

HOUSE BILL No. 2253

By Committee on Federal and State Affairs

2-6

1 AN ACT concerning abortion; relating to the funding of abortion services;
2 relating to restrictions on late-term abortions; relating to the woman's-
3 right-to-know act; amending K.S.A. 2012 Supp. 40-2246, 65-6701, 65-
4 6703, 65-6709, 65-6710, 76-3308, 79-32,117, 79-32,138, 79-32,182b,
5 79-32,195, 79-32,261 and 79-3606 and repealing the existing sections.
6

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

8 New Section 1. As used in sections 1 through 8, and amendments
9 thereto:

10 (a) "Abortion" has the same meaning as such term is defined in
11 K.S.A. 65-6701, and amendments thereto.

12 (b) "Health benefit plan" means any hospital or medical expense
13 policy, health, hospital or medical services corporation contract, and a plan
14 provided by a municipal group-funded pool, or a health maintenance
15 organization contract offered by any employer or any certificate issued
16 under any such policy, contract or plan.

17 (c) "Health care entity" means an individual physician or other health
18 care professional, a hospital, a provider-sponsored organization, a health
19 maintenance organization or any other health care facility or organization.

20 (d) "School district" means any public school district organized under
21 the laws of this state.

22 (e) "State agency" has the same meaning as such term is defined in
23 K.S.A. 75-3701, and amendments thereto.

24 New Sec. 2. (a) The legislature hereby finds and declares the
25 following:

26 (1) The life of each human being begins at fertilization;

27 (2) unborn children have interests in life, health and well-being that
28 should be protected; and

29 (3) the parents of unborn children have protectable interests in the
30 life, health and well-being of the unborn children of such parents.

31 (b) On and after July 1, 2013, the laws of this state shall be
32 interpreted and construed to acknowledge on behalf of the unborn child at
33 every stage of development, all the rights, privileges and immunities
34 available to other persons, citizens and residents of this state, subject only
35 to the constitution of the United States, and decisional interpretations
36 thereof by the United States supreme court and specific provisions to the

1 contrary in the Kansas constitution and the Kansas Statutes Annotated.

2 (c) As used in this section:

3 (1) "Fertilization" means the fusion of a human spermatozoon with a
4 human ovum.

5 (2) "Unborn children" or "unborn child" shall include all unborn
6 children or the offspring of human beings from the moment of fertilization
7 until birth at every stage of biological development.

8 (d) Nothing in this section shall be construed as creating a cause of
9 action against a woman for indirectly harming her unborn child by failing
10 to properly care for herself or by failing to follow any particular program
11 of prenatal care.

12 New Sec. 3. Except to the extent required by federal law:

13 (a) No moneys appropriated from the state general fund or from any
14 special revenue fund shall be expended for any abortion;

15 (b) no tax credit shall be allowed against any income tax, premium or
16 privilege tax liability and no exemption shall be granted from sales or
17 compensating use tax for that portion of such amounts paid or incurred for
18 an abortion, or that portion of such amounts paid or incurred for a health
19 benefit plan, including premium assistance, for the purchase of an optional
20 rider for coverage of abortion in accordance with K.S.A. 2012 Supp. 40-
21 2,190, and amendments thereto;

22 (c) in the case of any tax-preferred trust or account, the purpose of
23 which is to pay medical expenses of the account beneficiary, any amount
24 paid or distributed from such an account for an abortion shall be included
25 in the gross income of such beneficiary; and

26 (d) no health care services provided by any state agency, or any
27 employee of a state agency while acting within the scope of such
28 employee's employment, shall include abortion, nor shall money
29 appropriated from the state general fund or from any special revenue fund
30 be used to pay for the lease or operation of any facility in which abortions
31 are performed.

32 New Sec. 4. No school district, employee or volunteer thereof, or
33 educational service provider contracting with such school district shall
34 provide abortion services. No school district shall permit any person or
35 entity to offer, sponsor or otherwise furnish in any manner any course
36 materials or instruction relating to human sexuality or sexually transmitted
37 diseases if such person or entity is an abortion services provider, or an
38 employee or volunteer of an abortion services provider.

39 New Sec. 5. Nothing in sections 1 through 8, and amendments
40 thereto, shall repeal, amend or have any effect on any other state law to the
41 extent such law imposes any limitation on the use of funds for abortion,
42 more restrictive than the limitations set forth in sections 1 through 8, and
43 amendments thereto.

1 New Sec. 6. Nothing in sections 1 through 8, and amendments
2 thereto, shall be construed:

3 (a) To require any state agency or municipality to provide or pay for
4 any abortion; or

5 (b) as creating or recognizing a right to an abortion.

6 New Sec. 7. No state agency shall discriminate against any individual
7 or institutional health care entity on the basis that such health care entity
8 does not provide, pay for or refer for abortions.

9 Sec. 8. The limitations set forth in sections 1 through 8, and
10 amendments thereto, shall not apply to an abortion which is necessary to
11 preserve the life of the pregnant woman.

12 Sec. 9. K.S.A. 2012 Supp. 40-2246 is hereby amended to read as
13 follows: 40-2246. (a) A credit against the taxes otherwise due under the
14 Kansas income tax act shall be allowed to an employer for amounts paid
15 during the taxable year for purposes of this act on behalf of an eligible
16 employee as defined in K.S.A. 40-2239, and amendments thereto, to
17 provide health insurance or care and amounts contributed to health savings
18 accounts of eligible covered employees, *except that for taxable years*
19 *commencing after December 31, 2013, no credit shall be allowed pursuant*
20 *to this section for that portion of any amounts paid by an employer for*
21 *healthcare, a health benefit plan, as defined in section 1, and amendments*
22 *thereto, or amounts contributed to health savings accounts for the*
23 *purchase of an optional rider for coverage of abortion in accordance with*
24 *K.S.A. 40-2,190, and amendments thereto.*

25 (b) (1) For employers that have established a small employer health
26 benefit plan after December 31, 1999, but prior to January 1, 2005, the
27 amount of the credit allowed by subsection (a) shall be \$35 per month per
28 eligible covered employee or 50% of the total amount paid by the
29 employer during the taxable year, whichever is less, for the first two years
30 of participation. In the third year, the credit shall be equal to 75% of the
31 lesser of \$35 per month per employee or 50% of the total amount paid by
32 the employer during the taxable year. In the fourth year, the credit shall be
33 equal to 50% of the lesser of \$35 per month per employee or 50% of the
34 total amount paid by the employer during the taxable year. In the fifth year,
35 the credit shall be equal to 25% of the lesser of \$35 per month per
36 employee or 50% of the total amount paid by the employer during the
37 taxable year. For the sixth and subsequent years, no credit shall be
38 allowed.

39 (2) For employers that have established a small employer health
40 benefit plan or made contributions to a health savings account of an
41 eligible covered employee after December 31, 2004, the amount of credit
42 allowed by subsection (a) shall be \$70 per month per eligible covered
43 employee for the first 12 months of participation, \$50 per month per

1 eligible covered employee for the next 12 months of participation and \$35
2 per eligible covered employee for the next 12 months of participation.
3 After 36 months of participation, no credit shall be allowed.

4 (c) If the credit allowed by this section is claimed, the amount of any
5 deduction allowable under the Kansas income tax act for expenses
6 described in this section shall be reduced by the dollar amount of the
7 credit. The election to claim the credit shall be made at the time of filing
8 the tax return in accordance with law. If the credit allowed by this section
9 exceeds the taxes imposed under the Kansas income tax act for the taxable
10 year, that portion of the credit which exceeds those taxes shall be refunded
11 to the taxpayer.

12 (d) Any amount of expenses paid by an employer under this act shall
13 not be included as income to the employee for purposes of the Kansas
14 income tax act. If such expenses have been included in federal taxable
15 income of the employee, the amount included shall be subtracted in
16 arriving at state taxable income under the Kansas income tax act.

17 (e) The secretary of revenue shall promulgate rules and regulations to
18 carry out the provisions of this section.

19 (f) This section shall apply to all taxable years commencing after
20 December 31, 1999.

21 (g) For tax year 2013 and all tax years thereafter, the income tax
22 credit provided by this section shall only be available to taxpayers subject
23 to the income tax on corporations imposed pursuant to subsection (c) of
24 K.S.A. 79-32,110, and amendments thereto, and shall be applied only
25 against such taxpayer's corporate income tax liability.

26 Sec. 10. K.S.A. 2012 Supp. 65-6701 is hereby amended to read as
27 follows: 65-6701. As used in ~~this act~~ *K.S.A. 65-6701 through 65-6721, and*
28 *amendments thereto:*

29 (a) "Abortion" means the use or prescription of any instrument,
30 medicine, drug or any other substance or device to terminate the
31 pregnancy of a woman known to be pregnant with an intention other than
32 to increase the probability of a live birth, to preserve the life or health of
33 the child after live birth, or to remove a dead unborn child who died as the
34 result of natural causes in utero, accidental trauma or a criminal assault on
35 the pregnant woman or her unborn child, and which causes the premature
36 termination of the pregnancy.

