**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-048** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Purchases of tickets, additional drinks and desserts by certain entities.** |
| **Keywords:** |  |
| **Approval Date:** | **06/11/2002** |

**Body:**

Office of Policy & Research

June 11, 2002

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Dear XXXXXXXXX:

The purpose of this letter is to respond to your letter dated May 8, 2002. In it, you request advice on the application of Kansas retailers’ sales tax on sales to various entities.

In your letter you stated in pertinent part:

Recently I have taken issue with a group whom upon remitting the payment for their additional drinks and desserts deducted the sales tax from their payment. This is a Not for Profit Hospital located in the State of Missouri. A Missouri Sales Tax Exemption certificate was submitted with the payment. I have examined the Kansas Department of Revenue Exemption Certificate and have concluded that the purchase of beverages, drinks and desserts (or for that matter, tickets) do not constitute tangible personal property or services used for hospital purposes. My call to the Department of Revenue confirmed my position in this particular case.

It is my desire to properly collect the required sales tax while honoring those exemptions that comply with the intent of sales tax exemptions. From time to time we receive exemption certificates for religious organizations, schools and state municipalities (Parks & Recreation departments bringing groups on outings). The above situation however has given me cause to ask for a clearly defined ruling as relates to our entertainment venue (tickets), the additional purchase of beverages, drinks and desserts and exemption from sales taxes.

I am requesting at this time a written ruling on the use of sales tax exemption certificates by Kansas and out of state Public or Private Non Profit Hospitals, Religious Organizations, School or Educational Institutions, Parent-Teacher Associations, State of Kansas or Political Subdivisions for the purchase of tickets and/or drinks, beverages and desserts as relates toXXXXXXXXXX.

It is my intent to supply this written ruling to any of the above entities that might take issue with our decision to not remove sales tax from their purchase of either tickets or drinks, beverages and desserts.

Thank you for your assistance in enabling us to fully comply with the intent of sales tax exemptions.

Any direct purchase (including tickets, meals and drinks) by a Not for Profit Hospital (in state or out of state), Religious Organizations (in state or out of state), School or Educational Institutions (in state or out of state), Parent-Teacher Associations (in state or out of state), State of Kansas or Political Subdivisions (of Kansas only) is exempt from Kansas sales tax. I have enclosed a publication that contains the appropriate exemption certificates.

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: 06/18/2002 Date Modified: 06/18/2002**