**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-093** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Hydrovacing services** |
| **Keywords:** |  |
| **Approval Date:** | **09/04/2001** |

**Body:**

Office of Policy & Research  
  
  
September 4, 2001

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Dear Mr. TTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated July 18, 2001, regarding the application of Kansas Retailers’ Sales tax.  
  
The Kansas retailers’ sales tax law imposes tax on “the gross receipts received for the service of installing or applying tangible personal property. . .except that no tax shall be imposed upon the service of installing or applying tangible personal property in connection with the original construction of a building . . .” K.S.A. 79-3603(p).  
  
“Original construction” means “the first or initial construction of a new building. . .and includes the addition of an entire room or floor to any existing building or facility, the completion of any unfinished portion of any existing building or facility and the restoration, reconstruction or replacement of a building or facility damaged or destroyed by fire, flood, tornado, lightning, explosion or earthquake, but such term, except with regard to a residence [emphasis added], shall not include replacement, remodeling, restoration, renovation or reconstruction under any other circumstances;” K.S.A 79-3603(p)(1).  
  
Please be advised that it is the opinion of this office that hydrovacing services should be given the same sales tax treatment as excavating services and would not be subject to sales tax if the hydrovacing services are separately billed or separately stated as a line item on a bill.  
  
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: 09/14/2001 Date Modified: 10/11/2001**