

_____ BILL NO. _____

By Committee on _____

1 AN ACT concerning sales taxation; relating to exemptions; providing a sales tax
2 exemption for certain sales of school supplies, computers and clothing during an
3 annual sales tax holiday.

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5 *Be it enacted by the Legislature of the State of Kansas:*

6 New Section 1. (a) (1) On and after July 1, 2023, during the four-day period beginning
7 at 12:01 a.m. on the first Thursday in August and ending at midnight on the Sunday
8 following, all back-to-school related sales of the following items shall be exempt from the
9 tax imposed by the Kansas retailers' sales tax act:

10 (A) Clothing or clothing accessories or equipment with a sales price of \$300 or less
11 per item;

12 (B) school supplies, school instructional materials, or school art supplies with a sales
13 price of \$100 or less per item;

14 (C) prewritten computer software with a sales price of \$300 or less per item; and

15 (D) computers or school computer supplies with a sales price of \$2,000 or less per item.

16 (2) Only items priced below the price threshold established in this subsection shall be
17 exempt from taxation pursuant to this subsection. Notwithstanding K.S.A. 79-3609, and
18 amendments thereto, the seller of items specified in this subsection is not required to obtain
19 an exemption certificate from the purchaser of such items during the period of time

1 specified in this subsection. There shall be no exemption pursuant to this subsection for
2 only a portion of the price of an individual item.

3 (b) As used in this section:

4 (1) "Clothing" means all human wearing apparel suitable for general use.

5 (A) "Clothing" includes, but is not limited to:

- 6 (i) Aprons, household and shop;
7 (ii) athletic supporters;
8 (iii) baby receiving blankets;
9 (iv) bathing suits and caps;
10 (v) beach capes and coats;
11 (vi) belts and suspenders;
12 (vii) boots;
13 (viii) coats and jackets;
14 (ix) costumes;
15 (x) diapers, children and adult, including disposable diapers;
16 (xi) ear muffs;
17 (xii) footlets;
18 (xiii) formal wear;
19 (xiv) garters and garter belts;
20 (xv) girdles;
21 (xvi) gloves and mittens for general use;
22 (xvii) hats and caps;

- 1 (xviii) hosiery;
- 2 (xix) insoles for shoes;
- 3 (xx) lab coats;
- 4 (xxi) neckties;
- 5 (xxii) overshoes;
- 6 (xxiii) pantyhose;
- 7 (xxiv) rainwear;
- 8 (xxv) rubber pants;
- 9 (xxvi) sandals;
- 10 (xxvii) scarves;
- 11 (xxviii) shoes and shoe laces;
- 12 (xxix) slippers;
- 13 (xxx) sneakers;
- 14 (xxxi) socks and stockings;
- 15 (xxxii) steel-toed shoes;
- 16 (xxxiii) underwear;
- 17 (xxxiv) uniforms, athletic and non-athletic; and
- 18 (xxxv) wedding apparel.
- 19 (B) "Clothing" does not include:
- 20 (i) Belt buckles sold separately;
- 21 (ii) costume masks sold separately;
- 22 (iii) patches and emblems sold separately;

1 (iv) sewing equipment and supplies including, but not limited to, knitting needles,
2 patterns, pins, scissors, sewing machines, sewing needles, tape measures, and thimbles;
3 and

4 (v) sewing materials that become part of clothing including, but not limited to, buttons,
5 fabric, lace, thread, yarn and zippers;

6 (2) "clothing accessories or equipment" means incidental items worn on the person or
7 in conjunction with clothing.

8 (A) "Clothing accessories or equipment" includes, but is not limited to:

9 (i) Briefcases;

10 (ii) cosmetics;

11 (iii) hair notions, including, but not limited to, barrettes, hair bows, and hair nets;

12 (iv) handbags;

13 (v) handkerchiefs;

14 (vi) jewelry;

15 (vii) sun glasses, non-prescription;

16 (viii) umbrellas;

17 (ix) wallets;

18 (x) watches; and

19 (xi) wigs and hair pieces;

20 (3) "eligible property" means an item of a type, such as clothing, that qualifies for the
21 sales tax exemption as provided in this section;

1 (4) "layaway sale" means a transaction in which property is set aside for future delivery
2 to a customer who makes a deposit, agrees to pay the balance of the purchase price over a
3 period of time and, at the end of the payment period, receives the property. An order is
4 accepted for layaway by the seller when the seller removes the property from normal
5 inventory or clearly identifies the property as sold to the purchaser;

6 (5) "rain check" means the seller allows a customer to purchase an item at a certain
7 price at a later time because the particular item was out of stock;

8 (6) "school art supply" means an item commonly used by a student in a course of study
9 for artwork. The following is an all-inclusive list:

10 (A) Clay and glazes;

11 (B) paints; acrylic, tempera and oil;

12 (C) paintbrushes for artwork;

13 (D) sketch and drawing pads; and

14 (E) watercolors;

15 (7) "school computer supply" means an item commonly used by a student in a course
16 of study in which a computer is used. The following is an all-inclusive list:

17 (A) Computer storage media; diskettes, compact disks;

18 (B) handheld electronic schedulers, except devices that are cellular phones;

19 (C) personal digital assistants, except devices that are cellular phones;

20 (D) computer printers; and

21 (E) printer supplies for computers; printer paper, printer ink;

1 (8) "school instructional material" means written material commonly used by a student
2 in a course of study as a reference and to learn the subject being taught. The following is
3 an all-inclusive list:

4 (A) Reference books;

5 (B) reference maps and globes;

6 (C) textbooks; and

7 (D) workbooks; and

8 (9) "school supply" means an item commonly used by a student in a course of study.