37 (b) *"Bodily function" means physical functions only. The term "bodily*
38 *function" does not include mental or emotional functions.*

39 (c) "Counselor" means a person who is: (1) Licensed to practice
40 medicine and surgery; ~~(2) licensed to practice psychology; (3) licensed to~~
41 ~~practice professional or practical nursing; (4) registered to practice~~
42 ~~professional counseling; (5) licensed as a social worker; (6) the holder of a~~
43 ~~master's or doctor's degree from an accredited graduate school of social~~

1 work; ~~(7) registered to practice marriage and family therapy;~~ ~~(8) licensed~~
 2 *to practice professional or practical nursing;* *(3) the following persons*
 3 *licensed to practice behavioral sciences: Licensed psychologists, licensed*
 4 *master's level psychologists, licensed clinical psychotherapists, licensed*
 5 *social workers, licensed specialist clinical social workers, licensed*
 6 *marriage and family therapists, licensed clinical marriage and family*
 7 *therapists, licensed professional counselors, licensed clinical professional*
 8 *counselors;* *(4) a licensed physician assistant; or* ~~(9)~~ *(5) a currently*
 9 *ordained member of the clergy or religious authority of any religious*
 10 *denomination or society. Counselor does not include the physician who*
 11 *performs or induces the abortion or a physician or other person who assists*
 12 *in performing or inducing the abortion.*

13 ~~(e)~~ *(d) "Department" means the department of health and*
 14 *environment.*

15 *(e) "Fertilization" means the fusion of a human spermatozoon with a*
 16 *human ovum.*

17 ~~(f)~~ *(f) "Gestational age" means the time that has elapsed since the*
 18 *first day of the woman's last menstrual period.*

19 ~~(g)~~ *(g) "Medical emergency" means that a condition which, on the*
 20 *basis of the physician's good faith clinical judgment, that, in reasonable*
 21 *medical judgment, so complicates the medical condition of a the pregnant*
 22 *woman as to necessitate the immediate abortion of her pregnancy without*
 23 *first determining gestational age to avert her the death of the woman or for*
 24 *which a delay necessary to determine gestational age will create serious*
 25 *risk of substantial and irreversible physical impairment of a major bodily*
 26 *function. No condition shall be deemed a medical emergency if based on a*
 27 *claim or diagnosis that the woman will engage in conduct which would*
 28 *result in her death or in substantial and irreversible physical impairment*
 29 *of a major bodily function.*

30 ~~(h)~~ *(h) "Minor" means a person less than 18 years of age.*

31 ~~(i)~~ *(i) "Physician" means a person licensed to practice medicine and*
 32 *surgery in this state.*

33 ~~(j)~~ *(j) "Pregnant" or "pregnancy" means that female reproductive*
 34 *condition of having an unborn child in the mother's body.*

35 ~~(k)~~ *(k) "Qualified person" means an agent of the physician who is a*
 36 *psychologist, licensed social worker, registered licensed professional*
 37 *counselor, licensed marriage and family therapist, licensed master's level*
 38 *psychologist, licensed clinical psychotherapist, registered nurse or*
 39 *physician.*

40 ~~(l)~~ *(l) "Unemancipated minor" means any minor who has never been:*
 41 *(1) Married; or (2) freed, by court order or otherwise, from the care,*
 42 *custody and control of the minor's parents.*

43 ~~(m)~~ *(m) "Viable" means that stage of fetal development when it is the*

1 physician's judgment according to accepted obstetrical or neonatal
2 standards of care and practice applied by physicians in the same or similar
3 circumstances that there is a reasonable probability that the life of the child
4 can be continued indefinitely outside the mother's womb with natural or
5 artificial life-supportive measures.

6 Sec. 11. K.S.A. 2012 Supp. 65-6703 is hereby amended to read as
7 follows: 65-6703. (a) No person shall perform or induce, *or attempt to*
8 *perform or induce* an abortion when the unborn child is viable unless such
9 person is a physician and has a documented referral from another
10 physician not legally or financially affiliated with the physician
11 performing or inducing, *or attempting to perform or induce* the abortion
12 and both physicians provide a written determination, based upon a medical
13 judgment arrived at using and exercising that degree of care, skill and
14 proficiency commonly exercised by the ordinary skillful, careful and
15 prudent physician in the same or similar circumstances and that would be
16 made by a reasonably prudent physician, knowledgeable in the field, and
17 knowledgeable about the case and the treatment possibilities with respect
18 to the conditions involved, that: (1) The abortion is necessary to preserve
19 the life of the pregnant woman; or (2) a continuation of the pregnancy will
20 cause a substantial and irreversible *physical* impairment of a major bodily
21 function of the pregnant woman. *No condition shall be deemed to exist if it*
22 *is based on a claim or diagnosis that the woman will engage in conduct*
23 *that would result in her death or in substantial and irreversible physical*
24 *impairment of a major bodily function.*

25 (b) Except in the case of a medical emergency, a copy of the written
26 documented referral and of the abortion-performing physician's written
27 determination shall be provided to the pregnant woman no less than 30
28 minutes prior to the initiation of the abortion. The written determination
29 shall be time-stamped at the time it is delivered to the pregnant woman.
30 The medical basis for the determination shall also be reported by the
31 physician as part of the written report made by the physician to the
32 secretary of health and environment under K.S.A. 65-445, and
33 amendments thereto. Such determination shall specify:

34 (1) If the unborn child was determined to be nonviable and the
35 medical basis of such determination;

36 (2) if the abortion is necessary to preserve the life of the pregnant
37 woman and the medical basis of such determination, including the specific
38 medical condition the physician believes would cause the death of the
39 pregnant woman; or

40 (3) if a continuation of the pregnancy will cause a substantial and
41 irreversible *physical* impairment of a major bodily function of the pregnant
42 woman and the medical basis of such determination, including the specific
43 medical condition the physician believes would constitute a substantial and

1 irreversible *physical* impairment of a major bodily function of the pregnant
2 woman.

3 (c) (1) Except in the case of a medical emergency, prior to performing
4 *or inducing, or attempting to perform or induce* an abortion upon a
5 woman, the physician shall determine the gestational age of the unborn
6 child according to accepted obstetrical and neonatal practice and standards
7 applied by physicians in the same or similar circumstances. If the
8 physician determines the gestational age is less than 22 weeks, the
9 physician shall document as part of the medical records of the woman the
10 basis for the determination. The medical basis for the determination of the
11 gestational age of the unborn child shall also be reported by the physician
12 as part of the written report made by the physician to the secretary of
13 health and environment under K.S.A. 65-445, and amendments thereto.

14 (2) If the physician determines the gestational age of the unborn child
15 is 22 or more weeks, prior to performing *or inducing, or attempting to*
16 *perform or induce* an abortion upon the woman the physician shall
17 determine if the unborn child is viable by using and exercising that degree
18 of care, skill and proficiency commonly exercised by the ordinary skillful,
19 careful and prudent physician in the same or similar circumstances. In
20 making this determination of viability, the physician shall perform or cause
21 to be performed such medical examinations and tests as are necessary to
22 make a finding of the gestational age of the unborn child and shall enter
23 such findings and determinations of viability in the medical record of the
24 woman.

25 (3) If the physician determines the gestational age of an unborn child
26 is 22 or more weeks, and determines that the unborn child is not viable and
27 performs an abortion on the woman, the physician shall report such
28 determinations, the medical basis and the reasons for such determinations
29 in writing to the medical care facility in which the abortion is performed
30 for inclusion in the report of the medical care facility to the secretary of
31 health and environment under K.S.A. 65-445, and amendments thereto, or
32 if the abortion is not performed in a medical care facility, the physician
33 shall report such determinations, the medical basis and the reasons for
34 such determinations in writing to the secretary of health and environment
35 as part of the written report made by the physician to the secretary of
36 health and environment under K.S.A. 65-445, and amendments thereto.

37 (4) If the physician who is to perform the abortion determines the
38 gestational age of an unborn child is 22 or more weeks, and determines
39 that the unborn child is viable, both physicians under subsection (a)
40 determine in accordance with the provisions of subsection (a) that an
41 abortion is necessary to preserve the life of the pregnant woman or that a
42 continuation of the pregnancy will cause a substantial and irreversible
43 *physical* impairment of a major bodily function of the pregnant woman

1 and the physician performs an abortion on the woman, the physician who
2 performs the abortion shall report such determinations, the medical basis
3 and the reasons for such determinations, including the specific medical
4 diagnosis for the determination that an abortion is necessary to preserve
5 the life of the pregnant woman or that a continuation of the pregnancy will
6 cause a substantial and irreversible *physical* impairment of a major bodily
7 function of the pregnant woman and the name of the referring physician
8 required by subsection (a) in writing to the medical care facility in which
9 the abortion is performed for inclusion in the report of the medical care
10 facility to the secretary of health and environment under K.S.A. 65-445,
11 and amendments thereto, or if the abortion is not performed in a medical
12 care facility, the physician who performs the abortion shall report such
13 determinations, the medical basis and the reasons for such determinations,
14 including the specific medical diagnosis for the determination that an
15 abortion is necessary to preserve the life of the pregnant woman or that a
16 continuation of the pregnancy will cause a substantial and irreversible
17 *physical* impairment of a major bodily function of the pregnant woman
18 and the name of the referring physician required by subsection (a) in
19 writing to the secretary of health and environment as part of the written
20 report made by the physician to the secretary of health and environment
21 under K.S.A. 65-445, and amendments thereto.

22 (5) The physician shall retain the medical records required to be kept
23 under paragraphs (1) and (2) of this subsection (c) for not less than 10
24 years and shall retain a copy of the written reports required under
25 paragraphs (3) and (4) of this subsection (c) for not less than 10 years.

26 (d) The secretary of health and environment shall adopt rules and
27 regulations to administer this section. Such rules and regulations shall
28 include:

29 (1) A detailed list of the information that must be kept by a physician
30 under paragraphs (1) and (2) of subsection (c);

31 (2) the contents of the written reports required under paragraphs (3)
32 and (4) of subsection (c); and

33 (3) detailed specifications regarding information that must be
34 provided by a physician in order to comply with the obligation to disclose
35 the medical basis and specific medical diagnosis relied upon in
36 determining that an abortion is necessary to preserve the life of the
37 pregnant woman or that a continuation of the pregnancy will cause a
38 substantial and irreversible *physical* impairment of a major bodily function
39 of the pregnant woman.

