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January 17, 2012

Senate Committee on Assessment and Taxation

Briefing on Sales and Use Tax

Presented by Richard Cram

Chairman Les Donovan and Members of the Committee:

The sales tax was first enacted in Kansas in 1937 at the rate of 2%. The current state sales tax rate is 6.3%. Under current law, the rate will decrease to 5.7% effective July 1, 2013. It became a popular revenue-raising vehicle for many states during the Depression. Its popularity has grown. Currently, 45 States plus the District of Columbia have enacted the sales tax. Nationwide, sales tax is estimated to provide approximately a third of total state tax collections. Hellerstein & Hellerstein, *State Taxation*, ¶ 12.01. In Kansas, state sales and use tax accounted for \$2.253 billion in revenues for the State General Fund in FY 2011.

Sales tax is imposed on the gross receipts received from the retail sale of tangible personal property or certain taxable services. K.S.A. 79-3603. Sales tax is paid by the consumer. The retailer is obligated to collect the tax from the consumer at the time of the sale, and report and remit the tax to the State. K.S.A. 79-3604; 79-3607. If the retailer does not collect the sales tax from the consumer on a taxable sale, then the state can collect the tax from the retailer or the consumer. Any retailer making taxable sales in the state must first register with the department. K.S.A. 79-3608.

Use tax is imposed on the use, storage or consumption of tangible personal property in the state. K.S.A. 79-3703. It applies to goods purchased outside the state. The use tax complements the sales tax. Use tax was developed to safeguard state sales tax revenues from erosion by purchases of goods outside the State, and to protect local merchants from loss of business to border and other states that either have no sales tax or whose sales tax rate is lower than that of the merchant's state. Hellerstein & Hellerstein, ¶ 16.01.

#### Local Sales and Use Tax

Counties and cities have had the option of imposing local sales taxes since the 1970's. Local use taxes have existed since 2003. The local sales tax and use tax rate is determined by the governing body for that taxing jurisdiction, subject to local voter approval and rate limitations established by statute. All local taxes are administered by the department of revenue. Local

sales and use tax rates are found in the Sales Tax Jurisdiction Code Booklet, Publication KS-1700, downloadable from the department's website, [www.ksrevenue.org](http://www.ksrevenue.org). This booklet is updated quarterly. Local rates for a particular address are also available on the department's website, using the sales tax rate locator. Local sales and use taxes collected and distributed by the Department for FY 2011 were \$841.4 million.

#### Imposition of Sales Tax

Kansas sales tax generally applies to three types of transactions:

- 1) The retail sale, rental, or lease of tangible personal property, including the sale or furnishing of utilities;
- 2) Charges for various specifically enumerated types of services, such as utilities, telecommunications, hotel rental services, dry cleaning services, vehicle washing, and labor services to install, apply, repair, service, alter, or maintain tangible personal property; and
- 3) The sale of admissions to places providing amusement, entertainment or recreation services, including admissions to state, county, district and local fairs.

K.S.A. 79-3603 contains the sales tax imposition provisions. Retail sales of tangible personal property are taxable unless an express exemption applies. Retail sales of services are taxable only when tax has been expressly imposed upon them by the sales tax act. If the act does not list the service, it is not taxable.

#### Sales Tax Exemptions

K.S.A. 79-3606 contains 85 sales tax exemptions, starting at (a) and going to (gggg). Some of the more prominent exemptions are for sales to governmental entities, items "consumed in production," "ingredient-component parts," manufacturing machinery and equipment, farm machinery and equipment, and exemptions for religious and specifically listed charitable organizations. Several more exemptions are contained in K.S.A. 79-3603 (such as the "original construction" exemption for labor services). Exempt transactions must be documented with an exemption certificate provided by the purchaser to the retailer, and retained by the retailer in case of audit.

