**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-215** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Purchases of tangible personal property and taxable services by a "for profit" hospital.** |
| **Keywords:** |  |
| **Approval Date:** | **09/20/1999** |

**Body:**

Office of Policy & Research  
  
  
September 20, 1999

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Dear Mr. TTTTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated August 25, 1999, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3606(b) exempts from sales tax: "all sales of tangible personal property or service, including the renting and leasing of tangible personal property purchased directly by......a public or private nonprofit hospital...and used exclusively for...hospital...purposes, except when: (1) Such...hospital is engaged or proposes to engage in any business specifically taxable under the provisions of this act and such items of tangible personal property or service are used or proposed to be used in such business,..."  
  
Please be advised that since TTTTTTTTTTTTTTTTTT, is not a nonprofit hospital, it would be inappropriate for the organization to make purchases of tangible personal property and taxable services exempt from Kansas sales tax(es), as if it were a nonprofit hospital.  
  
K.S.A. 79-3606(n) exempts from sales tax: "all sales of tangible personal property which is consumed in the production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property, the providing of services or the irrigation of crops for ultimate sale at retail within or without the state of Kansas; and any purchaser of such property may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for consumption in such production, manufacture, processing, mining, drilling, refining, compounding, irrigation and in providing such services."  
  
K.A.R. 92-19-53(b) states in part: “For purposes of determining whether tangible personal property is consumed in the providing of services, the term “service” refers only to taxable services enumerated under the sales tax act. Each person providing a nontaxable service shall pay sales tax on all articles of tangible personal property and all services purchased by the person to provide the nontaxable service, and may not claim an exemption from sales tax. . . “  
  
In closing, since the pathology and clinical tests results that TTTTTTTTTTTTTTTT are not subject to sales tax in this state, the respective purchases made in order to render said services would not come within the scope of the sales tax exemption in K.S.A. 79-3606(n).  
  
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: 10/11/1999 Date Modified: 10/11/2001**