**Private Letter Ruling**

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| **Ruling Number:** | **P-1998-89** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Residential remodeling.** |
| **Keywords:** |  |
| **Approval Date:** | **08/21/1998** |

**Body:**

Office of Policy & Research

August 21, 1998  
  
  
XXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXXX  
XXXXXXXXXXXXXXXXXXXXXX  
  
  
Dear XXXXXXXXXXXXXXXXX:  
  
The purpose of this letter is to respond to your letter dated July 1, 1998.  
  
1998 Senate Bill No. 493 exempts certain construction services that were formerly subject to Kansas sales tax. Effective July 1, 1998, services performed to install or apply tangible personal property are exempt from sales tax when the services involve the original construction, reconstruction, restoration, remodeling, renovation, repair or replacement of a residence.  
  
In your letter you provided this example. An employee costs $20.00 per hour and the company bills at $30.00 an hour per employee. You asked if the exemption for residential remodeling would apply to the $30 per hour or only to the $20 per hour.  
  
The exemption would apply to the retailers total gross receipts associated with residential remodeling. Therefore, the amount you bill the consumer for service would be the amount that is exempt from the tax. In your example this would the billing rate of $30 per hour.  
  
Sincerely,  
  
  
Mark D. Ciardullo  
Tax Specialist  
  
MDC  
  
  
**Date Composed: 08/31/1998 Date Modified: 10/10/2001**