

KANSAS DEPARTMENT OF REVENUE  
**STATEMENT FOR SALES TAX EXEMPTION ON ELECTRICITY, GAS, OR  
WATER FURNISHED THROUGH ONE METER**

Please type or print this form and send a completed copy WITH worksheets to your utility company. Complete a form for each meter on which you are applying for an exemption.

1. \_\_\_\_\_  
Address of meter location \_\_\_\_\_ Utility account number \_\_\_\_\_

2. In accordance with the Kansas Retailers' Sales Tax Act, the undersigned purchaser states that the (circle one: electricity, gas, water) sold and furnished by (name of utility company) \_\_\_\_\_ through meter number \_\_\_\_\_ at the above location issued for the following purposes based on annual consumption.

3. \_\_\_\_\_ uses electricity, gas or water for the following purpose (check one):  
PURCHASER (Name of individual, company, or organization)

**Unless otherwise indicated, the uses below are exempt from state and local sales tax.**

**What is a general description of how the service is used?**

- |   |  |
|---|--|
| <input type="checkbox"/> Agricultural use. (Electricity & gas subject to local sales tax.)  | <input type="checkbox"/> Severing of oil.  |
| <input type="checkbox"/> Certain nonprofit corporations exempt from real estate property tax – i.e., adult care homes (nursing homes); private children's homes (nursing home foster care, etc.); housing for low and limited income elderly and disabled persons (includes HUD housing projects); housing for the elderly; and group housing for mentally ill, retarded, and other disabled persons. ATTACH A COPY OF THE "ORDER" FROM THE BOARD OF TAX APPEALS. | <input type="checkbox"/> Ingredient or component part.   |
| <input type="checkbox"/> Consumed in the production, manufacturing, processing, mining, drilling, refining, or compounding of tangible personal property, or treatment of by-products or wastes of any above processes.   | <input type="checkbox"/> Irrigation of crops.  |
| <input type="checkbox"/> Domestic violence shelters.  | <input type="checkbox"/> Movement in interstate commerce by railroad or public utility.  |
| <input type="checkbox"/> *Educational institutions and nonprofit trusts, nonprofit endowment associations and foundations operated for the sole benefit of an education institution.  | <input type="checkbox"/> *Noncommercial educational radio or TV station.   |
| <input type="checkbox"/> *Government entity.  | <input type="checkbox"/> Noncommercial residential use. (Electricity & gas subject to local sales tax.)  |
|   | <input type="checkbox"/> *Nonprofit hospital.  |
|   | <input type="checkbox"/> *Nonprofit museum or historical society.  |
|   | <input type="checkbox"/> *Nonprofit zoo.   |
|   | <input type="checkbox"/> *Over-the-air free access radio or TV station. Only the electricity used to produce the broadcast signal is exempt. All other utility use is taxable. |
|   | <input type="checkbox"/> Providing taxable services.   |
|   | <input type="checkbox"/> *Religious organization exempt from federal taxation under section 501(c)(3) of the federal Internal Revenue Code.                                    |
|   | <input type="checkbox"/> *Other exempt entity  |

\* Enter Sales Tax Exemption Identification Number \_\_\_\_\_ Employer ID Number (EIN) \_\_\_\_\_

4. Type of business \_\_\_\_\_

5. Describe the taxable service; movement in interstate commerce; agricultural use; or property produced, manufactured, etc.

\_\_\_\_\_

**NOTE:** Sales of water to residential premises for noncommercial use or for agricultural use are NOT subject to local (city/county) sales tax. However, all electricity and gas used to light, heat, cool, clean or maintain equipment, buildings or business facilities (offices, plants, shops, warehouses) are FULLY TAXABLE. This includes, but is not limited to, electricity and gas for air conditioners, all lighting (including production area), exhaust fans, freezers, heaters, refrigerators, other appliances and machines.

6. EXEMPT PERCENT \_\_\_\_\_ % (See instructions.)

The undersigned purchaser agrees and certifies that: a) this statement is true, correct, and complete; b) **the worksheets used to determine the "Exempt Percent" will be kept by the undersigned and copies of the worksheets and this completed form will be provided to the utility company**; and, c) in the event there is a change in the "Exempt Percent", a revised statement will be filed immediately with the utility company. If the electricity, gas, or water exempted from taxation is determined to be taxable at a rate other than stated above, the undersigned purchaser agrees to reimburse the utility company or KDOR for any amounts assessed as retailers' sales or compensating tax, penalties, and/or interest.

Purchaser: \_\_\_\_\_ Phone No. \_\_\_\_\_  
Individual, company, or organization name

Address: \_\_\_\_\_ Email Address \_\_\_\_\_  
Street, RR, or P.O. Box, City, State, Zip + 4

Printed Name \_\_\_\_\_ \*Authorized Signature \_\_\_\_\_ Date: \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING FORM ST-28B

When gas, water, or electricity is furnished through one meter for both taxable and exempt purposes, the purchaser is responsible for determining the percentage of use exempt from sales tax. The sample worksheet provided below will help you to determine the percent of electricity, gas, or water that qualifies for exemption. The worksheet you provide should list **all** taxable and exempt equipment. If you have questions about this form, contact our Utility Refund, Kansas Department of Revenue, 915 SW Harrison St., 1<sup>st</sup> Floor, Topeka, KS, 66625-0001, or call (785) 296-2333.

