**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-181** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Movies provided by a hotel to its guests.** |
| **Keywords:** |  |
| **Approval Date:** | **11/04/1998** |

**Body:**

Office of Policy & Research

November 4, 1998  
  
  
XXXXXXXXXX  
XXXXXXXXXXXX  
XXXXXXXXXXX  
  
  
Dear XXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated October 21, 1998.  
  
You seek a private letter ruling based on the following facts. You operate a hotel in Kansas. The hotel has entered into a contract with a video company. The contract specifies that the video company install their equipment at your hotel to provide in room movies to hotel guests. The guests will pay an additional fee to view a particular movie. The fee will be paid by the room guest to the hotel.  
  
Per Kansas Administrative Regulation 92-19-24(e), “Each hotel may purchase exempt from sales tax, premium cable television service channels which are separately billed to the consumer. Each hotel shall collect sales tax for the cable television services billed by the hotel to the consumer.”  
  
It is the opinion of the Kansas Department of Revenue that the hotel should impose and remit Kansas state and local retailers’ sales tax on the gross receipt of these sales. The local retailers’ sales tax would that local tax in effect at the location of the hotel. The charges from the video company to the hotel would not be subject to tax. The video company should pay Kansas sales or compensating tax on the cost of their equipment.  
  
This is a private letter ruling pursuant to Kansas Administrative Regulation 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 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 ruling.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 11/06/1998 Date Modified: 10/10/2001**