**Opinion Letter**

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| **Letter Number:** | **O-1999-08** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Sale and installation of farm machinery and equipment.** |
| **Keywords:** |  |
| **Approval Date:** | **03/08/1999** |

**Body:**

Office of Policy & Research  
  
  
March 8, 1999

XXXXXXXXXXXXXX  
XXXXXXXXXXXXXX  
XXXXXXXXXXXXXXX  
  
  
Dear XXXXXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated February 1, 1999. In it you ask if the sale or the sale and installation of farm machinery and equipment is subject to Kansas retailers’ sales tax.  
  
Kansas law exempts the sale and the service to repair of farm machinery and equipment. Kansas does not exempt the installation of farm equipment unless the installation is done in connection with the original construction of a building or facility.  
  
Per our telephone conversation, the equipment you describe is a grinder that is used to recycle into feed the carcasses and remains of farm animals. The Department agrees that this equipment qualifies as farm machinery and equipment when sold to a farmer or rancher.  
  
Your company is required to register for Kansas retailers’ sales tax. When your company sells equipment that is delivered into Kansas, you are required to tax the sale, unless the purchaser issues to you an exemption certificate.  
  
When your company delivers and installs equipment, once again, Kansas law requires your company to tax the sale of the equipment, unless the purchaser issues to you an exemption certificate. The gross receipts from the sale of service are subject to tax, unless the installation is performed in connection with the original construction of a building or facility.  
  
Services to repair or maintain farm equipment are not subject to sales tax, when the purchaser issues an exemption certificate.  
  
Your company will be required to file corporate income tax returns annually.  
  
I have enclosed the forms necessary for a business to register for Kansas taxes.  
  
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.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 03/23/1999 Date Modified: 10/10/2001**