**Opinion Letter**

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| **Letter Number:** | **O-1998-15** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Taxability of labor services and sales to farmers.** |
| **Keywords:** |  |
| **Effective Date:** | **10/16/1998** |

**Body:**

Office of Policy & Research

October 16, 1998  
  
  
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Dear Mr. TTTTTTT:  
  
We wish to acknowledge receipt of your letter dated October 9, 1998, regarding the application of Kansas Retailers’ Sales tax.  
  
This is an informational letter only and not a private letter ruling pursuant to K.A.R. 92-19-59.  
  
K.S.A. 79-3606(q) imposes a sales tax upon: “the gross receipts received for the service of repairing, servicing, altering or maintaining tangible personal property. . . which when such services are rendered is not being held for sale in the regular course of business, and whether or not any tangible personal property is transferred in connection therewith. The tax imposed by this subsection shall be applicable to the services of repairing, servicing, altering, or maintaining an item of tangible personal property which has been and is fastened to, connected with or built into real property.”  
  
Please be advised that if you service a lawnmower for a farmer or a business owner, you would be obligated to collect the appropriate Kansas sales tax(es), whether you provide repair parts or not. The taxable base, would include the repair parts, if provided, service charges and any invoiced amounts for labor that was rendered to repair the lawnmower.  
  
K.S.A. 79-3603(p) imposes a sales tax upon the gross receipts received for installing or applying tangible personal property whether or not the tangible personal property when installed or applied remains tangible personal property or becomes part of real estate. No tax, however is imposed under this section when the service of applying or installing tangible personal property is in connection with the original construction of a barn. The materials and supplies that are purchased for use in the barn construction or reconstruction or in any other type of construction would be subject to the appropriate Kansas sales/use tax(es).  
  
Aside from the farm machinery and equipment sales tax exemption, farmers and ranchers must usually pay sales tax on labor services purchased for use in farming and ranching operations. Thus, labor services rendered to repair tangible personal property that is not exempt pursuant to K.S.A. 79-3606(t), would be subject to sales tax in the state of Kansas. 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  
  
Enc  
  
  
**Date Composed: 10/29/1998 Date Modified: 10/10/2001**