

# Information Guide

**Identifying Information:** Plumbing & HVAC Contractors & Contractor-Retailers Self-Audit Fact Sheet  
**Tax Type:** Kansas Retailers' Sales Tax  
**Brief Description:** Plumbing & HVAC Contractors & Contractor-Retailers Self-Audit Fact Sheet  
**Keywords:**  
**Approval Date:** 12/06/2005

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**Body:**

KANSAS DEPARTMENT OF REVENUE  
 AUDIT SERVICES  
 PLUMBING & HVAC CONTRACTORS & CONTRACTOR-RETAILERS  
 SELF-AUDIT FACT SHEET

<b>Plumbing &amp; HVAC Contractors &amp; Contractor-Retailers</b>	
All Plumbing & HVAC Contractors & Contractor/Retailers must pay tax on purchases of tangible personal property or equipment or collect sales tax on the retail sale of taxable services as summarized below.	
A contractor-retailer is defined as a person or business that acts as a contractor when it performs construction contracts and as a retailer when it sells tangible personal property at retail. A contractor-retailer holds itself out as providing construction services and operates retail showroom or otherwise maintains an untaxed resale inventory to sell merchandise from. A contractor-retailer withdraws merchandise from the untaxed resale inventory to use in their construction projects and to sell at retail.	
<b>Purchases by Plumbing &amp; HVAC Contractors &amp; Contractor-Retailers:</b>	
All materials to be installed on a job site such as lumber, nails, screws, sheet metal, plumbers putty, pipe, pipe fittings, pipe cleaner & glue, freon, refrigerant, etc.	<b>Contractor: Taxable (tax must be paid at the time of purchase)</b>
	<b>Contractor-Retailer: Exempt when purchased for resale</b>
Supplies, tools, or other equipment and specialty equipment for fabrication of finished products or materials.	Taxable
All materials, supplies, tools, or other equipment and specialty equipment	
Materials, or equipment rented for the direct installation of materials on a job	
site purchased using a Project Exemption Certificate	Exempt
Vehicles, backhoes, trucks, tractors or other licensed vehicles	Taxable
Trackhoes, dozers, scrapers, cranes, boom trucks or any other heavy equipment	Taxable

Safety equipment - Gloves, safety glasses, burn suits, ear plugs, also other safety equipment such as ropes, shoes , orange vests, traffic cones, gates, etc.	Taxable
Welding equipment, gases, welding rods, & other welding equipment, such as gloves, goggles, face shields, etc.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, shelving, plants, planters, artwork, signs	Taxable
Copiers, printers, and fax machines	Taxable
Laptop & desktop computers	Taxable
Calculators, drafting equipment	Taxable
Software & software upgrades and labor services to modify, alter, update or maintain software.	Taxable
Customized software, software upgrades and labor services to modify, alter, update or maintain customized software - "customized" software = software originally developed for a single end user.	Taxable on and after July 1, 2002 through December 31, 2004 - Exempt all other periods
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, vehicle	Taxable
Security cameras and other security equipment	Taxable
Office utilities, job site utility charges	Taxable
Professional services such as accounting or legal services	Exempt
Promotional items including but not limited to: calendars, mugs and articles of clothing	Taxable
Complimentary items such as balloons, stickers, pens and candy	Taxable
Compimentary bottled water, soft drinks, coffee, creamer, sugar, cups and stir sticks	Taxable
Shredding services	Exempt
Cleaning services, plant watering and care	Exempt
Trash removal	Exempt
Purchase or lease of real estate, Insurance	Exempt
Repair and remodeling labor services to real estate	Taxable
Warranty or service agreements for real estate maintenance when the contract involves the application of tangible personal property per contract	Taxable
Other contractor services (other contractor should bill you the appropriate tax due)	Taxable
Parts and labor services for repairing, servicing, altering or maintaining tangible personal property, such as computers, printers, copiers, security equipment, etc.	Taxable
Warranty or service agreements for tangible personal property such as, computers, printers, copiers, security equipment, etc.	Taxable

Snow removal/lawn mowing services, trimming, edging, tree removal, etc.	Exempt
Chemical applications, including lawn fertilization, pest control services	Taxable
<b>CONTINUED</b>	
<b>Sales made by Plumbing &amp; HVAC Contractors &amp; Contractor-Retailers</b>	
Labor services note: To calculate the taxable portion of a job use the following formula; Gross sales - less - Subcontractors - less - Job Materials on which tax was paid when purchased	
Labor services on original construction of new building or facility	Exempt
Labor services performed on a facility qualifying as a residence including original construction of a residence	Exempt
Labor services to install, service, repair, or replace items such as furnaces, central air conditioners, wiring, plumbing, roofing, or siding, or other improvements to real property for a commercial entity	Taxable
Materials purchased without tax and sold at retail	Taxable
Blue prints/floor plans	Exempt
Company vehicles (isolated or occasional sale) Buyer is required to pay sales tax upon registration	Exempt

**Date Composed: 07/06/2006 Date Modified: 07/06/2006**