9 The following is an all-inclusive list:

10 (A) Binders;

11 (B) book bags;

12 (C) calculators;

13 (D) cellophane tape;

14 (E) blackboard chalk;

15 (F) compasses;

16 (G) composition books;

17 (H) crayons;

18 (I) erasers;

19 (J) folders; expandable, pocket, plastic and manila;

20 (K) glue, paste and paste sticks;

21 (L) highlighters;

22 (M) index cards;

1 (N) index card boxes;

2 (O) legal pads;

3 (P) lunch boxes;

4 (Q) markers;

5 (R) notebooks;

6 (S) paper; loose leaf ruled notebook paper, copy paper, graph paper, tracing paper,
7 manila paper, colored paper, poster board, and construction paper;

8 (T) pencil boxes and other school supply boxes;

9 (U) pencil sharpeners;

10 (V) pencils;

11 (W) pens;

12 (X) protractors;

13 (Y) rulers;

14 (Z) scissors; and

15 (AA) writing tablets.

16 (c) The secretary of revenue shall provide notice of the exemption period to retailers
17 at least 60 days prior to the first day of the calendar month in which the exemption period
18 established in this section commences.

19 (d) The following procedures are to be used in administering the exemption as provided
20 in this section:

21 (1) A sale of eligible property under a layaway sale qualifies for exemption if:

1 (A) Final payment on a layaway order is made by, and the property is given to, the
2 purchaser during the exemption period; or

3 (B) the purchaser selects the property and the retailer accepts the order for the item
4 during the exemption period, for immediate delivery upon full payment, even if delivery is
5 made after the exemption period;

6 (2) there shall be no change during the period of exemption for the handling of a
7 bundled sale as treated for sales tax purposes at times other than the exemption period;

8 (3) a discount by the seller reduces the sales price of the property and the discounted
9 sales price determines whether the sales price is within the price threshold provided in
10 subsection (a). A coupon that reduces the sales price is treated as a discount if the seller is
11 not reimbursed for the coupon amount by a third party. If a discount applies to the total
12 amount paid by a purchaser rather than to the sales price of a particular item and the
13 purchaser has purchased both eligible property and taxable property, the seller shall
14 allocate the discount based on the total sales prices of the taxable property compared to the
15 total sales prices of all property sold in that same transaction;

16 (4) articles that are normally sold as a single unit must continue to be sold in that
17 manner. Such articles cannot be priced separately and sold as individual items in order to
18 obtain the exemption;

19 (5) eligible property that customers purchase during the exemption period with use of
20 a rain check will qualify for the exemption regardless of when the rain check was issued.
21 Issuance of a rain check during the exemption period shall not qualify eligible property for
22 the exemption if the property is actually purchased after the exemption period;

23 (6) the procedure for an exchange in regards to an exemption is as follows:

1 (A) If a customer purchases an item of eligible property during the exemption period,
2 but later exchanges the item for a similar eligible item, even if a different size, different
3 color or other feature, no additional tax is due even if the exchange is made after the
4 exemption period;

5 (B) if a customer purchases an item of eligible property during the exemption period,
6 but after the exemption period has ended, the customer returns the item and receives credit
7 on the purchase of a different item, the appropriate sales tax is due on the sale of the new
8 item; and

9 (C) if a customer purchases an item of eligible property before the exemption period,
10 but during the exemption period the customer returns the item and receives credit on the
11 purchase of a different item of eligible property, no sales tax is due on the sale of the new
12 item if the new item is purchased during the exemption period;

13 (7) for the purpose of an exemption, eligible property qualifies for the exemption if:

14 (A) The item is both delivered to and paid for by the customer during the exemption
15 period; or

16 (B) the customer orders and pays for the item and the seller accepts the order during
17 the exemption period for immediate shipment, even if delivery is made after the exemption
18 period. For purposes of this subparagraph (7)(B), the seller accepts an order when the seller
19 has taken action to fill the order for immediate shipment. Actions to fill an order include
20 placement of an “in date” stamp on a mail order or assignment of an order number to a
21 telephone order. For purposes of this subparagraph (7)(B), an order is for immediate
22 shipment when the customer does not request delayed shipment. An order is for immediate

1 shipment notwithstanding that the shipment may be delayed because of a backlog of orders
2 or because stock is currently unavailable to, or on back order by, the seller;

3 (8) for a 60-day period immediately after the exemption period, when a customer
4 returns an item that would qualify for the exemption, no credit for or refund of sales tax
5 shall be given unless the customer provides a receipt or invoice that shows tax was paid or
6 the seller has sufficient documentation to show that tax was paid on the specific item. This
7 60-day period is set solely for the purpose of designating a time period during which the
8 customer must provide documentation that shows that sales tax was paid on returned
9 merchandise. The 60-day period is not intended to change a seller's policy on the time
10 period during which the seller will accept returns; and

11 (9) the time zone of the seller's location determines the authorized time period for a
12 sales tax holiday when the purchaser is located in one time zone and a seller is located in
13 another.

14 (e) The provisions of this section shall be a part of and supplemental to the Kansas
15 retailers' sales tax act.

16 Sec. 2. This act shall take effect and be in force from and after its publication in the
17 statute book.