

Bakeries - Taxability Information Guide

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

Purchases by Bakeries:

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
Booths and all other furniture and fixtures including but not limited to: desks, lamps, tables and chairs, high chairs and booster seats, carpet, curtains and drapes.	Taxable
Appliances and kitchen equipment including but not limited to: air -conditioners, microwaves, televisions, water heaters, ovens, stoves, refrigerators and freezers, coffee makers, mixers, sinks and dishwashers, pots, pans, cookware, mixing bowls, exhaust hoods, food processors, display trays, display cases and cabinets, pastry equipment and tools etc.	Taxable
Menus, candles, candleholders, condiment dispensers, napkin dispensers, salt & pepper shakers.	Taxable
Cloth tablecloths and napkins, dishes, glassware, silverware, uniforms, pictures, plants, decor.	Taxable
Items used by the bakery such as wax paper, stretch wrap, foil, paper towels, dish soap, cleaning materials, garbage bags, etc.	Taxable
Utilities (electricity, gas) used for cooking; water served to customers as water, coffee/tea, soup, etc.	Exempt
Utilities (electricity, gas, water, heat) used for lighting, air conditioning, heating, cleaning, etc.	Taxable
Pastry ingredients such as flour, sugar, butter, oil, salt, etc.	Exempt
Food and drink items purchased to be resold to the customer including condiments.	Exempt
Disposable items provided to the customer including but not limited to: bakery boxes, plastic dinnerware and table service, drinking straws, paper napkins, paper or plastic bags and takeout boxes, paper bibs.	Exempt
Food served without charge to employees of the bakery whose duties are related to the furnishing of meals to the public.	Exempt
Complimentary items such as toothpicks, balloons, matches, candy, activity materials for children, etc, not associated with the sale of food.	Taxable
Goods purchased for resale or rental to customers, including freight or delivery charges.	Exempt
Goods or ingredients 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
First aid supplies including such items as bandages, dressings and antiseptics.	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
Equipment including, but not limited to, motor vehicles, hydraulic equipment, dollies, ladders, batteries and chargers, fans, etc, 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

Purchases continued:	Taxable or Exempt
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 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
Software or databases accessed via the internet and not installed on owned or leased computers or servers.	Exempt
Labor services on original construction of a new building or facility.	Exempt
Labor services for repairs, maintenance and remodeling of existing commercial buildings or facilities including repairs to parking lot.	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, brooms, dustpans, scrubbers, floor waxers, rags, and toiletries.	Taxable
Trash removal, shredding services.	Exempt
Linen services.	Taxable
Pest control materials and supplies.	Taxable
<p>Sales by Bakeries:</p> <p>*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.</p> <p>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.</p> <p>The taxability of sales of tangible personal property and labor services by (Your Industry) is summarized below. <u>This list is not all inclusive.</u></p>	
Sales	Taxable or Exempt
Bakery products, baked goods.	Taxable
Sales of food or drinks, including food or drinks sold to employees at full or reduced price.	Taxable
Mandatory gratuity (tip) charges.	Taxable
Tips that are freely given by customers.	Exempt
Gift Certificates.	Exempt
Food given away with a third party coupon, promotion, or groupon. Tax calculated on full selling price.	Taxable
Food given away or at a reduced price with a bakery's in-store coupon.	Exempt
Food sold for resale.	Exempt
Charges for party room rental.	Exempt
Sales to the federal government, state or political subdivisions, churches or other exempt entities if paid directly by funds of the exempt entity. In order to qualify for the exemption, the bakery must maintain a copy of the bill to the exempt entity and proof that payment was made by the exempt entity (copy of voucher, check or credit card).	Exempt
Instructional Classes	Exempt