**Private Letter Ruling**

|  |  |
| --- | --- |
| **Ruling Number:** | **P-2000-007** |

|  |  |
| --- | --- |
| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Purchase of an aircraft in the State of Kansas.** |
| **Keywords:** |  |
| **Approval Date:** | **02/28/2000** |

**Body:**

Office of Policy & Research  
  
  
February 28, 2000

XXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
  
Dear XXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated January 26, 2000. In your letter you stated that your firm represents XXXXXXXXXXXXX, (the "Taxpayer"), with respect to the purchase of an aircraft in the State of Kansas.  
  
You supplied the following information:  
  
Taxpayer is a Limited Liability Company (“LLC”) formed in the State of Delaware. Taxpayer is engaged in the business of owning an aircraft. Taxpayer plans to purchase a XXXXXXXXXXXXX (“hereinafter referred to as “Aircraft”). Delivery of the Aircraft is contemplated to occur in the state of Kansas in March 2000. The contemplated facts of the transaction are as follows.  
  
A non-related 3rd Party Buyer (“hereinafter referred to as “3rd Party”) entered into an Aircraft Purchase Agreement with XXXX (“hereinafter referred to as “XXXXXXXXX”). Consequently, this 3rd Party wished to cancel their purchase of the Aircraft. Taxpayer, who wished to purchase the same model aircraft learned of this cancellation request, and asked that XXXXXXXXXX assign the sales contract with all related obligations in their name. However, XXX was unwilling to assign the Aircraft Purchase Agreement to the Taxpayer. Therefore, Taxpayer entered into an agreement with the 3rd Party to purchase the Aircraft from them.  
  
As a result XXXX will transfer the Aircraft to the 3rd Party, the original contract purchaser, in accordance with their Aircraft Purchase Agreement. The 3rd Party will simultaneously transfer the Aircraft to Taxpayer. Each transfer of the Aircraft will be evidenced by a bill of sale from the transferor to the transferee.  
  
Taxpayer intends to base the Aircraft outside of Kansas. The Aircraft will not be registered in Kansas. Within ten days of taking delivery of the Aircraft, Taxpayer will transport the Aircraft outside of Kansas and register the Aircraft outside of Kansas. The Taxpayer is a bona-fide resident of California. To the best knowledge of Taxpayer, the 3rd Party is also a resident of California.  
  
After reviewing the facts of your letter, the Department is in agreement that the simultaneous sale and delivery of the airplane in Kansas is exempt from Kansas retailers’ sales tax, if the following conditions occur. Each entity with the exception of XXXXXXXX, in the chain of ownership is a nonresident of Kansas and the airplane is removed from the State of Kansas within ten days from the date of sale from 3rd Party to Taxpayer.  
  
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: 03/21/2000 Date Modified: 10/11/2001**