**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-085** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Administrative fees and extended warranties associated with motor vehicle sales.** |
| **Keywords:** |  |
| **Approval Date:** | **10/07/2002** |

**Body:**

Office of Policy & Research  
  
  
October 7, 2002

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Dear Ms. TTTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated October 3, 2002, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3606(a) imposes a sales tax: "upon the gross receipts received from the sale of tangible personal property at retail within this state."  
  
"Gross receipts" means the total selling price or the amount received as defined in the Kansas Retailers' Sales Tax Act, in money, credits, property or other consideration valued in money from sales at retail within this state. The taxpayer may take credit in the report of gross receipts for an amount equal to the allowance given for the trade-in of property.  
  
Please be advised that an administrative fee would be considered part of the gross receipts received from the sale of the vehicle, and therefore would be able to be offset against the trade-in-allowance. However, the sale of an extended warranty and the vin etch/car care are sold apart from the vehicle sale and would not be able to be off-set by any trade-in allowance.  
  
This is a private letter ruling pursuant to K.A.R. 92-19-59. It is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to an accurate determination by the department, this ruling is null and void. This ruling will be revoked in the future by the operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or published revenue ruling, that materially effects this private letter ruling. If I may be of further assistance, please contact me at your earliest convenience at (785) 296-7776.  
  
Sincerely yours,  
  
  
  
Thomas P. Browne, Jr.  
Tax Specialist  
  
TPB  
  
  
**Date Composed: 10/09/2002 Date Modified: 10/17/2002**