

# Notice

**Notice Number:** Boats  
**Tax Type:** Kansas Retailers' Sales Tax  
**Brief Description:** Sales tax on boats  
**Keywords:**  
**Effective Date:** 06/17/1987

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**Body:**

**NOTICE**

TO: ALL COUNTY TREASURERS

FROM: KANSAS DEPARTMENT OF REVENUE  
SALES & EXCISE TAX BUREAU

SUBJECT: SENATE BILL 195

DATE: JUNE 12, 1987

Senate Bill No. 195, enacted by the 1987 Kansas Legislature, requires owners of boats to show proof of payment of sales or compensating tax before the Kansas Fish and Game Commission will process the boat owner's application for a number. This legislation also imposes a local compensating tax on boat purchases where applicable. The effective date of this legislation is July 1, 1987.

As a result, certain boat owners will be coming to the County Treasurers' Offices to pay the appropriate tax. Since in-state boat dealers are required to collect state and local sales tax, the only purchasers who will come to your offices to pay the tax will be those who purchased their boats outside the state of Kansas and did not pay the out-of-state dealer any sales or compensating tax. Anyone who purchased the boat from an in-state dealer must be sent back to the dealer for the dealer to collect the appropriate state and local taxes. (In-state boat dealers utilize the same sales tax receipt form as motor vehicle dealers — STD-8.)

The same forms you currently use to collect and report state and local compensating use taxes on motor vehicles and trailers purchased outside of Kansas will be used to collect and report the state and local compensating use taxes on boats purchased from dealers located outside of Kansas. These forms are CT-3A and CT-4, respectively. (The title on these forms will be changed as soon as the forms are re-ordered.)

As with the collection of sales and compensating tax on isolated or occasional sales of motor vehicles, the County Treasurer shall charge a collection service fee of \$.50 and shall credit the same to the special fund provided in K.S.A. 8-1545.

When completing the CT-3A, you will put the manufacturer of the boat in the block for "MAKE"; the hull identification number in the block for "IDENTIFICATION NUMBER", if the boat was built after 1972; and the type of boat in the block for "BODY STYLE". (See enclosed sample.)

The purchaser must provide you with a bill of sale from the out-of-state dealer.

The County Treasurer will be required to collect a local compensating tax in addition to the 4% state compensating tax whenever the address of the purchaser, as contained on Form CT-3A, is located within a city and/or county which imposes a retailers' sales tax. The rate of the local compensating tax is the same rate as such city and/or county sales tax.

Isolated or occasional sales of boats are not affected by Senate Bill 195. They are still exempt from Kansas sales or compensating taxes under K.S.A. 79-3606(l). Therefore, persons who purchase boats from individuals will not be required to pay any sales or compensating tax. The Fish and Game Commission will be notified of this fact so individuals who purchase boats from another individual will not be referred to the County Treasurer in error.

Should you have any questions concerning this legislation, or any other question concerning the sales and compensating tax laws, please write the Kansas Department of Revenue, Sales and Excise Tax Bureau, Docking State Office Building, Topeka, Kansas 66625-0001, or call (913) 296-2461.

**Date Composed: 10/06/1997 Date Modified: 10/10/2001**

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