**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-221** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Taxability of certain items sold to farmers and ranchers in Kansas.** |
| **Keywords:** |  |
| **Approval Date:** | **09/24/1999** |

**Body:**

Office of Policy & Research

September 24, 1999

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XXXXXXXXXXXXXXX

Dear XXXXXXXXXXX:

The purpose of this letter is to respond to your letter dated August 19, 1999. Your request advise on the taxability of the following items sold to farmers and ranchers in Kansas.

Kansas retailers’ sales tax law contains three exemptions that generally apply to farm and ranch operations. Specially: Sales of tangible personal property and services that are and ingredient or component part of tangible personal or services for ultimate resale. K.S.A. 79-3606(m). Sales of tangible personal property and services that are consumed in the process of producing of tangible personal property or services. K.S.A. 79-3606(n). All sales of farm machinery and equipment or aquaculture machinery and equipment, repair and replacement parts therefor and services performed in the repair and maintenance of such machinery and equipment. K.S.A. 79-3606(t).

In answer to your specific questions:

Bull Semen. The purchase of semen by persons engaged in the business of breeding and raising cattle for ultimate resale is exempt pursuant to K.S.A. 79-3606(m). The delivery charge is exempt if the item purchased is exempt.

Insemination Service. The gross receipts from the service of performing insemination services in connection with production of cattle is exempt.

Artificial Insemination Supplies. The following items are exempt as consumed in production: Disposable plastic gloves, lubricants and paper toweling. Catheters and ear tags are exempt as farm machinery and equipment.

Artificial Insemination Equipment. The following items are exempt farm machinery and equipment: implanting guns, sheaths, thermometers and thaw units (used to thaw frozen semen straws).

Animal Care Products. The following items are exempt as consumed in production: Antibiotics, wormers, hormones, insecticide (that is applied directly on animals), teat dip, detail tail paint and liquid nitrogen. The following items are exempt farm machinery and equipment: Kamar heat detectors, calf jackets and biostat tanks. Feed supplements are exempt as an ingredient or component part.

You should always obtain from an exemption certificate from the purchaser claiming an exemption from sales tax.
I have enclosed a booklet that contains the appropriate exemption certificates and instructions.

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

**Date Composed: 11/03/1999 Date Modified: 10/11/2001**