**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-80** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Repair and/or calibration services.** |
| **Keywords:** |  |
| **Approval Date:** | **03/24/1999** |

**Body:**

Office of Policy & Research  
  
  
March 24, 1999

TTTTTTTTTTTT  
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Dear Ms. TTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated March 10, 1999, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3603(q) imposes a sales tax upon: “the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property. . . which when services are rendered is not held for sale in the regular course of business, and whether or not any tangible personal property is transferred in connection therewith. . .”  
  
Repair and/or calibration services would be subject to sales tax in the state of Kansas, pursuant to K.S.A. 79-3603(q). Likewise, setting the compensation parameters on milling machines and the repair of granite and steel plates would be taxable under K.S.A. 79-3603(q), as these services would encompass the altering of tangible personal property. However, if your company performs services in a state other than Kansas, said services would not be subject to Kansas sales tax.  
  
The state of Kansas taxes only enumerated services. The consulting, training, certification and inspection services that you are providing are not currently subject to sales tax in the state of Kansas. However, you must pay sales tax on all articles of tangible personal property and all taxable services purchased to provide the nontaxable services.  
  
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, handling or expediting 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, handling or expediting charge would likewise be exempt.  
  
The selling of gages, as well as conductivity standards would be subject to sales tax in the state of Kansas, pursuant to K.S.A. 79-3603(a).  
  
The Kansas sales tax is imposed upon retail sales only. Retail sales are sales to final users or consumers. You indicated in our telephone conversation that your company sells certain merchandise items for resale to your customers. With this in mind, you merely need to obtain a properly completed resale exemption certificate from your customer, in order that the sale can be made exempt from Kansas sales tax(es).  
  
In closing, if your company sends an inspector out of town to perform taxable services, the meals, lodging, tolls, mileage and travel time would be apart of overhead, and subject to the appropriate Kansas sales tax(es).  
  
This is a private letter ruling pursuant to K.A.R. 92-19-59. It is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to an accurate determination by the department, this ruling is null and void. This ruling will be revoked in the future by the operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or published revenue ruling, that materially effects this private letter ruling. 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: 04/06/1999 Date Modified: 10/11/2001**