**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-007** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Sailing association charges.** |
| **Keywords:** |  |
| **Approval Date:** | **01/16/2002** |

**Body:**

Office of Policy & Research  
  
  
January 16, 2002

XXXX  
XXXX  
XXXX

RE: Your recent e-mail

Dear XXXX:  
  
Thank you for your follow-up e-mail on taxation of your sailing association. The association leases real property from the State of Kansas that is located on the XXXX Reservoir near XXXX. It charges members an annual membership fee. It charges some members slip fees and fees for parking their trailers and boats in a storage area. You ask what charges are taxable.  
  
**Charges to members:** Kansas taxes membership dues and fees when payment allows the member use of the facilities for recreation or entertainment. Accordingly, the membership fees charged by the association are taxable. Kansas sales tax is also imposed on certain enumerated services. None of the listed services can be construed as including slip fees or rental of space to store a boat and trailer. Accordingly, separately stated charges to members for boat slips or for a parking area for boat and trailer storage are not subject to sales tax. If these charges are lumped together as part of the membership fee, they would be subject to sale tax. Similarly, if they are lumped together as part of a charge for repairing or servicing a boat, the total charge would be taxable.  
  
**Payment of sales taxes.** The association is required to pay sales tax on all of its purchases. The fact that it is organized as a not-for-profit does not exempt any of its purchases from sales tax.  
  
I hope that I have adequately answered all of your questions. If not, please call me at 785-296-3081. This is private letter ruling. It 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 ruling.

Sincerely,  
  
  
  
Thomas E. Hatten

Attorney/Policy & Research  
  
  
**Date Composed: 01/22/2002 Date Modified: 01/22/2002**