Valid reasons may prompt the Legislature to grant a particular sales tax exemption. However, each additional exemption narrows the sales tax base and raises pressure to increase the rate. Your materials contain a spreadsheet providing the department's estimate for the amount of foregone revenue attributable to each sales tax exemption, the total value of all sales tax exemptions for FY 2012 being approximately \$5.487 billion.

#### "Nexus" and Taxation of Remote Sales

"Nexus" refers to the degree of physical connection between an out-of-state retailer selling goods to customers located in another state and that state. It will determine whether that state can legally impose a duty on the out-of-state retailer to collect the sales or use taxes imposed by that state. Whether the retailer collects the tax or not, the purchaser is ultimately obligated to pay use tax to the State of residence on out-of-state purchases of items used, stored or consumed in that state. Except for businesses subject to regular audits, unless the out-of-state retailer collects use tax from the purchaser and remits it to the state, as a practical matter, it will not be paid. The viability of both the sales and use tax depends primarily upon the collection,

reporting and remittance functions that retailers perform. In order for states to obtain an acceptable compliance rate on payment of use tax on remote sales to consumers, out-of-state retailers must be obligated to collect and remit use tax on those sales.

Under Kansas law, an out-of-state retailer "doing business" in Kansas is obligated to collect and remit use tax on its sales to consumers in Kansas. K.S.A. 79-3705c. However, United States Supreme Court decisions have restricted the constitutional power of the States to subject interstate sales to sales or use tax. In *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), the Supreme Court held that the Commerce Clause bars a State from imposing a use tax collection duty on an out-of-state seller with no physical presence (nexus) in the state. Thus, an out-of-state merchant has no legal obligation to collect use tax on its sales to customers located in another state, if the sale is conducted by telephone, mail order, or in recent times, the Internet, and if the out-of-state merchant has no physical presence in the other state.

Physical presence, or nexus, is established if the out-of-state retailer employees or a facility permanently located in the state or has salesmen who operate in the state. Temporary presence can be sufficient to establish nexus under certain circumstances (such as frequent sales calls or deliveries into the state), but this is currently a heavily litigated area of the law.

State governments and local merchants have long been concerned about the fact that mail-order consumer retail sales by out-of-state merchants essentially escape use tax. The rapid growth of remote retail sales over the Internet have heightened those concerns. The Streamlined Sales and Use Tax Agreement, of which Kansas is a Member State of the Governing Board, addresses those concerns in an effort to encourage Congress to authorize States adopting certain uniformity provisions in their tax administration laws and procedures to require remote retailers to collect and remit use tax on retail sales. It also encourages voluntary collection by retailers of applicable sales and use taxes on their remote sales.

#### Moratorium on Internet Taxation

The Internet Tax Freedom Act, passed by Congress in 1998 and extended several times, placed a moratorium on State and local government taxation of Internet access fees and imposition of multiple or discriminatory taxes on electronic commerce. Telecommunications services used to provide Internet access were included in the moratorium. The Internet Tax Freedom Act does not prohibit imposition of sales or use tax on retail sales conducted over the Internet. A consumer making purchases from an out-of-state e-commerce merchant over the Internet remains legally obligated to pay use tax. If an e-commerce merchant has a physical presence in the taxing state, then the e-commerce merchant is obligated to collect and remit the appropriate sales or use tax on sales to customers located in that state.

#### Sales Tax Policy and Research Staff Contact Information

The department's sales tax guidelines, forms, private letter rulings, annual and monthly sales tax distribution reports can be accessed at the department's website, [www.ksrevenue.org](http://www.ksrevenue.org). Listed below are the department staff in Policy and Research specializing in the sales tax area.

