**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-049** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Repair projects performed for political subdivisions (school districts).** |
| **Keywords:** |  |
| **Approval Date:** | **05/23/2001** |

**Body:**

Office of Policy & Research

May 23, 2001

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Dear Ms. TTTTTTT:

We wish to acknowledge receipt of your letter dated May 3, 2001, regarding the application of Kansas Retailers’ Sales tax.

K.S.A. 79-3606(d) exempts from sales tax: “all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school or a public or private nonprofit educational institution, which would be exempt from taxation under the provisions of this act if purchased directly by such hospital or public hospital authority, school or educational institution; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any political subdivision of the state, the total cost of which is paid from funds of such political subdivision and which would be exempt from taxation under the provisions of this act if purchased directly by such political subdivision. . . When any political subdivision of the state, public or private nonprofit hospital or public hospital authority, public or private elementary or secondary school or public or private nonprofit educational institution shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. . .

The project exemption certificate provisions provided in K.S.A. 79-3606(d) would apply to purchases of materials, services and supplies which become a physical part of a building erection, repair or enlargement project.

In closing, when a school district has overhead projectors, fish aquariums, oxygen tanks, mowers, tractors, typewriters and sewing machines repaired, the respective school district would not need to obtain a project exemption, since these items are not attached to real property. The school district would simply provide vendor the exemption certificate that is utilized when making direct purchases of tangible personal property or services without tax.

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

**Date Composed: 05/30/2001 Date Modified: 10/11/2001**