**Private Letter Ruling**

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| **Ruling Number:** | **P-2011-005** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Rental of swab tanks.** |
| **Keywords:** |  |
| **Approval Date:** | **07/01/2011** |

**Body:**

Office of Policy & Research

July 1, 2011

XXXXXXXXXXXXXX
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Dear XXXXXXXXXXX:

We wish to acknowledge receipt of your recent inquiry regarding the application of Kansas Retailers’ Sales tax. You inquired regarding rental of a swab tank. You indicated you were told the rental of a swab tank is taxable on a new well.

It is our understanding that a swab tank is a generally a portable holding tank unit used at wells. The units can be a various capacities. Rentals of tangible personal property are subject to sales tax. A rental involves the transfer of property to someone else for that person’s use and operation. When a tank is used during drilling operations, the rental of the tank is taxable since sales of equipment used during drilling operations are subject to sales tax.

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,

Jack Smith
Policy and Research

**Date Composed: 07/07/2011 Date Modified: 07/07/2011**