**Private Letter Ruling**

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| **Ruling Number:** | **P-2007-002** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Host site for a community-wide grocery relief program.** |
| **Keywords:** |  |
| **Approval Date:** | **03/06/2007** |

**Body:**

Office of Policy & Research  
  
March 6, 2007

XXXX  
XXXX  
XXXX

RE: Your letter dated February 27, 2007

Dear XXXX:  
  
Thank you for your recent letter. You work for a church that has contracted as a host site for a community-wide grocery relief program sponsored by XXXX of Los Vegas, Nevada. You ask what sales tax duties are imposed on your church because of its involvement in the program.  
  
K.S.A. 2005 Supp. 79-3606(bbb) contains the relevant exemption. It exempts:

(bbb) all sales of food for human consumption by an organization which is exempt from federal income taxation pursuant to section 501 (c)(3) of the federal internal revenue code of 1986, pursuant to a food distribution program which offers such food at a price below cost in exchange for the performance of community service by the purchaser thereof . . . . *(Emphasis provided).*

I have reviewed the material that you provided about the XXXX. I have also visited their web site. The web site indicates that the XXXX is a 501(c)(3) organization. Both the website and material suggest that the price of the food charged to recipients is below the cost of the food. However, nothing at the website or in the material states that the recipients are required to perform community service.  
  
Under K.S.A. 2005 Supp. 79-3606(bbb), the sale of food is exempt only if the food recipient is required to perform community service as a quid pro quo for the right to buy the food. There are no other exemptions that would apply to these food sales. Therefore, your church's sales of the XXXX food are taxable. Your church must collect and remit the correct amount of tax on the selling price being charged for the food.  
  
This is a private letter ruling pursuant to Kansas Administrative Regulation 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 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 ruling.  
  
Please call me if you need to discuss anything further.

Sincerely,  
  
  
  
Thomas E. Hatten  
Attorney/Policy & Research

**Date Composed: 03/16/2007 Date Modified: 03/16/2007**