**Private Letter Ruling**

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| **Ruling Number:** | **P-2014-001** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Sales tax collection duties in connection with services to healthcare providers.** |
| **Keywords:** |  |
| **Approval Date:** | **04/10/2014** |

**Body:**

Office of Policy & Research  
  
  
April 10, 2014

XXXX  
XXXX  
XXXX  
XXXX  
  
RE: Your letter dated November 21, 2013  
  
Dear XXXX,  
  
Thank you for your recent letter. In it you request a private letter ruling regarding sales tax collection duties in connection with your company’s services to healthcare providers within the state of Kansas. The answer to your question is as follows:  
  
In your letter you state that your company provides services to healthcare providers that not only consist of the receipt, answering and transferring/forwarding of calls, but also provide qualified staff to give advice and to answer patient inquiries. The state of Kansas broadly taxes enumerated services under K.S.A. 79-3603. However, because the services you provide are beyond the mere receiving, transferring and answering of phone calls, they are not considered to be enumerated services. Therefore you are not required to collect sales tax on those services that take place within the state of Kansas.  
  
You also stated in your letter the reason you felt your company should not be required to collect sales tax in regard to the services you provide. This is because in your perspective, the XXX Answering Services are received at the sellers’ business location, meaning XXX’S call centers outside of the state. For clarification, this would be an incorrect interpretation of the sourcing requirements under KSA 79-3670(a)(1) which state:

“a) The retail sale, excluding lease or rental, of a product shall be sourced as follows: (1) When the product is received by the purchaser at a business location of the seller, the sale is sourced to that business location;”

In your case, you are providing services to healthcare providers that are within the state of Kansas. When a patient initially calls their healthcare provider, while the phone call is eventually sourced to your location, the call is first being received by that healthcare provider at their Kansas location. The actual receipt of service is not at your out of state call center location but when the patient first calls their Kansas location and the call is then sourced to one of your centers. This is what is considered the “primary place” of business for sourcing rules. However, as mentioned above, this is not applicable to you because your services are not considered to be enumerated services under K.S.A. 79-3603. This is just a point of clarification for the future.  
  
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.  
  
Sincerely,  
  
  
Mark Ciardullo  
Tax Specialist  
  
  
**Date Composed: 04/10/2014 Date Modified: 04/10/2014**