**Private Letter Ruling**

|  |  |
| --- | --- |
| **Ruling Number:** | **P-2001-016** |

|  |  |
| --- | --- |
| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Taxability of overhead and profit.** |
| **Keywords:** |  |
| **Approval Date:** | **03/01/2001** |

**Body:**

Office of Policy & Research  
  
  
March 1, 2001

TTTTTTTTTTTT  
TTTTTTTTTTTT  
  
  
Dear Mr. TTTTTTT:  
  
  
We wish to acknowledge receipt of your e-mail dated February 27, 2001, regarding the application of Kansas Retailers’ Sales tax.  
  
When the labor services are subject to sales tax in the state of Kansas, the overhead and profit associated with the particular job would likewise be subject to sales tax in this state. Although, labor services rendered in connection with the original construction of a building or facility are exempt from Kansas sales tax(es), the cost of the materials would be subject to the appropriate Kansas sales/use tax(es).  
  
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: 03/06/2001 Date Modified: 10/11/2001**