**Private Letter Ruling**

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| **Ruling Number:** | **P-2016-001** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Garage Utilities Residential** |
| **Keywords:** |  |
| **Effective Date:** | **07/01/2016** |
| **Approval Date:** | **07/01/2016** |

**Body:**

July 1, 2016

XXXXXXXXXX
XXXXX
XXXXXXXXXXX

Dear XXXXXXXXX:

Your letter the Kansas Department states: “I would like to request a private letter ruling regarding the taxability of electricity usage in a detached garage, which is used to store vehicles for the owner's personal use. There is no business or commercial activity conducted on the premises. The detached garage is located next to my residence. The electricity used in the detached garage powers overhead lights and a heat pump. XXXXXX maintains that this separately metered detached garage is commercial, and is charging state tax in addition to local tax. I previously sent them documentation from the county in which I live, documenting that the residence and detached garage are both classified as "residential" as far as the county is concerned. Please verify that the electricity for the separately metered detached garage qualifies as residential usage, and is therefore not subject to state tax.”

It is the Kansas Department of Revenue’s opinion that utility usage in above described garage would be deemed “residential usage” and thus tax accordingly for Kansas retailers’ sales tax.

This is a private letter ruling pursuant to K.A.R. 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 ruling will be revoked in the future by the operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or published revenue ruling, that materially effects this private letter ruling.

Sincerely,

Mark Ciardullo
Office of Policy and Research

**Date Composed: 07/01/2016 Date Modified: 07/01/2016**