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NOTICE 17-11

SALES TAX FILING AND REMITTANCE FREQUENCY THRESHOLDS ADJUSTED (JULY 1, 2017)

During the 2017 Legislative Session House Bill 2212 was passed and signed into law. Section 9 of the Bill amends K.S.A. 79-3607 to adjust the frequency for making returns and remitting sales tax that has been collected, based on the amount of tax that has been collected by the retailer.

Under prior law, a retailer who did not collect more than $80 in any calendar year was required to file a return by January 25th of the following year, and to remit the tax at the time of filing the return. This threshold has now been increased to $400.

Under prior law, a retailer who collected more than $80 but less than or equal to $3,200 in any calendar year was required to file returns by the 25th day of the month following the end of each calendar quarter, and to remit the tax at the time of filing the return. This threshold has now been increased to $4,000.

Under prior law, a retailer who collected more than $3,200 but less than or equal to $32,000 in any calendar year was required to file a return for each month, by the 25th day of the following month, and to remit the tax at the time of filing the return. This threshold has now been increased to $40,000.

Under prior law, a retailer who collected more than $32,000 in any calendar year was required to pay the tax due for the first 15 days of the month, along with any amount due for the preceding month, by the 25th day of that month, and to submit a return for the preceding month at that time. The retailer was required to pay the tax due for the remainder of the month when they filed the return for the month in which the tax was collected. This threshold has now been increased to $40,000.

As amended, this subsection now provides:

> (a) Retailers shall make returns to the director at the times prescribed by this section in the manner prescribed by the director, including electronic filing, upon forms or format prescribed by the director stating: (1) The name and address of the retailer; (2) the total amount of gross sales of all tangible personal property and taxable services rendered by the retailer during the period for which the return is made; (3) the total amount received during the period for which the return is made on charge and time sales of tangible personal property made and taxable services rendered prior to the period for which the return is made; (4) deductions allowed by law from such total amount of gross sales and from total amount received during the period for which the return is made on such charge and time sales; (5) receipts during the period for which the return is made from the total amount of sales of tangible personal property and

taxable services rendered during such period in the course of such business, after deductions allowed by law have been made; (6) receipts during the period for which the return is made from charge and time sales of tangible personal property made and taxable services rendered prior to such period in the course of such business, after deductions allowed by law have been made; (7) gross receipts during the period for which the return is made from sales of tangible personal property and taxable services rendered in the course of such business upon the basis of which the tax is imposed. The return shall include such other pertinent information as the director may require. In making such return, the retailer shall determine the market value of any consideration, other than money, received in connection with the sale of any tangible personal property in the course of the business and shall include such value in the return. Such value shall be subject to review and revision by the director as hereinafter provided. Refunds made by the retailer during the period for which the return is made on account of tangible personal property returned to the retailer shall be allowed as a deduction under ~~subdivision~~ *paragraph* (4) of this section in case the retailer has theretofore included the receipts from such sale in a return made by such retailer and paid taxes therein imposed by this act. The retailer shall, at the time of making such return, pay to the director the amount of tax herein imposed, except as otherwise provided in this section. The director may extend the time for making returns and paying the tax required by this act for any period not to exceed 60 days under such rules and regulations as the secretary of revenue may prescribe. When the total tax for which any retailer is liable under this act, does not exceed the sum of ~~$80~~ *$400* in any calendar year, the retailer shall file an annual return on or before January 25 of the following year. When the total tax liability does not exceed ~~$3,200~~ *$4,000* in any calendar year, the retailer shall file returns quarterly on or before the 25th day of the month following the end of each calendar quarter. When the total tax liability exceeds ~~$3,200~~ *$4,000* in any calendar year, the retailer shall file a return for each month on or before the 25th day of the following month. When the total tax liability exceeds ~~$32,000~~ *$40,000* in any calendar year, the retailer shall be required to pay the sales tax liability for the first 15 days of each month to the director on or before the 25th day of that month. Any such payment shall accompany the return filed for the preceding month. A retailer will be considered to have complied with the requirements to pay the first 15 days' liability for any month if, on or before the 25th day of that month, the retailer paid 90% of the liability for that fifteen-day period, or 50% of such retailer's liability in the immediate preceding calendar year for the same month as the month in which the fifteen-day period occurs computed at the rate applicable in the month in which the fifteen-day period occurs, and, in either case, paid any underpayment with the payment required on or before the 25th day of the following month. Such retailers shall pay their sales tax liabilities for the remainder of each such month at the time of filing the return for such month. Determinations of amounts of liability in a calendar year for purposes of determining filing requirements shall be made by the director upon the basis of amounts of liability by those retailers during the preceding calendar year or by estimates in cases of retailers having no previous sales tax histories. The director is hereby authorized to modify the filing schedule for any retailer when it is apparent that the original determination was inaccurate.

The amended provisions of the Bill are effective upon publication in the Kansas statutes, but retailers do not need to make any changes immediately. The Department of Revenue routinely conducts an annual review of all sales tax accounts to determine appropriate filing and remitting periods. By the end of October, 2017, the Department will notify all retailers whether their sales tax account has been affected by this legislation. Those retailers that are affected will begin filing sales tax returns and making remittance based on the new thresholds beginning in January of 2018.

Taxpayer Assistance

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

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