**Private Letter Ruling**

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| **Ruling Number:** | **P-2004-007** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Sale of discount coupon books.** |
| **Keywords:** |  |
| **Approval Date:** | **04/26/2004** |

**Body:**

Office of Policy & Research  
  
  
April 26, 2004

XXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXX  
  
  
Dear Sirs:  
  
The purpose of this letter is to respond to your request dated March 29, 2004. In it you asked if the sale of discount coupon books by your company are subject to sales tax. The coupons are for discounts at various merchants other than XXXXXXXXXX. The answer to your question is yes.  
  
K.S.A. 79-3603(a) imposes a sales tax upon: “The gross receipts received from the sale of tangible personal property at retail within this state. . .”  
  
It is the policy of the Kansas Department of Revenue that an organization engaged in the retail sale of coupons or discount cards (that are redeemable by third party merchants) is the retailer for purposes of the Kansas retailers’ sales tax act. Therefore, the selling organization is required to remit sales tax on their gross receipts.  
  
This is a private letter ruling pursuant to K.A.R. 92-19-59, based on the representations you have made. To the extent those representations are incomplete or inaccurate, this ruling is void. This ruling will be revoked by operation of law without further department action if there is a change in the controlling statutes, administrative regulations, revenue rulings or case law that materially effects this determination.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
  
MDC  
  
  
**Date Composed: 04/30/2004 Date Modified: 04/30/2004**