**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-25** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Application of sales tax to discounts and definition of selling price.** |
| **Keywords:** |  |
| **Effective Date:** | **02/27/1998** |

**Body:**

Office of Policy & Research

February 27, 1998  
  
  
TTTTTTTTTTT  
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Dear Mr. TTTTTTT:  
  
  
We wish to acknowledge receipts of your letter dated December 15, 1997, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3603(a) imposes a sales tax upon: “The gross receipts received from the sale of tangible personal property at retail within this state. . .”  
  
K.S.A. 79-3602(h) defines “gross receipts” as: “the total selling price or the amount received as defined in this act, in money, credits, property or other consideration valued in money. . .”  
  
Pursuant to K.S.A. 79-3602(g), the “selling price” means the total cost to the consumer exclusive of discounts and credited.  
  
In closing, since the discount was offered as an inducement/reward for increased sales and based upon the fact that the manufacturer will not be reimbursed for said discount, the sales tax would not be applicable to the respective discount amount.  
  
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: 03/04/1998 Date Modified: 10/10/2001**