

## HOUSE BILL No. 2585

By Committee on Taxation

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1 AN ACT concerning sales and compensating use tax; relating to sourcing,  
2 sales of motor vehicles; amending K.S.A. 2017 Supp. 12-191 and  
3 repealing the existing section.  
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2017 Supp. 12-191 is hereby amended to read as  
7 follows: 12-191. All retail transactions consummated within a county or  
8 city having a retail sales tax, which transactions are subject to the Kansas  
9 retailers' sales tax, shall also be subject to such county or city retail sales  
10 tax. Except as hereinafter provided, all retail sales, for the purpose of this  
11 act, shall be considered to have been consummated at the location  
12 determined by the sourcing rules as provided in K.S.A. 2017 Supp. 79-  
13 3670, and amendments thereto. The retail sales or transfer of watercraft,  
14 modular homes, manufactured homes or mobile homes, shall be  
15 considered consummated at the place of business of the retailer and  
16 sourced to such location. The retail sale, excluding the lease or rental, of  
17 ~~motor vehicles~~, trailers, semi-trailers or aircraft that do not qualify as  
18 transportation equipment, as defined in ~~subsection (d)~~ of K.S.A. 2017  
19 Supp. 79-3670(d), and amendments thereto, shall be considered  
20 consummated at the place of business of the retailer and sourced to such  
21 location. *The retail sale, excluding the lease or rental, of motor vehicles*  
22 *that do not qualify as transportation equipment, as defined in K.S.A. 2017*  
23 *Supp. 79-3670(d), and amendments thereto, shall be sourced to the*  
24 *location of the address of the purchaser.* The isolated or occasional sale of  
25 any motor vehicle or trailer shall be considered consummated at the taxing  
26 jurisdiction where the sale is made. If the sale negotiations occurred in  
27 different cities or counties, the situs of the sale for local sales tax purposes  
28 shall be the place where the motor vehicle or trailer was kept at the time  
29 negotiations were first entered into. In the event the place of business of a  
30 retailer is doubtful the place or places at which the retail sales are  
31 consummated for the purposes of this act shall be determined under rules  
32 and regulations adopted by the secretary of revenue which rules and  
33 regulations shall be considered with state and federal law insofar as  
34 applicable. The director of taxation is hereby authorized to request and  
35 receive from any retailer or from any city or county levying the tax such  
36 information as may be reasonably necessary to determine the liability of

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

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

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

27 Sec. 2. K.S.A. 2017 Supp. 12-191 is hereby repealed.

28 Sec. 3. This act shall take effect and be in force from and after its  
29 publication in the statute book.