**Private Letter Ruling**

|  |  |
| --- | --- |
| **Ruling Number:** | **P-1998-34** |

|  |  |
| --- | --- |
| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Contractors are the final user or consumer per Kansas statutes and regulations.** |
| **Keywords:** |  |
| **Effective Date:** | **04/08/1998** |

**Body:**

Office of Policy & Research

April 8, 1998  
  
  
XXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX  
  
  
Dear XXXXXXX:  
  
The purpose of this letter is to respond to your letter dated April 6, 1998.  
  
You requested a private letter ruling on the following question.  
  
XXXXXXXXXXXXXXX is contracting to build and equip a XXXXXXXXXXXXXXXXX within the boundaries of a federally recognized Indian reservation that is located within the borders of the State of Kansas.  
  
The party that you have contracted with has asserted that they are exempt from Kansas retailers’ sales tax by virtue of the location of the building being constructed.  
  
Sales of tangible personal property to contractors, subcontractors and repairmen are subject to Kansas retailers sales tax or Kansas compensating use tax per K.S.A. 79-3603(l). It states:

(l) the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen of materials and supplies for use by them in erecting structures for others, or building on, or otherwise improving, altering, or repairing real or personal property of others;

The imposition of sale and use tax in Kansas is on the final consumer. Contractors are the final user or consumer per Kansas statute and regulation.  
  
In conclusion it is the opinion of the Kansas Department of Revenue that sales or delivery of tangible personal property (materials) to contractors for use by the contractor in constructing building and facilities on the reservation are subject to Kansas retailers’ sales or Kansas compensating (use) tax.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 04/08/1998 Date Modified: 10/10/2001**