

## **Sales Tax: Motor Vehicle Rebates, Exemptions for Community Care Organizations, and Retailers Sales Tax Returns and Payment; HB 2143**

HB 2143 modifies law related to sales tax.

### ***Motor Vehicle Rebate Sales Price Exclusion Sunset Extension***

The bill extends the sunset on an exclusion from sales tax of cash rebates granted by manufacturers to purchasers or lessees of new motor vehicles if such rebates are paid directly to retailers, from June 30, 2021, to June 30, 2024.

### ***Sales Tax Exemptions***

The bill exempts the Cerebral Palsy Research Foundation of Kansas and Multi Community Diversified Services from paying sales tax on purchases related to the building, maintenance, and enlargement of facilities used to house non-students of the institutions.

The bill provides a sales tax exemption for purchases made by nonprofit integrated community care organizations, as defined by the bill. "Nonprofit integrated community care organization" is defined as any entity that is exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, certified to participate in the Medicare program as a hospice focused on providing care to the aging and indigent population across multiple counties, and approved by the Kansas Department for Aging and Disability Services to provide services under the Program of All-Inclusive Care for the Elderly.

The bill also provides a sales tax exemption for the Friends of Hospice of Jefferson County for purchases made for the purposes of providing end-of-life hospice care and on all sales of entry or participation fees, charges, or tickets for the fundraising event of the organization.

### ***Retailers Sales Tax Returns and Payment***

The bill increases, as of January 1, 2024, the threshold filing amounts for retailers to submit sales taxes to the Kansas Department of Revenue. The bill increases the threshold amount from \$400 to \$1,000 for annual filings and from \$4,000 to \$5,000 for quarterly filings. Retailers with annual liability exceeding \$5,000 are required to file and remit sales tax on a monthly basis. The liability threshold for retailers required to pay the sales tax liability for the first 15 days of each month on the 25th day of that month is increased from \$40,000 to \$50,000.

### ***Effective Date***

The bill is effective upon publication in the *Kansas Register*. The provisions relating to sales tax returns and payments are effective beginning January 1, 2024.