**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-025** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Barter transactions.** |
| **Keywords:** |  |
| **Approval Date:** | **03/18/2002** |

**Body:**

Office of Policy & Research  
  
  
March 18, 2002

TTTTTTTTTTT  
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Dear Mr. TTTTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated October 8, 2001, regarding the application of Kansas Retailers’ Sales tax.  
  
The Kansas statute that subjects transactions involving bartering to sales tax is K.S.A. 79-3602(g), which defines “selling price” as "the total cost to the consumer exclusive of discounts allowed and credited, but including freight and transportation charges from the retailer to the consumer.” Kansas Administrative Regulation 92-19-46 supports this construction. The regulation provides, in relevant part:

Selling price is the total consideration given in each transaction, whether in the form of money, rights, property, promise or anything of value, or by exchange or barter. . . . The term selling price includes the following:

(2) the total cost to the consumer without any deduction or exclusion for the cost of the property or service sold, labor or service used or expended, materials used, losses, overhead or any other costs or expenses, or profit, regardless of how any contract, invoice or other evidence of the transaction is stated or computed, and whether separately billed or segregated on the same bill. . . .  
  
For clarification, I will provide an answer to your transactions, by way of restating your given transactions.  
  
1. Papering the house/show—Tickets are given away to the general public to fill the house. Exempt from sales taxation.  
  
2. Tickets to the building/venue where the show takes place.  
Exempt from sales taxation.  
  
3. Tickets to the sponsor(s) of the show. For a fee they may place advertisements and signage at the concerts. This transaction would be subject to sales tax. The sales tax base would be the price of admission, as stated on the price of the ticket. If there is not a price stated on the ticket, then the taxable base would be equal to the fee the sponsors of the show pay to place advertisements and signage at the concerts.  
  
4. Tickets to our employees at no charge.  
Exempt from sales taxation  
  
5. Tickets to the Band and Artist performing.

Exempt from sales taxation.

6. Tickets to the Media/PR (radio station airtime) These tickets are in exchange for airtime only. This transaction would be subject to sales tax. The sales tax base would be the price of admission, as stated on the price of the ticket. If there is no price stated on the ticket, the taxable base would be the fair market value of the airtime.  
  
7. Tickets for advertising (TV/Billboard) Fee for advertisements. This transaction would be subject to sales tax. The sales tax base would be the price of admission, as stated on the price of the ticket. If there is not a price stated on the ticket, then the taxable base would be equal to the amount paid for the TV/Billboard advertisements.

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: 03/29/2002 Date Modified: 03/29/2002**