**Private Letter Ruling**

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| **Ruling Number:** | **P-2006-007** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Charges for telephone services for a church parsonage** |
| **Keywords:** |  |
| **Approval Date:** | **05/16/2006** |

**Body:**

Office of Policy & Research

May 16, 2006

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RE: Your e-mail received on April 6, 2006

Dear XXXX:

Thank you for your recent e-mail. You ask whether or not Kansas sales tax applies to charges for telephone services for a church parsonage. The taxability of utility services provided to a parsonage is explained in Notice 99-14, *Sales Tax Exemptions for Religious Organizations*. It provides:

d) Utility services provided to a parsonage, rectory, convent, minister’s house, or similar residence that is used to house religious leaders are not exempt as purchases that are used exclusively for religious purposes. Similarly, clothing, food and other consumables purchased for such residences are not exempt. These are considered to be purchases for the personal consumption of ministers, priests, nuns, and other religious personnel, rather than purchases that are made “exclusively for religious purposes.” However, exempt sales do include sales of furniture, furnishings, real property improvements, and other non-consumable, permanent items that are used to equip a parish, rectory, convent or minister’s house if ownership of the property will remain with the church through successive employee changes. Such permanent church property is considered to have been purchased for a “religious purpose” when paid for with church funds.

While telephone services are not specifically mentioned in Notice 99-14, charges for telephone services for a parsonage are treated the same way as charges for utility services. This means that telephone charges are taxable. Telephone services are purchased for both church use and for personal use by ministers, priests, nuns, and other religious personnel. The exemption is limited to purchases that are “exclusively for religious purposes.” Telephone charges are taxable even when paid for with the church funds.

Accordingly, charges for telephone services for a parsonage, rectory, convent, minister's house, or similar location are taxable. This same determination applies to cell-phones charges for cell-phones that are used by ministers, priests, and other religious personnel, even when the charges are paid for with church funds.

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.

Sincerely,

Thomas E. Hatten
Attorney/Policy & Research

**Date Composed: 05/19/2006 Date Modified: 05/19/2006**