40 (e) A woman upon whom an abortion is performed shall not be
41 prosecuted under this section for a conspiracy to violate this section
42 pursuant to K.S.A. 2012 Supp. 21-5302, and amendments thereto.

43 (f) Nothing in this section shall be construed to create a right to an

1 abortion. Notwithstanding any provision of this section, a person shall not
2 perform an abortion that is prohibited by law.

3 (g) (1) A woman upon whom an abortion is performed in violation of
4 this section, the father, if married to the woman at the time of the abortion,
5 and the parents or custodial guardian of the woman, if the woman has not
6 attained the age of 18 years at the time of the abortion, may in a civil
7 action obtain appropriate relief, unless, in a case where the plaintiff is not
8 the woman upon whom the abortion was performed, the pregnancy
9 resulted from the plaintiff's criminal conduct.

10 (2) Such relief shall include:

11 (A) Money damages for all injuries, psychological and physical,
12 occasioned by the violation of this section;

13 (B) statutory damages equal to three times the cost of the abortion;
14 and

15 (C) reasonable attorney fees.

16 (h) The prosecution of violations of this section may be brought by
17 the attorney general or by the district attorney or county attorney for the
18 county where any violation of this section is alleged to have occurred.

19 (i) Nothing in this section shall be construed to restrict the authority
20 of the board of healing arts to engage in a disciplinary action.

21 (j) If any provision of this section is held to be invalid or
22 unconstitutional, it shall be conclusively presumed that the legislature
23 would have enacted the remainder of this section without such invalid or
24 unconstitutional provision.

25 (k) Upon a first conviction of a violation of this section, a person
26 shall be guilty of a class A nonperson misdemeanor. Upon a second or
27 subsequent conviction of a violation of this section, a person shall be
28 guilty of a severity level 10, nonperson felony.

29 Sec. 12. K.S.A. 2012 Supp. 65-6709 is hereby amended to read as
30 follows: 65-6709. No abortion shall be performed or induced without the
31 voluntary and informed consent of the woman upon whom the abortion is
32 to be performed or induced. Except in the case of a medical emergency,
33 consent to an abortion is voluntary and informed only if:

34 (a) At least 24 hours before the abortion the physician who is to
35 perform the abortion or the referring physician has informed the woman in
36 writing of:

37 (1) The name of the physician who will perform the abortion;

38 (2) a description of the proposed abortion method;

39 (3) a description of risks related to the proposed abortion method,
40 including *risk of premature birth in future pregnancies, risk of breast*
41 *cancer and risks to the woman's reproductive health and alternatives to the*
42 *abortion that a reasonable patient would consider material to the decision*
43 *of whether or not to undergo the abortion;*

1 (4) the probable gestational age of the unborn child at the time the
2 abortion is to be performed and that Kansas law requires the following:
3 "No person shall perform or induce an abortion when the unborn child is
4 viable unless such person is a physician and has a documented referral
5 from another physician not financially associated with the physician
6 performing or inducing the abortion and both physicians determine that:
7 (1) The abortion is necessary to preserve the life of the pregnant woman;
8 or (2) a continuation of the pregnancy will cause a substantial and
9 irreversible *physical* impairment of a major bodily function of the pregnant
10 woman." If the child is born alive, the attending physician has the legal
11 obligation to take all reasonable steps necessary to maintain the life and
12 health of the child;

13 (5) the probable anatomical and physiological characteristics of the
14 unborn child at the time the abortion is to be performed;

15 (6) the contact information for ~~free~~ counseling assistance for
16 medically challenging pregnancies and the contact information for ~~free~~
17 perinatal hospice services, *including information regarding which entities*
18 *provide such services free of charge*;

19 (7) the medical risks associated with carrying an unborn child to
20 term; and

21 (8) any need for anti-Rh immune globulin therapy, if she is Rh
22 negative, the likely consequences of refusing such therapy and the cost of
23 the therapy.

24 (b) At least 24 hours before the abortion, the physician who is to
25 perform the abortion, the referring physician or a qualified person has
26 informed the woman in writing that:

27 (1) Medical assistance benefits may be available for prenatal care,
28 childbirth and neonatal care, and that more detailed information on the
29 availability of such assistance is contained in the printed materials given to
30 her and described in K.S.A. 65-6710, and amendments thereto;

31 (2) the informational materials in K.S.A. 65-6710, and amendments
32 thereto, are available in printed form and online, and describe the unborn
33 child, list agencies which offer alternatives to abortion with a special
34 section listing adoption services and list providers of free ultrasound
35 services;

36 (3) the father of the unborn child is liable to assist in the support of
37 her child, even in instances where he has offered to pay for the abortion
38 except that in the case of rape this information may be omitted;

39 (4) the woman is free to withhold or withdraw her consent to the
40 abortion at any time prior to invasion of the uterus without affecting her
41 right to future care or treatment and without the loss of any state or
42 federally-funded benefits to which she might otherwise be entitled; ~~and~~

43 (5) the abortion will terminate the life of a whole, separate, unique,

1 living human being; and

2 (6) *by no later than 20 weeks from fertilization, the unborn child has*
3 *the physical structures necessary to experience pain. There is evidence*
4 *that by 20 weeks from fertilization unborn children seek to evade certain*
5 *stimuli in a manner that in an infant or an adult would be interpreted to be*
6 *a response to pain. Anesthesia is routinely administered to unborn*
7 *children who are 20 weeks from fertilization or older who undergo*
8 *prenatal surgery.*

9 (c) At least 30 minutes prior to the abortion procedure, prior to
10 physical preparation for the abortion and prior to the administration of
11 medication for the abortion, the woman shall meet privately with the
12 physician who is to perform the abortion and such person's staff to ensure
13 that she has an adequate opportunity to ask questions of and obtain
14 information from the physician concerning the abortion.

15 (d) At least 24 hours before the abortion, the woman is given a copy
16 of the informational materials described in K.S.A. 65-6710, and
17 amendments thereto. If the woman asks questions concerning any of the
18 information or materials, answers shall be provided to her in her own
19 language.

20 (e) The woman certifies in writing on a form provided by the
21 department, prior to the abortion, that the information required to be
22 provided under subsections (a), (b) and (d) has been provided and that she
23 has met with the physician who is to perform the abortion on an individual
24 basis as provided under subsection (c). All physicians who perform
25 abortions shall report the total number of certifications received monthly
26 to the department. *The total number of certifications shall be reported by*
27 *the physician as part of the written report made by the physician to the*
28 *secretary of health and environment under K.S.A. 65-445, and*
29 *amendments thereto.* The department shall make the number of
30 certifications received available on an annual basis.

31 (f) Prior to the performance of the abortion, the physician who is to
32 perform the abortion or the physician's agent receives a copy of the written
33 certification prescribed by subsection (e) of this section.

34 (g) The woman is not required to pay any amount for the abortion
35 procedure until the 24-hour waiting period has expired.

36 (h) A physician who will use ultrasound equipment preparatory to or
37 in the performance of the abortion, at least 30 minutes prior to the
38 performance of the abortion:

39 (1) Informs the woman that she has the right to view the ultrasound
40 image of her unborn child, at no additional expense to her;

41 (2) informs the woman that she has the right to receive a physical
42 picture of the ultrasound image, at no additional expense to her;

43 (3) offers the woman the opportunity to view the ultrasound image

1 and receive a physical picture of the ultrasound image;

2 (4) certifies in writing that the woman was offered the opportunity to
3 view the ultrasound image and receive a physical picture of the ultrasound
4 image at least 30 minutes prior to the performance of the abortion; and

5 (5) obtains the woman's signed acceptance or rejection of the
6 opportunity to view the ultrasound image and receive a physical picture of
7 the ultrasound image.

8 If the woman accepts the offer and requests to view the ultrasound
9 image, receive a physical picture of the ultrasound image or both, her
10 request shall be granted by the physician at no additional expense to the
11 woman. The physician's certification shall be time-stamped at the time the
12 opportunity to view the ultrasound image and receive a physical picture of
13 the ultrasound image was offered.

14 (i) A physician who will use heart monitor equipment preparatory to
15 or in the performance of the abortion, at least 30 minutes prior to the
16 performance of the abortion:

17 (1) Informs the woman that she has the right to listen to the heartbeat
18 of her unborn child, at no additional expense to her;

19 (2) offers the woman the opportunity to listen to the heartbeat of her
20 unborn child;

21 (3) certifies in writing that the woman was offered the opportunity to
22 listen to the heartbeat of her unborn child at least 30 minutes prior to the
23 performance of the abortion; and

24 (4) obtains the woman's signed acceptance or rejection of the
25 opportunity to listen to the heartbeat of her unborn child.

26 If the woman accepts the offer and requests to listen to the heartbeat of
27 her unborn child, her request shall be granted by the physician at no
28 additional expense to the woman. The physician's certification shall be
29 time-stamped at the time the opportunity to listen to the heartbeat of her
30 unborn child was offered.

31 (j) The physician's certification required by subsections (h) and (i)
32 together with the pregnant woman's signed acceptance or rejection of such
33 offer shall be placed in the woman's medical file in the physician's office
34 and kept for 10 years. However, in the case of a minor, the physician shall
35 keep a copy of the certification and the signed acceptance or rejection in
36 the minor's medical file for five years past the minor's majority, but in no
37 event less than 10 years.

