**Private Letter Ruling**

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| **Ruling Number:** | **P-2004-013** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Gross receipts from the sale of services performed in Kansas.** |
| **Keywords:** |  |
| **Approval Date:** | **04/29/2004** |

**Body:**

Office of Policy & Research

April 29, 2004

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Dear Sirs:

The purpose of this letter is to respond to your request dated January 16, 2004. In it you asked if the gross receipts from the sale of services performed in Kansas are subject to sales tax in light of recent changes in the sales tax act.

Kansas repair shops are required to collect the state and local sales tax in place where the repaired property is delivered to the customer in Kansas. Most often, customer delivery occurs either at the repair shop or at the customer's home or place of business. This rule applies when a shop picks up the property at the customer's location, repairs the property at their shop, and then returns the property to the customer at the customer's location.

When the ship-to or deliver-to address of repaired property is outside Kansas, Kansas tax should not be collected on either repair services or parts when the service provider ships or delivers the property to an out-of-state address on the service provider's own vehicles, by common carrier, or by the United States Postal Service.

These rules shall control even when a repair shop: (1) repairs the customer's property at another one of its repair facilities, in Kansas or outside the state; or (2) contracts with another business, in Kansas or outside-the-state, to do some or all of the actual repairs for the customer. When a repair shop contracts with another business to service or repair a customer's property, the repair shop is required to give the business a resale exemption certificate for services.

This is a private letter ruling pursuant to K.A.R. 92-19-59, based on the representations you have made. To the extent those representations are incomplete or inaccurate, this ruling is void. This ruling will be revoked by operation of law without further department action if there is a change in the controlling statutes, administrative regulations, revenue rulings or case law that materially effects this determination.

Sincerely,

Mark D. Ciardullo
Tax Specialist

MDC

**Date Composed: 05/06/2004 Date Modified: 05/06/2004**