AN ACT concerning firearms; relating to the sale of firearms and ammunition; imposing a privilege tax on the sale thereof.

Be it enacted by the Legislature of the State of Kansas:

Section 1. (a) A tax is hereby imposed upon the privilege of selling firearms and ammunition in this state, at the rate of 5% on the gross receipts received from the sale of firearms and ammunition. The tax imposed by this section shall be collected and paid by the seller of the firearm or ammunition.

(b) On or before the 20th day of each calendar month, each seller who has sold a firearm or ammunition, or both, during the immediately preceding month shall file a return with the director of taxation showing the total amount of gross receipts received from the sale of firearms and ammunition within this state during the preceding calendar month. Each return shall be accompanied by a remittance for the full tax liability shown.

(c) The provisions of this section shall not apply to:

1. Sales from one federally licensed firearms dealer to another federally licensed firearms dealer;
2. Sales of firearms and ammunition at wholesale; or
3. Sales of firearms and ammunition to any military unit of the armed forces of the United States, army or air national guard unit, law enforcement agency or any member of any such unit or agency, provided such firearm or ammunition is purchased solely for use as part of the buyer's official duties.

(d) The tax imposed by this section shall be in addition to any applicable state and local sales and use taxes.

Sec. 2. The director of taxation shall have the power to require any firearm or ammunition seller to furnish additional information deemed necessary for the purpose of computing the amount of the taxes due pursuant to section 1, and amendments thereto, and for such purpose to examine all books, records and files of such persons or entities, and for such purpose, the director shall have the power to issue subpoenas and examine witnesses under oath, and if any witness shall fail or refuse to appear at the request of the director, or refuse access to books, records and files, the district court of the proper county, or the judge thereof, on
application of the director, shall compel obedience by proceedings for
contempt, as in the case of disobedience of the requirements of a subpoena
issued from such court or a refusal to testify therein.

Sec. 3. The provisions of K.S.A. 75-5133, 79-3610, 79-3611, 79-
3612, 79-3613, 79-3615 and 79-3617, and amendments thereto, relating to
the assessment, collection, appeal and administration of the retailers' sales
tax, insofar as practical, shall have full force and effect with respect to
taxes, penalties and fines imposed by section 1, and amendments thereto.

Sec. 4. (a) All moneys received by the director of taxation, or the
director's designee, from the payment of the tax and any fines imposed by
sections 1 through 3, and amendments thereto, shall be remitted to the
state treasurer in accordance with the provisions of K.S.A. 75-4215, and
amendments thereto. Upon receipt of each such remittance, the state
treasurer shall deposit the entire amount in the state treasury to the credit
of the state general fund. Such moneys shall be used solely for:
(1) Costs related to the administration and enforcement of the
provisions of sections 1 through 3, and amendments thereto; and
(2) costs related to providing residential mental health treatment.
(b) On or before the 15th day of each month, the director of taxation
shall certify to the director of accounts and reports an amount equal to the
aggregate amount of moneys received by the director of taxation from the
payment of the tax and any fines imposed by sections 1 through 3, and
amendments thereto, less the costs related to the administration and
enforcement of the provisions of sections 1 through 3, and amendments
thereto, for the immediately preceding month. Upon receipt of such
certification, the director of accounts and reports shall transfer such
certified amount to the residential mental health treatment fund.
(c) There is hereby established the residential mental health treatment
fund in the state treasury. The secretary of the Kansas department for aging
and disability services shall administer the residential mental health
treatment fund. Moneys credited to the residential mental health treatment
fund shall only be expended or transferred for providing residential mental
health treatment. Expenditures from such fund shall be made in
accordance with appropriation acts upon warrants of the director of
accounts and reports issued pursuant to vouchers approved by the
secretary of the Kansas department for aging and disability services, or the
secretary's designee.

Sec. 5. As used in sections 1 through 4, and amendments thereto:
(a) The terms "firearm" and "law enforcement officer" shall have the
same meanings as such terms are defined in K.S.A. 2019 Supp. 21-5111,
and amendments thereto; and
(b) the term "law enforcement agency" means the state, or any
county, city or other political subdivision thereof, or any department,
division, board or other agency of any of the foregoing, except any board
of education of any school district employing school security officers,
employing a law enforcement officer.
Sec. 6. This act shall take effect and be in force from and after its
publication in the statute book.