**Private Letter Ruling**

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| **Ruling Number:** | **P-2012-004** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Underground electrical distribution "duct bank".** |
| **Keywords:** |  |
| **Approval Date:** | **07/24/2012** |

**Body:**

Office of Policy & Research

July 24, 2012

XXXXXXXXXX
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XXXXXXXXXX

Dear XXXXXXX,

This letter is in response to your request for a private letter ruling dated July 10, 2012. Per your letter, a company is having an outside contractor supply labor for the construction of a new underground electrical distribution “duct bank.” The “duct bank” project is a new underground conduit piping system with man hole structures used for protection and routing of electrical wiring and switching equipment. You have asked us to determine whether this project is considered original construction, and if so, is the labor performed on this project exempt from sales tax under the original construction clause?

Based on the facts provided above and in your letter, this project is not considered original construction. Therefore, the labor on this project is not exempt from sales tax. According to K.S.A. 79-3603(p), "original construction" means the first or initial construction of a new building or facility. The construction of this underground “duct bank” does not fall into the definitions of “building” or “facility". Therefore, the labor for this project is still subject to the Kansas retailers’ 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.

Sincerely,

Mark D. Ciardullo
Tax Specialist

sdc

**Date Composed: 07/24/2012 Date Modified: 07/24/2012**