**Opinion Letter**

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| **Letter Number:** | **O-2002-002** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Car wash purchases of water and utilities.** |
| **Keywords:** |  |
| **Approval Date:** | **01/15/2002** |

**Body:**

Office of Policy & Research

January 15, 2002

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XXXX

RE: Your recent e-mail

Dear XXXX:

Thank you for your recent inquiry. You ask whether Kansas sales tax law treats a car wash's purchases of water and utilities like it treats a car wash's purchases of other consumables, such as soap, wax, and cleaning chemicals. The answer is yes. These consumable are all exempt from Kansas sales tax.

I have enclosed a Question and Answer from our Policy Information Library that explains how the consumed-in-production exemption applies to car washes. The discussions in the Q & A apply to all types of car washes, including coin-operated washes, both automatic and hand-held wand washes, and those where employees perform manual labor to wash or wax the vehicle.

I have also enclosed a copy of the exemption certificate (ST-28B) that a car wash can use to claim exemption when both taxable and exempt electricity, gas, or water is furnished through a single meter. For electricity, exempt use would include electricity used to power the pumps and mechanical washers, along with electricity consumed in any coin-operated vacuums. The exemption would not extend to lighting, including lighting in the stall, for the surrounding lot, for advertising signs, or for any separate work rooms or office space. If any of the purchases of gas, electricity, or water are 100% exempt, you should use form ST-28C to claim exemption on the total purchase.

I believe that the enclosed information will provides you all the material you need to claim exemption. Please note, the enclosures are available at our web site: www.ksrevenue.org. The Q & A is located in the Policy Information Library. The exemption certificate can be accessed under "Forms," which I believe is listed on the left side of the first viewing screen that opens.

Sincerely,

Thomas E. Hatten
Attorney/Policy & Research

Enclosures

**Date Composed: 01/17/2002 Date Modified: 01/22/2002**