**Private Letter Ruling**

|  |  |
| --- | --- |
| **Ruling Number:** | **P-1998-59** |

|  |  |
| --- | --- |
| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Services and transportation charges.** |
| **Keywords:** |  |
| **Effective Date:** | **07/01/1998** |

**Body:**

Office of Policy & Research

July 1, 1998  
  
  
XXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXX  
  
  
Dear XXXXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated June 4, 1998.  
  
In your letter you asked if it would be appropriate to separately state for purposes of imposing or exempting from Kansas retailers’ sales tax, the various activities of a roustabout service.  
  
If your roustabout client is engaged in a taxable repair service, then all charges associated with the service are subject to tax. This would include transportation charges whether separately stated or included in a lump sum.  
  
Transportation charges are not subject to sales tax, only when the transportation service is the primary or the only service being performed. For example a home owner who is engages a moving company to move his household furniture, is contracting for a nontaxable service. Therefore, if your client entered into a contract to load, transport and unload pipe, this would not be subject to sales tax.  
  
A repairman who replaces a pipeline on a gathering system provides an example of transportation charges that are subject to tax. As part of the service, the repairman bills the owner of the gathering system for transporting the replacement pipe from the supplier to the job site. In this example the transportation charges are an element of the repairman’s gross receipts and subject to sales tax.  
  
Another aspect of transportation charges should also be noted. Any time a retailer makes a sale of property, and charges the consumer for delivery or transportation, this charge is subject to sales tax. This is the case even when the shipping charges are not, by the themselves, subject to sales tax.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 07/14/1998 Date Modified: 10/10/2001**