**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-118** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Sales to educational institutions on rentals of hotel rooms.** |
| **Keywords:** |  |
| **Approval Date:** | **05/21/1999** |

**Body:**

Office of Policy and Research  
  
May 21, 1999

XXXXXXXXXXXXXX  
XXXXXXXXXXXX  
XXXXXXXXXXX  
  
  
Dear XXXXXXXXXX:  
  
I have been asked to respond to your letter dated April 19, 1999. In it, you ask for guidance in the application sales tax on sales to educational institutions on rentals of hotel rooms.  
  
Kansas sales tax law exempts “all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily by such school or institution for nonsectarian programs and activities provided or sponsored by such school or institution. . .” K.S.A. 79-3606(c).  
  
Direct sales to your school are exempt from Kansas retailers’ sales tax. A “direct sale” is one that meets all requirements as contained in Kansas Administrative Regulation 92-19-76. This means that the billing from the hotel must be to the school, and that payment must be made to the hotel on a school check or voucher. Purchases by teachers, students or school organizations or groups are not exempt. See Kansas administrative Regulation 92-19-76 contained in Appendix. Please note that while these charges are exempt form Kansas sales tax they are still subject to Kansas transient guest tax.  
  
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 D. Ciardullo  
Tax Specialist  
  
  
MDC  
  
  
  
  
  
  
Appendix  
  
  
  
92-19-76  
  
Sales to political subdivisions  
of the state of Kansas. (a) All direct purchases  
of tangible personal property and taxable services  
by a political subdivision of the state of Kansas  
shall be exempt from sales tax, unless otherwise  
provided by law.  
(b) To qualify as a direct purchase, each bill,  
invoice, contract or other evidence of the trans-  
action shall be made out in the name of the polit-  
ical subdivision which qualifies for an exemption  
under the act, and each payment shall be made  
on the check, warrant or voucher of that political  
subdivision.  
(c) All sales of tangible personal property or  
taxable services made to and paid for by an agent,  
employee or other representative of a political  
subdivision shall be subject to sales tax, unless ex-  
pressly authorized under a project exemption cer-  
tificate issued by the department of revenue, even  
though the same purchase would have been ex-  
empt from sales tax had the political subdivision  
directly purchased the tangible personal property  
or service. Any contractual arrangement or un-  
derstanding between an agent or employee and a  
political subdivision shall not be recognized by the  
department, and the retailer shall charge and col-  
lect the sales tax on the total selling price of tan-  
gible personal property or service, even though:  
(1) The agent or employee may be on official  
business on behalf of the political subdivision;  
(2) is on a per diem from the political subdi-  
vision;  
(3) is on an expense account, allowance or shall  
otherwise be reimbursed by the political subdivi-  
sion; or  
(4) has or will receive monies, credits or other  
assets from the political subdivision to pay for the  
transaction.  
(d) The exemption from sales tax for political  
subdivisions applies only to the extent the political  
subdivision is not engaged nor proposes to engage  
in the business of furnishing gas, water, electricity  
or heat to others and the tangible personal prop-  
erty or taxable services are used or proposed to be  
used in such business. When a political subdivi-  
sion is engaged or proposes to engage in furnish-  
ing any of these four businesses, the political sub-  
division shall pay sales tax on all purchases of  
tangible personal property and taxable services  
used in these businesses. Nothing under this sec-  
tion of the act shall be construed to limit other  
exemptions which may be available to a political  
subdivision which furnishes gas, water, electricity  
or heat. (Authorized by K.S.A. 79-3618, imple-  
menting K.S.A. 1986 Supp. 79-3606 as amended  
by L. 1987, Ch. 292, Sec. 32, as further amended  
by L. 1987, Ch. 64, Sec. 1; effective May 1, 1988.)  
  
  
**Date Composed: 05/27/1999 Date Modified: 10/11/2001**