38 (k) Any private office, freestanding surgical outpatient clinic or other
39 facility or clinic in which abortions are performed shall conspicuously post
40 a sign in a location so as to be clearly visible to patients. The sign required
41 pursuant to this subsection shall be printed with lettering that is legible and
42 shall be at least three quarters of an inch boldfaced type ~~which reads~~. *The*
43 *sign shall include the address for the pregnancy resources website*

1 *published and maintained by the department of health and environment,*
2 *and the following text:*

3 Notice: It is against the law for anyone, regardless of their relationship
4 to you, to force you to have an abortion. By law, we cannot perform an
5 abortion on you unless we have your freely given and voluntary consent. It
6 is against the law to perform an abortion on you against your will. You
7 have the right to contact any local or state law enforcement agency to
8 receive protection from any actual or threatened physical abuse or
9 violence. You have the right to change your mind at any time prior to the
10 actual abortion and request that the abortion procedure cease. *It is*
11 *unlawful for anyone to make you have an abortion against your will, even*
12 *if you are a minor. The father of your child must provide support for the*
13 *child, even if he has offered to pay for an abortion. If you decide not to*
14 *have an abortion, you may qualify for financial help for pregnancy,*
15 *childbirth and newborn care. If you qualify, medicaid will pay or help pay*
16 *the cost of doctor, clinic, hospital and other related medical expenses,*
17 *including childbirth delivery services and care for your newborn baby.*
18 *Many agencies are willing to provide assistance so that you may carry*
19 *your child to term, and to assist you after your child's birth.*

20 The provisions of this subsection shall not apply to any private office,
21 freestanding surgical outpatient clinic or other facility or clinic which
22 performs abortions only when necessary to prevent the death of the
23 pregnant woman.

24 (1) For purposes of this section:

25 (1) The term "human being" means an individual living member of
26 the species of homo sapiens, including the unborn human being during the
27 entire embryonic and fetal ages from fertilization to full gestation.

28 (2) The term "medically challenging pregnancy" means a pregnancy
29 where the unborn child is diagnosed as having: (A) A severe anomaly; or
30 (B) an illness, disease or defect which is invariably fatal.

31 Sec. 13. K.S.A. 2012 Supp. 65-6710 is hereby amended to read as
32 follows: 65-6710. (a) The department shall cause to be published and
33 distributed widely, within 30 days after the effective date of this act, and
34 shall update on an annual basis, the following easily comprehensible
35 informational materials:

36 (1) Geographically indexed printed materials designed to inform the
37 woman of public and private agencies and services available to assist a
38 woman through pregnancy, upon childbirth and while her child is
39 dependent, including but not limited to, a list of providers of free
40 ultrasound services and adoption agencies. The materials shall include a
41 comprehensive list of the agencies, a description of the services they offer
42 and the telephone numbers and addresses of the agencies; and inform the
43 woman about available medical assistance benefits for prenatal care,

1 childbirth and neonatal care and about the support obligations of the father
2 of a child who is born alive. The department shall ensure that the materials
3 described in this section are comprehensive and do not directly or
4 indirectly promote, exclude or discourage the use of any agency or service
5 described in this section. The materials shall also contain a toll-free 24-
6 hour-a-day telephone number which may be called to obtain, orally, such a
7 list and description of agencies in the locality of the caller and of the
8 services they offer. The materials shall state that it is unlawful for any
9 individual to coerce a woman to undergo an abortion, *and* that any
10 physician who performs an abortion upon a woman without her informed
11 consent may be liable to her for damages. Kansas law permits adoptive
12 parents to pay costs of prenatal care, childbirth and neonatal care. The
13 materials shall include the following statement:

14 "Many public and private agencies exist to provide counseling and
15 information on available services. You are strongly urged to seek their
16 assistance to obtain guidance during your pregnancy. In addition, you are
17 encouraged to seek information on ~~abortion services~~, alternatives to
18 abortion, including adoption, and resources available to postpartum
19 mothers. The law requires that your physician or the physician's agent
20 provide the enclosed information."

21 (2) Printed materials that inform the pregnant woman of the probable
22 anatomical and physiological characteristics of the unborn child at two-
23 week gestational increments from fertilization to full term, including
24 pictures or drawings representing the development of an unborn child at
25 two-week gestational increments, and any relevant information on the
26 possibility of the unborn child's survival. Any such pictures or drawings
27 shall contain the dimensions of the unborn child and shall be realistic. The
28 material shall include ~~the statement~~ *the following statements: (A) That by*
29 *no later than 20 weeks from fertilization, the unborn child has the physical*
30 *structures necessary to experience pain; (B) that there is evidence that by*
31 *20 weeks from fertilization unborn children seek to evade certain stimuli*
32 *in a manner that in an infant or an adult would be interpreted to be a*
33 *response to pain; (C) that anesthesia is routinely administered to unborn*
34 *children who are 20 weeks from fertilization or older who undergo*
35 *prenatal surgery; (D) that less than 5% of all natural pregnancies end in*
36 *spontaneous miscarriage after detection of cardiac activity, and a fetal*
37 *heartbeat is, therefore, a key medical indicator that an unborn child is*
38 *likely to achieve the capacity for live birth; and (E) that abortion*
39 *terminates the life of a whole, separate, unique, living human being. The*
40 *materials shall be objective, nonjudgmental and designed to convey only*
41 *accurate scientific information about the unborn child at the various*
42 *gestational ages. The material shall also contain objective information*
43 *describing the methods of abortion procedures commonly employed, the*

1 medical risks commonly associated with each such procedure, *including*
2 *risk of premature birth in future pregnancies, risk of breast cancer, risks to*
3 *the woman's reproductive health* and the medical risks associated with
4 carrying an unborn child to term.

5 (3) *The printed materials shall, at a minimum, contain the following*
6 *text:*

7 *Your doctor is required to tell you about the nature of the physical and*
8 *emotional risks of both the abortion procedure and carrying a child to*
9 *term. The doctor must tell you how long you have been pregnant and must*
10 *give you a chance to ask questions and discuss your decision about the*
11 *pregnancy carefully and privately in your own language.*

12 *In order to determine the gestational age of the unborn child, the*
13 *doctor may use ultrasound equipment preparatory to the performance of*
14 *an abortion. You have the right to view the ultrasound image of the unborn*
15 *child at no additional expense, and you have the right to receive a picture*
16 *of the unborn child.*

17 *A directory of services is also available. By calling or visiting the*
18 *agencies and offices in the directory you can find out about alternatives to*
19 *abortion, assistance to make an adoption plan for your baby or locate*
20 *public and private agencies that offer medical and financial help during*
21 *pregnancy, during childbirth and while you are raising your child.*

22 *Furthermore, you should know that: (A) It is unlawful for any*
23 *individual to coerce you to undergo an abortion. Coercion is the use of*
24 *express or implied threats of violence or intimidation to compel a person*
25 *to act against such person's will; (B) abortion terminates the life of a*
26 *whole, separate, unique, living human being; (C) any physician who fails*
27 *to provide informed consent prior to performing an abortion may be guilty*
28 *of unprofessional conduct and liable for damages; (D) you are not*
29 *required to pay any amount for the abortion procedure until the 24-hour*
30 *waiting period has expired; (E) the father of your child is legally*
31 *responsible to assist in the support of the child, even in instances where*
32 *the father has offered to pay for an abortion; and (F) the law permits*
33 *adoptive parents to pay the costs of prenatal care, childbirth and neonatal*
34 *care.*

35 *Many public and private agencies exist to provide counseling and*
36 *information on available services. You are strongly urged to seek*
37 *assistance from such agencies in order to obtain guidance during your*
38 *pregnancy. In addition, you are encouraged to seek information on*
39 *alternatives to abortion, including adoption, and resources available to*
40 *postpartum mothers. The law requires that your physician, or the*
41 *physician's agent, provide this information.*

42 *Pregnancy begins at fertilization with the union of a man's sperm and a*
43 *woman's egg to form a single-cell embryo. This brand new being contains*

1 *the original copy of a new individual's complete genetic code. Gender, eye*
2 *color and other traits are determined at fertilization.*

3 *Most significant developmental milestones occur long before birth*
4 *during the first eight weeks following fertilization when most body parts*
5 *and all body systems appear and begin to function. The main divisions of*
6 *the body, such as the head, chest, abdomen, pelvis, arms and legs are*
7 *established by about four weeks after fertilization. Eight weeks after*
8 *fertilization, except for the small size, the developing human's overall*
9 *appearance and many internal structures closely resemble the newborn.*

10 *Pregnancy is not just a time for growing all the parts of the body. It is*
11 *also a time of preparation for survival after birth. Starting more than 30*
12 *weeks before birth, many common daily activities seen in children and*
13 *adults begin in the womb. These activities include, but are not limited to,*
14 *hiccups, touching the face, breathing motions, urination, right- or left-*
15 *handedness, thumb-sucking, swallowing, yawning, jaw movement,*
16 *reflexes, REM sleep, hearing, taste and sensation.*

17 *Unless otherwise noted, all prenatal ages in the rest of these materials*
18 *are referenced from the start of the last normal menstrual period. This age*
19 *is two weeks greater than the age since fertilization.*

20 *By five weeks, development of the brain, the spinal cord and the heart*
21 *is well underway. The heart begins beating at five weeks and one day, and*
22 *is visible by ultrasound almost immediately. By six weeks, the heart is*
23 *pumping the unborn child's own blood to such unborn child's brain and*
24 *body. All four chambers of the heart are present, and more than one*
25 *million heartbeats have occurred. The head, chest and abdominal cavities*
26 *have formed and the beginnings of the arms and legs are easily seen. At*
27 *6½ weeks, rapid brain development continues with the appearance of the*
28 *cerebral hemispheres. At 7½ weeks, the unborn child reflexively turns*
29 *away in response to light touch on the face. The fingers also begin to form*
30 *on the hand.*

31 *By 8½ weeks, the bones of the jaw and collarbone begin to harden.*
32 *Brainwaves have been measured and recorded by this point in gestation.*
33 *By nine weeks, the hands move, the neck turns and hiccups begin. Girls*
34 *also now have ovaries and boys have testes. The unborn child's heart is*
35 *nearly fully formed, and the heart rate peaks at about 170 beats per*
36 *minute and will gradually slow down until birth. Electrical recordings of*
37 *the heart at 9½ weeks are very similar to the EKG tracing of the unborn*
38 *child.*

