**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-152** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Distributors fees and shipping and handling charges.** |
| **Keywords:** |  |
| **Approval Date:** | **09/24/1998** |

**Body:**

Office of Policy & Research

September 24, 1998

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Dear Ms. TTTTTT:

We wish to acknowledge receipt of your letter dated September 1, 1998, regarding the application of Kansas Retailers’ Sales tax.

The amount the sales tax is to be based on is the retail selling price plus any shipping, handling or freight charges that is charged to the distributor. However, payments made by a carrier to a retailer represent only the recovery of damages for the loss, injury or conversation of property and are not retail sales as contemplated by K.S.A. 79-3602(e) of the Kansas retailers’ sales tax act. Therefore, Kansas sales or compensating tax would not be due on such transfers.

Please be advised that the annual fee which entitles your distributors to receive monthly newsletters, as well as distributor support services, would not be subject to sales tax in the state of Kansas, since the respective distributor support services is not an enumerated services subject to sales tax. Your company would be the ultimate consumer of the total cost of the newsletters that are mailed in to the state of Kansas. Therefore, your company would be obligated to remit the Kansas Compensating Tax of 4.9% on the cost amount of said newsletters, unless the appropriate sales/use tax was paid to the printer.

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: 10/05/1998 Date Modified: 10/10/2001**