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NOTICE 23-11

CHANGES TO SALES TAX RETURN FILING REQUIREMENTS

(OCTOBER 24, 2023)

During the 2022 Legislative Session House Bill 2136 was passed and signed into law. Section 18 of the Bill amended K.S.A. 79-3607 to change the sales tax return filing requirements for retailers, effective on and after January 1, 2024.

Under prior law, a retailer who did not collect more than $400 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. **On and after January 1, 2024**, a retailer who does not collect more than $1,000 in any calendar year is required to file a return by January 25th of the following year, and to remit the tax at the time of filing the return.

Under prior law, a retailer who collected more than $400 but less than or equal to $4,000 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. **On and after January 1, 2024**, a retailer who collects more than $1,000 but less than or equal to $5,000 in any calendar quarter is required to file a return 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.

Under prior law, a retailer who collected more than $4,000 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. **On and after January 1, 2024**, a retailer who collects more than $5,000 in any calendar year is 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.

The newly enacted law, specifically, new subsection (b) of K.S.A. 79-3607 provides as follows:

> *(b) (1)* When the total tax for which any retailer is liable under this act, does not exceed the sum of $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 $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 $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 $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. The provisions of this paragraph shall expire on December 31, 2023.~~

(2) On and after January 1, 2024, the retailer shall file:

(A) An annual return on or before January 25 of the following year when the total tax for which any retailer is liable under this act does not exceed the sum of $1,000 in any calendar year;

(B) returns quarterly on or before the 25th day of the month following the end of each calendar quarter when the total tax liability does not exceed $5,000 in any calendar year; or

(C) a return for each month on or before the 25th day of the following month when the total tax liability exceeds $5,000 in any calendar year.

Any retailer with questions regarding their filing frequency is encouraged to discuss their situation with the Department, using the contact information below.

TAXPAYER ASSISTANCE

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

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