**Private Letter Ruling**

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| **Ruling Number:** | **P-2005-018** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Fulfillment/regional distribution center for direct selling company.** |
| **Keywords:** |  |
| **Approval Date:** | **07/06/2005** |

**Body:**

Office of Policy & Research  
  
  
July 7, 2005

XXXXX  
XXXXX  
XXXXX  
  
Dear XXXXX:  
  
I have been asked to answer your letter dated June 30, 2005. In it, you requested a private letter ruling about the direct selling company you that represent and their tax practices.  
  
As stated in your letter, your regional distribution centers are located through out the country including one in the state of Kansas for the fulfillment of orders. In-state and out-of-state distributors pick up the packages within the state of Kansas and transport them back to the distributor’s location. The direct selling company applies the rate of the tax in place at the location of the fulfillment center.  
  
Your current calculation method of treating the pick up of the products at the regional distribution center as the situs of the sale is correct. The in-state and out-of-state distributors would be taxed at the location of the fulfillment center. Conversely the items shipped to the distributor’s location of business through a common carrier would be taxed at the rate in place at the location of the delivery.  
  
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.  
  
I trust this information is of assistance. If I can be of further service, please feel free to contact me.  
  
Sincerely,  
  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
  
DVL  
  
  
**Date Composed: 07/07/2005 Date Modified: 07/07/2005**