**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-81** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Machinery and equipment used to process feed.** |
| **Keywords:** |  |
| **Approval Date:** | **03/31/1999** |

**Body:**

Office of Policy & Research  
  
  
March 31, 1999

XXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXX  
  
  
Dear XXXXXXXXXXX:  
  
I have been asked to respond to your letter of March 18, 1999. In it, you ask if machinery and equipment used to process feed is exempt from Kansas retailers’ sales tax.  
  
In your letter you stated:

“The feed that is processed at the feedmill is delivered to the XXXX in the field. The feed becomes part of the final product as it is consumed by the turkeys. Both the XXXX in the field and feed fed to those XXXX are the property of XXXXXXXXXat all times.”

Kansas law exempts from sales and compensating tax “all sales of farm machinery and equipment. . . Farming or ranching shall include the operation of a feedlot. . .” K.S.A. 79-3606(t).  
  
It is the opinion of the Kansas Department of Revenue that this segment of your operation is a feedlot. Farming and ranching include feedlot operations. Therefore, machinery and equipment to process feed for your XXXX qualifies for exemption as farm machinery and equipment.  
  
This is a private letter ruling pursuant to Kansas Administrative Regulation 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 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 ruling.  
  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 04/02/1999 Date Modified: 10/11/2001**