Sales Tax Policy/Interpretation Questions  
Tom Browne—Tax Specialist 296-7776  
Mark Ciardullo—Tax Specialist 296-5330  
Tom Hatten—Tax Specialist 296-4008

Local Sales Tax Distribution Questions/Fiscal Analysis  
Steve Brunkan—Financial Economist 291-3580

Director  
Richard Cram 296-8042

Policy and Research Office—296-2381

Statute	Description of Exemption or Exclusion	FY2011 (\$ in Millions)
Tax Rate		6.3%
Annual Rate of Increase		3%
	<b>Conceptual Exclusions</b>	
3602 (e)	Definition of retail sales, exempting wholesale sales and sales for resale	\$ -
3606 (a)	Motor fuels and items taxed by sales or excise tax	\$ 294.65
3606 (k)	Vehicles, trailers or aircraft purchased and delivered out of state to a nonresident	\$ 19.56
3606 (l)	Isolated or occasional sales, except motor vehicles	\$ -
3606 (m)	Property which becomes an ingredient or component part of property or services produced or manufactured for ultimate sale at retail	\$ 2,848.78
3606 (n)	Property consumed in the production, manufacturing, processing, mining, drilling, refining or compounding of property; or irrigation of crops for ultimate sale at retail. In 2000, added provision to eliminate refunds from the Johnson County Water case	\$ 373.77
3606 (o)	Sales of animals, fowl, aquatic plants, and animals used in agriculture or aquaculture, for production of food for human consumption, the production of animal, dairy, poultry, or aquatic products, fiber or fur or the production of offspring.	\$ 210.37
	<b>Subtotal</b>	<b>\$ 3,747.14</b>
	<b>Public Policy: Charitable, Religious, Benevolent Exemptions</b>	
3603 (e)	Admission to any cultural and historical event which occurs triennially	Minimal
3606 (v)	Sales of food products purchased by contractor for use in preparing meals for delivery to homebound elderly persons. In 2004, expanded exemption to all personal property purchased by contractor and sales of food products by or on behalf of contractor or organization	\$ 1.05
3606 (ii)	Property purchased by nonprofit organization for nonsectarian comprehensive multidiscipline youth development programs and activities and sales of property by or on behalf of such organization	\$ 3.33
3606 (oo)	Property purchased by a community action group or agency to repair or weatherize housing occupied by low income individuals.	Minimal
3606 (qq)	Property and services purchased by a nonprofit museum or historical society which is organized under the federal income taxation code as a 501 (c)(3)	\$ 0.50
3606 (rr)	Property which will admit purchases to an annual event sponsored by a nonprofit organization organized under the federal income taxation code as a 501 (c)(3)	\$ 0.04
3606 (tt)	Property and services purchased by not-for-profit corporation for the sole purpose of constructing a Kansas Korean War memorial and is organized under the federal income taxation code as a 501 (c)(3)	\$ -
3606 (xx)	Property and services purchases by nonprofit zoo or on behalf of a zoo by an entity that is a 501(c)(3)	\$ 0.76
3606 (yy)	Property and services purchased by a parent-teach association or organizations and all sales of tangible personal property by or on behalf of such association	\$ 0.72
3606 (aaa)	Property and services purchased by religious organizations and used exclusively for religious purposes	\$ 21.99