39 *By 10 weeks, intermittent breathing motions begin, and the kidneys*
40 *begin to produce and release urine. All the fingers and toes are free and*
41 *fully formed, and several hundred muscles are now present. The hands and*
42 *feet move frequently, and most unborn children show the first signs of*
43 *right- or left-handedness. Pain receptors in the skin, the sensory nerves*

1 *connecting them to the spinal cord, and the nerve tracts in the spinal cord*
2 *that will carry pain impulses to the brain are all present by this time.*
3 *Experts estimate the 10-week unborn child possesses approximately 90%*
4 *of the 4,500 body parts found in adults. This means approximately 4,000*
5 *permanent body parts are present just eight weeks after fertilization.*

6 *By 11 weeks, the head moves forward and back, the jaw actively opens*
7 *and closes and the unborn child periodically sighs and stretches. The face,*
8 *palms of the hands and soles of the feet are sensitive to light touch. The*
9 *unborn child begins thumb-sucking and swallowing amniotic fluid. The*
10 *uterus is now present, and girls' ovaries now contain reproductive cells*
11 *that will give rise to eggs later in life.*

12 *At 12 weeks, fingerprints start forming, while fingernails and toenails*
13 *begin to grow. The bones are hardening in many locations. The heartbeat*
14 *can be detected with a hand-held doppler fetal monitor, or external heart*
15 *rate monitor. By 13 weeks the lips and nose are fully formed and the*
16 *unborn child can make complex facial expressions.*

17 *At 14 weeks, taste buds are present all over the mouth and tongue. The*
18 *unborn child now produces a wide variety of hormones. Also, the arms*
19 *reach final proportion to body size. By 15 weeks, the entire unborn child,*
20 *except for parts of the scalp, responds to light touch, and tooth*
21 *development is underway.*

22 *At 16 weeks, a pregnant woman may begin to feel the unborn child*
23 *move. The unborn child also begins making several digestive enzymes.*
24 *Around 17 weeks, blood cell formation moves to its permanent location*
25 *inside the bone marrow, and the unborn child begins storing energy in the*
26 *form of body fat.*

27 *By 18 weeks, the formation of the breathing passages, called the*
28 *bronchial tree, is complete. The unborn child will release stress hormones*
29 *in response to being poked with a needle. By 19 weeks, the unborn child's*
30 *heart has beaten more than 20 million times.*

31 *By 20 weeks, nearly all organs and structures of the unborn child have*
32 *been formed. The larynx, or voice box, moves in a way similar to*
33 *movement seen during crying after birth. The skin has developed sweat*
34 *glands and is covered by a greasy white substance called vernix, which*
35 *protects the skin from the long exposure to amniotic fluid. At 21 weeks,*
36 *breathing patterns, body movements and the heart rate begin to follow*
37 *daily cycles called circadian rhythms.*

38 *By 22 weeks, the cochlea, the organ of hearing, reaches adult size, and*
39 *the unborn child begins hearing and responding to various sounds. All the*
40 *skin layers and structures are now complete. The unborn child reacts to*
41 *stimuli that would be recognized as painful if applied to an adult human.*
42 *By 22 weeks, some infants can live outside the womb with specialized*
43 *medical care, and survival rates have been reported as high as 40% in*

1 *some medical centers. Between 20 and 23 weeks, rapid eye movements*
2 *begin, which are similar to the REM sleep pattern seen when children and*
3 *adults have dreams.*

4 *By 24 weeks, more than 30 million heartbeats have occurred. Survival*
5 *rates for infants born at 24 weeks have been reported as high as 81%. By*
6 *25 weeks, breathing motions may occur up to 44 times per minute.*

7 *By 26 weeks, sudden, loud noises trigger a blink-startle response in the*
8 *unborn child and may increase body movement, the heart rate and*
9 *swallowing. The lungs begin to produce a substance necessary for*
10 *breathing after birth. The survival rate of infants born at 26 weeks has*
11 *been reported as high as 95%.*

12 *By 28 weeks, the sense of smell is functioning and the eyes produce*
13 *tears. Nearly all infants born between this point and full term survive. By*
14 *29 weeks, pupils of the eyes react to light. By 31 weeks, the heart has beat*
15 *more than 40 million times, and wrinkles in the skin disappear as more fat*
16 *deposits are formed.*

17 *By 32 weeks, breathing movements occur up to 40% of the time. By 34*
18 *weeks true alveoli, or air "pocket" cells, begin developing in the lungs. At*
19 *36 weeks, scalp hair is silky and lies against the head. By 37 weeks, the*
20 *unborn child has a firm hand grip, and the heart has beat more than 50*
21 *million times. The unborn child initiates labor, ideally around 40 weeks,*
22 *leading to childbirth.*

23 *By state law, no person shall perform or induce an abortion when the*
24 *unborn child is viable or pain-capable unless such person is a physician*
25 *and has a documented referral. The physician who performs or induces an*
26 *abortion when the unborn child is viable must have a documented referral*
27 *from another physician not legally or financially affiliated with the*
28 *physician performing or inducing the abortion. Both physicians must*
29 *determine that the abortion is necessary to preserve the life of the*
30 *pregnant woman or that a continuation of the pregnancy will cause a*
31 *substantial and irreversible impairment of a major physical bodily*
32 *function of the pregnant woman. If the child is born alive, the attending*
33 *physician has the legal obligation to take all reasonable steps necessary to*
34 *maintain the life and health of the child.*

35 *What about adoption? Women or couples facing an untimely pregnancy*
36 *who choose not to take on the full responsibilities of parenthood have*
37 *another option, which is adoption. Counseling and support services are a*
38 *key part of adoption and are available from a variety of adoption agencies*
39 *and parent support groups across the state. A list of adoption agencies is*
40 *available. There are several ways to make a plan for adoption, including*
41 *through a child placement agency or through a private attorney. Although*
42 *fully anonymous adoptions are available, some degree of openness in*
43 *adoption is more common, such as permitting the birth mother to choose*

1 *the adoptive parents. A father only has the right to consent to an adoption*
2 *or refuse consent and raise the child if he provides support for the mother*
3 *during the last six months of the pregnancy.*

4 *The father of a child has a legal responsibility to provide for the*
5 *support, educational, medical and other needs of the child. In Kansas, that*
6 *responsibility includes child support payments to the child's mother or*
7 *legal guardian. A child has rights of inheritance from the father and may*
8 *be eligible through him for benefits such as life insurance, social security,*
9 *pension, veteran's or disability benefits. Further, the child benefits from*
10 *knowing the father's medical history and any potential health problems*
11 *that can be passed genetically. A father's and mother's rights are equal*
12 *regarding access, care and custody.*

13 *Paternity can be established in Kansas by two methods: (A) The father*
14 *and mother, at the time of birth, can sign forms provided by the hospital*
15 *acknowledging paternity and the father's name is added to the birth*
16 *certificate; or (B) a legal action can be brought in a court of law to*
17 *determine paternity and establish a child support order. Issues of paternity*
18 *affect your legal rights and the rights of the child.*

19 *The decision regarding your pregnancy is one of the most important*
20 *decisions you will ever make. There are lists of state, county and local*
21 *health and social service agencies and organizations available to assist*
22 *you. You are encouraged to contact these groups if you need more*
23 *information so you can make an informed decision.*

24 (4) A certification form to be used by physicians or their agents under
25 subsection (e) of K.S.A. 65-6709, and amendments thereto, which will list
26 all the items of information which are to be given to women by physicians
27 or their agents under the woman's-right-to-know act.

28 (4) (5) A standardized video containing all of the information
29 described in paragraphs (1) and (2). In addition, the video shall show
30 ultrasound images, using the best available ultrasound technology, of an
31 unborn child at two week gestational increments.

32 (b) The print materials required under this section shall be printed in a
33 typeface large enough to be clearly legible. The informational video ~~shall~~
34 *may* be published in digital video disc format *or in the latest video*
35 *technology available.* All materials required to be published under this
36 section shall also be published online on the department's website. All
37 materials shall be made available in both English and Spanish language
38 versions.

39 (c) The materials required under this section shall be available at no
40 cost from the department upon request and in appropriate number to any
41 person, facility or hospital.

42 Sec. 14. K.S.A. 2012 Supp. 76-3308 is hereby amended to read as
43 follows: 76-3308. (a) The authority shall have all the powers necessary to

1 carry out the purposes and provisions of this act, including, without
2 limitation, the following powers to:

3 (1) Have the duties, privileges, immunities, rights, liabilities and
4 disabilities of a body corporate and a political instrumentality of the state;

5 (2) have perpetual existence and succession;

6 (3) adopt, have and use a seal and to alter the same at its pleasure;

7 (4) sue and be sued in its own name;

8 (5) make and execute contracts, guarantees or any other instruments
9 and agreements necessary or convenient for the exercise of its powers and
10 functions including, without limitation, to make and execute contracts with
11 hospitals or other health care businesses to operate and manage any or all
12 of the hospital facilities or operations and to incur liabilities and secure the
13 obligations of any entity or individual;

14 (6) borrow money and to issue bonds evidencing the same and pledge
15 all or any part of the authority's assets therefor;

16 (7) purchase, lease, trade, exchange or otherwise acquire, maintain,
17 hold, improve, mortgage, sell, lease and dispose of personal property,
18 whether tangible or intangible, and any interest therein; and to purchase,
19 lease, trade, exchange or otherwise acquire real property or any interest
20 therein, and to maintain, hold, improve, mortgage, lease and otherwise
21 transfer such real property, so long as such transactions do not conflict
22 with the mission of the authority as specified in this act;

