

Purchases for Use by Schools

Kansas law provides an exemption from sales tax on sales of tangible personal property and services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily for nonsectarian programs and activities provided or sponsored by the school/institution.

(List not all inclusive)

I t e m	Taxable	Exempt	C o m m e n t s
Hotel/Motel accommodations purchased and paid directly from Board or District Funds		X	
Construction materials		X	Exempt when purchased directly by the school. Taxable when purchased by a contractor or sub contractor unless a project exemption certificate has been obtained.
Labor services for construction, remodel or repair projects of school		X	Exempt when purchased directly by the school. Taxable when labor services provided by a sub contractor to a contractor unless a project exemption certificate has been obtained or the project qualifies as original construction.
Equipment and items used by a school for school operations such as: desks, chairs, whiteboards, projectors, computers, etc.		X	Exempt when purchased directly by the school.
Items consumed in operation of school (paper towels, toilet paper, soap, etc)		X	Exempt when purchased directly by the school.

Sales by Schools

Kansas sales tax applies to three general types of transactions

- The retail sale, rental or lease of tangible personal property;
- The fees for labor services to install, apply, repair, service, alter or maintain tangible personal property; and
- The sale of admissions to places providing amusement, entertainment or recreation.

This list is not all inclusive.

I t e m	Taxable	Exempt	C o m m e n t s
Activity Tickets/Activity Passes	X		
Admission Tickets (school events, sporting events, fundraising events, etc.)	X		
Advertising (sale of ads in Yearbook and School Newspaper)		X	Sale of advertising space is exempt – but sale of yearbooks is taxable.
Bake Sales	X		
Banquets (teacher or students)	X		Receipts are exempt if banquet is held at an outside restaurant which charges the tax.
Book Rentals		X	The rental of nonsectarian textbooks by public or private elementary or secondary schools is specifically exempted from sales tax in K.S.A. 79-3606(h).
Book Sales (new & used) including textbooks	X		
Building Rental		X	
Cafeteria Meals (cafeteria not open to public)		X	
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Car Wash	X		
Class Fees (Art, Science, Industrial Arts, etc.)		X	
Concession Stands (hotdogs, hamburgers, popcorn, nachos)	X		Food sold in a heated state or heated by the seller is prepared food and subject to sales tax. See Publication KS-1223.

Concession Stands (candy, bottled pop, bottled water, pickles)	X		Foods prepared and packaged by a manufacturer or processor and then resold by the school are considered food and food ingredients. Food and food ingredients are not subject to the state sales tax rate. All local sales taxes still apply. See Publication KS-1223.
Discount Cards		X	"Discount cards" sold by schools are not subject to sales tax when the receipts from the sale of the discount cards are treated as a donation. K.A.R. 92-19-16a
Entry Fees for participation in sports games or recreational activities		X	K.S.A. 79-3603(m)
Graduation Items (announcements, cards, rings, etc.)	X		
Health Supplies	X		
Locker Rental Fees		X	
Lost or Non-Return Book Fee		X	
Motor Vehicle Parking Charge		X	
Musical Instrument Rental	X		
Parties (bowling, roller skating, etc.)		X	Exempt only if paid for directly by school and not resold to students.
Party Food Items (in-school and elsewhere)		X	Exempt only if paid for directly by school. If not, sales tax will apply.
Periodicals and Newspapers	X		School newspaper/periodical (physical format) sale are taxable; sale of advertising is exempt.
Pictures (school)	X		
Raffle Tickets		X	Sales tax is paid on the purchase of goods or merchandise to be raffled, therefore, raffle tickets are exempt.
Sale (isolated or occasional) of School Property		X	No more than two selling events per calendar year and the aggregate number of selling days for one or both events does not exceed 7 calendar days.
Sporting Goods, T-shirts, Shoes, Sports Equipment, etc.	X		
Supplies (pencils, notebooks, etc.)	X		
Tangible personal property (clothing, spirit wear, balloons, tote bags, flowers, etc.)	X		
Tickets (admissions) for performances by out-of-school performers or in-school organizations, i.e., plays, musicals, concerts, special events and movies, in-school or elsewhere	X		
Towel Rentals	X		
Uniforms	X		
Vending Machine Sales	X		Sales made from any coin operated device, dispensing or providing goods (excluding food and food ingredients), amusement, or services are subject to sales tax. Food sold through vending machines is not subject to the state sales tax rate. All local sales taxes still apply. See Publication KS-1223.
Yearbook	X		Yearbook sales are taxable; sale of advertising space is exempt.

