**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-147** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Qualifications for a religious organization.** |
| **Keywords:** |  |
| **Approval Date:** | **06/30/1999** |

**Body:**

Office of Policy and Research  
  
  
June 30, 1999

XXXXXXXXXXXX  
XXXXXXXXXXXXXX  
XXXXXXXXXXXXXX  
XXXXXXXX  
  
  
  
Dear XXXXXXXX:  
  
I have been asked to respond to your letter dated December 17, 1998. In it, you ask if your organization qualifies as a religious organization for purposes of Kansas sales tax.  
  
In your letter you stated:

XXXXXXXXXXXX is a non-profit 501(c)(3) that is not required to submit a 990 form because of our religious organization status. Our membership consists of nearly 100 congregations, several religious organizations plus individual delegates from congregations.  
  
XXXXXXXXXX service the needs of the religious congregations which it represents. As stated in the opening of our by-laws ( a copy is included with this letter), XXXXXXXX brings people of faith together to:

n achieve knowledge, understanding and appreciation of all faiths  
n educate and encourage dialogue  
n worship  
n cooperate in the promotion of justice, the relieving of misery and reconciling of

the estranged

n provide responses to the challenges of our times based upon spiritual principles  
n transform society so that love, peace and unity may prevail

XXXXXXXXXXXX is, in other words, a derivative organization of religious congregations organized and operated exclusively to assist our membership congregations and the religious community carry out its religious purpose.  
  
In addition to having a reflection room as a part of our XXXXXXXXXX which is set aside for the sole purpose of prayer and meditation, we also conduct a minimum of XXXXXXXXXX annually. As stated in our by-laws, the purpose of the XXXXXXXis: “to provide program and inspiration to the members”.  
  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Kansas sales tax law exempts “all sales of tangible personal property and services purchased by a religious organization which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code, and used exclusively for religious purposes. . .” K.S.A. 79-3606(aaa).  
  
For purposes of the Kansas retailers’ sales tax act, the term “religious organization” means any organization, church, body of communicants, or other group that gathers in common membership for mutual support and edification, in piety, worship, and religious observance, at an established place of worship which the organization maintains for the purpose of conducting regularly scheduled religious services or meetings, and of which no part of the net earnings of such organization inures to the benefit of any private shareholder or individual member. *Notice 98-05; See K.S.A. 79-4701(e); K.S.A. 8-1730a.* An organization that is composed of religious organizations may derive exemption from its members if all of its members are themselves exempt religious organizations and the derivative organization is organized and operated exclusively to assist its member organizations in carrying out their religious purpose. Such an organization must itself be exempt from tax under I.R.C. §501(c)(3). *Notice 98-05; See Trustees of The United Methodist Church v. Cogswell, 205 Kan. 847 (1970).*  
  
Charitable organizations that are composed of churches, businesses, and lay persons are separately incorporated organizations that are not composed exclusively of churches or other religious organizations, but include lay people and businesses. Therefore, these groups do not qualify as a religious organization for purposes of the exemption extended at K.S.A. 1998 Supp.79-3606(aaa).  
  
It is the opinion of the Kansas Department of Revenue that your organization does not meet the necessary criteria to be a religious organization exempt pursuant to K.S.A. 79-3606(aaa).  
  
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 affects this private letter ruling.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
  
MDC  
  
  
**Date Composed: 07/08/1999 Date Modified: 10/11/2001**