**Private Letter Ruling**

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| **Ruling Number:** | **P-2003-006** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Photography, film production and printing in the production of catalogs for customers.** |
| **Keywords:** |  |
| **Approval Date:** | **02/10/2003** |

**Body:**

Office of Policy & Research

February 10, 2003

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XXXX

Re: Private Letter Ruling

Dear XXXX:

This letter responds to your correspondence dated November 11, 2002 on behalf of your client, XXXX, an advertising agency. I apologize for the delay in my response. You indicate that XXXX contracts with vendors for photography, film production and printing in the production of catalogs for its customers, and XXXX pays sales tax on these purchases. In your letter, you ask: “If the purchaser of catalogs from XXXX is a tax-exempt entity, does the tax exemption extend to products purchased by XXXX for production of the catalogs, such as photography, film production and printing?”

The answer is, no. XXXX is considered the consumer of the tangible personal property and services that it must purchase in order to complete a catalog production project, and XXXX therefore would owe sales tax on those purchases. Those sales taxes, once paid by XXXX, become part of XXXX’s costs in completing the project for its customer.

This private letter is based 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.

Please let me know if have additional questions.

Very truly yours,

Richard L. Cram

**Date Composed: 03/05/2003 Date Modified: 03/05/2003**