**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-167** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Printing and shipping of payment remittances for financial institutions.** |
| **Keywords:** |  |
| **Approval Date:** | **07/28/1999** |

**Body:**

Office of Policy and Research

July 28, 1999

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Re: Kansas Sales Tax

Dear XXXXX:

Your correspondence of June 25, 1999, has been referred to me for response. Thank you for your inquiry.

Your letter indicates your company is in the printing business, and that you produce payment remittances for financial institutions. In order to update your records, you ask for a copy of the Kansas statutes which control whether postage or shipping charges by common carrier are taxable or non-taxable if: (A) the product is shipped by common carrier to the purchaser or (B) shipped to a third party by the U.S. Post Office at the request of the purchaser. You ask whether freight / mail charges are part of the purchase price if the charges are separately stated on the invoice.

Three Kansas statutes address the area of the taxation of freight charges. K.S.A. 79-3603(a) imposes a sales tax: "upon the gross receipts received from the sale of tangible personal property at retail within this state."

K.S.A. 79-3602(h) provides, in pertinent part, that: “’Gross receipts’ means the total selling price or the amount received as defined in the [Kansas Retailers' Sales Tax Act], in money, credits, property or other consideration valued in money from sales at retail within this state; . . .”

K.S.A. 79-3602(g) provides: “’Selling price’ means the total cost to the consumer exclusive of discounts allowed and credited, but including freight and transportation charges from the retailer to the consumer.”

Based on the statutory provisions noted above, if the item being sold is subject to tax, shipping and freight charges imposed by the retailer are also subject to tax. This is true whether the freight charge is included in the total product price on the purchase order or separately stated.

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: 08/04/1999 Date Modified: 10/11/2001**