**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-20** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Internet, pay per view, video games and cable services provided to guests by hotels.** |
| **Keywords:** |  |
| **Approval Date:** | **01/29/1999** |

**Body:**

Office of Policy & Research

January 29, 1999  
  
  
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Dear Mr. TTTTTT:  
  
We wish to acknowledge receipt of your letter dated October 8, 1998, regarding the application of Kansas Retailers’ Sales tax.  
  
In accordance with K.A.R. 92-19-24, each hotel may purchase exempt from sales tax, premium cable television service channels, special events channel and video game rentals which are separately billed to the consumer. Each hotel shall collect sales tax for the premium cable services, special events channel and the video game rentals billed by the hotel to the respective guest.  
  
A hotel is deemed to be the final consumer of all items which are not for resale and are used to conduct the hotel’s business. Therefore, each hotel shall pay sales tax on each purchase of tangible personal property and taxable services, unless specifically exempted by statute. Hotel purchases of basic cable television services are subject to sales tax.  
  
Charges for internet access fees and web hosting are not currently subject to sales tax in the state of Kansas. However, hotels must pay sales tax on all articles of tangible personal property and all taxable services purchased to provide the nontaxable service.  
  
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. If I may be of further assistance, please contact me at your earliest convenience at (785) 296-7776.  
  
Sincerely yours,  
  
  
Thomas P. Browne, Jr.  
Tax Specialist  
  
TPB  
  
  
**Date Composed: 02/11/1999 Date Modified: 10/11/2001**