3606 (bbb)	Sales of food for human consumption by organizations exempt by 501(c)(3) pursuant to food distribution programs which offers such food at a price below cost in exchange for the performance of community service by the purchaser.	Minimal
3606 (hhh)	Property and services purchased by or on behalf of Domestic Violence Shelters as members of the Kansas coalition against Sexual and Domestic Violence	\$ 0.07
3606 (iii)	Property and services purchased by organizations distributing food without charge to other nonprofit food distribution programs. Includes taxes paid on and after July 1, 2005 and prior to July 1, 2006.	\$ 0.30
3606 (ppp)	Property and services purchased by non-profit Homeless Shelters, and sales made by or on behalf of these organizations.	\$ 0.14
3606 (ttt)	Property and services purchased a contractor for a purpose of restoring, constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling a home or facility owned by a nonprofit museum which is a qualified under the governor hometown heritage act (KSA 75-5071)	\$ 0.13
	<b>Subtotal</b>	<b>\$ 29.04</b>
	<b>Public Policy: Exemptions to Charitable Organizations by Name</b>	
3606 (vv)	Property purchased by the following organizations who are organized under the federal income taxation code as a 501 (c)(3): American Heart Association, Kansas Affiliate; Kansas Alliance for the Mentally Ill, Inc.; Kansas Mental Illness Awareness Council; in 2004 added: Heartstrings Community Foundation, Cystic Fibrosis , Spina Bifida Assn, CHWC, Inc., Cross-lines Cooperative Council, Dreams Work, Inc., KSDS, Inc., Lyme Association of Grater Kansas City, Inc Dream Factory, Ottawa Suzuki Strings, International Assn of Lions Clubs, Johnson County young Matrons, American Cancer Society, Community Services of Shawnee, Angel Babies Assn, Kansas Fairground Foundation	\$ 1.00
3606 (ww)	Property purchased by the Habitat for Humanity for use within a housing project	\$ 0.15
3606 (ggg)	Property and services purchased by or on behalf of the Kansas Academy of Science.	Minimal
3606 (kkk)	Not Used	\$ -
3606 (lll)	Property and services purchased by Special Olympics Kansas, Inc., and sales made by or on behalf of Special Olympics.	\$ 0.03
3606 (mmm)	Property and services purchased by Marillac Center, Inc. and sales made by or on behalf of the Marillac Center.	\$ 0.07
3606 (nnn)	Property and services purchased by West Sedgwick County - Sunrise Rotary Club for constructing boundless playground.	\$ 0.03
3606 (qqq)	Property and services purchased by TLC for Children and Families, Inc. and sales made by or on behalf of TLC	\$ 0.22
3606 (sss)	Property and services purchased by catholic charities or youthville and sales made by or on behalf of catholic charities or youthville	\$ 0.81
3606 (uuu)	Property and services purchased by Kansas Children's Service League and sales made by or on behalf of the KCSL	\$ 0.19
3606 (vvv)	Property and services purchased by Jazz in the Woods and sales made by or on behalf of such organization	\$ 0.01
3606 (www)	Property purchased by or behalf of Frontenac Education Foundation and sales made by or on behalf of such organization	\$ 0.00
3606 (xxx)	Property and services purchased by the Booth Theatre Foundation, Inc. Provides for refund of sales taxes paid from January to July 2007.	\$ 0.04

