**Private Letter Ruling**

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| **Ruling Number:** | **P-2004-029** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Purchases of dogs, food and other tangible personal property associated with breeding stock.** |
| **Keywords:** |  |
| **Approval Date:** | **06/28/2004** |

**Body:**

Office of Policy & Research  
  
  
June 28, 2004

XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
  
Dear XXXXXXXXXX,  
  
This is a formal response to your letter dated XXXXXXXXXX. In that letter, you stated:

However, we are confused about breeding stock. There are times that we purchase puppies and adult dogs to sell to breeders for breeding stock. We also have a small breeding kennel (four females and one male) of our own and often sell puppies or adult dogs for breeding stock as well. These are not pets. They are confined to the kennel and are used for breeding purposes to raise offspring. We believe that the offspring should be classified as pets if and when they are sold to pet stores or individuals.

The purchase of dogs used as breeding stock is exempt from Kansas retailer’s sales tax.  
  
Food purchased for puppies that will be sold is exempt from sales tax, as is all food purchases for breeding stock and offspring kept for breeding purposes. The breeder must provide the vendor of these goods with an ingredient or component part exemption certificate.  
  
Purchases of tangible personal property for the consumption of breeding stock are considered consumed in production and exempt from sales tax. This would include items which are consumed or “used up” in the process of producing puppies for the pet market including food, all drugs, both prescription and nonprescription, flea control, etc. The breeder must provide the vendor of these goods with an ingredient or component part exemption certificate.  
  
Most purchases of tangible personal property for puppies that will be sold or kept for breeding purposes are exempt from sales tax. This would include such items as food, vaccinations, flea control, drugs, and collars (if sole with the dog), etc. All drugs, both prescription and nonprescription, purchased for puppies held for sale or breeding are not taxable. The breeder must provide the vendor of these goods with an ingredient or component part exemption certificate.  
  
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 to you, please contact me at your earliest convenience at (785) 296-5330.  
  
Sincerely,  
  
  
  
Mark Ciardullo  
Tax Specialist  
  
  
**Date Composed: 06/30/2004 Date Modified: 06/30/2004**