**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-57** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Resale exemptions for out-of-state contractors.** |
| **Keywords:** |  |
| **Effective Date:** | **06/02/1998** |

**Body:**

Office of Policy & Research

June 2, 1998  
  
  
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Dear Ms. TTTTTT:  
  
We wish to acknowledge receipt of your letter which was received by this office on April 20, 1998, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3603(l) imposes a sales tax upon: “the gross receipts received from the sales of tangible personal property to all contractors, subcontractors or repairmen of materials and supplies for use by them in erecting structures for others, or building on, or otherwise improving, altering, or repairing real or personal property of others. . .”  
  
Each contractor, subcontractor or repairman shall not give, and each retailer shall not accept, a resale exemption certificate to purchase material without sales tax. Therefore, bulk purchases of all material by persons who are contractors only, and all material removed from inventory by a contractor/retailer to perform a construction project shall be subject to sales tax at the time of purchase or at the time the material is removed from inventory, even though the material may be used in a construction project outside of Kansas.  
  
In closing, out-of-state contractors may not give a resale exemption certificate to purchase carpet without the appropriate Kansas sales tax(es). However, an out-of-state contractor/retailer who maintains an inventory of materials to use in providing contracting services and to sell over-the-counter may purchase materials exempt from Kansas sales tax(es), by providing a properly completed resale exemption certificate from their home state.  
  
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  
  
  
**Date Composed: 07/01/1998 Date Modified: 10/10/2001**