**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-070** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Gross receipts from a statistical form of tank and line testing services.** |
| **Keywords:** |  |
| **Approval Date:** | **07/03/2001** |

**Body:**

Office of Policy & Research  
  
  
July 3, 2001

XXXXXXXXXXX  
XXXXXXXXXXXXXX  
XXXXXXXXXXXXXX  
  
Dear XXXXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter received by this office on June 22, 2001. In it, you ask if the gross receipts from a statistical form of tank and line testing service are 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.  
  
In your letter you stated:

We provide a statistical form of tank an line testing for service stations, airports and any other person or company who has underground storage tanks that are required to be tested. I would like a private letter ruling on the sales tax issues. Attached are examples of this service.  
  
We take the data from form 1, run it through a computer program and send them back the results on Form 2.

It is the opinion of the Department that no imposition exists in the law to impose Kansas sales tax on the services as described in this letter.  
  
Your Company is required to pay Kansas sales and compensating taxes on all purchases of tangible personal property and taxable services used or consumed by their business.  
  
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.  
  
  
Sincerely,  
  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 07/06/2001 Date Modified: 10/11/2001**