**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-050** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Telephone answering services.** |
| **Keywords:** |  |
| **Approval Date:** | **06/03/2002** |

**Body:**

Office of Policy & Research  
  
  
June 3, 2002

XXXX  
XXXX  
XXXX

RE: Your letter dated May 23, 2002

Dear XXXX:  
  
Thank you for your recent letter. You ask if the telephone answering services that you provide are taxable. You indicate that one of your customer refuses to pay the tax that you bill and that a competitor bills no tax at all on the same services. Please be advised that telephone answering services are subject to Kansas sales tax. Kansas imposes sales tax on telephone services at K.S.A. 79-3603(b). Kansas imposes sales tax on answering services at K.S.A. 79-3603(t):

(t) the gross receipts received for telephone answering services, including mobile phone services, beeper services and other similar services;

This is a clear imposition on telephone answering services. You should provide a copy of this letter to the customer who refuses to pay the tax on your billings. The taxes are lawfully due from the customer.  
  
If you provide us with the name of your competitor who does not collect sales tax on its services, we will review whether or not to audit that business. Businesses like yours that collect sales tax on its service charges are put at a competitive disadvantage by businesses that violate the law by not collecting the sales tax that is lawfully due from their customers.  
  
I hope that I have answered all of you questions. If you need to discuss anything further, please call me at 785-296-3081. This private letter ruling is based solely on the facts provided in your request. If it is determined that undisclosed facts were material or necessary to make 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 private letter ruling.

Sincerely,  
  
  
  
Thomas E. Hatten  
Attorney/Policy & Research

**Date Composed: 06/18/2002 Date Modified: 06/18/2002**