**Private Letter Ruling**

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| **Ruling Number:** | **P-2001-068** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Labor services performed on an Indian reservation.** |
| **Keywords:** |  |
| **Approval Date:** | **06/28/2001** |

**Body:**

Office of Policy & Research  
  
  
June 28, 2001

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Dear Ms. TTTTTTT:  
  
  
We wish to acknowledge receipt of your letter dated June 14, 2001, regarding the application of Kansas Retailers’ Sales tax.  
  
Material used by a contractor for a construction/remodeling project shall be subject to sales tax. In the state of Kansas, contractors are deemed to be the final user of material in residential remodeling projects. The taxing event shall be deemed to occur at the time a contractor purchases materials, or when a contractor/retailer removes material from inventory to perform a construction/ remodeling project. The taxable base subject to sales tax shall be the cost of the materials.  
  
The contractor shall pay the appropriate Kansas sales tax at the time of purchase on the materials, and a contractor/retailer shall accrue any applicable Kansas sales tax on the cost of the materials, when the respective materials are removed from inventory, to be used in a construction/remodeling project. This would include, but not be limited to, gasoline pumps and tank monitoring systems.  
  
In closing, any labor services that are performed on the Indian Reservation would not be subject to Kansas sales tax.  
  
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: 07/06/2001 Date Modified: 10/11/2001**