

Computer & Office Equipment Repair

The taxability of sales and purchases of tangible personal property and labor services by Computer & Office Equipment Repair industries are summarized below. This list is not all-inclusive.

Purchases by Computer & Office Equipment Repair Industries:

Kansas sales or compensating use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Kansas sales or Kansas consumers' use tax must be paid to the vendor or accrued and remitted directly to the Kansas Department of Revenue. Purchases from Kansas vendors may be reported using the retailer's sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Kansas consumers compensating use tax return.

Purchases for use

Exempt or Taxable

Purchases for use	Exempt or Taxable
Tools and equipment used in the course of business such as; screwdrivers, bits, crimp/cut/strip tools, flashlights, multimeters, testers, sensors, spudgers, pliers, wrenches, hex tools, etc.	Taxable
Subcontracted services. A resale exemption certificate needs to be provided to the subcontractor	Exempt
Parts purchased for resale-installed on customers computers or office equipment	Exempt
Freight or delivery charges billed by the vendor or common carrier on items purchased to rent, sell or lease to customers	Exempt
Freight or delivery charges, billed by the vendor, on purchases subject to sales/use tax	Taxable
Merchandise withdrawn from resale inventory for store use or consumption	Taxable
Uniforms, uniform rental charges, shop apparel, linen supplies, etc.	Taxable
Machines and software along with manufacturer's software updates/upgrades for diagnostic machines and other specialty equipment used to analyze problems for repair purposes	Taxable
Shelving, display racks, checkout counters, storage cabinets, display cases, bar code scanners, cash registers, cash register supplies, bins, boxes, etc.	Taxable
Equipment such as but not limited to motor vehicles, forklifts, pallet trucks, lift trucks, hydraulic equipment, conveyors, dollies, ladders, batteries and chargers, fans, etc. including the charges for repair and/or maintaining said equipment	Taxable
Office supplies such as, paper, pens, pencils, labels, calculators, etc.	Taxable
Office furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs, etc.	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators and other similar equipment.	Taxable
Canned Software and software licenses and software upgrades and labor services to modify, alter, update or maintain software (not for resale)	Taxable
Custom software, software upgrades and labor services to modify, alter, update or maintain custom software - "custom" software = software developed for a single end user	Exempt
Newspaper and magazine subscriptions, reference books and materials, forms, printed matter (including promotional brochures, etc.), business cards, notepads	Taxable
Lease or rental of any tangible personal property - copier, fax, computers, vehicles, etc	Taxable
Repairs and maintenance to existing buildings and existing covered structures	Taxable
Parts and labor services of repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers, security equipment, forklifts, hydraulic equipment, dollies, etc.	Taxable
Warranty or service agreements for tangible personal property such as, computers, printers, copiers, fax machines, security equipment, etc.	Taxable
Cleaning services, trash removal, plant watering and care	Exempt
Advertising as in newspapers, radio, television, etc.	Exempt
Professional services such as legal or accounting services	Exempt
Break room supplies such as microwaves, refrigerators, coffee pots, tables, chairs, paper products, etc.	Taxable
Janitorial supplies such as toiletries, vacuums, sweepers, scrubbers, floor waxers, carpet cleaners, rags	Taxable

Purchases for use continued**Exempt or Taxable**

Tangible personal property to be given away or donated (Items that are given away or donated to a tax exempt entity are not subject to sales tax).	Taxable
Complimentary bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks, balloons, stickers, candy, etc.	Taxable
Promotional items including but not limited to calendars, mugs, pens, items of clothing, etc.	Taxable
Security cameras, mirrors, security tags, tag detachers, countertop deactivators and all other security equipment	Taxable
Printed materials such as catalogs and flyers distributed directly to customers at the store or mailed directly to customers or prospective customers through mailing or delivery service	Taxable
Printed materials provided to a newspaper or other publication that is to be included as an insert in the newspaper or a publication that is to be sold at retail	Exempt
Signs, banners or posters purchased from an outside printer or the costs of all materials if produced by the store	Taxable

The taxability of sales of tangible personal property and labor services by Computer & Office Equipment Repair industries is summarized below. This list is not all inclusive. The applicable sales tax must be collected unless the purchaser provides a valid exemption certificate*.

Sales**Exempt or Taxable**

Sales and installation of tangible personal property (including freight, shipping and delivery charges) such as, computer hardware & software, audio cards, hard drives, printers, ink, toner, cables, etc.	Taxable
Warranty, maintenance and service agreements for tangible personal property, including lump sum agreements. (Refer to EDU-71R for more information)	Taxable
Canned Software and software licenses and software upgrades and labor services to modify, alter, update or maintain software	Taxable
Custom software, software upgrades and labor services to modify, alter, update or maintain custom software - "custom" software = software developed for a single end user	Exempt
Sales of software and software licenses delivered electronically	Taxable
Diagnostic charges not associated to repairs of tangible personal property	Exempt
Separately stated trip charges to work on computers	Exempt
Hardware maintenance agreements	Taxable
Help line, consulting and data backup services	Exempt
Gross receipts from service and repair to tangible personal property	Taxable
Charges for subcontracted repair services (billed to your customer on your invoice)	Taxable
Warranty work with no charge to customer	Exempt
Repair services for resale (with valid exemption certificate)	Exempt

*Sales/rentals to entities with proper exemption certificates provided are exempt from sales tax. Ensure the exemption certificates are retained to substantiate all non-taxed transactions.

Note: Kansas tax applies to the "gross receipts" from the sale of taxable goods or services in Kansas. Gross receipts include any amounts collected from the customer including any charges billed for freight, delivery or special handling.