the director of taxation of the election authorizing the levy of such tax.  
13 The director of taxation shall provide notice to sellers of such taxes within  
14 30 days after receiving such notice from the city or county.

15 A city retailers' sales tax shall not become effective within any area  
16 annexed by a city levying such tax until the first day of the calendar  
17 quarter next following the 90<sup>th</sup> day after the date that the governing body  
18 of such city provided the state department of revenue with a certified copy  
19 of the annexation ordinance and a map of the city detailing the annexed  
20 area. The director of taxation shall provide notice to sellers of such tax  
21 within 30 days after receiving such notice from the city or county.

22 Whenever any sales tax, imposed by any city or county under the  
23 provisions of this act, shall become effective, at any time prior to the time  
24 that revenue derived therefrom may be budgeted for expenditure in such  
25 year, such revenue shall be credited to the funds of the taxing subdivision  
26 or subdivisions and shall be carried forward to the credit of such funds for  
27 the ensuing budget year in the manner provided for carrying forward  
28 balances remaining in such funds at the end of a budget year.

29 Sec. 2. K.S.A. 2020 Supp. 12-199 is hereby amended to read as  
30 follows: 12-199. (a) A compensating use tax for the privilege of using or  
31 storing within a city or county any vehicle which is required to be  
32 registered under the provisions of article 1 of chapter 8 of the Kansas  
33 Statutes Annotated, and amendments thereto, and which is purchased  
34 within this state but without the local retailers' sales taxing jurisdiction of  
35 such city or county, is hereby imposed by every city or county imposing a  
36 retailers' sales tax. The rate of any such tax shall be equal to the difference  
37 between the aggregate rate of all local retailers' sales tax rates imposed by  
38 all local retailers sales taxing jurisdictions of the situs of such vehicle less  
39 the aggregate rate of all local retailers' sales tax rates imposed ~~by all local~~  
40 ~~retailers' sales taxing jurisdictions of the situs and collected by the retailer~~  
41 *at time* of the purchase of such vehicle. Except as otherwise provided in  
42 this section, any city or county imposing a compensating use tax is  
43 prohibited from administering such tax locally, but shall utilize the

1 services of the state department of revenue to administer and enforce such  
2 tax. All laws and rules and regulations of the state department of revenue  
3 relating to the Kansas compensating tax shall apply to such local  
4 compensating use tax insofar as the same may be made applicable. Such  
5 tax shall be collected by the county treasurer at the time the vehicle is  
6 registered in this state following a sale occurring within this state.  
7 Registration of such vehicle within a taxing jurisdiction shall be deemed to  
8 constitute use or storage thereof for compensating tax purposes and the  
9 residence or place of business of the applicant shall be deemed to be the  
10 situs of such use or storage for purposes of the collection and distribution  
11 thereof.

12 (b) The secretary of revenue is authorized to administer and enforce a  
13 city's or county's compensating use tax and to adopt such rules and  
14 regulations necessary for the efficient and effective administration,  
15 enforcement and collection thereof.

16 (c) All revenue received by any county treasurer from a countywide  
17 compensating use tax shall be apportioned among the county and each city  
18 located in such county in the same manner as provided in K.S.A. 12-192,  
19 and amendments thereto, for the apportionment of revenue received from a  
20 countywide retailers' sales tax, and all revenue received from a city  
21 compensating use tax shall be remitted at least quarterly to the treasurer of  
22 such city.

23 Sec. 3. K.S.A. 2020 Supp. 12-191 and 12-199 are hereby repealed.

24 Sec. 4. This act shall take effect and be in force from and after its  
25 publication in the statute book.