**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-119** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Construction materials purchased with the proceeds of industrial revenue bonds.** |
| **Keywords:** |  |
| **Approval Date:** | **10/26/2001** |

**Body:**

Office of Policy & Research  
  
  
October 26, 2001

XXXXXXXX  
XXXXXXXXXXXXXXX  
XXXXXXXXXXXXXX  
  
Dear XXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated September 4, 2001.  
  
In your letter you stated:

This letter is to confirm our conversation of XXXXXX in which we discussed the private letter ruling request submitted by XXXXXXXXX to the Kansas Department of Revenue, XXXXX requested a ruling that construction materials XXXXXXXXXXXXXXXXXXXXXXX bonds and industrial revenue bonds will not be subject to sales tax.  
  
As you and I discussed today, XXXXXX will be the purchaser of the industrial revenue bonds issued with respect to its XXXXXXXXXX. You stated that the purchase of the industrial revenue bonds by XXXXXX will not affect the, ruling issued last week by the Department of Revenue because the materials will be purchased with funds of a political subdivision within the meaning of K.S.A. § 79-3606(d) regardless of the ultimate purchaser of the bonds. As we discussed, it is immaterial for purposes of the sales tax exemption that XXXXXXXX will purchase the bonds.

The Department agrees that the purchase of the industrial revenue bonds by XXXXXXXXXX will not affect the ruling issued on August 30, 2001 by the Department of Revenue. The reasoning is that the materials will be purchased with funds of a political subdivision within the meaning of K.S.A. § 79-3606(d) regardless of the ultimate purchaser of the bonds.  
  
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: 10/30/2001 Date Modified: 10/30/2001**