**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-100** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Parent organizations.** |
| **Keywords:** |  |
| **Approval Date:** | **12/05/2002** |

**Body:**

Office of Policy & Research  
  
  
December 5, 2002

XXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXX  
  
Dear Ms. XXXXXX:  
  
I have been asked to respond to your letter dated November 18, 2002.  
  
In it, you ask if the Parent Organization XXXXXX qualifies for exemption from Kansas retailers’ sales and compensating tax pursuant to K.S.A. 79-3606(yy). The answer is “yes.”  
  
This means that the organization may purchase tangible personal property and services without the payment of sales tax. The organization may also sell tangible personal property without imposing sales tax. However, the legislature did not exempt your organization from the responsibility of collecting sales tax on receipts from the providing of taxable services.  
  
K.S.A. 79-3606(yy) exempts from Kansas retailers' sales tax "all sales of tangible personal property and services purchased by a parent-teacher association or organization, and all sales of tangible personal property by or on behalf of such association or organization;"  
  
For purposes of the exemption extended at K.S.A. 79-3606(yy), “parent-teacher association” shall mean a nonprofit parent-teacher association chartered by the National PTA or Kansas PTA. PTAs are authorized to operate within a public or private school by the governing authority of the school. A “parent-teacher organization” means a nonprofit parent-teacher organization that is functionally equivalent to a “parent-teacher association” that is authorized by the governing authority of a public or private school to operate within the school.  
  
The PTA or PTO must operate for the benefit and support of an individual school with a defined organizational structure, purpose, and goals; and is recognized by the school as a PTA/PTO. A PTA/PTO provides programs within a school promoting the education, health and safety of children. Generally, there is only one PTA/PTO within a school and they would have long-term goals and objectives and numerous programs operating within the school.  
  
Other organizations such as "booster clubs" that operate in connection with schools usually do not qualify for exemption. These clubs or associations are organized and operated for the benefit of clubs or organizations that are recognized school organizations but are of a narrow or one-dimensional nature. They are typically operated to support a sport, band or drama group. They do not encompass the broader objectives of PTAs or PTOs. Booster clubs or other types of clubs that support sports, bands, or other extra-curricular activities do not qualify as PTA’s or PTO’s, even though they may be composed of parents, students, businesses, and others who are interested in the school or in certain facets of the educational process.  
  
For purposes of this exemption, a school is defined as an institution which meets the compulsory attendance provisions of K.S.A. 72-1111.  
  
Based solely upon the information and documents you submitted, it is the opinion of the Kansas Department of Revenue that your organization is a PTO. Therefore, the department recognizes your organization is exempt pursuant to K.S.A. 79-3606(yy).  
  
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.  
  
I have enclosed a copy of an exemption certificate for purchases by your organization. You may duplicate this certificate and issue to retailers as needed.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
  
MDC  
  
  
**Date Composed: 12/16/2002 Date Modified: 12/16/2002**