**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-156** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Extended warranties; refund of sales tax upon cancellation.** |
| **Keywords:** |  |
| **Approval Date:** | **07/19/1999** |

**Body:**

Office of Policy and Research  
  
  
July 19, 1999

TTTTTTTTTTTTT  
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RE: TTTTTTTT  
  
  
Dear Ms. TTTTTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated July 14, 1999, regarding the application of Kansas Retailers’ Sales tax.  
  
K.A.R. 92-19-62(b) states in part: “Each charge made by a retailer separate and apart from the selling price of the tangible personal property for an optional warranty, extended warranty, service contract, maintenance contract and other similar instruments is subject to sales tax. . .”  
  
Please be advised that since the retailer refunded the charge for the extended warranty, by submitting a check to the finance company to reduce the principal amount, the corresponding state and local sales tax(es) for that was collected on said warranty should likewise be refunded.  
  
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. If I may be of further assistance, please contact me at your earliest convenience at (785) 296-7776.  
  
Sincerely yours,  
  
  
  
Thomas P. Browne, Jr.  
Tax Specialist  
  
TPB  
  
  
**Date Composed: 08/03/1999 Date Modified: 10/11/2001**