**Opinion Letter**

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| **Letter Number:** | **O-2003-002** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Various audio production services.** |
| **Keywords:** |  |
| **Approval Date:** | **01/28/2003** |

**Body:**

Office of Policy & Research  
  
  
January 28, 2003

XXXX  
XXXX  
XXXX

RE: Your letter dated January 23, 2003

Dear XXXX:  
  
I have been asked to answer your letter that the department received recently. You operate a recording audio company. You asked how Kansas sales tax should apply to your business.  
  
The Kansas sales tax act taxes sales of tangible personal property and sales of certain enumerated services. Studio recording services are not subject to sales tax. Accordingly, your business must pay sales tax on everything that it buys to operate the recording studio. You would not charge sales tax to clients who use your studio. Transfer of the master tape (original recording) to a client would not be taxed as a retail sale, but would be considered to be part of the non-taxable service.  
  
You will be making retail sales if you duplicate tapes for clients. When duplicating tapes, you must charge the client sales tax on total charge for the tapes that are purchased. As a matter of business practice, I recommend that when you bill a client, that you never bill charges for the nontaxable recording services on the same bill that you use to charge a customer for the taxable duplicating services. This way, your records will clearly identify and separate the non-taxable services from the taxable services.  
  
I hope that I have answered all of your questions. If you have any more, please call me at 785-296-3081 and we can discuss them.

Sincerely,  
  
  
  
Thomas E. Hatten  
Attorney/Policy & Research

**Date Composed: 02/10/2003 Date Modified: 02/10/2003**