**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-44** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Freight or handling charges.** |
| **Keywords:** |  |
| **Effective Date:** | **04/29/1998** |

**Body:**

Office of Policy & Research

April 29, 1998

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Dear Ms. TTTTTTT:

We wish to acknowledge receipt of your letter dated April 8, 1998, regarding the application of Kansas Retailers’ Sales tax.

K.S.A. 79-3606(a) imposes a sales tax: "upon the gross receipts received from the sale of tangible personal property at retail within this state."

"Gross receipts" means the total selling price or the amount received as defined in the Kansas Retailers' Sales Tax Act, in money, credits, property or other consideration valued in money from sales at retail within this state.

K.S.A. 79-3602(g) defines the "selling price" to be: "the total cost to the consumer exclusive of discounts allowed and credited, but including freight and transportation charges from the retailer to the consumer."

Please be advised that it is immaterial that the shipping or handling charges may be separately stated or segregated in the purchase price on the respective invoice. In either case the appropriate Kansas sales/use tax would apply. Further, if the property that is being shipped is exempt from sales tax, then the corresponding shipping or handling charge would likewise be exempt.

In closing, when an invoice contains both non-taxable and taxable items, the freight or handling charges should be pro-rated based upon the dollar value of the property.

If I may be of further assistance, please contact me at your earliest convenience at (785) 296-7776.

Sincerely yours,

Thomas P. Browne, Jr.
Tax Specialist

TPB

**Date Composed: 05/12/1998 Date Modified: 10/10/2001**