**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-261** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Duties Kansas law imposes upon the suppliers of multi-level distributors.** |
| **Keywords:** |  |
| **Approval Date:** | **12/09/1999** |

**Body:**

Office of Policy & Research  
  
  
December 9, 1999

XXXXXXXX  
XXXXXXXXXXXXX  
XXXXXXXXXX  
  
  
  
Dear Sirs:  
  
I have been asked to answer your letter that we received earlier this year. Your client had received an information notice dated May 14, 1999. The notice informs multi-level distributors of the duties Kansas law imposes on their supplier.  
  
In your letter you stated:

Our client, XXXXXX received the attached letter from Linda Stumbaugh of the Business Tax Bureau advising them to write for a private letter ruling on the tax issues surrounding their business.  
  
XXXX manufactures scented candles in XXXXXX, Texas. Their customers find out about XXXXXX though retail locations or by word of mouth. They do not advertise. Their customers call or fax orders directly to XXXXXXXXXX. The orders are filled in XXXXXX and shipped by common carrier (UPS) to the customers’ address.  
  
This is not a multi-level marketing company, all sales are made to wholesalers and there is not an agreement or contract between XXXXXX and their customers. XXXXX has no control over how their customers resell the candles.  
  
XXXXXXXX does not have any employees in Kansas nor do they have anyone travel to Kansas to obtain customers. They have not created nexus in Kansas.

It is the opinion of the Department that your client has not established sufficient contact with persons within the State of Kansas to create nexus for Kansas sales/use tax purposes.  
  
In closing, the client does not have nexus if they and their agents never enter Kansas to do business, have no property rights in the state and send all their goods to Kansas residents by mail, UPS, or by some other common carrier.  
  
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 affects this private letter ruling.

Sincerely,  
  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
cc: Linda Stumbaugh  
  
  
**Date Composed: 12/20/1999 Date Modified: 10/11/2001**