23 (8) incur or assume indebtedness to, and enter into contracts with the
24 Kansas development finance authority, which is authorized to borrow
25 money and provide financing for the authority;

26 (9) develop policies and procedures generally applicable to the
27 procurement of goods, services and construction, based upon sound
28 business practices;

29 (10) contract for and to accept any gifts, grants and loans of funds,
30 property, or any other aid in any form from the federal government, the
31 state, any state agency, or any other source, or any combination thereof,
32 and to comply with the provisions of the terms and conditions thereof;

33 (11) acquire space, equipment, services, supplies and insurance
34 necessary to carry out the purposes of this act;

35 (12) deposit any moneys of the authority in any banking institution
36 within or without the state or in any depository authorized to receive such
37 deposits, one or more persons to act as custodians of the moneys of the
38 authority, to give surety bonds in such amounts in form and for such
39 purposes as the board requires;

40 (13) procure such insurance, participate in such insurance plans or
41 provide such self insurance or both as it deems necessary or convenient to
42 carry out the purposes and provisions of this act; the purchase of
43 insurance, participation in an insurance plan or creation of a self-insurance

1 fund by the authority shall not be deemed as a waiver or relinquishment of
2 any sovereign immunity to which the authority or its officers, directors,
3 employees or agents are otherwise entitled;

4 (14) appoint, supervise and set the salary and compensation of a
5 president of the authority who shall be appointed by and serve at the
6 pleasure of the board;

7 (15) fix, revise, charge and collect rates, rentals, fees and other
8 charges for the services or facilities furnished by or on behalf of the
9 authority, and to establish policies and procedures regarding any such
10 service rendered for the use, occupancy or operation of any such facility;
11 such charges and policies and procedures not to be subject to supervision
12 or regulation by any commission, board, bureau or agency of the State;
13 and

14 (16) do any and all things necessary or convenient to carry out the
15 authority's purposes and exercise the powers given in this act.

16 (b) The authority may create, own in whole or in part, or otherwise
17 acquire or dispose of any entity organized for a purpose related to or in
18 support of the mission of the authority.

19 (c) The authority may participate in joint ventures with individuals,
20 corporations, governmental bodies or agencies, partnerships, associations,
21 insurers or other entities to facilitate any activities or programs consistent
22 with the public purpose and intent of this act.

23 (d) The authority may create a nonprofit entity or entities for the
24 purpose of soliciting, accepting and administering grants, outright gifts and
25 bequests, endowment gifts and bequests and gifts and bequests in trust
26 which entity or entities shall not engage in trust business.

27 (e) In carrying out any activities authorized by this act, the authority
28 may provide appropriate assistance, including the making of loans and
29 providing time of employees, to corporations, partnerships, associations,
30 joint ventures or other entities, whether or not such corporations,
31 partnerships, associations, joint ventures or other entities are owned or
32 controlled in whole or in part, directly or indirectly, by the authority.

33 (f) Effective with the transfer date, all moneys of the authority shall
34 be deposited in one or more banks or trust companies in one or more
35 special accounts. All banks and trust companies are authorized to give
36 security for such deposits if required by the authority. The moneys in such
37 accounts shall be paid out on a warrant or other orders of the treasurer of
38 the authority or any such other person or persons as the authority may
39 authorize to execute such warrants or orders.

40 (g) Notwithstanding any provision of law to the contrary, the
41 authority, effective with the transfer date, may invest the authority's
42 operating funds in any obligations or securities as authorized by the board.
43 The board shall adopt written investment guidelines.

1 (h) The authority is authorized to negotiate contracts with one or
2 more qualified parties to provide collection services. The selection of a
3 collection services provider shall be based on responses to a request for
4 proposals from qualified professional firms and shall be administered in
5 accordance with policies adopted by the board.

6 (i) Notwithstanding any provision of law to the contrary, no abortion
7 shall be performed, except in the event of a medical emergency, in any
8 medical facility, hospital or clinic owned, leased or operated by the
9 authority. The provisions of this subsection are not applicable to any
10 member of the physician faculty of the university of Kansas school of
11 medicine *when such abortion is performed outside the scope of such*
12 *member's employment* on property not owned, leased or operated by the
13 authority. As used in this subsection, "medical emergency" means a
14 ~~pregnant woman's medical condition that, on the basis of a physician's~~
15 ~~good-faith clinical judgment, necessitates an immediate abortion to avert~~
16 ~~the woman's death or to avert a serious risk of substantial and irreversible~~
17 ~~impairment of a major bodily function~~ *a condition that, in reasonable*
18 *medical judgment, so complicates the medical condition of the pregnant*
19 *woman as to necessitate the immediate abortion of her pregnancy to avert*
20 *the death of the woman. No condition shall be deemed a medical*
21 *emergency if based on a claim or diagnosis that the woman will engage in*
22 *conduct which would result in her death.*

23 Sec. 15. K.S.A. 2012 Supp. 79-32,117 is hereby amended to read as
24 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
25 means such individual's federal adjusted gross income for the taxable year,
26 with the modifications specified in this section.

27 (b) There shall be added to federal adjusted gross income:

28 (i) Interest income less any related expenses directly incurred in the
29 purchase of state or political subdivision obligations, to the extent that the
30 same is not included in federal adjusted gross income, on obligations of
31 any state or political subdivision thereof, but to the extent that interest
32 income on obligations of this state or a political subdivision thereof issued
33 prior to January 1, 1988, is specifically exempt from income tax under the
34 laws of this state authorizing the issuance of such obligations, it shall be
35 excluded from computation of Kansas adjusted gross income whether or
36 not included in federal adjusted gross income. Interest income on
37 obligations of this state or a political subdivision thereof issued after
38 December 31, 1987, shall be excluded from computation of Kansas
39 adjusted gross income whether or not included in federal adjusted gross
40 income.

41 (ii) Taxes on or measured by income or fees or payments in lieu of
42 income taxes imposed by this state or any other taxing jurisdiction to the
43 extent deductible in determining federal adjusted gross income and not

1 credited against federal income tax. This paragraph shall not apply to taxes
2 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
3 amendments thereto, for privilege tax year 1995, and all such years
4 thereafter.

5 (iii) The federal net operating loss deduction.

6 (iv) Federal income tax refunds received by the taxpayer if the
7 deduction of the taxes being refunded resulted in a tax benefit for Kansas
8 income tax purposes during a prior taxable year. Such refunds shall be
9 included in income in the year actually received regardless of the method
10 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
11 be deemed to have resulted if the amount of the tax had been deducted in
12 determining income subject to a Kansas income tax for a prior year
13 regardless of the rate of taxation applied in such prior year to the Kansas
14 taxable income, but only that portion of the refund shall be included as
15 bears the same proportion to the total refund received as the federal taxes
16 deducted in the year to which such refund is attributable bears to the total
17 federal income taxes paid for such year. For purposes of the foregoing
18 sentence, federal taxes shall be considered to have been deducted only to
19 the extent such deduction does not reduce Kansas taxable income below
20 zero.

21 (v) The amount of any depreciation deduction or business expense
22 deduction claimed on the taxpayer's federal income tax return for any
23 capital expenditure in making any building or facility accessible to the
24 handicapped, for which expenditure the taxpayer claimed the credit
25 allowed by K.S.A. 79-32,177, and amendments thereto.

26 (vi) Any amount of designated employee contributions picked up by
27 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
28 and amendments thereto.

29 (vii) The amount of any charitable contribution made to the extent the
30 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
31 32,196, and amendments thereto.

32 (viii) The amount of any costs incurred for improvements to a swine
33 facility, claimed for deduction in determining federal adjusted gross
34 income, to the extent the same is claimed as the basis for any credit
35 allowed pursuant to K.S.A. 2012 Supp. 79-32,204, and amendments
36 thereto.

37 (ix) The amount of any ad valorem taxes and assessments paid and
38 the amount of any costs incurred for habitat management or construction
39 and maintenance of improvements on real property, claimed for deduction
40 in determining federal adjusted gross income, to the extent the same is
41 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
42 and amendments thereto.

43 (x) Amounts received as nonqualified withdrawals, as defined by

1 K.S.A. 2012 Supp. 75-643, and amendments thereto, if, at the time of
2 contribution to a family postsecondary education savings account, such
3 amounts were subtracted from the federal adjusted gross income pursuant
4 to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments
5 thereto, or if such amounts are not already included in the federal adjusted
6 gross income.

7 (xi) The amount of any contribution made to the same extent the
8 same is claimed as the basis for the credit allowed pursuant to K.S.A. 2012
9 Supp. 74-50,154, and amendments thereto.

10 (xii) For taxable years commencing after December 31, 2004,
11 amounts received as withdrawals not in accordance with the provisions of
12 K.S.A. 2012 Supp. 74-50,204, and amendments thereto, if, at the time of
13 contribution to an individual development account, such amounts were
14 subtracted from the federal adjusted gross income pursuant to paragraph
15 (xiii) of subsection (c), or if such amounts are not already included in the
16 federal adjusted gross income.

17 (xiii) The amount of any expenditures claimed for deduction in
18 determining federal adjusted gross income, to the extent the same is
19 claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.
20 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

21 (xiv) The amount of any amortization deduction claimed in
22 determining federal adjusted gross income to the extent the same is
23 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,221, and
24 amendments thereto.

25 (xv) The amount of any expenditures claimed for deduction in
26 determining federal adjusted gross income, to the extent the same is
27 claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.
28 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
29 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
30 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

31 (xvi) The amount of any amortization deduction claimed in
32 determining federal adjusted gross income to the extent the same is
33 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,227, 79-
34 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments
35 thereto.

36 (xvii) The amount of any amortization deduction claimed in
37 determining federal adjusted gross income to the extent the same is
38 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,256, and
39 amendments thereto.

