**Private Letter Ruling**

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| **Ruling Number:** | **P-2000-022** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Farm machinery and equipment related.** |
| **Keywords:** |  |
| **Approval Date:** | **05/10/2000** |

**Body:**

Office of Policy & Research  
  
  
May 10, 2000

X  
XXXXXXXXXXXXXXX  
XXXXXXXXXXXX  
  
Dear XXXXXXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated January 25, 2000. This is a private letter ruling pursuant to Kansas Administrative Regulation 92-19-59.  
  
In your letter you request that the Department rule as to the taxability of semi-trailers sold by your business to farmers and ranchers.  
  
Kansas statutes exempt farm machinery and equipment. The Department of Revenue has historically defined the phrase “farm machinery and equipment” to mean machinery and equipment purchased by a farmer or rancher which is ordinary and necessary for the growing or raising or agricultural products. The statutory definition does not include any passenger vehicle, truck, truck tractor, trailer, semitrailer, or pole trailer, other than a farm trailer.  
  
In order to be exempt, the farm trailer must be purchased for use only in farming and ranching, per K.S.A. 79-3606(t). The trailer must also be designed to allow for farm or ranch use, per K.S.A. 8-126(z). The purchaser must sign an affidavit (farm machinery and equipment exemption certificate) certifying that the trailer will be used only in farming or ranching. The trailer must be for the farmer’s or rancher’s own use in their farming or ranching operation. A trailer used to haul commodities, livestock or other goods for others or utilizing the trailer for a commercial use other than farming and ranching are uses that are incompatible with the exempt use. Purchasers using the trailers for incompatible uses are required to pay sales or compensating tax and not allowed to claim an exemption based on the exemption for farm and ranch machinery or equipment  
  
It should be stressed that any incompatible use would disqualify the trailer for exemption. Disqualification of the exemption would subject the purchaser to the retailers’ sales tax, penalty and interest on the original purchase amount.  
  
Therefore, semi-trailers such as grain, flatbed, dump, tank, and van which are designed to allow for farm and ranch work and for which the purchaser certifies that the semi-trailer will only be used in farming and ranching are exempt from Kansas retailers’ sales and compensating taxes. Converter gears that are utilized to facilitate the transport of farm trailers would also be exempt as farm machinery.  
  
I have enclosed a copy of the farm machinery and equipment exemption certificate to be completed by you and signed by the purchaser. You may duplicate and use this certificate as needed.  
  
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 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  
  
Enclosure: Farm machinery and equipment exemption certificate  
  
  
**Date Composed: 05/10/2000 Date Modified: 10/11/2001**