**Private Letter Ruling**

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| **Ruling Number:** | **P-2003-043** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **800 number dictation service; website file transfer service.** |
| **Keywords:** |  |
| **Approval Date:** | **10/09/2003** |

**Body:**

Office of Policy & Research  
  
  
October 9, 2003

XXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXX  
  
  
Dear XXXXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated August 20, 2003.  
  
In your letter you stated:

I am writing to request a private letter ruling regarding a service that my company sells. It is an ASP service that allows our customers to either call an 800 number that we provide to record dictation or utilize our website to expedite file transfer to and from their clients and employees.  
  
Do we charge sales tax on this service and, if so, whose state tax do we charge? Many states use our service and I want to be in compliant with the new laws.

The service described in your letter is not subject to Kansas retailers’ sales tax. In deciding whether a particular transaction is subject to sales tax, a two step analysis is generally necessary. The first step is to determine whether the sales tax act generally imposes tax on the type of transaction in question. The second step is to determine whether the act provides an exemption for the particular type of transaction.  
  
As a rule, sales tax is imposed on all transactions involving the transfer of tangible personal property. With services, however, tax is imposed only on those transactions that are specifically enumerated in the sales tax act. Exemptions for transactions involving either tangible personal property or services are allowed as specifically enumerated.  
  
Your company would be required to pay sale or compensating taxes on all purchases of tangible personal property and taxable used or consumed in the production of this nontaxable service.  
  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
  
MDC  
  
  
**Date Composed: 10/22/2003 Date Modified: 10/22/2003**