**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-054** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Gross receipts from an information service.** |
| **Keywords:** |  |
| **Approval Date:** | **06/19/2001** |

**Body:**

Office of Policy & Research  
  
  
June 19, 2001

XXXXXXXXXXXXX  
XXXXXXXXXXXXXX  
XXXXXXXXXXXXX  
  
Dear Ms. XXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated June 1, 2001. In it, you ask if the gross receipts from an information service are subject to Kansas retailers’ sales tax.  
  
In deciding whether a particular transaction is subject to sales tax, a two step analysis is generally necessary. The first step is to determine whether the sales tax act generally imposes tax on the type of transaction in question. The second step is to determine whether the act provides an exemption for the particular type of transaction.  
  
As a rule, sales tax is imposed on all transactions involving the transfer of tangible personal property. With services, however, tax is imposed only on those transactions that are specifically enumerated in the sales tax act. Exemptions for transactions involving either tangible personal property or services are allowed as specifically enumerated.  
  
In your letter you stated:

I’m starting a new Internet business and need a private letter ruling on whether or not I need to collect sales tax. Please mail to the above address as soon as possible.  
  
I am based in XXXXXXX, Kansas and will operate the business from my home. The business will offer accomplished teaching ideas for sale over the Internet via an e-commerce site which I own. The ideas will be provided by various authors. Essentially, I will be brokering these ideas. The format for the ideas will be either PDF or PowerPoint. The customer will purchase the right to download the file of the idea. There are no hard copies available to the customer and nothing is mailed out. All transactions will be done electronically.

It is the opinion of the Department that no imposition exists in the law to impose Kansas sales tax on the services as described in this letter.  
  
Your Company is required to pay Kansas sales and compensating taxes on all purchases of tangible personal property and taxable services used or consumed by their business.  
  
This private letter ruling 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 private letter ruling.  
  
  
Sincerely,  
  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 06/25/2001 Date Modified: 10/11/2001**