**Private Letter Ruling**

|  |  |
| --- | --- |
| **Ruling Number:** | **P-2001-060** |

|  |  |
| --- | --- |
| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **State sales tax applicability for government contractor.** |
| **Keywords:** |  |
| **Approval Date:** | **06/22/2001** |

**Body:**

Office of Policy & Research

June 22, 2001

XXXXXXXXXXXX
XXXXXXXXXXXXXX
XXXXXXXXXXXXXXX

Dear XXXXXX:

The purpose of this letter is to respond to your letter dated May 9, 2001. In it, you ask if purchases made by your company on behalf of the government are subject to Kansas retailers’ sales tax.

In your letter you stated:

XXXXXXXXXXX is seeking a letter ruling or letter of determinations regarding its sales/use tax liability in the state of Kansas. Enclosed are the contracts that bring into question XXXXXXXXX corporation tax liability.

XXXXXXXXXXX is a primary government contractor; therefore, the contract itself is quite thick. I have copied what I think the pertinent sections of the contract are to allow you to make the appropriate determination. XXXXXXXXX is seeking a letter ruling or letter of determination to exempt it from paying sales tax to vendors when purchasing parts on behalf of the government and to identify it's use tax liability.

I have emailed the state of Kansas requesting information about the sales/use tax liability and have received a few comments from a revenue agent but I would like a more formal statement regarding our tax liability. I have enclosed copies of the emails that have taken place thus far.

Per our telephone conversation, your company is engaged in a contract to train federal employees and to maintain equipment owned by the Federal government.

It is the opinion of the Department that no imposition exists in the law to impose Kansas sales tax on the training services provided to the Federal government.

The equipment maintenance should be performed under a projection exemption certificate. The Federal agency should apply and obtain this certificate for your company. I have enclosed a copy of the application to be filled out by the Federal agency and submitted to the Kansas Department of Revenue for approval.

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: 06/26/2001 Date Modified: 10/11/2001**