**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-060** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Nonprofit museum or historical society.** |
| **Keywords:** |  |
| **Approval Date:** | **07/09/2002** |

**Body:**

Office of Policy & Research  
  
  
July 9, 2002

TTTTTTTTTTT  
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Dear Mr. TTTTT:  
  
  
We wish to acknowledge receipt of your letter dated July 5, 2002, regarding the application of Kansas Retailers’ Sales tax.  
  
This is a private letter ruling pursuant to K.A.R. 92-19-59.  
  
A nonprofit museum or historical society does NOT qualify to receive a Project Exemption Certificate which would allow a contractor, subcontractor, or repairman to purchase or furnish materials exempt from sales tax.  
  
Material used by a contractor for a museum exhibitry project shall be subject to sales tax. In the state of Kansas, contractors are deemed to be the final user of material in museum exhibitry projects. The taxing event shall be deemed to occur at the time a contractor purchases materials, or when a contractor/retailer removes material from inventory to perform a museum exhibitry project. The taxable base subject to sales tax shall be the cost of the materials.  
  
In closing, the contractor shall pay the appropriate Kansas sales tax at the time of purchase on the materials, and a contractor/retailer shall accrue any applicable Kansas sales tax on the cost of the materials, when the respective materials are removed from inventory, to be used in a museum exhibitry project.  
  
Please be advised that if the audio-visual software programs are purchased directly by nonprofit museum or historical society, then the respective purchase would be exempt from Kansas sales tax(es), pursuant to K.S.A. 79-3606(qq). Likewise, the sale of any audio-visual hardware would be exempt from Kansas sales tax(es), if purchased directly by nonprofit museum or historical society  
  
This response 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 an accurate determination by the department, this ruling is null and void. This private letter 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: 07/11/2002 Date Modified: 07/11/2002**