Kansas Department of Revenue
Office of Policy & Research
NOTICE 10-06
Revised September 17, 2014
Kansas Discount Rates for Oklahoma Retailers

The Oklahoma Tax Commission announced that effective July 1, 2010, the vendor sales and use tax discount/remuneration has been reduced from 2 and ¼ percent (2.25%) for certain vendors to one percent (1.0%) for all vendors, with a maximum cap of $2500 per month. The discount/remuneration rate is the percentage of sales or use tax collections Oklahoma businesses may retain to offset the cost of collecting, reporting and remitting Oklahoma Sales and Compensating Use Tax returns. Because Oklahoma has lowered the discount/remuneration rate, Kansas retailers filing Oklahoma sales and use tax returns reporting sales transactions occurring on or after July 1, 2010 will receive a discount/remuneration rate of only one percent (1.0%) on collected Oklahoma Use tax.

By Agreement between Oklahoma and Kansas in effect since 1968 pursuant to K.S.A. 79-3707(c), the discount/remuneration rate extended to Oklahoma retailers who collect and remit the Kansas Retailers' Compensating Use Tax is reciprocal with the discount/remuneration rate extended to Kansas retailers who collect and remit Oklahoma use tax. Prior to July 1, 2010, this reciprocal rate was 2 and 1/4 percent (2.25%) of the tax collected when the remittance is timely.

Effective for returns (Form CT-9U) reporting transactions occurring on or after July 1, 2010 by Oklahoma retailers (i.e. commencing with the July 2010 return), the Kansas "discount rate" is reduced to one percent (1.0%) of use tax collected, with a maximum cap of $2500 per month when the remittance is timely.

The discount rate for retailers in Nebraska (3%) and Missouri (3%) remain in effect for returns filed prior to January 1, 2015, but effective January 1, 2015 for returns filed on or after that date, the discount rate for retailers in Nebraska will reduce to 2.5% of the first $3,000 of Kansas Retailers' Compensating Use Tax timely remitted each month, and the discount rate for retailers in Missouri will reduce to 2% of the Kansas Retailers' Compensating Use Tax timely remitted. See Notice 14-17 for additional information.

Taxpayer Assistance

Additional copies of this notice, forms or publications are available from our web site, **www.ksrevenue.org**. If you have questions about income tax, please contact:

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