**Private Letter Ruling**

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| **Ruling Number:** | **P-2005-021** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Automotive related sales, services and repairs.** |
| **Keywords:** |  |
| **Approval Date:** | **08/04/2005** |

**Body:**

Office of Policy & Research  
  
  
August 4, 2005

TTTTTTTTT  
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Dear Ms. TTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated July 21, 2005, regarding the application of Kansas Retailers’ Sales tax.  
  
1) Road Hazard Warranties—Taxable, pursuant to K.S.A. 79-3603(r) and K.A.R. 92-19-62.  
  
2) State Imposed Tire Recycling/Waste Fee—Taxable, pursuant to K.S.A. 79-3603(a)  
  
3) Company Imposed Tire Disposal Fee—Taxable, pursuant to K.S.A. 79-3603(a).  
  
4) Core Charges—Taxable, pursuant to K.S.A. 79-3603(a). The sales tax can be refunded, if the customer returns the core.  
  
5) Store and Manufacturing coupons, Store Coupons, exempt. Manufacturing coupons, taxable.  
  
6) Labor, Repairs & Installation—Taxable, pursuant to K.S.A. 79-3603(q).  
  
7) Freight/Shipping & Handling—Taxable, if the item being shipped is taxable.  
  
8) Storage Charges—Taxable, pursuant to K.S.A. 79-3603(q).  
  
9) State Inspection/Stickers—Exempt  
  
10) Battery Protection/Warranty Service—If the service is performed under a warranty agreement, which had tax collected upon it, then the service would be exempt from sales tax.  
  
11) Warranties—Taxable. If the service is performed under a warranty agreement, which had tax collected upon it, then the service would be exempt from sales tax.  
  
12) Automotive Repairs Involving Extended Warranties & Service Contracts—Exempt, if the service is performed under a warranty agreement, which had tax collected upon it, then the service would be exempt from sales tax. However, the customer would be liable for any tax on the deductible portion.  
  
13) Automotive Repairs/Services On Leased Vehicles—Sales of repair parts and services to a lessor for repairs or services of tangible personal property held for lease by the lessor shall not be subject to sales tax. However, sales of repair parts and service to a lessee for repairs or services of leased tangible personal property shall be subject to sales tax. Further, if the purchases are made directly by a tax exempt entity, then said purchase would be exempt from sales tax.  
  
14) Restocking Fee—Exempt.  
  
15) Clothing—Taxable, pursuant to K.S.A. 79-3603(a). There is not a special tax rate for clothing.  
  
16) Food—Taxable, pursuant to K.S.A. 79-3603(a). There is not a special tax rate for food.  
  
17) Soda/Fruit Juice/Bottled Water—Taxable, pursuant to K.S.A. 79-3603(a). There is not a special tax rate for soda/fruit juice/bottled water.  
  
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: 08/17/2005 Date Modified: 08/17/2005**