**AGRICULTURAL:** Electricity and gas for agricultural use is exempt from the state sales tax but **not** exempt from the local taxes. Agricultural use does not include commercial operations such as processing food or dairy products, off-farm grain storage and marketing, lumbering, or use by a stockyard, slaughter house, floral shop, or turf farm.

**CERTAIN NONPROFIT CORPORATIONS:** Sales of electricity, gas, or water to properties which are exempt from property taxation under K.S.A. 79-201b Second through Sixth are exempt from state and local sales tax. Once the property is determined to be exempt, copies of the "order" from the Board of Tax Appeals and this completed exemption certificate (ST-28B) must be provided to the utility company and the Kansas Department of Revenue.

**CONSUMABLES:** The portion of electricity, gas, or water you use that meets the following requirements is exempt from state and local taxes: 1) essential or necessary to the process; 2) used in the actual process at the location during the production activity; 3) immediately consumed or dissipated in the process; and, 4) used in the production, manufacturing, processing, mining, drilling, refining, or compounding of tangible personal property or

the treatment of by-products or wastes of any above processes. The following uses of electricity, gas, or water are not exempt from sales tax: shipping, repairing, servicing, maintaining, cleaning the equipment and the physical plant, and storing.

**INGREDIENT OR COMPONENT PART:** An example of electricity, gas, or water which becomes an ingredient or component part and qualifies for exemption is "water" that is part of the ingredient in a beverage which is bottled and sold to a retailer for resale.

**RESIDENTIAL:** If the electricity, gas, or water you consume is for residential use only, you do not need to file this form. The utility company automatically exempts you from paying state sales tax (city and county sales tax still applies). However, if the electricity, gas, or water you consume is partly for residential purposes and partly for commercial use, you must determine the percent of usage that is residential and file copies of your worksheets and this completed form with your utility company and the Department of Revenue. Utilities consumed in commercial common areas such as an office, lounge, hallway, laundry facility, storage area, swimming pool, etc., **do not** qualify for exemption.

**HOW MUCH OF MY UTILITY USE QUALIFIES FOR EXEMPTION?** You will probably need several sheets of paper as worksheets. If your facility is serviced by more than one meter, you need to complete a separate chart to determine the percent of usage for each meter. If the facility is heated and air-conditioned by a central unit, you may use the square footage method to arrive at the residential percent of consumption for heating and cooling. You may need the assistance of a plumber or electrician to complete the formulas. Refer to the following example and steps to determine your exempt percent.

COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6
Type of Device	Rating of Device	Estimated Hours of Use Per Day	Load Factor	Number of Days the Device is Used Per Year	Usage Per Year stated in kWh, BTU, or Gallons
20 - light bulbs      T	40 watts	10	1.00	324	2,592 kWh
1 - production machinery      E	500 watts	10	.50	255	637.5 kWh

- At the top of each page, place the headers as noted in the example and complete the following information per column:
  - COLUMN 1**—List each device that is pulling the utility.
  - COLUMN 2**—Rating of each device.
  - COLUMN 3**—Estimate the number of hours of use per day (i.e., on average, twenty 40 watt light bulbs are on ten hours per day, therefore, enter "10").
  - COLUMN 4**—Determine and enter load factor (i.e., when a light bulb is on it pulls the full rate of 100% power but a burner on the stove on "low" may only pull 30% load factor).
  - COLUMN 5**—Number of days the device is used per year.
  - COLUMN 6**—Determine usage per year stated in kilowatt-hours (kWh), BTU, or gallons.

1000 watts = 1 kWh  
 Horsepower = .746 X H.P. = watts  
 Ten 100-watt bulbs burning 1 hour will use 1 kWh  
 1,000,000 BTU in 1 MCF

- Indicate beside each type of device an "E" for exempt or a "T" for taxable.
- Multiply the quantity in column 1 by column 2 by column 3 by column 4 by column 5 to arrive at the sum for column 6.
- Add the usage per year (column 6) for all of the devices you have indicated as "exempt" then add all of the usage per year (column 6) for all the devices that you have indicated as being "taxable." Adding the exempt and taxable usage should equal the total consumption per year as shown on your utility bills for the last 12 months.
- Divide the total number of exempt kWh by the total number of kWh consumed in the last 12 months. This is the percent of usage that is exempt from tax. Enter this amount on line 5 on the front of this form (ST-28B).

The instructions provided are intended to help consumers of electricity, gas, or water complete this form. In case of discrepancies, the applicable law prevails.

**ATTN: Hotels, Motels and Nursing Homes: Please include the occupancy rate for the last 12 months of business with your study.**