

Notice

Notice Number: Check Printing Charges
Tax Type: Kansas Retailers' Sales Tax
Brief Description: Sales Tax on Check Printing Charges
Keywords:
Effective Date: 01/15/1988

Body:

REVENUE NOTICE

TO: Banks, Savings and Loans, Credit Unions and Other Thrift Institutions

FROM: Kansas Department of Revenue
Kansas Tax Bureau

DATE: January 15, 1988

SUBJECT: Check Printing Charges

Effective February 1, 1988, the total amount which a bank, savings and loan, credit union or other thrift institution charges to its customers for the printing and delivering of checks will be subject to the Kansas Retailers' Sales Tax. This will include any "upcharges" which the bank, savings and loan, credit union or other thrift institution charges to its customer. These "upcharges" had previously been ruled to be exempt from the sales tax.

The check printing companies have agreed to collect and remit the appropriate amount of sales tax on this total amount. This will alleviate all of the banks, savings and loans, credit unions or other thrift institutions from having to be registered to collect and remit the Kansas sales tax. Of course, a bank, savings and loan, credit union or other thrift institution must still be registered to collect and remit Kansas sales tax if said institution makes other types of retail sales.

The amount of sales tax which the check printing companies will be collecting and remitting will be determined by the location of the bank, savings and loan, credit union or other thrift institution. If the bank, savings and loan, credit union or other thrift institution is located within a county and/or city which imposes a local sales tax, the check printing company will be collecting and remitting that county and/or city local sales tax in addition to the 4% state sales tax.

Likewise, the fact that the check printing companies will be collecting and remitting this sales tax for the banks, savings and loan, credit union or other thrift institutions does not affect the obligation of the bank, savings and loan, credit union or other thrift institution from remitting the 4% Kansas Consumers' Use Tax on taxable purchases made upon which no sales or compensating tax has been charged by the retailer. The second enclosed notice explains the consumer's use tax in greater detail.

Should you have any questions regarding this matter, please contact: Cleo Murphy or Roy Haines, Kansas Department of Revenue, Business Tax Bureau, Robert B. Docking State Office Building, Topeka, Kansas 66625-0001, telephone number (913) 296-2461.

Date Composed: 10/06/1997 Date Modified: 10/10/2001

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