**Opinion Letter**

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| **Letter Number:** | **O-2000-040** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Core drilling, wall sawing, and hydro-sawing of concrete.** |
| **Keywords:** |  |
| **Approval Date:** | **12/04/2000** |

**Body:**

Office of Policy & Research  
  
  
December 4, 2000

XXXX  
XXXX  
XXXX

RE: Your letter of November 17, 2000

Dear XXXX:  
  
I have been asked to answer your letter that we received last month. You work for a company that cuts and cores concrete. This includes core drilling, wall sawing, and hydro-sawing, among other things. You ask if these services are subject to sales tax. The service are taxable. However, there is a broad exemption that exempts these services when done as part of the repair of Kansas bridges and highways.  
  
The imposition section on these labor services is found at K.S.A. 79-3603(q). This section imposes sales tax on the services of “repairing, servicing , altering or maintaining tangible personal property.” This subsection makes clear that: “The tax imposed by this subsection shall be applicable to the services of repairing, servicing, altering or maintaining an item of tangible personal property which has been and is fastened to, connected with or built into real property.” Since concrete, rebars, and reinforcing wire was once tangible personal property that is built into real property, the services of cutting or coring concrete are subject to sales tax.  
  
When cutting or coring is done in connection with “the construction, reconstruction, restoration, replacement or repair of a bridge or highway,” the department presumes that the services are done in connection with installation or application of tangible property. Accordingly, when concrete cutting and coring are done as part of highway or bridge repair or replacement, these services are exempt from sale tax.  
  
I hope that my letter adequately answers all of your questions. If not, please call me at (785) 296-3081 and we can discuss your concerns. This is a private letter ruling and 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 the ruling.

Sincerely,  
  
  
  
Thomas E. Hatten  
Attorney/Policy & Research

**Date Composed: 12/12/2000 Date Modified: 10/10/2001**