

## NOTICE 17-01

### **EXEMPT SALES OF FENCING MATERIALS AND SERVICES (MARCH 23, 2017)**

During the 2017 Legislative Session House Bill 2387 was passed and signed into law. This Bill amended K.S.A. 79-3606d to provide for tax exempt sales of fencing materials and services purchased during calendar years 2017 and 2018 to reconstruct, repair or replace any fence which was damaged or destroyed by fire during 2016 and 2017, and the purpose for which is to enclose land devoted to agricultural use. As amended, the language of K.S.A. 79-3606d now reads:

79-3606d. (a) The following shall be exempt from the tax imposed by the Kansas retailers' sales tax act: All sales of tangible personal property and services purchased during calendar years 2017 and 2018, necessary to reconstruct, repair or replace any fence that was damaged or destroyed by wildfires occurring during calendar years 2016 and 2017, and the purpose for which is to enclose land devoted to agricultural use. Sales tax paid on and after January 1, 2017, upon the gross receipts received from any such sale shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this section. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee. Any person reconstructing, repairing or replacing such property, or any person who shall contract for the reconstruction, repair or replacement of any such property shall obtain from the state an exemption certificate for the project involved. The certificate shall be furnished to the person or contractor to purchase materials and lease machinery and equipment for such project. The person or contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the person that obtained the exemption certificate, a sworn statement, on a form provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection.

(b) The provisions of this section shall be deemed to be supplemental to the Kansas retailers' sales tax act.

A request for an exemption certificate should be made by submitting form PR-70FEN (3/2017) Request for Exemption Certificate for Fencing Materials and Services. Visit the Department's website at: [www.ksrevenue.org/wildfires](http://www.ksrevenue.org/wildfires) to download the form. Once the request has

been approved, the Department will issue a Fencing Exemption Certificate, along with a cover letter. Both the Fencing Exemption Certificate and the cover letter will provide additional details regarding the types of materials and leases that qualify for the exemption.

Although obtaining an exemption certificate is the preferred method, because it permits making purchases without paying tax, if a purchase has already been made, and tax paid, the exemption allowed by the statute can be claimed by submitting form ST-3, Kansas Application for Sales Tax Refund of Fencing Materials and/or Services. Please be sure to submit all the information and documents requested on the form at the time you file your claim for refund. Failing to do so will delay or may even prevent issuance of a refund.

The effective date of the legislation is March 23, 2017. You should allow at least 5 days for processing of any request for an exemption certificate.

You should allow at least 45 days for processing of any refund claim. Please note refunds will only be made for sales tax paid to a Kansas retailer.

This Notice replaces Notice 16-04

#### TAXPAYER ASSISTANCE

Additional copies of this notice, forms or publications are available from our website, [www.ksrevenue.org](http://www.ksrevenue.org). If you have questions about this Notice, please contact:

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