40 (xviii) For taxable years commencing after December 31, 2006, the
41 amount of any ad valorem or property taxes and assessments paid to a state
42 other than Kansas or local government located in a state other than Kansas
43 by a taxpayer who resides in a state other than Kansas, when the law of

1 such state does not allow a resident of Kansas who earns income in such
2 other state to claim a deduction for ad valorem or property taxes or
3 assessments paid to a political subdivision of the state of Kansas in
4 determining taxable income for income tax purposes in such other state, to
5 the extent that such taxes and assessments are claimed as an itemized
6 deduction for federal income tax purposes.

7 (xix) For all taxable years beginning after December 31, 2012, the
8 amount of any: (1) Loss from business as determined under the federal
9 internal revenue code and reported from schedule C and on line 12 of the
10 taxpayer's form 1040 federal individual income tax return; (2) loss from
11 rental real estate, royalties, partnerships, S corporations, estates, trusts,
12 residual interest in real estate mortgage investment conduits and net farm
13 rental as determined under the federal internal revenue code and reported
14 from schedule E and on line 17 of the taxpayer's form 1040 federal
15 individual income tax return; and (3) farm loss as determined under the
16 federal internal revenue code and reported from schedule F and on line 18
17 of the taxpayer's form 1040 federal income tax return; all to the extent
18 deducted or subtracted in determining the taxpayer's federal adjusted gross
19 income. For purposes of this subsection, references to the federal form
20 1040 and federal schedule C, schedule E, and schedule F, shall be to such
21 form and schedules as they existed for tax year 2011, and as revised
22 thereafter by the internal revenue service.

23 (xx) For all taxable years beginning after December 31, 2012, the
24 amount of any deduction for self-employment taxes under section 164(f)
25 of the federal internal revenue code as in effect on January 1, 2012, and
26 amendments thereto, in determining the federal adjusted gross income of
27 an individual taxpayer.

28 (xxi) For all taxable years beginning after December 31, 2012, the
29 amount of any deduction for pension, profit sharing, and annuity plans of
30 self-employed individuals under section 62(a)(6) of the federal internal
31 revenue code as in effect on January 1, 2012, and amendments thereto, in
32 determining the federal adjusted gross income of an individual taxpayer.

33 (xxii) For all taxable years beginning after December 31, 2012, the
34 amount of any deduction for health insurance under section 162(l) of the
35 federal internal revenue code as in effect on January 1, 2012, and
36 amendments thereto, in determining the federal adjusted gross income of
37 an individual taxpayer.

38 (xxiii) For all taxable years beginning after December 31, 2012, the
39 amount of any deduction for domestic production activities under section
40 199 of the federal internal revenue code as in effect on January 1, 2012,
41 and amendments thereto, in determining the federal adjusted gross income
42 of an individual taxpayer.

43 (xxiv) *For taxable years commencing after December 31, 2013, that*

1 portion of the amount of any expenditure deduction claimed in
2 determining federal adjusted gross income for expenses paid for medical
3 care of the taxpayer or the taxpayer's spouse or dependents when such
4 expenses were paid or incurred for an abortion, or for a health benefit
5 plan, as defined in section 1, and amendments thereto, for the purchase of
6 an optional rider for coverage of abortion in accordance with K.S.A. 2012
7 Supp. 40-2,190, and amendments thereto, to the extent that such taxes and
8 assessments are claimed as an itemized deduction for federal income tax
9 purposes.

10 (xxv) For taxable years commencing after December 31, 2013, that
11 portion of the amount of any expenditure deduction claimed in
12 determining federal adjusted gross income for expenses paid by a
13 taxpayer for health care, a health benefit plan, as defined in section 1, and
14 amendments thereto, or amounts contributed to health savings accounts
15 for such taxpayer's employees for the purchase of an optional rider for
16 coverage of abortion in accordance with K.S.A. 2012 Supp. 40-2,190, and
17 amendments thereto, to the extent that such taxes and assessments are
18 claimed as an itemized deduction for federal income tax purposes.

19 (c) There shall be subtracted from federal adjusted gross income:

20 (i) Interest or dividend income on obligations or securities of any
21 authority, commission or instrumentality of the United States and its
22 possessions less any related expenses directly incurred in the purchase of
23 such obligations or securities, to the extent included in federal adjusted
24 gross income but exempt from state income taxes under the laws of the
25 United States.

26 (ii) Any amounts received which are included in federal adjusted
27 gross income but which are specifically exempt from Kansas income
28 taxation under the laws of the state of Kansas.

29 (iii) The portion of any gain or loss from the sale or other disposition
30 of property having a higher adjusted basis for Kansas income tax purposes
31 than for federal income tax purposes on the date such property was sold or
32 disposed of in a transaction in which gain or loss was recognized for
33 purposes of federal income tax that does not exceed such difference in
34 basis, but if a gain is considered a long-term capital gain for federal
35 income tax purposes, the modification shall be limited to that portion of
36 such gain which is included in federal adjusted gross income.

37 (iv) The amount necessary to prevent the taxation under this act of
38 any annuity or other amount of income or gain which was properly
39 included in income or gain and was taxed under the laws of this state for a
40 taxable year prior to the effective date of this act, as amended, to the
41 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
42 the right to receive the income or gain, or to a trust or estate from which
43 the taxpayer received the income or gain.

1 (v) The amount of any refund or credit for overpayment of taxes on
2 or measured by income or fees or payments in lieu of income taxes
3 imposed by this state, or any taxing jurisdiction, to the extent included in
4 gross income for federal income tax purposes.

5 (vi) Accumulation distributions received by a taxpayer as a
6 beneficiary of a trust to the extent that the same are included in federal
7 adjusted gross income.

8 (vii) Amounts received as annuities under the federal civil service
9 retirement system from the civil service retirement and disability fund and
10 other amounts received as retirement benefits in whatever form which
11 were earned for being employed by the federal government or for service
12 in the armed forces of the United States.

13 (viii) Amounts received by retired railroad employees as a
14 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
15 228c (a)(1) et seq.

16 (ix) Amounts received by retired employees of a city and by retired
17 employees of any board of such city as retirement allowances pursuant to
18 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
19 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
20 amendments thereto.

21 (x) For taxable years beginning after December 31, 1976, the amount
22 of the federal tentative jobs tax credit disallowance under the provisions of
23 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
24 amount of the targeted jobs tax credit and work incentive credit
25 disallowances under 26 U.S.C. § 280 C.

26 (xi) For taxable years beginning after December 31, 1986, dividend
27 income on stock issued by Kansas Venture Capital, Inc.

28 (xii) For taxable years beginning after December 31, 1989, amounts
29 received by retired employees of a board of public utilities as pension and
30 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,
31 and amendments thereto.

32 (xiii) For taxable years beginning after December 31, 2004, amounts
33 contributed to and the amount of income earned on contributions deposited
34 to an individual development account under K.S.A. 2012 Supp. 74-50,201
35 et seq., and amendments thereto.

36 (xiv) For all taxable years commencing after December 31, 1996, that
37 portion of any income of a bank organized under the laws of this state or
38 any other state, a national banking association organized under the laws of
39 the United States, an association organized under the savings and loan
40 code of this state or any other state, or a federal savings association
41 organized under the laws of the United States, for which an election as an
42 S corporation under subchapter S of the federal internal revenue code is in
43 effect, which accrues to the taxpayer who is a stockholder of such

1 corporation and which is not distributed to the stockholders as dividends of
2 the corporation. For all taxable years beginning after December 31, 2012,
3 the amount of modification under this subsection shall exclude the portion
4 of income or loss reported on schedule E and included on line 17 of the
5 taxpayer's form 1040 federal individual income tax return.

6 (xv) For all taxable years beginning after December 31, 2006,
7 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a
8 joint return, for each designated beneficiary which are contributed to a
9 family postsecondary education savings account established under the
10 Kansas postsecondary education savings program or a qualified tuition
11 program established and maintained by another state or agency or
12 instrumentality thereof pursuant to section 529 of the internal revenue
13 code of 1986, as amended, for the purpose of paying the qualified higher
14 education expenses of a designated beneficiary at an institution of
15 postsecondary education. The terms and phrases used in this paragraph
16 shall have the meaning respectively ascribed thereto by the provisions of
17 K.S.A. 2012 Supp. 75-643, and amendments thereto, and the provisions of
18 such section are hereby incorporated by reference for all purposes thereof.

19 (xvi) For all taxable years beginning after December 31, 2004,
20 amounts received by taxpayers who are or were members of the armed
21 forces of the United States, including service in the Kansas army and air
22 national guard, as a recruitment, sign up or retention bonus received by
23 such taxpayer as an incentive to join, enlist or remain in the armed services
24 of the United States, including service in the Kansas army and air national
25 guard, and amounts received for repayment of educational or student loans
26 incurred by or obligated to such taxpayer and received by such taxpayer as
27 a result of such taxpayer's service in the armed forces of the United States,
28 including service in the Kansas army and air national guard.

29 (xvii) For all taxable years beginning after December 31, 2004,
30 amounts received by taxpayers who are eligible members of the Kansas
31 army and air national guard as a reimbursement pursuant to K.S.A. 48-
32 281, and amendments thereto, and amounts received for death benefits
33 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section
34 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and
35 amendments thereto, to the extent that such death benefits are included in
36 federal adjusted gross income of the taxpayer.

37 (xviii) For the taxable year beginning after December 31, 2006,
38 amounts received as benefits under the federal social security act which
39 are included in federal adjusted gross income of a taxpayer with federal
40 adjusted gross income of \$50,000 or less, whether such taxpayer's filing
41 status is single, head of household, married filing separate or married filing
42 jointly; and for all taxable years beginning after December 31, 2007,
43 amounts received as benefits under the federal social security act which

1 are included in federal adjusted gross income of a taxpayer with federal
2 adjusted gross income of \$75,000 or less, whether such taxpayer's filing
3 status is single, head of household, married filing separate or married filing
4 jointly.

