

## Advertising Fact Sheet

The taxability of sales and purchases of tangible personal property and labor services by companies in the Advertising are summarized below. This list is not all-inclusive.

### Purchases by companies in the Advertising Industry:

Kansas sales or compensating use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Kansas sales or Kansas consumers' compensating use tax must be paid to the vendor or accrued and remitted directly to the Kansas Department of Revenue. Purchases from Kansas vendors may be reported using the retailers' sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Kansas consumers' compensating use tax return.

Purchases	Taxable or Exempt
Materials used to fabricate, paint, maintain or repair signs intended for resale by sign dealers who have provided proper resale exemption certificate.	Exempt
Materials used to fabricate, paint, maintain or repair self owned signs.	Taxable
Tools, equipment and machinery used in the course of business.	Taxable
Uniforms, uniform rental charges, shop apparel, linen supplies, etc.	Taxable
Merchandise purchased for resale or rental to customers, including freight or delivery charges.	Exempt
Merchandise withdrawn from resale inventory for store use or consumption (including for use during instructional classes).	Taxable
Tangible personal property to be given away or donated (Items that are given away or donated to a tax exempt entity are not subject to sales tax).	Taxable
Complimentary items such as bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, and candy.	Taxable
Promotional items, including but not limited to, calendars, mugs, pens and items of clothing.	Taxable
Freight or delivery charges, billed by the vendor, on purchases subject to sales/use tax.	Taxable
Reference books and materials, newspaper and magazine subscriptions, forms, printed matter (including promotional brochures, etc.), business cards, notepads, etc.	Taxable
Office supplies such as office forms, staplers, paper, pens, pencils, labels, ink, toner and ribbon cartridges.	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators, telephones and other similar equipment.	Taxable
Furniture and fixtures, including but not limited to, desks, lights, tables, chairs, plants, planters, artwork and signs.	Taxable
Shelving, display racks, checkout counters, storage cabinets, display cases, bar code scanners, cash registers, cash register supplies, bins, boxes, etc.	Taxable
Break room supplies such as microwaves, refrigerators, tables, chairs and paper products.	Taxable
Equipment included, but not limited to, motor vehicles, hydraulic equipment, dollies, ladders, batteries and chargers and fans including the charges for repair and/or maintaining said equipment.	Taxable
Lease or rental of any tangible personal property such as copiers, fax machines, equipment or vehicles.	Taxable
Parts and labor services of repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers and security equipment.	Taxable
Warranty or service agreements for tangible personal property such as computers, printers, copiers and security equipment.	Taxable
Printed materials such as catalogs and flyers distributed directly to customers at the store or mailed directly to customers or prospective customers through mailing or delivery service.	Taxable
Printed materials provided to a newspaper or other publication to be included as an insert in the newspaper or publication that is to be sold at retail.	Exempt
Signs, banners or posters purchased from an outside printer, or the costs of all materials if produced by the store.	Taxable
Exterior building or parking lot signage, including charges for parts and labor for repairs and maintenance.	Taxable
Advertising such as in newspapers, radio or television.	Exempt
Professional services such as legal or accounting services.	Exempt
Canned software, software upgrades and labor services to modify, alter, update or maintain software.	Taxable
Customized software, software upgrades and labor services to modify, alter, update or maintain customized software. "Customized" software is software developed for a single end user.	Exempt

**Purchases continued****Taxable or Exempt**

Software or databases accessed via the internet and not installed on owned or leased computers or servers.	Exempt
Labor services on <b>original construction</b> of a new building or facility.	Exempt
Labor services for repairs, maintenance and remodeling of <b>existing</b> commercial buildings or facilities.	Taxable
Security cameras, mirrors, security tags, tag detachers, countertop deactivators, all other security equipment.	Taxable
Security systems monitoring service.	Exempt
Cleaning services (except when applying products such as wax, scotch guard, etc), plant watering and care.	Exempt
Janitorial supplies such as vacuums, carpet cleaners, sweepers, scrubbers, floor waxers, rags and toiletries.	Taxable
Trash removal, shredding services.	Exempt
Linen services.	Taxable
Pest control materials and supplies.	Taxable

**Sales by companies in the Advertising Industry:**

\*Sales/rentals to entities with proper exemption certificates provided are exempt from sales tax. Ensure the exemption certificates are retained to substantiate all non-taxed transactions.

Note: Kansas tax applies to the "gross receipts" from the sale of taxable goods or services in Kansas. Gross receipts include amounts collected from the customer such as charges billed for freight, delivery or special handling.

The taxability of sales of tangible personal property and labor services by Advertising is summarized below. This list is not all inclusive.

<b>Sales</b>	<b>Taxable or Exempt</b>
Custom fabrication, sale and installation of a sign, including any warranty charges.	Taxable
Custom painting, lettering, maintenance and repair of signs including doors, windows, vehicles, trailers or any other real property.	Taxable
Rental or lease of billboard space on electronic billboards, or for advertising exposure time on other types of signs and billboards.	Exempt
Rental or lease charges for the use of portable advertising signs.	Taxable
Media charges for space or time purchased on behalf of clients.	Exempt
Art direction: supervision of work-in-process.	Exempt
Consulting; one-on-one and group client discussions.	Exempt
Writing, editing and design services.	Exempt
Illustration; producing finished visual images or graphics.	Taxable
Printed brochures, instructional and trade show materials, flyers, etc.	Taxable
Videography; taping and editing programs for clients (multiple copies being sold).	Taxable
Videography; taping and editing programs for clients (one copy sold for use in media advertising).	Exempt
Charges for subcontracted repair services (billed to your customer on your invoice).	Taxable
Warranty work with no charge to customer.	Exempt
Repair services for resale (with valid exemption certificate)	Exempt
Gross receipts from service and repair to tangible personal property.	Taxable