**Private Letter Ruling**

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| **Ruling Number:** | **P-2003-013** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Gross receipts received for the installation of a building's overhead door.** |
| **Keywords:** |  |
| **Approval Date:** | **03/07/2003** |

**Body:**

Office of Policy & Research

March 7, 2003

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Dear Ms. TTTTTT:

We wish to acknowledge receipt of your letter dated March 3, 2003, regarding the application of Kansas Retailers’ Sales tax.

Effective July 1, 2000, businesses engaged in certain manufacturing or processing activities will not be required to pay sales or use tax on an expanded range of machinery and equipment used in manufacturing and processing operations. This expanded exemption applies to purchases of machinery and equipment delivered on or after July 1, 2000. In the case of leased machinery and equipment, the exemption applies to payments for rental periods that occur on and after July 1, 2000. Service or labor charges for installing and repairing qualifying machinery and equipment are exempt when performed on or after July 1, 2000. These changes are contained in House Bill 2011 that was enacted by the 2000 Kansas Legislature.

For purposes of this exemption, exempt production equipment does NOT include: buildings, building fixtures, and other parts of real estate that are not otherwise exempt. Hence, the gross receipts received for the installation of a buildings overhead door, would not come within the scope of the sales tax exemption in K.S.A. 79-3606(kk), and, therefore would be subject to the appropriate Kansas sales tax(es).

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: 03/12/2003 Date Modified: 03/12/2003**