Policy and Research
109 SW 9th Street
PO Box 3506
Topeka KS 66601-3506
Mark A. Burghart, Secretary

Kansas
Department of Revenue

Phone: 785-368-8222
Fax: 785-296-1279
www.ksrevenue.gov
Laura Kelly, Governor

# NOTICE 24-13

## SALES TAX EXEMPTION FOR PROVIDING COMMUNICATIONS SERVICES

## (JULY 1, 2024)

During the 2024 Legislative Session House Bill 2098 was passed and signed into law. Section 5 of the Bill amends K.S.A. 79-3606, which provides for exemptions from sales tax. Section 5 is amended to add new subsection (uuuu), which provides an exemption for purchases of equipment, machinery, and other infrastructure for use in the provision of communications service, and for purchases of services used in the repair, maintenance, or installation of communications service.

New subsection (uuuu)(1)(A) provides an exemption for all sales of equipment, machinery, software, ancillary components, appurtenances, accessories, or other infrastructure purchased for use in the provision of communications services.

New subsection (uuuu)(1)(B) provides an exemption for all services purchased by a provider in the provision of the communications service used in the repair, maintenance, or installation in such communications service.

The term "communications service" is defined in new subsection (uuuu)(2)(A). It provides "communications service" means internet access service, telecommunications service, video service, or any combination thereof.

New subsection (uuuu)(2) also defines the terms: (B) "Equipment, machinery, software, ancillary components, appurtenances, accessories or other infrastructure", (C) "Internet access service", (D) "Provider", (E) "Telecommunications service", and (F) "Video service". Because of the detailed nature of these definitions, direct reference to the Bill or the new statutory provision is recommended.

The new exemption provided by subsection (uuuu) will be in effect for all purchases of equipment, machinery, and other infrastructure for use in the provision of communications service, as well as services purchased by a provider and used in the repair, maintenance, or installation of communications service occurring on or after July 1, 2024. However, the provisions of the subsection expire, and will have no effect, on and after July 1, 2029.

To claim the exemption, a purchaser should complete form ST-63, Communications Service Provider Exemption Certificate and provide it to their vendor. Additional, and more specific information is provided in the instructions for form ST-63. The Certificate is available through the Department's website at: www.ksrevenue.gov.

## 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:

Taxpayer Assistance Center
Kansas Department of Revenue
Scott Office Building, 1st Floor
120 SE 10th Ave
P. O. Box 3506
Topeka, KS 66601-3506
Phone: 785-368-8222
Fax: 785-291-3614