**Private Letter Ruling**

|  |  |
| --- | --- |
| **Ruling Number:** | **P-2001-140** |

|  |  |
| --- | --- |
| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Electronic Access Control Devices** |
| **Keywords:** |  |
| **Approval Date:** | **11/13/2001** |

**Body:**

Office of Policy & Research  
  
  
November 13, 2001

XXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXX  
  
Dear Sirs:  
  
The purpose of this letter is to respond to your letter dated October 31, 2001.  
  
In your letter you stated:

XXXXXXX manufactures Electronic Access Control Devices and Sells them in your State.  
  
Along with these items, we would charge the client for Installations if they require that we install the devices. We would also charge the client for Training if they require that we train them to use our devices. There is also an Extended Warranty program that is available to the client as an optional purchase. Quite often, we repair these devices for our customers, and charge them for the Repairs. We also offer a Technical Support program for a fee & it is up to the client to purchase the program. In the rare case, we grant a Credit Allowance to the client if they are updating their devices. There is also the rare case of a Management Charge or An Artwork Set Up Charge being charged to a client. The client is also charged Freight to send his merchandise to the State with a carrier of his choice. We do not have a physical presence in your state.

Kansas taxes the sale of tangible personal property and enumerated services. The service of installing or apply is taxable, with certain exceptions. *See K.S.A. 79-3603(p).* Kansas also taxes the service of maintaining, servicing, altering and repairing of tangible personal property and real estate and maintenance contracts for same. *See K.S.A. 79-3603(q) and (r).* These statutes are available on our web site at www.ink.org/public/kdor.  
  
Your letter continues with a series of questions:

"Are these Items & Services Taxable?" Can you state which items are Taxable and which items are Non- taxable?

Answer: The following sales of property and services are subject to tax in Kansas:  
  
Electronic Access Control Devices, Installations, Repairs, Extended Warranty, Credit Allowance (if this is a “trade in” of equipment or a discount, it would reduce sale amount subject to tax), Management Charge, Artwork Set Up Charge and Freight.  
  
The following items and services are not subject to Kansas sales tax.  
  
Training, Technical Support program that are optional to the sale of property and taxable services.  
  
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: 11/14/2001 Date Modified: 09/23/2002**