**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-019** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Computer sales and service; Internet Service and Web Hosting services.** |
| **Keywords:** |  |
| **Approval Date:** | **02/26/2002** |

**Body:**

Office of Policy & Research  
  
  
February 26, 2002

XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
XXXXXXXXXX  
  
Re: Kansas Sales Tax  
  
Dear Mr. XXXXX:  
  
Your correspondence of January 29, 2002 has been referred to me for response. Thank you for your inquiry.  
  
Your letter indicates your company is located in Manhattan, Kansas, and is a retail computer sales and service center. In addition to computer sales and service, we also provide Internet Service and Web Hosting services. By your letter you ask whether these two activities are subject to Kansas sales tax.  
  
In deciding whether a particular transaction is subject to sales tax, a two step analysis is generally necessary. The first step is to determine whether the sales tax act generally imposes tax on the type of transaction in question. The second step is to determine whether the act provides an exemption for the particular type of transaction.  
  
As a rule, sales tax is imposed on all transactions involving the transfer of tangible personal property. With services, however, tax is imposed only on those transactions that are specifically enumerated in the sales tax act. Exemptions for transactions involving either tangible personal property or services are allowed as specifically enumerated.  
  
After reviewing the information provided in your letter, we have concluded the services about which you inquire (Internet service and web hosting) are not subject to the Kansas sales tax. This determination is based on our belief that the type of services you provide have not been enumerated in the sales tax act as a service which is subject to tax. In the event you provide a client with tangible personal property which is more than incidental to your service, however, sales tax might be due on the transfer of the tangible personal property. You should also be aware that you must pay sales tax on all articles of tangible personal property and all services purchased by you in Kansas that enable you to provide the nontaxable services.  
  
This private letter ruling 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 this private letter ruling.  
  
I trust this information is of assistance. If I can be of further service, please feel free to contact me.  
  
Sincerely,  
  
  
  
Jim Weisgerber  
Attorney  
Tax Specialist  
  
JW:jw  
  
  
**Date Composed: 02/25/2002 Date Modified: 02/27/2002**