

OCCUPATION TAX; Contractors.

August 24th, 1934



Hon. Otto P. Higgins, Director  
Police Department,  
Kansas City, Missouri.

Dear Mr. Higgins:

Your letter addressed to General McKittrick of sometime ago has been handed to the writer for reply

The question of contractors insofar as being amenable to the provisions of the Occupation Tax has always been a mooted question with this Department. However, in the past we have ruled substantially as follows:

Your client I take it makes contracts for placing new roofs or replacing roofs on houses and buildings. If your client makes a contract with a person for a complete job, furnishing all materials and labor and receiving a certain amount when the work is approved then the materials and supplies should be included in the gross receipts and a return made to the State Auditor. The labor involved is not to be included, the theory being that your client by purchasing materials from a person engaged in that business is using and consuming the same. On the other hand if your client makes contracts wherein the materials are itemized and the owner of the building or house agrees to pay the seller for the same and your client receives a certain amount for his labor, skill and superintending the job then no return of materials purchased should be made.

I am enclosing an opinion rendered by Assistant Attorney-General Gilbert Lamb on March 8th, which embodies the principle of your question and will be of further assistance to you.

Soon after the passage of the Occupation Tax Law this Department prepared an opinion in pamphlet form which discusses the taxability of various lines of business and the same is being mailed you under separate cover in the hope that it may prove valuable

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to you if other questions arise.

With kindest regards and hoping that I may see you in person soon, I am

Yours very truly,

OLLIVER W. NOLEN  
Assistant Attorney-General

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APPROVED:

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ROY McKITTRICK  
Attorney-General