**Private Letter Ruling**

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| **Ruling Number:** | **P-2002-080** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Transportation charges by a natural gas pipeline company.** |
| **Keywords:** |  |
| **Approval Date:** | **09/30/2002** |

**Body:**

Office of Policy & Research

September 30, 2002

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XXXX
XXXX

Re: Private Letter Ruling Request Concerning Certain Transportation Charges

Dear XXXX:

Your company, XXXX, has requested a private letter ruling on the proper sales tax treatment for charges that XXXX, a natural gas pipeline company, bills its customers for transporting natural gas to them, when XXXX is not the supplier of the natural gas and those customers have purchased the natural gas from other suppliers. You indicated that as far as you know, XXXX has never in the past billed its customers or collected sales tax on such charges.

When XXXX is the supplier of natural gas to its customers, any charges billed by XXXX to its customers for transporting the gas to them would be considered part of the sale of the natural gas and are subject to applicable sales tax. However, when XXXX is not the supplier of the natural gas to its customers and those customers have instead purchased the natural gas from other suppliers, XXXX’s charges to its customers for transporting such natural gas to them is not subject to 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 by operation of law without further department action if there is a change in the controlling statutes, administrative regulations, revenue rulings or case law that materially effects this determination.

Very truly yours,

Richard L. Cram

Cc: XXXX

**Date Composed: 10/03/2002 Date Modified: 10/04/2002**