

**STATE NAME:**           Kansas          

**Streamlined Sales Tax Governing Board  
Section 328 Best Practices Matrix**

**Effective Date:**           January 8, 2014          

**Completed by:**     **Richard Cram**

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**Date Submitted:**   **January 8, 2014**

A “best practice” has been approved by the Streamlined Sales Tax Governing Board (SSTGB) for each of the products, procedures, services, or transactions identified in the chart below pursuant to Section 335 of the Streamlined Sales and Use Tax Agreement (SSUTA), as amended through October 30, 2013.

Place an “X” in the appropriate column to indicate whether your state does or does not follow each “best practice” identified in this matrix.

For each “best practice” identified in this matrix and further described in Appendix E of the SSUTA which your state follows, place an “X” in the “Yes” column and enter the statute or rule that applies to your state’s treatment of this “best practice” in the Reference column. Additional space is available if you wish to add comments.

For each “best practice” identified in this matrix and further described in Appendix E of the SSUTA that your state does not follow, place an “X” in the “No” column and describe in the “Comments” column how your state’s treatment of that “best practice” differs from the best practice adopted by the SSTGB and described in Appendix E.

Sellers and certified service providers are relieved from tax liability to the member state and its local jurisdictions for having charged and collected the incorrect amount of sales or use tax resulting from the seller or certified service provider relying on erroneous data provided by the member state in the best practices matrix.

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Best Practice from Appendix E	Brief Description of Best Practice	Does Your State Follow this Best Practice?		Add Additional Comments if Desired. If You Answered No, Describe the Difference Between the Best Practice as adopted by the Governing Board and Your State's Treatment
		Yes	No	
<b>Best Practice 1 – Vouchers</b>				
Vouchers 1.1	The member state administers the difference between the value of a voucher allowed by the seller and the amount the purchaser paid for the voucher as a discount that is not included in the sales price (i.e., same treatment as a seller's in-store coupon), provided the seller is not reimbursed by a third party, in money or otherwise, for some or all of that difference.		X	A voucher is treated the same as a gift certificate, for Kansas sales tax purposes. The sale of the voucher, like the sale of a gift certificate, is a nontaxable transaction. When the voucher is redeemed and used to purchase taxable goods or services, the seller who redeems the voucher shall charge sales tax on the full retail selling price of the goods or services, which shall not be reduced by the value of the voucher being redeemed. Sales tax applies to the full retail selling price of the goods or services before redemption of the voucher. See K.A.R. 92-19-16a(f); Q&A entitled "Retail Promotional Deals" posted on the Department's website at <a href="http://www.ksrevenue.org">www.ksrevenue.org</a>
Vouchers 1.2	The member state provides that when the discount on a voucher will be fully reimbursed by a third party the seller is to use the face value of the voucher (i.e., same as the treatment of a manufacturer's coupon) and not the price paid by the purchaser as the measure (sales price) that is subject to tax.		X	Sales tax is due on the full retail selling price of the taxable goods or services purchased by redemption of the voucher, without reduction of that price by the value of the voucher, and regardless of whether a third party reimburses the seller for any amount. See comments to Best Practice 1.1. Transactions involving manufacturer's coupons are not similar to vouchers as the customer is required to first purchase a voucher; whereas coupons are provided at no cost to the customer.
Vouchers 1.3	The member state provides that costs and expenses of the seller are not deductible from the sales price and are included in the measure (sales price) that is subject to tax. Further, reductions in the amount of consideration received by the seller from the third party that issued, marketed, or distributed the vouchers, such as advertising or marketing expenses, are costs or expenses of the seller.		X	Sales tax is due on the full retail selling price of the taxable goods or services purchased by redemption of the voucher, without reduction of that price by the value of the voucher, and regardless of whether the seller incurs any costs or expenses in connection with the voucher, such as advertising or marketing expenses. See comments to Best Practice 1.1.

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