**Private Letter Ruling**

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| **Ruling Number:** | **P-1999-142** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Repair of railroad rolling stock used in interstate commerce.** |
| **Keywords:** |  |
| **Approval Date:** | **06/14/1999** |

**Body:**

Office of Policy and Research  
  
  
June 14, 1999

TTTTTTTTTTT  
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Dear Mr. TTTTTTT:  
  
  
We wish to acknowledge receipts of your letter dated May 19, 1999, regarding the application of Kansas Retailers’ Sales tax.  
  
K.S.A. 79-3606(y) exempts from sales tax: "all sales of materials and services used in repairing, servicing, altering, maintaining, manufacturing, remanufacturing, or modification of railroad rolling stock for use in interstate or foreign commerce under authority of the laws of the United States. . .”  
  
It is the opinion of this office that as long as the freight cars are operated by carriers, who possess interstate common carrier authority, and are used in interstate commerce, then the respective purchase of materials or services to repair, alter, maintain, manufacture, remanufacture or modify the freight cars would come within the scope of the sales tax exemption in K.S.A. 79-3606(y). Additionally, the purchase of gasoline, distillate, lubricants and other motor fuels purchased by the common carrier would likewise be exempt from any Kansas sales/use tax. However, the purchase of machinery, equipment and tooling which is not a repair or replacement part for the railroad rolling stock would not qualify for the sales tax exemption in K.S.A. 79-3606(y).  
  
The railroad rolling stock must be used in either interstate commerce exclusively or interstate commerce and intrastate commerce in order for the purchase of materials and services used in repairing, servicing, altering, maintaining, manufacturing, remanufacturing, or modification of said railroad rolling stock.  
  
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 in the future by the operation of law without further department action if there is a change in the statutes, administrative regulations, or case law, or published revenue ruling, that materially effects this private letter ruling. 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: 07/07/1999 Date Modified: 10/11/2001**