**Private Letter Ruling**

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| **Ruling Number:** | **P-2005-013** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Remodeling of a nursing/assisted living facility.** |
| **Keywords:** |  |
| **Approval Date:** | **05/31/2005** |

**Body:**

Office of Policy & Research  
  
  
May 31, 2005

XXXXX  
XXXXX  
XXXXX  
XXXXX  
  
Dear XXXXX:  
  
I have been asked to answer your letter dated December 13, 2004. In it, you inquired about the remodeling of a nursing/assisted living facility and whether or not the gross receipts received from specific sections of the remodeling process would be taxed on the labor provided by your business.  
  
You are correct in your original conclusions that the labor is exempt from tax on the residential portion of the reconstruction. Conversely, the commercial portions would be subject to Kansas sales tax. Revenue Ruling 19-2003-1 elaborates as to which sections of a nursing/assisted living facility are to be regarded as residential and commercial. Below it follows in part:

“…The noncommercial or residential portion of a facility shall include: (1) the residents' bedroom and attached bathroom, if any; and (2) the residents' apartment units, if any. Commercial areas include, but are not limited to: activity rooms, common showers and restrooms, day rooms, dining rooms, examination rooms, hallways, kitchens, lounges, nursing stations, parking lots, utility rooms, storage areas, swimming pools, and all other areas of the facility other than the residents' bedrooms, attached bathrooms, and apartment units. As the list reflects, commercial areas include those areas that are open to members of the public who are visiting residents of the facility.”

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.  
  
I trust this information is of assistance. If I can be of further service, please feel free to contact me.  
  
Sincerely,  
  
  
  
Thomas P. Browne, Jr.  
Tax Specialist  
  
  
DVL  
  
  
**Date Composed: 06/01/2005 Date Modified: 06/01/2005**