

Sales Tax Collection and Deposit Procedures

General

The Kansas Legislature has adopted changes to the manner in which sales tax has traditionally been collected. The change impacts how the sales tax rate is determined by the vendor. Traditionally, sales tax has been collected based on the sales tax rate at the vendor location of the sale. No later than January 1, 2005, sales tax must be calculated based upon the tax rate where the owner takes possession of the goods.

Whenever a University department sells an item through telephone, mail, or Internet orders, sales tax must be collected based upon tax rate of the delivery location in Kansas. This means the department may be collecting sales tax for cities and counties other than where the selling department is located. For instance, if the selling department is located in Lawrence and the buyer has an item shipped by the seller to an address inside the city limits of Topeka, the seller would collect state sales tax, Shawnee county sales tax, and City of Topeka sales tax. If the same selling department ships an item to a buyer in rural Shawnee county (not in any city), the seller would charge state sales tax and Shawnee county sales tax only. In neither instance would Lawrence or Douglas county taxes be charged.

Actions

1. Departments sales tax rate by using KS Dept. of Revenue Website
<http://www.taxwatch.biz/cgi-win/Kansas/TxWStateSite.exe/Lookups>.
2. Departments collect and deposit appropriate sales tax.
3. Each deposit is recorded on the Sales Tax Itemization Form
http://www.comptroller.ku.edu/CASPUR/CENTRAL_ACCTNG/POLICY_PROCEDURE/Form_to_Send_With_Deposit_Ticket.xls.
4. Departments collecting sales tax will need to send to CASPUR a copy of their deposit receipts and sales tax itemization forms for the entire month's deposits.
5. The completed sales tax forms must be received in CASPUR no later than the 10th of the month following the month just ended. For example, January tax collections must be reported to CASPUR no later than February 10.

Questions

Questions should be directed to Mike Lewis, CASPUR, 864-5938, malewis@ku.edu.

Procedures

Responsibility	Action Step
<i>Department</i>	Determine sales tax rate Deposit sales tax Record deposit on Sales Tax Itemization Form Send copies of deposit receipts and Sales Tax Itemization Form to CASPUR no later than the 10 th following the month just ended
<i>CASPUR</i>	Remit sales tax to Dept. of Revenue