**Private Letter Ruling**

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| **Ruling Number:** | **P-2003-039** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Sales tax exemptions for political subdivisions of the State of Kansas.** |
| **Keywords:** |  |
| **Approval Date:** | **09/04/2003** |

**Body:**

Office of Policy and Research  
  
  
September 4, 2003

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Dear Ms. TTTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated August 11, 2003, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3606(b) grants a sales tax exemption to political subdivisions of the state of Kansas, on the purchase, lease or rental of tangible personal property and taxable services. However, the purchase must be:  
  
1) A direct purchase,  
2) Used exclusively for political subdivision purposes and not used or proposed to be used in the business of furnishing gas, electricity or heat.  
  
When the county purchases utilities, that are not used in the business of furnishing gas, electricity or heat, said purchase would be exempt from state and local sales tax(es). The same logic would apply to telephone service purchases, vehicle rentals, hotel purchases, and food purchases. However, if the county is not paying the clean water drinking fee, then purchases made by the county water department, which are used in the business of furnishing water, would not be sales tax exempt.  
  
An employee of TTTTTT County, however, would only be exempt from the transient guest tax if the room is rented for a period of more than twenty-eight (28) consecutive days. There is no exemption from the transient guest tax for an employee of the state of Kansas or its political subdivision when the room is rented for less than twenty-eight (28) consecutive days even if the room rental is paid directly by the state of Kansas or its political subdivision.  
  
Tangible personal property shipped into this state would not be subject to Kansas sales tax, if said purchases are not used or proposed to be used in the business of furnishing gas, electricity or heat. However, if TTTTTTTTTT County takes possession of the tangible personal property outside the state of Kansas, then the other states tax may apply.  
  
In closing, you will need to consult the Federal Government on federal tax(es).  
  
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: 10/01/2003 Date Modified: 10/01/2003**