**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-087** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Materials purchased by a community action group to repair or weatherize low-income housing.** |
| **Keywords:** |  |
| **Approval Date:** | **08/17/2001** |

**Body:**

Office of Policy & Research  
  
  
August 17, 2001

XXXXXXXXXXXXXXX  
XXXXXXXXXXXX  
XXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXX  
  
Dear XXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated July 26, 2001.  
  
In your letter you stated:

XXXXXXXXXXXXXXXXXXXXXXXXXXis classified by the Department of Treasury  
as a 501(c)3 and its federal number is XXXXXXX, but does not have a sales tax exempt number. The Kansas Department of Revenue (KDOR) agent directed XXXXX to send a letter to the Office of Policy and Research about a private ruling about our activities being applicable under “Items Exempt From Sales Tax” in the KDOR Publication KS-1520 (4/00) on page 8 for “Materials purchased by a community action group to repair or weatherize low-income housing”. The upcoming activities that XXXXX is referring to for a private ruling is:  
  
XXXXXXXXXXXXXXXXXX  
  
A Saturday when XXXXXXXXXXXXX volunteers paint home exteriors for low income elderly owners at no cost.  
  
XXXXXXXXXXXXXXXXX  
  
Provide minor home repair to elder households in need (i.e. fix screens, weatherizing, clean gutters, etc.)  
  
For both, XXXX will purchase materials needed, if donations are not available.  
  
ZZZZ's other planned activities are a homebuyers fair, homebuyer education and training, a community housing training program, and library/resource center. Background information is: ZZZZs mission is "to encourage and facilitate decent, affordable housing opportunities for low and moderate income individuals and families" by:  
  
Enhancing the capacity of individuals, families, neighborhoods, and community to meet basic housing needs;  
  
Sponsoring, developing, financing and owning affordable rental and owner- occupied housing units;  
  
Repairing and rehabilitating homes; and,  
  
  
Expanding the accessible housing inventory in the Manhattan area.  
  
ZZZZ is currently applying for Community Housing Development Organization (CHDO) certification by the Kansas Department of Commerce and Housing. Certification will enable ZZZZ to access federal funds set aside for CHDO’s and move into partnering with a developer to construct/rehabilitate low income housing in ZZZZZZ.

K.S.A. 79-3606(oo) exempts from sales tax: “all sales of tangible personal property purchased by a community action group or agency for the exclusive purpose of repairing or weatherizing housing occupied by low income individuals. . .”  
  
Therefore, materials purchased by your organization to repair or weatherize housing occupied by low-income individuals may be purchased exempt from sales tax in the state of Kansas.  
  
1998 Senate Bill No. 493 exempts certain construction services that were formerly subject to Kansas sales tax. Effective July 1, 1998, services performed to install or apply tangible personal property are exempt from sales tax when the services involve the original construction, reconstruction, restoration, remodeling, renovation, repair or replacement of a residence.  
  
Services rendered at a residence to repair or weatherize housing occupied by low income individuals, would not be subject to sales tax in the state of Kansas, since the legislation contained in 1998 Senate Bill No. 493, would exempt these services from taxation.  
  
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: 08/17/2001 Date Modified: 10/11/2001**