

NOTICE 26-01

SALES TAX EXEMPTION FOR CERTAIN DISABLED VETERANS

(MAY 15, 2026)

During the 2024 Legislative Session House Bill 2098 was passed and signed into law. New Section 1 of the Bill, which is now K.S.A. 79-3606h, creates a sales tax exemption for certain disabled veterans, effective for transactions occurring on or after July 1, 2026.

WHAT THE LAW PROVIDES

The new sales tax exemption applies to all purchases of tangible personal property and services made by a qualified veteran, excluding motor vehicles, alcoholic beverages, tobacco, electronic cigarettes, and consumable material for electronic cigarettes.

To qualify for exemption, the veteran:

- (1) must be a Kansas resident;
- (2) must have been honorably discharged, including general discharge under honorable conditions, from active service in any branch of the armed forces of the United States;
- (3) must be certified by the United States Department of Veterans Affairs, or its successor, to have a 100% disability or be deemed totally disabled or unemployable; and
- (4) the disability must be permanent, and must have been sustained through military action, or accident, or resulted from disease contracted while in such active service.

An exempt purchase may be made by the eligible veteran, the spouse of the eligible veteran, or a member of the eligible veteran's household who is authorized to make purchases on behalf of the eligible veteran. An individual who is not a member of the veteran's household does not qualify for the exemption.

If an eligible veteran was receiving an exemption at the time of their death, the eligible veteran's surviving spouse is eligible to continue to receive the exemption until the surviving spouse remarries.

The sales tax exemption applies only to the purchase of goods or services that are for the personal use of the eligible veteran, their spouse, or their surviving spouse. The purchase of goods or services that will be used to produce income do not qualify. Purchases qualifying for the exemption cannot exceed \$24,000 per year.

Prior to claiming exemption, the eligible veteran must apply to, and obtain from, the Secretary of Revenue, a Disabled Veteran Exemption Certificate Card. The application form is available on the Department's website at <https://www.ksrevenue.gov/vetsalesexempt.html>, and the eligible veteran must complete the application with sufficient information to establish their qualification for the sales tax exemption. Upon approval, the Department will provide the qualifying veteran with a sales tax exemption certificate, in the form of a driver's-license-size card that includes the veteran exemption number and any other information necessary to prove eligibility to any retailer. The eligible veteran, or authorized user making a qualified purchase on their behalf, must present the Disabled Veteran Exemption Certificate Card when claiming the sales tax exemption on a qualified purchase.

Upon request of the Secretary of Revenue, an eligible veteran asserting or claiming exemption shall provide a statement, executed under oath, that the total amount of purchases for which the exemption is applicable have not exceeded the individual eligible veteran's yearly limit of \$24,000. If the amount of purchases has exceeded the limitation, sales tax will be due on the amount of purchases over the limit, and any tax will be treated as a direct sales tax liability which may be collected like any other sales tax.

WHAT RETAILERS NEED TO KNOW

Exemption Certificates Generally

The burden of proving a sale is exempt from sales tax is the responsibility of the retailer, and there are two ways for a retailer to establish a sales tax exemption exists. First, the retailer can make a sale which is exempt by law and rely upon the statute that provides the exemption. Second, the retailer can accept, in good faith, an exemption certificate provided by the buyer. When an exemption certificate form is available from the Department of Revenue a retailer should always require the buyer to complete the appropriate certificate and provide it to them.

An exemption certificate is a document that a buyer presents to a retailer to claim exemption from Kansas sales or use tax. It shows why sales tax was not charged on a retail sale of goods or taxable services and relieves a retailer from collecting sales tax if the retailer has obtained the required identifying information (as determined by the Director of Taxation), and the reason for claiming the exemption, from the buyer at the time of purchase. The buyer provides a completed exemption certificate to the retailer, and the retailer keeps the certificate with other sales tax records.

An exemption certificate relieves a retailer from collecting sales tax if the retailer has accepted the certificate "in good faith". A retailer is deemed to have accepted an exemption certificate in good faith when the retailer has verified the identity of the person or entity presenting the certificate (based on the required identifying information as determined by the Director of Taxation), has obtained the reason the entity is claiming the exemption at the time of purchase, determines the exemption certificate is authentic and fully completed, and has no knowledge that presentation of the certificate is improper. An exemption certificate accepted in good faith is a retailer's protection from liability for not collecting sales tax on an otherwise taxable transaction.

If a retailer makes recurring exempt sales of the same type to the same buyer, the retailer is not expected to obtain an exemption certificate for each transaction. Kansas law provides that a retailer is relieved of liability for the tax when the retailer obtains a blanket exemption certificate from a buyer with which the retailer has a “recurring business relationship.” Such certificate need not be renewed or updated when there is a recurring business relationship between the retailer and the buyer. A “recurring business relationship” exists when a period of no more than 12 months elapses between sales.

Disabled Veteran Exemption Certificate Cards

As noted above, the Department will provide a qualifying person with a Disabled Veteran Exemption Certificate Card, in the form of a driver’s-license-size card. The Card includes the person’s name and address and their exemption number, and it may include the name of other authorized users, such as their spouse and/or a household member. The eligible person, or their spouse or household member making a qualified purchase on their behalf, must present the Card when claiming the sales tax exemption on a qualified purchase.

As a retailer, you may accept a Disabled Veteran Exemption Certificate Card in good faith. At a minimum you must verify that the Card is not expired, and you must record the exemption number listed on the Card for each exempt purchase and retain this number in your records for at least three years from the date of sale. In case of an audit or review by the Department of Revenue, it is important that you link the use of a Card to a specific sales transaction in your records. A Card may be used as a blanket exemption certificate for recurring sales.

Although the Department of Revenue does not require it, you may request additional information prior to your good faith acceptance of a Disabled Veteran Exemption Certificate Card. For example, you may request proof of identity, such as a driver’s license or state-issued ID, from the disabled veteran, spouse, and/or household member named on the Card. You may request, or make, a copy of the Card to retain in your records for at least three years from the date of sale. In addition, the Department of Revenue offers an exemption certificate verification tool for retailers who wish to verify sales tax exemption numbers. To access this tool, visit: <https://www.ksrevenue.gov/prpecwelcome.html>.

What Retailers Are Not Responsible For

As a retailer there are some things you are not responsible for when accepting a Disabled Veteran Exemption Certificate Card. First, you are not responsible for verifying that the person(s) named on the Card are qualified individuals for purposes of the exemption. That responsibility falls on the Department of Revenue, which is assisted by the Kansas Office of Veterans Services.

Second, you are not responsible for determining the total amount of purchases made using a Disabled Veteran Exemption Certificate Card, or whether that amount exceeds the \$24,000 annual limit. However, if you have direct knowledge that the same Card has been used to make a single large purchase, or a series of smaller purchases, from your business that exceeds the \$24,000 annual limit you should not accept the Card and collect sales tax. In that event you can advise

your customer they should contact the Department of Revenue with any questions or concerns. If a veteran feels tax was wrongly collected, they can apply to the Department of Revenue for a refund, if the amount being claimed is \$50 or more.

TAXPAYER ASSISTANCE

Additional copies of this notice, forms or publications are available from our web site, www.ksrevenue.gov. If you have questions about this Notice, please contact:

Taxpayer Assistance Center
Kansas Department of Revenue
Scott Office Building, 1st Floor
120 SE 10th Ave
P. O. Box 3506
Topeka, KS 66601-3506
Phone: 785-368-8222
Hearing Impaired TTY: 785-296-6461
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