**Private Letter Ruling**

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| **Ruling Number:** | **P-2004-015** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Gross receipts from the sale of services performed in Kansas.** |
| **Keywords:** |  |
| **Approval Date:** | **04/30/2004** |

**Body:**

Office of Policy & Research

April 30, 2004

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Dear Sirs:

The purpose of this letter is to respond to your request dated January 16, 2004. In it you asked if the gross receipts from the sale of services performed in Kansas are subject to sales tax in light of recent changes in the sales tax act.

A Missouri company charging Kansas residents for monitoring service is not required to charge Kansas sales tax for monitoring. This is true because the Kansas retailers’ sales tax act does not impose sales tax on monitoring services.

Equipment installed in a Kansas commercial establishment is subject to sales tax for both labor and materials. Kansas law generally imposes sales tax on all sales of tangible personal property [K.S.A. 79-3603(a)]. Labor services for the installation of tangible personal property are specifically enumerated in the law as a service which is subject to tax [K.S.A. 79-3603(p)].

Equipment installed in a Kansas residence is subject to sales tax only on the materials. Kansas law generally imposes sales tax on all sales of tangible personal property [K.S.A. 79-3603(a)]. Labor services for the installation of tangible personal property are specifically enumerated in the law as a service which is subject to tax, but there is an exemption from sales tax for labor services performed for the installation of tangible personal property such as monitoring equipment into a residence [K.S.A. 79-3603(p)].

This is a private letter ruling pursuant to K.A.R. 92-19-59, based on the representations you have made. To the extent those representations are incomplete or inaccurate, this ruling is void. This ruling will be revoked by operation of law without further department action if

there is a change in the controlling statutes, administrative regulations, revenue rulings or case law that materially effects this determination.

Sincerely,

Mark D. Ciardullo
Tax Specialist

MDC

**Date Composed: 05/06/2004 Date Modified: 05/06/2004**