**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-206** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Religious Organizations exemption effective date.** |
| **Keywords:** |  |
| **Approval Date:** | **11/18/1998** |

**Body:**

Office of Policy & Research

November 18, 1998  
  
  
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Dear Mr. TTTTT:  
  
We wish to acknowledge receipt of your letter which was received by this office on November 13, 1998, regarding the application of Kansas Retailers’ Sales tax.  
  
1998 Senate Bill No. 493 extends a new sales tax exemption to religious organizations. The new law became effective on July 1, 1998. It should be noted that all religious organizations, including churches, were obligated to pay the appropriate Kansas sales/use tax(es) on purchases of tangible personal property and taxable services, prior to July 1, 1998. Additionally, any taxable purchases made prior to July 1, 1998, are not entitled to refund of Kansas sales/use tax(es).  
  
K.S.A. 79-3606(aaa) exempts from sales tax: “all sales of tangible personal property and services purchased by a religious organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes.”  
  
Therefore, if the utilities that you purchase are used exclusively for religious purposes, the purchase could be made by the church without having to pay Kansas sales tax.  
  
If the utility is purchased exclusively for religious purposes, you will not need to fill out worksheets to determine how much of the utilities qualify for exemption. However, on the other hand, if the utility is purchased for both a taxable and a non-taxable use, then a determination would need to be made as to how much of the purchase is exempt from sales tax. You should supply your utility company with a copy of the exemption certificate (BT/st-28B).  
  
Please be advised that I have enclosed a Question and Answer format, which is also available in the Policy Information Library, which is maintained on the department’s web site. I trust that this will answer the questions that you have raised. Additionally, I have enclosed a copy of revenue Notice 98-5, entitled, “Sales Taxation of Purchases by Religious Organizations”.  
  
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  
  
Enc  
  
  
**Date Composed: 12/14/1998 Date Modified: 10/10/2001**