**Private Letter Ruling**

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| **Ruling Number:** | **P-2003-011** |

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| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Educational institution qualifications.** |
| **Keywords:** |  |
| **Approval Date:** | **02/25/2003** |

**Body:**

Office of Policy & Research

February 25, 2003

XXXXXXXXXXXX
XXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXXX
XXXXXXXXXX

Dear XXXXXXXXX:

The purpose of this letter is to respond to your letter dated February 14, 2003. In it, you request a private letter ruling on the question of whether or not XXXXXXXXXXXXXXXXXX qualifies as an educational institution as defined in the Kansas Retailers’ Sales Tax Act.

The Kansas retailers’ sales tax is imposed by K.S.A. 79-3603. Exemptions are found in K.S.A. 79-3606. Subsection (c) of the statute provides an exemption for:

all sales of tangible personal property or services, including the renting and leasing of tangible personal property, purchased directly by a public or private elementary or secondary school or public or private nonprofit educational institution and used primarily by such school or institution for nonsectarian programs and activities provided or sponsored by such school or institution or in the erection, repair or enlargement of buildings to be used for such purposes. The exemption herein provided shall not apply to erection, construction, repair, enlargement or equipment of buildings used primarily for human habitation;

Definitions are found in K.S.A. 79-3602. Subsection (r) defines the term “educational institution” to mean:

(r) "Educational institution" means any nonprofit school, college and university that offers education at a level above the twelfth grade, and conducts regular classes and courses of study required for accreditation by, or membership in, the North Central Association of Colleges and Schools, the state board of education, or that otherwise qualify as an "educational institution," as defined by K.S.A. 74-50,103, and amendments thereto. Such phrase shall include: (1) A group of educational institutions that operates exclusively for an educational purpose; (2) nonprofit endowment associations and foundations organized and operated exclusively to receive, hold, invest and administer moneys and property as a

permanent fund for the support and sole benefit of an educational institution; (3) nonprofit trusts, foundations and other entities organized and operated principally to hold and own receipts from intercollegiate sporting events and to disburse such receipts, as well as grants and gifts, in the interest of collegiate and intercollegiate athletic programs for the support and sole benefit of an educational institution; and (4) nonprofit trusts, foundations and other entities organized and operated for the primary purpose of encouraging, fostering and conducting scholarly investigations and industrial and other types of research for the support and sole benefit of an educational institution.

I have reviewed the materials that you submitted to the Department and I have concluded that XXXXXXXXXXXXXXXXXXXX does not qualify as an educational institution as defined by the Kansas Retailers’ Sales Tax Act.

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 affects this private letter ruling.

Sincerely,

Mark D. Ciardullo
Tax Specialist

MDC

**Date Composed: 03/05/2003 Date Modified: 03/05/2003**