**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-201** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Lease of tangible personal property to certain federal banking entities.** |
| **Keywords:** |  |
| **Approval Date:** | **09/20/1999** |

**Body:**

Office of Policy & Research  
  
  
September 20, 1999

XXXXXXXXXXX  
XXXXXXXXXXX  
XXXXXXXXXXXXXXXX  
  
  
Dear XXXXXXXXXXXXX:  
  
I have been asked to respond to your letter dated August 30, 1999. In it, you ask if a lease of tangible personal property to the XXXXXXXXXXXXXX is exempt from Kansas retailers’ sales tax.  
  
You state, “The bank claims to be exempt from sales tax on the lease vehicle due to the Federal Home Bank Act 12, 1433.”  
  
Under federal law, a state may not subject the following entities to sales tax: Federal Home Loan Banks (12  
U.S.C. §1433), Federal Reserve Banks (12 U.S.C. §531), Federal National Mortgage Associations (12 U.S.C. §1723a(c)), Federal Financing Banks (12 U.S.C. §2290), Production Credit Associations (12 U.S.C. §2077), Farm Credit Banks (12 U.S.C. §2023), or Federal Land Bank Associations (12 U.S.C. §2098).  
  
It is the opinion of the Kansas Department of Revenue that your lease to the XXXXXXXXXXXXXXXXXX is exempt from Kansas retailers’ sales tax.  
  
This private letter ruling is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to make an accurate determination by the department, this ruling is null and void. This private letter ruling will be revoked in the future by operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or a published revenue ruling, that materially affects this private letter ruling.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
  
MDC: mdc  
  
  
**Date Composed: 09/28/1999 Date Modified: 10/11/2001**