3606 (yyy)	Property and services purchased by the TLC Charities Foundation, Inc. and sales made by or on behalf of these organizations.	\$ 0.00
3606 (zzz)	Property purchased by Rotary Club of Shawnee Foundation	\$ -
3606 (aaaa)	Property and services purchased by or on behalf of Victory in the Valley and sales made by or on behalf of such organization	\$ 0.02
3606 (bbbb)	Guadalupe Health Foundation, sales of entry or participation fees, charges or tickets for annual fundraising event	\$ 0.14
3606 (cccc)	Property and services purchased by or on behalf of Wayside Waifs for the purpose of providing such organizations annual fundraising event and sales made by or on behalf of such organization	\$ 0.01
3606 (dddd)	Property or services purchased by or on behalf of Goodwill Industries or Easter Seals o Kansas, Inc for the purpose of providing education, training and employment opportunities for people with disabilities and other barriers to employment	\$ 0.05
3606 (eeee)	Property or services purchased by or on behalf of All Beef Battalion, Inc. for the purpose of educating, promoting and participating as a contract group through the beef cattle industry in order to carry out such projects that provide support and morale to members of the United States armed forces and military services.	\$ 0.00
3606 (ffff)	Property and services purchased by Sheltered Living, Inc for the purpose of providing residential and services for people with developmental disabilities or mental retardation, or both; and sales made on behalf of such organization	\$ 0.04
	<b>Subtotal</b>	<b>\$ 2.82</b>
	<b>Public Policy: Consumer Exemptions</b>	
3602 (ii)	Modified definition of sales or selling price to not include cash rebates granted by a manufacturer to a purchaser or lessee of a new motor vehicle if paid directly to the retailer as a result of the original sale. The exemption is granted from July 1, 2006 and ending June 30, 2009.	\$ -
3603 (b)	Taxes telephone and telegraph services except certain interstate and international services and value-added nonvoice data services	\$ 1.83
3603 (c)	Residential and agricultural use utilities. Effective Jan 1 2006, exemption moved here from 3606 (w) and (x).	\$ 157.06
3603 (o)	Motor vehicles exchanged for corporate stock, corporate transfer to itself and immediate family member sales.	\$ 0.26
3603 (p)	Labor services of installing or applying property in original construction of a building or facility or the construction reconstruction, restoration, replacement or repair of a residence, bridge or highway	\$ 230.39
3603 (v)	Sales of bingo cards, bingo faces and instant bingo tickets. Tax rate 2.5 on July 1, 2001 to June 30, 2002; exempt on July 1, 2002	\$ 3.46
3606 (u)	Leases or rentals of property used as a dwelling for more than 28 consecutive days.	\$ 0.92
3606 (w)	Residential and agricultural use of water and severing oil & gas and property exempt from property tax. Effective Jan 1 2006, exemption for residential and agricultural use of electricity and heat moved to 3603(c).	\$ 14.69
3606 (x)	Sales of propane, gas, LP-gas, coal, wood, and other fuel sources for the production of heat or lighting for noncommercial use in a residential premise. Effective Jan 1 2006, exemption for residential and agricultural moved hereto 3603(c).	\$ -
3606 (bb)	Used mobile and manufactured homes	\$ 5.62

3606 (ee)	Lottery tickets and shares made as part of a lottery operated by the State of Kansas	\$ 17.88
3606 (ff)	New mobile or manufactured homes to the extent of 40% of the gross receipts	\$ 4.12
3606 (ooo)	Sales made by or on behalf of a public library	\$ 0.01
	<b>Subtotal</b>	<b>\$ 436.26</b>
	<b>Public Policy: Governmental Exemptions</b>	
3603 (g)	Service of renting of rooms by holds or accommodation brokers to federal government or any federal employee in performance of official government duties.	\$ 0.15
3603 (h)	Service of leasing or renting machinery and equipment owned by city purchased with industrial revenue bonds prior to July 1, 1973	\$ -
3606 (b)	Property or services purchases by State of Kansas, political subdivision, nonprofit hospital or blood /donor bank. In 2001, deleted sales of water to make purchases for water suppliers exempt.( Neutral FN due to Clean Water Fee)	\$ 419.30
3606 (d)	Property or services purchased by contractor for building or repair of buildings for nonprofit hospital, elementary or secondary schools or nonprofit educational institutions, and for state correctional institution	\$ 150.74
3606 (e)	Property or services purchases by federal government, its agencies or instrumentality's	\$ 7.02
3606 (s)	Sales of property or services purchased by a groundwater management district	\$ 0.05
3606 (z)	Property and services purchased directly by a port authority or a contractor therefore.	Minimal
3606 (ss)	Property and services purchased by a public broadcasting station licensed by FCC as a noncommercial educational television or radio station.	Minimal
3606 (uu)	Property and services purchased by rural fire fighting organization	Minimal
3606 (rrr)	Property and services purchased by county law library,	\$ 0.14
	<b>Subtotal</b>	<b>\$ 577.39</b>
	<b>Public Policy: Educational Exemptions</b>	
3606 (c)	Property or services purchased and leasing by elementary or secondary schools and educational institutions	\$ 74.10
3606 (h)	Rental of nonsectarian textbooks by elementary or secondary schools	\$ 1.21
	<b>Subtotal</b>	<b>\$ 75.31</b>
	<b>Public Policy: Health Care Exemptions</b>	
3606 (p)	Sales for prescription drugs	\$ 89.16
3606 (q)	Sales of insulin dispensed by pharmacist for treatment of diabetes	\$ 0.69
3606 (r)	Sales of prosthetic or orthopedic appliances prescribed by a doctor. IN 2004, exempted all hearing aids, parts and batteries by licensed providers	\$ 10.48
3606 (hh)	Medical supplies and equipment purchased by nonprofit skilled nursing home or intermediate nursing care home for providing medical services to residents	\$ 1.32
3606 (jj)	Property and services, includes leasing of property, purchased for community-based mental retardation facility or mental health center.	\$ 3.06
3606 (ll)	Educational materials purchased for distribution to the public at no charge by a nonprofit public health corporation	\$ 0.10



