

Notice

Notice Number:
Tax Type: Kansas Retailers' Sales Tax
Brief Description: Tire Retreading
Keywords:
Effective Date: 01/30/1996

Body:

January 30, 1996

Mr. Shawn Harrelson
Kansas Tire Dealers Association
201 NW Highway 24, Ste. 320
PO Box 8479
Topeka, KS 66608-0479

RE: Tire retreading

Dear Mr. Harrelson:

I want to take this opportunity to thank you for all the time and consideration you and others have given to me. The information has proven to be persuasive regarding my decision as to the taxability of tire retreading for interstate common carriers.

The sales tax exemption that the interstate common carriers enjoy in the state of Kansas is for the purchase of tangible personal property, such as rolling stock, including busses and trailers, repair parts, replacement materials, gasoline, distillate and other fuels that are immediately and directly consumed in interstate commerce.

Historically, the department has recognized the charges for labor services rendered to interstate common carriers for the servicing, maintenance, or repairs of the rolling stock are taxable in the same manner as are sales of taxable labor service to other firms, persons, or corporations. Based upon the unique circumstances of tire retreading, it appears that tire retreading should not be looked upon as the sale of a service but as the sale of tangible personal property. Therefore, the sale of retread tires to interstate common carriers is not subject to Kansas sales tax. Absent any change in the law regarding the taxability of tire retreading, we will hold all assessments in abeyance and will not pursue assessments on the above transactions. Based upon the information you have presented to me, the transactions described above will not be subject to Kansas sales tax.

Sincerely,

John D. LaFaver
Secretary of Revenue

Date Composed: 12/12/1997 **Date Modified:** 10/10/2001

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