Other

Item	Taxable	Exempt	Comments
Donations		X	Free will donations made to your school are not subject to sales tax.
Charges to students for lost or destroyed books, equipment, school property		X	
Teachers purchases of classroom supplies, even if reimbursed by the school	X		Only direct purchases by the school are exempt.

PTAs and PTOs Tax Exemption

PTAs and PTOs Tax Exemption Parent-teacher associations or organizations (PTA or PTO) are granted a sales tax exemption under K.S.A. 79-3606(yy) which is distinct and separate from the exemption granted to schools.

A PTA/PTO is exempt on: ...“all sales of tangible personal property and services purchased by a parent-teacher association or organization, and all sales of tangible personal property by or on behalf of such association or organization;”

Like the school it supports, a PTA/PTO is exempt from paying sales tax when buying goods or taxable services. A qualified organization will use the PR-78PT Tax-Exempt Entity Exemption Certificate to claim its exemption. However, unlike a school, a PTA/PTO is also exempt from collecting sales tax on its sales of tangible personal property. Also exempted are sales of tangible personal property by others on behalf of a PTA/PTO. This exemption from collecting sales tax on sales of goods or merchandise makes a PTA’s exemption broader than the exemption for the school for which it is working.

Schools Clubs and Organizations

Most organizations that work with a school to raise funds to be spent on students and their extracurricular activities are not exempt. School organizations and clubs that are separate from the school or university must pay sales tax on all purchases of property or services for their use or for the school’s use. Taxable student organizations and clubs include, but are not limited to:

American Field Service Club	Fellowship of Christian Athletes
Band Club/Choir Club/Honor Choir/ Vocal Club	Kansas Association for Youth—KAY
Campus Pride Club	National Honor Society
Cheerleaders, Pep Squads, Drill Team	SkillsUSA - Vocational Industrial Clubs of America (VICA)
Clubs for Art, Chess, Computers, Debate, History, Music, Science, etc.	Student Council
Class Clubs (Freshman, Sophomore, Junior, Senior)	Students Against Drunk Drivers/Alcohol-Drug Prevention
Community Against Destructive Decisions – CADD (community group)	Teens as Teachers

Nonprofit Multidiscipline Youth Development Organizations

Certain nonprofit, multidiscipline youth development organizations are exempt from sales tax under K.S.A. 79-3606(ii). A qualified organization will not pay sales tax on its purchases and is exempt from collecting tax on sales of tangible personal property by or on behalf of the organization. Sales of admissions or taxable services by the qualified organization are subject to tax. The following organizations may qualify for this exemption if issued a Sales and Use Tax Entity Exemption Certificate:

Business Professionals of America	Future Farmers of America
Distributive Education Clubs of America (DECA)	Health Occupations Students of America
Family, Career and Community Leaders of America/Home Economics (FCCLA) (formerly Future Homemakers of America)	Skills USA - Vocational Industrial Clubs of America
Future Business Leaders of America	Technology Students Association

Sales tax is under the authority of the Kansas Department of Revenue. If you have additional sales tax questions, please call the Taxpayer Assistance Center at (785) 368-8222.

For more sales tax information, see Publication KS-1560, Kansas Business Taxes for Schools and Educational Institutions (a publication provided by the Kansas Department of Revenue).

This publication is designed to assist schools, educational institutions, student organizations, PTAs, booster clubs and retailers in understanding how Kansas sales and use taxes apply to the varied activities of an elementary or secondary school, college, technical school or university. It uses common school situations to illustrate the sales and purchases by schools that are taxable and how to properly claim the

Also included is information about how to report and pay the taxes. By law, businesses are required to submit their Sales, Compensating Use, and Withholding Tax returns electronically. Kansas offers several electronic file and pay solutions through webtax.gov.

Use this guide as a supplement to the Kansas Department of Revenue basic sales tax guides, Publication KS-1510, Kansas Sales and Compensating Use Tax and Publication KS-1520, Kansas Exemption Certificates.