**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-026** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Contractor materials and supplies.** |
| **Keywords:** |  |
| **Approval Date:** | **03/27/2001** |

**Body:**

Office of Policy & Research  
  
  
March 27, 2001

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Dear Ms. TTTTTTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated March 26, 2001, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3603b(l) imposes a sales tax upon: “the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen of materials and supplies for use by them in erecting structures for others, or building on, or otherwise improving, altering, or repairing real or personal property of others. . .”  
  
When a contractor purchases materials and supplies from an in-state retailer, the contractor must pay the retailer the appropriate Kansas state and local sales tax. When a contractor purchases materials and supplies from an out-of-state retailer who is registered to collect the compensating (use) tax for the state of Kansas, the contractor must pay the retailer the compensating (use) tax. If the out-of-state retailer is not registered with Kansas for compensating (use) tax purposes, the contractor must remit the compensating (use) tax directly to the state of Kansas.  
  
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: 03/30/2001 Date Modified: 10/11/2001**