**Private Letter Ruling**

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| **Ruling Number:** | **P-2012-002** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Purchase of farm machinery and equipment; precision farming equipment.** |
| **Keywords:** |  |
| **Approval Date:** | **05/03/2012** |

**Body:**

Office of Policy and Research  
  
May 3, 2012

**xxxxxxxxxxxxxx**  
**xxxxxxxxxxxxxx**  
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**xxxxxxxxxxxxxxxxxx**

**Private Letter Ruling**

**Re: Exemption on Purchase of Farm Machinery and Equipment; Precision Farming Equipment.**  
  
  
Dear XXXXX:  
  
In your letter, received by this office on March 29, 2012, you request Private Letter Ruling as to whether the Kansas sales and compensating tax law would exempt the purchase of certain items of machinery and equipment under K.S.A. 2011 Supp. 79-3606(t).  
  
Your letter states in pertinent part:

“[T]he following items of tangible personal property include the components it takes to build an RTK [(“Real Time Kinematic”)] tower some of which are installed on elevators and some of which are free standing:  
  
1. Starfire 3000 Receiver SF1  
2. Receiver SF1 to SF2 Upgrade  
3. RTK Receiver Activation  
4. RTK Radio (900)  
5. Greenstar Harness  
6. RTK Antenna (OMNI 9 db)  
7. Radio to Antenna Ext. Cable  
8. Electrical Boxes (2)  
9. Receiver Stand (6 ft.)  
  
The equipment in question is *used exclusively to* receive and send signals to precision farming equipment operating within the state of Kansas. *Precision farming* *would not be able to be conducted in the absence of the equipment*. The listed equipment is used for agricultural guidance systems that provide tractor auto-steering allowing farmers to utilize strip, tillage, precision fertilizer placement, field drainage management as well as the planting and harvesting of crops. *The equipment is incapable of being used for any other purpose* and therefore, is inextricably connected to precision farming.” (Emphasis added)

You asked whether the above-listed equipment purchased for such exclusive use and purpose would be exempted from Kansas sales tax under K.S.A. 79-3606(t).  
  
The listed properties are deemed to be precision farming equipment and therefore, *are exempt* from sales tax under K.S.A. 2011 Supp. 79-3606(t). (“precision farming equipment” includes the flowing items used only in computer-assisted farming, ranching…global positioning and mapping systems, guiding systems,…data communication equipment and any necessary mounting hardware, wire and antennas.”).  
  
Please, remember that each purchaser of farm machinery and equipment must certify in writing on a copy of the invoice or sales ticket to be retained by the seller that the precision farming equipment will be used only in farming, ranching or aquaculture production. *See id*.  
  
This is a private letter ruling pursuant to Kansas Administrative Regulation 92-19-59. This private letter ruling is based solely on the facts provide 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,

Mark D. Ciardullo  
Tax Specialist/Policy & Research

cc: Legal Services Bureau  
Audit Services Bureau  
  
WJL  
  
  
**Date Composed: 05/08/2012 Date Modified: 05/08/2012**