

KANSAS DEPARTMENT OF REVENUE

RESALE EXEMPTION CERTIFICATE

The undersigned **Kansas retailer** certifies that the tangible personal property purchased from:

Seller: _____
Business Name

Address: _____
Street, RR or P. O. Box City State Zip + 4

will be **resold** by me in the form of tangible personal property. I hereby certify that I hold valid Kansas sales tax registration number _____, and I am in the business of selling _____
(May attach a copy of registration certificate)

(Description of product(s) sold - food, clothing, furniture, etc.)

Description of tangible personal property purchased:

I understand and agree that if the items purchased with this certificate are used for any purpose other than retention, demonstration, or display while being held for sale in the regular course of business, I am required to report and pay the sales tax, based upon the purchase price of the items.

Purchaser: _____
Name of Kansas Retailer

Address: _____
Street, RR or P.O. Box City State Zip + 4

Authorized Signature: _____ Date: _____

THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY.

WHO MAY USE THIS CERTIFICATE?

Only those businesses, groups and organizations that are registered to collect Kansas sales tax and provide their Kansas sales tax number on this form may use this certificate to purchase inventory without tax. The seller may require a copy of the buyer's Kansas sales tax registration certificate as a condition for honoring this certificate. See also "Resale Exemption Certificate Requirements" in Publication KS-1520, "Kansas Exemption Certificates."

Nonprofit groups or organizations exempt by law from collecting tax on their retail sales of tangible personal property (such as a PTA or a nonprofit youth development organization) should use the exemption certificate specifically designed for their exemption when buying items for resale.

Wholesalers and buyers from other states not registered in Kansas should use the Multi-Jurisdiction Exemption Certificate, Form ST-28M, to purchase their inventory. HOWEVER, if the inventory item purchased by an out-of-state buyer is drop shipped to a Kansas location, the out-of-state buyer must provide a Kansas sales tax number, either on this certificate or the Multi-Jurisdiction Exemption Certificate, for the sale to be exempt.

Contractors, subcontractors, or repairmen may not use this certificate to purchase their materials, parts, or tools. Retailer/Contractors should use a Retailer/Contractor Exemption Certificate, Form ST-28W, to purchase their resale inventory.

WHAT PURCHASES ARE EXEMPT?

Only goods or merchandise intended for resale (inventory) are exempt. Tools, equipment, fixtures, supplies, and other items purchased for business or personal use are TAXABLE since the buyer is the final consumer of the property.

The items purchased with this certificate must correspond to the type of business buying them. For example, a retail clothing store may only reasonably purchase items of wearing apparel and accessories with this certificate. All other kinds of items are not usually sold by a clothing store to their customers and, therefore, cannot be purchased with this certificate.

LABOR SERVICES

This certificate applies ONLY to items of tangible personal property. A contractor may not use an exemption certificate to purchase the labor services of another contractor or subcontractor. Taxable labor services performed by a contractor can ONLY be purchased without tax with a Project Exemption Certificate issued by the department or its authorized agent.

KANSAS DEPARTMENT OF REVENUE

DESIGNATED OR GENERIC EXEMPTION CERTIFICATE

The undersigned purchaser certifies that the tangible personal property or service purchased from:

Seller: _____ Business Name

Address: _____ Street, RR, or P. O. Box City State Zip + 4

is exempt from Kansas sales and compensating use tax for the following reason:

(Enter a brief description of the exemption and the Kansas statute number authorizing the exemption)

Description of tangible personal property or service purchased:

The undersigned understands and agrees that if the tangible personal property or service is used other than as stated above or for any other purpose that is not exempt from sales or compensating tax, the undersigned purchaser becomes liable for the tax.

Purchaser: _____ Name

Address: _____ Street, RR or P. O. Box City State Zip + 4

Signature: _____ DL#: _____ Date: _____ Owner, Officer, Office Manager, or Administrator Driver's License Number (Required for nonprofit entities only)

THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY.

WHO MAY USE THIS CERTIFICATE?

This certificate may be used to claim any sales or use tax exemption authorized by Kansas sales tax law. The Kansas Department of Revenue has developed separate certificates for many of the exemptions — this certificate is designed to cover the remaining exempt transactions that require an exemption certificate, and newly-legislated exemptions for which the department has not yet designed a specific exemption certificate. Whenever possible, it is recommended that exempt buyers use the exemption certificate designed especially for their exemption. For example, a nonprofit museum should use the Nonprofit Museum or Historical Society Exemption Certificate, Form ST-28Q, when making purchases.

HOW TO USE THIS CERTIFICATE

Complete the reason for exemption by giving a brief description of the exemption and the Kansas law authorizing it. For example, an oil well drilling company buying drill bits might enter: "Oil exploration - K.S.A. 79-3606(pp)." Important Note to the Retailer/Seller: Read each exemption statement carefully. Some buyers are exempt only when buying tangible personal property (goods and merchandise) or specific types of property. Other buyers are exempt when buying property and/or services.

The following are examples of exempt sales this certificate is designed to cover.

Drill Bits and Explosives. Sales of drill bits and explosives actually used in oil and gas exploration and production are exempt from sales tax. K.S.A. 79-3606(pp). All other items or services purchased for use in oil and gas exploration and production are TAXABLE unless the purchase qualifies for another type of exemption, such as utilities "consumed in production."

Low Income Repair or Weatherization. Materials purchased by community action groups or agencies to repair or weatherize housing occupied by low income individuals are exempt from sales tax. K.S.A. 79-3606(oo). This exemption does NOT apply to labor services to install or apply the materials, or to contractors purchasing materials on behalf of the community action group.

Public Health Educational Materials. Sales of educational materials for free distribution to the public purchased by a nonprofit corporation organized to encourage, foster, and conduct programs for the improvement of public health are exempt from sales tax. K.S.A. 79-3606(II). Only educational materials are exempt; all other property or services purchased by a nonprofit public health corporation are TAXABLE unless the purchase qualifies for another type of exemption.

Soil Erosion Prevention. Sales of seeds, tree seedlings, fertilizers, and other chemicals, and services purchased and used to grow plants to prevent soil erosion on land for agricultural use are exempt from sales tax. K.S.A. 79-3606(mm). This exemption also applies to services needed to produce, plant, or maintain the plants and trees planted on agricultural land to prevent soil erosion.

Newly Legislated Exemption. Briefly describe the exemption, and enter the statute reference from K.S.A. 79-3606, or enter the year and number of the House or Senate Bill authorizing the exemption, such as "1999 Senate Bill 45."