3606 (ccc)	Property and services purchases by health care centers and clinics who are serving the medically underserved.	\$ 0.48
3606 (jjj)	Sales of dietary supplements dispensed by prescription order by a licensed practitioner or mid-level practitioner.	Minimal
	<b>Subtotal</b>	<b>\$ 105.29</b>
	<b>Public Policy: Agriculture Exemptions</b>	
3606 (t)	Sales of farm or aquaculture machinery and equipment, parts and services for repair and replacement. In 2006, added work-site utility vehicle as exempt. To include precision farm equipment	\$ 62.91
3606 (mm)	Seeds, tree seedlings, fertilizers, insecticides, etc., and services purchased and used for producing plants to prevent soil erosion on land devoted to agricultural use.	\$ 1.21
	<b>Subtotal</b>	<b>\$ 64.12</b>
	<b>Legal Exemptions</b>	
3606 (g)	Sales, repair or modification of aircraft sold for interstate commerce directly through an authorized agent. IN 2004, expanded aircraft exemption for repair, modification plus parts and labor	\$ 9.25
3606 (y)	Sales of materials and services used in repairing, maintaining, etc., of railroad rolling stock used in interstate commerce	\$ 1.19
3606 (aa)	Materials and services brought into Kansas for usage outside of Kansas for repair, services, alteration, maintenance, etc. used for the transmission of liquids or national gas by a pipeline in interstate commerce	Minimal
3606 (dd)	Property purchased with food stamps issued by US Department of Agriculture	\$ 9.61
3606 (gg)	Property purchased with vouchers issued pursuant to the federal special supplemental food program for women, infants and children	n/a
3606 (ddd)	Property and services purchases by any class II or III railroad (shortline) for track and facilities used directly in interstate commerce. Only for calendar year 1999.	n/a
	<b>Subtotal</b>	<b>\$ 20.04</b>
	<b>Public Policy: Exemption of Services</b>	
3603 (f)	Coin operated Laundry Services	\$ 0.46
3603 (m)	Fees and charges by any political subdivision, youth recreation organization exclusively providing services to persons 18 or younger organized as a 501(c)(3) for sports, games and other recreational activities and entry fees and charges for participation.	\$ 1.15
3603 (n)	Dues charged by any organization pursuant to paragraph 8 and 9 of 79-201 (veteran & humanitarian organizations) and zoos	\$ 0.42
3606 (nn)	Services rendered by advertising agency or broadcast station	\$ 5.37
	<b>Subtotal</b>	<b>\$ 7.40</b>
	<b>Public Policy: Exemptions for Businesses</b>	
3603 (q)	Exemption for Service of repairing, servicing, maintaining custom computer software as described in section 3603 (s)	\$ -
3603 (s)	Customized computer software and services for modifying software for single end use and billed as a separate invoiced item. In 2004, amended to tax only prewritten software. Custom software is exempt	\$ 6.54
3606 (f)	Property purchased by railroad or public utility for use in the movement of interstate commerce	\$ 19.68
3606 (i)	Lease or rental of films, records, tapes, etc. by motion picture	\$ 2.16

