**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-231** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Sales tax treatment of certain pager services.** |
| **Keywords:** |  |
| **Approval Date:** | **10/22/1999** |

**Body:**

Office of Policy & Research  
  
  
October 22, 1999

XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
  
  
Re: Kansas Sales Tax  
  
  
Dear XXXXX:  
  
Your correspondence of September 29, 1999, has been referred to me for response. Thank you for your inquiry.  
  
By your letter you inquire as to the Kansas sales tax treatment of certain pager services. Your letter provides the following facts:

XXXXXXXXXXX sells pagers and provides one-way airtime services for subscribers. The pagers are sold through outside retail stores (XXXX, XXXX, etc.) and then the paging services are provided by your company when customers call to set up the services. XXXXX is adding prepaid paging cards and bundled packages to its sales. Prepaid paging cards are credits of paging services sold in monthly increments and priced according to the level of service. They are primarily sold to outside retail stores by XXXXX and resold to the customers. The customer is required to call XXXXX to set up their prepaid services.  
  
Bundled packages are pagers and prepaid services sold in one lump sum amount primarily through outside retail stores. When the customer calls in to set up the services through XXXXX, they have prepaid for the services at the retail store. XXXXX sets them up to be billed on a regular quarterly or annual cycle billing. When the customer receives their first bill, they are given a credit for the amount of service that was prepaid which equates to about one month of service.

Based on this information, you ask that we respond to several questions. Your questions, and our responses, are set forth below:

Q1. Are the prepaid paging cards taxable as TPP at the retail stores or are they taxable as telecommunications services?  
A1. Prepaid paging cards are not taxable as tangible personal property. They are subject to sales tax pursuant to K.S.A. 79-3603(t) which imposes tax on, “the gross receipts received for telephone answering services, including mobile phone services, beeper services and other similar services.” The statute is interpreted by Kansas Administrative Regulation (K.A.R.) 92-19-71 which deals with mobile phone, cellular phone, beeper and similar services. A copy of the regulation is enclosed.  
  
Q2. Are the bundled packages taxable as TPP at the retail stores or are they taxable as telecommunication services?  
A2. See Answer A1.  
  
Q3. If they are taxable as telecommunication services, would the tax be collected and reported by the retail store or by XXXXXX?  
A3. The tax would be collected and reported by XXXXXXX.

This private letter ruling is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to make an accurate determination by the department, this ruling is null and void. This private letter ruling will be revoked in the future by operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or a published revenue ruling, that materially affects this private letter ruling.  
  
I trust this information is of assistance. If I can be of further service, please feel free to contact me.  
  
Sincerely,  
  
  
  
Jim Weisgerber  
Attorney  
Tax Specialist  
  
JW:jw  
  
Enclosure: K.A.R. 92-19-71  
  
  
**Date Composed: 10/25/1999 Date Modified: 10/11/2001**