**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-27** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Reimbursement services provided to employees by employers.** |
| **Keywords:** |  |
| **Effective Date:** | **03/06/1998** |

**Body:**

Office of Policy & Research

March 6, 1998  
  
  
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Dear Mr. TTTTTT:  
  
  
We wish to acknowledge receipts of your letter dated February 6, 1998, regarding the application of Kansas Retailers’ Sales tax.  
  
It is the understanding of this department that your company plans to administer business expense reimbursements to the employees of employers in the state of Kansas. You indicate in a letter to this department, that the transaction involves the employer reimbursing its employees for the expense and use of equipment that the employee purchases. Further, you state that the employee paid all applicable Kansas sales/use tax on the equipment at the time of purchase.  
  
The reimbursement services that you are providing are not currently subject to sales tax in the state of Kansas. However, you must pay sales tax on all articles of tangible personal property and all taxable services purchased to provide the nontaxable services.  
  
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  
  
  
  
**Date Composed: 03/11/1998 Date Modified: 10/10/2001**