**Opinion Letter**

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| **Letter Number:** | **O-1999-024** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Project exemption certificates.** |
| **Keywords:** |  |
| **Approval Date:** | **10/15/1999** |

**Body:**

Office of Policy & Research

October 15, 1999

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RE: Your e-mail of October 8, 1999

Dear XXXX:

I have been asked to answer your e-mail that we received earlier this month. In it, you ask about project exemption certificates and how they apply. I have enclosed two information guides that explain project exemption certificates in some depth. The guide for Political Subdivisions discusses project exemption certificates on pages 4-5. The guide for Contractors, Subcontractor and Repairmen discuss project exemption certificates on pages 10-11.

The department has streamlined the process for issuing project exemption certificates. Entities entitled to a certificate may simple fax in a completed copy of a project exemption certificate application form to the department. Normally the department issues a project exemption certificate within hours of receipt of a fax application for a qualifying project. Project exemption certificates exempt both materials and services and are required for both large and small jobs. Entities are required to apply for a project exemption certificate for each project.

An entity may also apply for “agency status” to issue project exemption certificates themselves. The agency status is normally granted to political subdivisions, colleges, universities, and other qualifying entities that perform numerous construction projects. Because the department’s application process is simple and easy to follow many entities choose to use that procedure rather than to apply for the agency status that would allow them to issue their own certificates. Please note that only entities that may be issued a project exemption certificate may apply for agency status. This means that contractors may not secure such status.

I believe that this answers your questions. If not, please call me and we can discuss this matter further. You should be aware that the department is reviewing this area in hopes of further simplifying the exemption process for exempt entities. If we make any changes this year, I will provide you with a copy of any information that we publish.

Sincerely,

Thomas E. Hatten
Attorney/Policy & Research

Enclosures

**Date Composed: 03/28/2000 Date Modified: 10/10/2001**