**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-82** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Irrigation equipment purchased by a farmer for farm use.** |
| **Keywords:** |  |
| **Approval Date:** | **08/21/1998** |

**Body:**

Office of Policy & Research

August 21, 1998  
  
  
XXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXX  
  
  
Dear XXXXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated June 10, 1998. This response is a private letter ruling in behalf of your client XXXXXXXXXX. You asked the Department to review the enclosed invoice and determine the taxability of the transaction. The invoice from XXXXXXXXXXXXXXX indicates various services and tangible personal property for which XXXXXX was billed. You indicate XXXXXXXXX is a farmer and that the well and related items are for use in the irrigation of land devoted to agriculture. The invoice details charges for the original construction of a water well, materials that are installed as a part of that well and services to assemble farm irrigation system and the related irrigation equipment.  
  
The gross receipts from the service of drilling a new water well would exempt from retailer’ sales tax. Materials expended or installed in a new water well would be subject sales tax.  
  
Services to assemble irrigation equipment for farm use would not be subject to retailers’ sales tax. The parts of the irrigation system that are deemed to be farm machinery and equipment would also be exempt if purchased for farm use.  
  
It has been a long standing position of the Kansas Department of Revenue that the pivot system, heat exchanger, flowmeter, gear drive, bowl units, column pipe, tubing and shaft assembly, check valve, and the discharge head, as well as submersible pumps and motors, gate and check valves and drop pipe, would constitute farm machinery and equipment.  
  
The cement base, and the underground discharge pipe, along with the pressure tank, galvanized nipples and fittings, well pits and lids, well seals, and pitless units and/or adapters are not farm machinery and equipment, but in fact are a part of real property, as is any other permanently attached item. Additionally, any tangible personal property used to measure and transmit electrical power (i.e., transmission lines, substations, line transformers, electrical meters, control boxes, switches and electrical disconnects) would not come within the exemption provisions of K.S.A. 79-3606(t), as farm machinery and equipment.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 09/01/1998 Date Modified: 10/10/2001**