**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-265** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Nonprofit fund raisers.** |
| **Keywords:** |  |
| **Approval Date:** | **11/18/1999** |

**Body:**

Office of Policy & Research  
  
  
November 18, 1999

TTTTTTTTTTT  
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Dear Ms. TTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated September 17, 1999, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3603(a) imposes a sales tax upon: “The gross receipts received from the sale of tangible personal property at retail within this state. . .”  
  
Please be advised that the Kansas sales and use tax law does not provide an exemption from sales tax on the sale of golf tourney fees, auction gross proceeds and concession stand receipts for your local community theatre. Therefore, your company would be obligated to collect and remit the appropriate Kansas sales tax(es) on said sales.  
  
The proceeds from the sale of the Chiefs’ tickets at the silent auction would not be subject to Kansas sales tax, since the event is held in the state of Missouri.  
  
Gift certificates would not be subject to Kansas sales tax when the certificate is purchased. The consumer or user of the respective certificate will pay any applicable sales tax(es) at the time said certificate is redeemed.  
  
K.S.A. 79-3603(m) imposes a sales tax upon: “the gross receipts received from fees and charges by . . . organizations and businesses for participation in sports, games and other recreational activities. . .”  
  
Carnival and stagecoach rides and other similar rides, are considered to be recreational activities. Webster’s defines “recreation” as “a means or refreshment or diversion.” Accordingly, charges for these rides are taxable. However, since the stagecoach is provided with an operator, you would not be obligated to pay the Mahaffie House sales tax on the $275.00.  
  
The admission fee to the Reading Rodeo would likewise be subject to sales taxation, pursuant to K.S.A. 79-3603(m). Your organization would not be obligated to remit sales tax on the donation of books that allows one into the Reading Rodeo.  
  
In closing, sales of tangible personal property by your organization would not qualify as isolated or occasional, since said property was acquired for resale purposes.  
  
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: 12/16/1999 Date Modified: 10/11/2001**