	exhibitors	
3606 (j)	Meals served without charge to employees if duties include furnishing or sale of such meals or drinks	\$ 4.80
3606 (cc)	Property or services purchased for constructing, reconstructing, enlarging or remodeling a business; sale and installation of machinery and equipment purchased for installation in such business. (Enterprise Zone Exemption)	\$ 83.10
3606 (kk)	Machinery and equipment used directly and primarily in the manufacture, assemblage, processing, finishing, storing, warehousing or distributing of property for resale by the plant or facility. In 2004, added exemption for building new facility in Riverton Ks (minimal impact)	\$ 146.75
3606 (pp)	Drill bits and explosives used in the exploration and production of oil or gas	\$ 0.51
3606 (zz)	Machinery and equipment purchased by over-the-air free access radio or television station used directly and primarily for producing signal or the electricity essential for producing the signal.	\$ 1.21
3606 (eee)	Property and services purchases for reconstruction, reconstruction, renovation, repair of grain storage facilities or railroad sidings. Only for calendar year 1999 and 2000.	n/a
3606 (fff)	Material handling equipment, racking systems & other related machinery & equipment used for the handling, movement or storage of tangible personal property in a warehouse or distribution facility; installation, repair, maintenance services, and replacement parts.	\$ 7.95
	<b>Subtotal</b>	<b>\$ 272.70</b>
	<b>Total</b>	<b>\$ 5,337.49</b>

## Comparison of Kansas and Selected States, Sales Tax Comparison

Comparison of state sales tax rates, filing period, reproduction of returns, option of local sales taxes, localities assessing tax, tax laws effective July 1, 2010.

Item	Colorado	Iowa	Kansas	Missouri	Nebraska	Oklahoma
Tax Rate-General Sales and Use Tax	2.9%	6%	6.3%	4.225%	5.5%	4.5%
State has approved local sales tax	Yes	Yes	Yes	Yes	Yes	Yes
State has approved local use tax	Yes	No	Yes	Yes	Yes	Yes
Filing Period	<p>Monthly:Tax Liability&gt;=\$300/mo                      Quarterly:Tax Liability&lt;\$300/mo                      Annually:Tax Liability&lt;\$15/mo</p>	<p>Monthly:Tax due&gt;\$500/mo                      Quarterly:Tax due=\$120 and \$6,000/yr                      Annually:Tax Liability&lt;\$120/yr</p>	<p>Monthly:Tax Liability&gt;\$3,200/yr                      Quarterly:Tax Liability&lt;\$3,200/yr                      Annually:Tax Liability&lt;\$80/yr</p>	<p>Monthly:Tax Liability&gt;=\$500 sales tax/mo                      Quarterly:Tax Liability&gt;\$45 but &lt;\$500 sales tax/mo                      Annually:Tax Liability&lt;\$45 sales tax/yr</p>	<p>Monthly:Tax Liability&gt;\$3,000/yr                      Quarterly:Tax Liability=\$900-\$3,000/yr                      Annually:&lt;\$900 sales/yr</p>	<p>Monthly:Tax Liability \$25,000 avg sales tax for month remitted for prior fiscal year                      Semi-monthly:&gt;\$25,000 in sales tax liability                      Twice a year: \$50/mo in tax liability</p>
Does state accept reproductions of the returns?	Yes	Yes	NR	Yes	Yes	Yes
Percent or range of rates for local sales tax	see <a href="http://www.revenue.state.co.us/pdf/drp1002.pdf">www.revenue.state.co.us/pdf/drp1002.pdf</a>	1% - 2% (sls only)	0.05% - 3.0%	There are over 60 different local tax authorizing statutes.	.5% - 1.5%	2% - 5%
Localities assessing tax	city, county, and special districts	city, county (sls only)	city, county, specific geographic areas	city, county, special districts	city, county	city, county, transportation and hospital authorities

\*NA Information not available; NR Not reported

Source: 2011 Multistate Corporate Tax Guide, Volume II and various state revenue department websites.