**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-19** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Utility exemption for manufacturers.** |
| **Keywords:** |  |
| **Approval Date:** | **02/02/1999** |

**Body:**

Office of Policy & Research

February 2, 1999  
  
  
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RE: TTTTTTTTTTTTTTTTTT  
  
Dear Ms. TTTTTT:  
  
We wish to acknowledge receipt of your letter dated January 22, 1999, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3606(n) exempts from sales tax: "all sales of tangible personal property which is consumed in the production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property, the providing of services or the irrigation of crops for ultimate sale at retail within or without the state of Kansas; and any purchaser of such property may obtain from the director of taxation and furnish to the supplier an exemption certificate number for tangible personal property for consumption in such production, manufacture, processing, mining, drilling, refining, compounding, irrigation and in providing such services."  
  
The portion of electricity that the above referenced company uses that meets the following requirements is exempt from state and local sales taxes: 1) essential or necessary to the process; 2) used in the actual process at the location during the production activity; 3) immediately consumed or dissipated in the process; 4) used in the production, manufacture, processing, mining, drilling, refining, or compounding of tangible personal property. The following uses of electricity are not exempt from sales tax: shipping, repairing, servicing, maintaining, cleaning the equipment and the physical plant, and storing.  
  
In closing, it is the opinion of this department that the electricity used to power the extruders, presses, augers, pumps and the roller mills would come within the scope of the sales tax exemption in K.S.A. 79-3606(n). You will need to furnish your electric utility form BT/st-28B (Rev. 3/96), which is an exemption certificate for electricity furnished through one meter.  
  
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. If I may be of further assistance, please contact me at your earliest convenience at (785) 296-7776.  
  
Sincerely yours,  
  
  
Thomas P. Browne, Jr.  
Tax Specialist  
  
TPB  
  
Enc  
  
  
**Date Composed: 02/11/1999 Date Modified: 10/11/2001**