**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-227** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Installation of security equipment and provision of monitoring services by a Missouri company to Kansas businesses and residents.** |
| **Keywords:** |  |
| **Approval Date:** | **10/15/1999** |

**Body:**

Office of Policy & Research

October 15, 1999

XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX
XXXXXXXXXX

Re: Kansas Sales Tax

Dear XXXXX:

Your correspondence of May 25, 1999, has been referred to me for response. Thank you for your inquiry.

Your letter indicates you are a Missouri company which installs security equipment and provides monitoring service. You are contemplating purchasing a company which has accounts in Kansas. By your letter you ask for confirmation of your understanding of how the Kansas sales tax would apply to your business. You note it is your understanding that:

· A Missouri company charging Kansas residents for monitoring service is not required to charge Kansas sales tax for monitoring.
· If equipment is installed in a Kansas commercial establishment both labor and materials are subject to Kansas sales tax.
· If equipment is installed in a Kansas resident only the material is subject to Kansas sales tax.

In response to your request, please be advised your understanding is correct.

A Missouri company charging Kansas residents for monitoring service is not required to charge Kansas sales tax for monitoring. This is true because the Kansas retailers’ sales tax act does not impose sales tax on monitoring services.

Equipment installed in a Kansas commercial establishment is subject to sales tax for both labor and materials. Kansas law generally imposes sales tax on all sales of tangible personal property [K.S.A. 79-3603(a)]. Labor services for the installation of tangible personal property are specifically enumerated in the law as a service which is subject to tax [K.S.A. 79-3603(p)].

Equipment installed in a Kansas residence is subject to sales tax only on the materials. Kansas law generally imposes sales tax on all sales of tangible personal property [K.S.A. 79-3603(a)]. Labor services for the installation of tangible personal property are specifically enumerated in the law as a service which is subject to tax, but there is an exemption from sales tax for labor services performed for the installation of tangible personal property such as monitoring equipment into a residence [K.S.A. 79-3603(p)].

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.

I trust this information is of assistance. If I can be of further service, please feel free to contact me.

Sincerely,

Jim Weisgerber
Attorney
Tax Specialist

JW:jw

**Date Composed: 10/19/1999 Date Modified: 10/11/2001**