**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-088** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Gate receipts charged for admission to trade shows.** |
| **Keywords:** |  |
| **Approval Date:** | **10/23/2002** |

**Body:**

Office of Policy & Research

October 23, 2002

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RE: Your letter dated August 15, 2002

Dear XXXX:

Thank you for your recent letter. You ask if Kansas imposes sales tax on gate receipts charged for admission to trade shows. This trade show was made up of vendors who displayed and sold computers and other computer products. The answer to your question is "Yes." The gates receipts to the trade show are taxable.

K.S.A. 79-3603(e) imposes sales tax on admissions:

(e) the gross receipts from the sale of admissions to any place providing amusement, entertainment or recreation services including admissions to state, county, district and local fairs, but such tax shall not be levied and collected upon the gross receipts received from sales of admissions to any cultural and historical event which occurs triennially;

You assert that your client, XXYYZZ, "does not provide amusement, entertainment or recreation at their events. It should not be liable for sales tax on gate receipts." Your statement does not accurately reflect Kansas law. Kansas tax is levied not on "providing amusement, entertainment or recreation," but on "*the sale of admission to any place* providing amusement, entertainment or recreation." These two things are different.

For Kansas sales tax purposes, "admission" means a right or privilege that allows a person access to, or the use of a place of entertainment, amusement, or recreation. The person who gains admission may have a right to observe something or to participate in an activity. Observing things is what people do at museums, art galleries, and trade shows.

Kansas taxes gate receipts to car shows, boat shows, gem and mineral shows, antique shows, gun shows, doll shows, dog and cat shows, art galleries, museums, and other similar events. The shows may be little more than a collection of booths or tables where vendors and manufacturers display and sell their wares. When there is an admission charge, tax is due from the business that collects the gate receipts regardless of the fact that retail sales may be made by the retailers or businesses who operate the booths or tables.

Webster's defines "amusement" as "pleasurable diversion." Shows like this offer a pleasurable diversion. Seeing new automobiles, boats, antiques, art, and antiques piques the interest of many people. The large numbers who attend these shows attest to the fact that the shows provide a pleasurable diversion. The fact that vendors who display items for sale may collect sales tax on their sales does not negate the fact that admission to the show is itself taxable.

I hope that I have answered all of your questions. If you need to discuss this matter, please call me at 785-296-3081. This private letter ruling is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to make an accurate determination by the department, this ruling is null and void. This private letter ruling will be revoked in the future by operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or a published revenue ruling, that materially affects this private letter ruling.

Sincerely,

Thomas E. Hatten
Attorney/Policy & Research

cc: XXXXXXX

**Date Composed: 10/28/2002 Date Modified: 10/28/2002**