**Opinion Letter**

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| **Letter Number:** | **O-1998-19** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Funeral Services** |
| **Keywords:** |  |
| **Approval Date:** | **10/28/1998** |

**Body:**

Office of Policy & Research

October 28, 1998

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Dear Ms. TTTTT:

We wish to acknowledge receipts of your letter dated October 15, 1998, regarding the application of Kansas Retailers’ Sales tax.

This is an informational letter only and not a private letter ruling pursuant to K.A.R. 92-19-59.

K.A.R. 92-19-15 states in part: “. . .Sales tax shall not be charged when the state of Kansas or another political subdivision pays for a burial.”

It is a correct assumption on your part, in that the $550.00 portion of the burial service which is paid directly by the state of Kansas would not be subject to sales tax.

K.A.R. 92-19-15 further states that: “Each funeral director who charges a lump sum for a funeral service that covers the total funeral charge, including services and tangible personal property, is required to collect, report, and remit sales tax on 50% of the entire amount charged for each funeral including embalming, casket, and usual services. When a funeral director charges separately for the sale of tangible personal property and for required services, the sales tax shall be collected only on an amount equal to the retail sales price of the tangible personal property if charges for tangible personal property are segregated from those for services rendered on the invoice furnished to the purchaser. . .”

Therefore, funeral directors who charge a lump sum of $2000.00 for the total funeral, which includes services and tangible personal property, would be required to collect the appropriate Kansas sales tax(es) on 50% of the amount remaining after deducting $550.00 paid by the state of Kansas. In this case, the taxable amount would be $725.00.

However, a funeral director who charges separately for the sale of tangible personal property and for required services would be obligated to collect sales tax only on the retail sales price of the tangible personal property, so long as the charges for the tangible personal property are segregated from the services rendered on the invoice furnished to the purchaser. In this case, the $550.00, which is paid directly by the state should be applied pro-rata to the services and the tangible personal property.

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: 11/12/1998 Date Modified: 10/10/2001**