**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-195** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Church Athletic Foundation fees for sporting events.** |
| **Keywords:** |  |
| **Approval Date:** | **11/13/1998** |

**Body:**

Office of Policy & Research  
  
November 13, 1998

XXXX  
XXXX  
XXXX

RE: Your letter dated October 23, 1998

Dear XXXX:  
  
I have been asked to respond to the letter that you sent to Shirley Sicilian last month. In it, you ask whether the XXXX Church Athletic Foundation is exempt from collecting sales tax on fees that its members pay to participate in sports. K.S.A. 79-3603(m) taxes fees charged to participate in sports and other recreational activities. As you are aware, the 1998 legislature expanded the exceptions in K.S.A. 79-3603(m) to exempt fees paid to organizations that are exempt from property tax under the Ninth paragraph of K.S.A. 79-201.  
  
As amended by 1998 Senate Bill 493, K.S.A. 79-3603(m) taxes:

the gross receipts received from fees and charges by public and private clubs, drinking establishments, organizations and businesses for participation in sports, games and other recreational activities, but such tax shall not be levied and collected upon the gross receipts received from: (1) Fees and charges by any political subdivision, *by any organization* *exempt from property taxation pursuant to paragraph Ninth of K.S.A. 79-201, and amendments thereto,* or *by* any youth recreation organization exclusively providing services to persons 18 years of age or younger which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for participation in sports, games and other recreational activities; and (2) entry fees and charges for participation in a special event or tournament sanctioned by a national sporting association to which spectators are charged an admission which is taxable pursuant to subsection (e).

The documentation that you provided establishes that your foundation qualifies for exemption from property tax under the Ninth paragraph of K.S.A. 79-201. Therefore, you are no longer required to collect sales tax on the participation fees paid by your members to participate in sports. Please note that your foundation must continue to pay sales tax on its purchases, since there is no exemption for such purchases.  
  
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.

Sincerely,  
  
  
Thomas E. Hatten

Attorney/Policy & Research  
  
  
**Date Composed: 11/23/1998 Date Modified: 10/10/2001**