**Private Letter Ruling**

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| **Ruling Number:** | **P-2003-053** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Religious organizations.** |
| **Keywords:** |  |
| **Approval Date:** | **10/28/2003** |

**Body:**

Office of Policy & Research  
  
  
October 28, 2003

XXXX  
XXXX  
XXXX

RE: Your letter dated October 22, 2003

Dear Mr. XXXX:  
  
Thank you for your recent letter. You ask if the XXXX, is exempt from paying Kansas sales tax. Please be advised that it is not.  
  
You provided the XXXX Mission Statement:

The mission of XXXX is to carry out Christian and humanitarian programs, principally involving the care, up-bringing and education of children and youth around the world as needs present themselves and resources allow.  
  
XXXX, Inc. is a 501(c)(3) non-profit Christian organization working in 16 countries worldwide. From our office in Kansas, we assist the on going functioning of over ninety projects around the world, principally those in those areas that are the most under served and underprivileged. XXXX is deeply involved in the work with children, presenting them with an opportunity to get a basic education thus giving them the possibility of achieving a better and more productive life. We also provide humanitarian help where needed worldwide. XXXX works with local pastors and church leaders, as they administer in the daily operations of the physical and spiritual needs of their people.  
  
XXXX helps with the administrative aspect of the organization by supplying spiritual and material support. XXXX, is also involved in fundraising here in the USA to help meet the financial needs of our partners as well as meeting the general operating expenses of this office.  
  
XXXX will be purchasing the following items in its work wordwide and locally:

¨ Purchasing Bibles for children and adults alike.

¨ Computers, to carry out the ongoing work of the organization. (These computers are used to maintain records of children in the schools, other need of the projects and communications with counterparts in other parts of the world.

¨ Computer parts and repairs to maintain the computers.

¨ Teaching material used by local teacher for children in religious and secular schools.

¨ Office materials used to administer activities, such as printing brochures, pencils, paper, film, cameras for taking children's pictures for new sponsors.

¨ Additionally, food, medicines, sanitation supplies, warm blankets, clothing, etc., is purchased as the need arises to help in catastrophic events wherever and whenever they occur worldwide.  
  
Unlike some states, Kansas does not have a broad-based sales tax exemption for 501(c)(3) organizations. A number of 501(c)(3) organizations have petitioned the Kansas legislature and been granted an exempt status. These include the following groups.

(1) The American Heart Association, Kansas Affiliate, Inc. for the purposes of providing education, training, certification in emergency cardiac care, research and other related services to reduce disability and death from cardiovascular diseases and stroke;  
(2) the Kansas Alliance for the Mentally Ill, Inc. for the purpose of advocacy for persons with  
mental illness and to education, research and support for their families;  
(3) the Kansas Mental Illness Awareness Council for the purposes of advocacy for persons who  
are mentally ill and to education, research and support for them and their families;  
(4) the American Diabetes Association Kansas Affiliate, Inc. for the purpose of eliminating diabetes through medical research, public education focusing on disease prevention and education, patient education including information on coping with diabetes, and professional education and training;  
(5) the American Lung Association of Kansas, Inc. for the purpose of eliminating all lung diseases through medical research, public education including information on coping with lung diseases, professional education and training related to lung disease and other related services to reduce the incidence of disability and death due to lung disease;  
(6) the Kansas chapters of the Alzheimer's Disease and Related Disorders Association, Inc. for the purpose of providing assistance and support to persons in Kansas with Alzheimer's disease, and  
their families and caregivers;  
(7) the Kansas chapters of the Parkinson's disease association for the purpose of eliminating Parkinson's disease through medical research and public and professional education related to such disease; and  
(8) the National Kidney Foundation of Kansas and Western Missouri for the purpose of eliminating kidney disease through medical research and public and private education related to such disease. *2003 HB 2005, Sec. 6(vv).*

As this shows, sales tax exemptions are typically granted only to specific organizations. Yours is not one of them.  
  
The one broad-based exemption that might apply to XXXX is the exemption for "religious organizations." *K.S.A. 79-3606(aaa).*The term "religious organization" has been used in Kansas statutes since the nineteenth century. The court cases that have construe the term provide a fairly clear meaning of the term for tax purposes. These cases allowed the term to be defined for sales tax purposes. This definition is set forth in Notice 99-14:

For purposes of the Kansas retailers’ sales tax act, “religious organization” shall mean any organization, church, body of communicants, or other group that gathers in common membership for mutual support and edification, in piety, worship, and religious observance, at an established place of worship which the organization maintains for the purpose of conducting regularly scheduled religious services or meetings, and of which no part of the net earnings of such organization inures to the benefit of any private shareholder or individual member. *See K.S.A. 79-4701(e); K.S.A. 8-1730a.*

Nothing in the by-laws of XXXX suggest that the organization is a "group that gathers in common membership for mutual support and edification, in piety, worship, and religious observance, at an established place of worship which the organization maintains for the purpose of conducting regularly scheduled religious services or meetings. . . ." Accordingly, XXXX does not qualify for exemption from Kansas sales tax as a religious organization.  
  
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.

Sincerely,  
  
  
Thomas E. Hatten

Attorney/Policy & Research  
  
  
**Date Composed: 10/28/2003 Date Modified: 10/28/2003**