**Private Letter Ruling**

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| **Ruling Number:** | **P-2000-006** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Motorspeedway related sales tax issues.** |
| **Keywords:** |  |
| **Approval Date:** | **02/25/2000** |

**Body:**

Office of Policy & Research  
  
  
February 25, 2000

XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
  
Re: Kansas Sales Tax  
  
Dear XXXXX:  
  
Your correspondence of January 27, 2000 has been referred to me for response. Thank you for your inquiry.  
  
Your letter notes XXXXX XXXXX XXXXXXX (XXX) is constructing a state of the art motorsports facility in Kansas City, Kansas. It is scheduled to be a 1.5 mile tri-oval track with approximately 75,000 seat initially and the ability to ramp up to 150,000 seats. The speedway is expected to be completed by April 2001.  
  
XXX is in the process of putting together a marketing plan to sell its 2001 season tickets during 2000. In this regard, you request answers to two questions. Your questions and our responses are set forth below:

Q1. Can sales tax collected on tickets sold off-site be used to pay off the STAR bonds?  
A1. In our opinion, all ticket sales that are reported by XXXXX XXXXX XXXXXXX as part of its gross receipts and upon which it remits sales tax should be considered for purposes of the sales tax increment. This would apply to tickets sold on or off the raceway site. [K.S.A. 12-1774]  
  
Q2. Does it make sense to establish an official XXX office on site? The sales tax is being collected based on an event to be held at the site.  
A2. Deciding whether or not to establish an official XXX office on site is a business decision you must make. Your decision will not affect the use of tickets sales for purposes of the sales tax increment. [K.S.A. 12-1774]

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.  
  
I trust this information is of assistance. If I can be of further service, please feel free to contact me.  
  
Sincerely,  
  
  
  
Jim Weisgerber  
Attorney  
Tax Specialist  
  
JW:jw  
  
  
**Date Composed: 03/15/2000 Date Modified: 10/11/2001**