5 (xix) Amounts received by retired employees of Washburn university
6 as retirement and pension benefits under the university's retirement plan.

7 (xx) For all taxable years beginning after December 31, 2012, the
8 amount of any: (1) Net profit from business as determined under the
9 federal internal revenue code and reported from schedule C and on line 12
10 of the taxpayer's form 1040 federal individual income tax return; (2) net
11 income from rental real estate, royalties, partnerships, S corporations,
12 estates, trusts, residual interest in real estate mortgage investment conduits
13 and net farm rental as determined under the federal internal revenue code
14 and reported from schedule E and on line 17 of the taxpayer's form 1040
15 federal individual income tax return; and (3) net farm profit as determined
16 under the federal internal revenue code and reported from schedule F and
17 on line 18 of the taxpayer's form 1040 federal income tax return; all to the
18 extent included in the taxpayer's federal adjusted gross income. For
19 purposes of this subsection, references to the federal form 1040 and
20 federal schedule C, schedule E, and schedule F, shall be to such form and
21 schedules as they existed for tax year 2011 and as revised thereafter by the
22 internal revenue service.

23 (d) There shall be added to or subtracted from federal adjusted gross
24 income the taxpayer's share, as beneficiary of an estate or trust, of the
25 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
26 amendments thereto.

27 (e) The amount of modifications required to be made under this
28 section by a partner which relates to items of income, gain, loss, deduction
29 or credit of a partnership shall be determined under K.S.A. 79-32,131, and
30 amendments thereto, to the extent that such items affect federal adjusted
31 gross income of the partner.

32 Sec. 16. K.S.A. 2012 Supp. 79-32,138 is hereby amended to read as
33 follows: 79-32,138. (a) Kansas taxable income of a corporation taxable
34 under this act shall be the corporation's federal taxable income for the
35 taxable year with the modifications specified in this section.

36 (b) There shall be added to federal taxable income: (i) The same
37 modifications as are set forth in subsection (b) of K.S.A. 79-32,117, and
38 amendments thereto, with respect to resident individuals, except
39 subsections (b)(xix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii).

40 (ii) The amount of all depreciation deductions claimed for any
41 property upon which the deduction allowed by K.S.A. 2012 Supp. 79-
42 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-
43 32,255 or 79-32,256, and amendments thereto, is claimed.

1 (iii) The amount of any charitable contribution deduction claimed for
2 any contribution or gift to or for the use of any racially segregated
3 educational institution.

4 (iv) *For taxable years commencing December 31, 2013, that portion*
5 *of the amount of any expenditure deduction claimed in determining federal*
6 *adjusted gross income for expenses paid by a taxpayer for health care, a*
7 *health benefit plan, as defined in section 1, and amendments thereto, or*
8 *amounts contributed to health savings accounts for such taxpayer's*
9 *employees for the purchase of an optional rider for coverage of abortion*
10 *in accordance with K.S.A. 2012 Supp. 40-2,190, and amendments thereto.*

11 (c) There shall be subtracted from federal taxable income: (i) The
12 same modifications as are set forth in subsection (c) of K.S.A. 79-32,117,
13 and amendments thereto, with respect to resident individuals, except
14 subsection (c)(xx).

15 (ii) The federal income tax liability for any taxable year commencing
16 prior to December 31, 1971, for which a Kansas return was filed after
17 reduction for all credits thereon, except credits for payments on estimates
18 of federal income tax, credits for gasoline and lubricating oil tax, and for
19 foreign tax credits if, on the Kansas income tax return for such prior year,
20 the federal income tax deduction was computed on the basis of the federal
21 income tax paid in such prior year, rather than as accrued. Notwithstanding
22 the foregoing, the deduction for federal income tax liability for any year
23 shall not exceed that portion of the total federal income tax liability for
24 such year which bears the same ratio to the total federal income tax
25 liability for such year as the Kansas taxable income, as computed before
26 any deductions for federal income taxes and after application of
27 subsections (d) and (e) of this section as existing for such year, bears to the
28 federal taxable income for the same year.

29 (iii) An amount for the amortization deduction allowed pursuant to
30 K.S.A. 2012 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-
31 32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

32 (iv) For all taxable years commencing after December 31, 1987, the
33 amount included in federal taxable income pursuant to the provisions of
34 section 78 of the internal revenue code.

35 (v) For all taxable years commencing after December 31, 1987, 80%
36 of dividends from corporations incorporated outside of the United States
37 or the District of Columbia which are included in federal taxable income.

38 (d) If any corporation derives all of its income from sources within
39 Kansas in any taxable year commencing after December 31, 1979, its
40 Kansas taxable income shall be the sum resulting after application of
41 subsections (a) through (c) hereof. Otherwise, such corporation's Kansas
42 taxable income in any such taxable year, after excluding any refunds of
43 federal income tax and before the deduction of federal income taxes

1 provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-
2 3271 to K.S.A. 79-3293, inclusive, and amendments thereto, plus any
3 refund of federal income tax as determined under paragraph (iv) of
4 subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus
5 the deduction for federal income taxes as provided by subsection (c)(ii)
6 shall be such corporation's Kansas taxable income.

7 (e) A corporation may make an election with respect to its first
8 taxable year commencing after December 31, 1982, whereby no addition
9 modifications as provided for in subsection (b)(ii) of K.S.A. 79-32,138,
10 and amendments thereto, and subtraction modifications as provided for in
11 subsection (c)(iii) of K.S.A. 79-32,138, and amendments thereto, as those
12 subsections existed prior to their amendment by this act, shall be required
13 to be made for such taxable year.

14 Sec. 17. K.S.A. 2012 Supp. 79-32,182b is hereby amended to read as
15 follows: 79-32,182b. (a) For all taxable years commencing after December
16 31, 2000, a credit shall be allowed against the tax imposed by the Kansas
17 income tax act on the Kansas taxable income of a taxpayer for
18 expenditures in research and development activities conducted within this
19 state in an amount equal to 6½% of the amount by which the amount
20 expended for such activities in the taxable year of the taxpayer exceeds the
21 taxpayer's average of the actual expenditures for such purposes made in
22 such taxable year and the next preceding two taxable years.

23 (b) In any one taxable year, the amount of such credit allowable for
24 deduction from the taxpayer's tax liability shall not exceed 25% of the total
25 amount of such credit plus any applicable carry forward amount. The
26 amount by which that portion of the credit allowed by subsections (a) and
27 (b) to be claimed in any one taxable year exceeds the taxpayer's tax
28 liability in such year may be carried forward until the total amount of the
29 credit is used.

30 (c) As used in this section, the term "expenditures in research and
31 development activities" means expenditures made for such purposes, other
32 than expenditures of moneys made available to the taxpayer pursuant to
33 federal or state law, which are treated as expenses allowable for deduction
34 under the provisions of the federal internal revenue code of 1986, ~~and~~
35 ~~amendments thereto as amended, except that for taxable years~~
36 *commencing after December 31, 2013, expenditures in research and*
37 *development activities shall not include any expenditures for the*
38 *performance of any abortion, as defined in K.S.A. 65-6701, and*
39 *amendments thereto.*

40 (d) For tax year 2013 and all tax years thereafter, the income tax
41 credit provided by this section shall only be available to taxpayers subject
42 to the income tax on corporations imposed pursuant to subsection (c) of
43 K.S.A. 79-32,110, and amendments thereto, and shall be applied only

1 against such taxpayer's corporate income tax liability.

2 Sec. 18. K.S.A. 2012 Supp. 79-32,195 is hereby amended to read as
3 follows: 79-32,195. As used in this act, the following words and phrases
4 shall have the meanings ascribed to them herein: (a) "Business firm"
5 means any business entity authorized to do business in the state of Kansas
6 which is subject to the state income tax imposed by the provisions of the
7 Kansas income tax act, any individual subject to the state income tax
8 imposed by the provisions of the Kansas income tax act, any national
9 banking association, state bank, trust company or savings and loan
10 association paying an annual tax on its net income pursuant to article 11 of
11 chapter 79 of the Kansas Statutes Annotated, *and amendments thereto*, or
12 any insurance company paying the premium tax and privilege fees
13 imposed pursuant to K.S.A. 40-252, and amendments thereto;

14 (b) "Community services" means:

15 (1) The conduct of activities which meet a demonstrated community
16 need and which are designed to achieve improved educational and social
17 services for Kansas children and their families, and which are coordinated
18 with communities including, but not limited to, social and human services
19 organizations that address the causes of poverty through programs and
20 services that assist low income persons in the areas of employment, food,
21 housing, emergency assistance and health care;

22 (2) crime prevention; and

23 (3) health care services.

24 (c) "Crime prevention" means any nongovernmental activity which
25 aids in the prevention of crime.

26 (d) "Community service organization" means any organization
27 performing community services in Kansas and which:

28 (1) Has obtained a ruling from the internal revenue service of the
29 United States department of the treasury that such organization is exempt
30 from income taxation under the provisions of section 501(c)(3) of the
31 federal internal revenue code; or

32 (2) is incorporated in the state of Kansas or another state as a
33 nonstock, nonprofit corporation; or

34 (3) has been designated as a community development corporation by
35 the United States government under the provisions of title VII of the
36 economic opportunity act of 1964; or

37 (4) is chartered by the United States congress.

38 (e) "Contributions" shall mean and include the donation of cash,
39 services or property other than used clothing in an amount or value of
40 \$250 or more. Stocks and bonds contributed shall be valued at the stock
41 market price on the date of transfer. Services contributed shall be valued at
42 the standard billing rate for not-for-profit clients. Personal property items
43 contributed shall be valued at the lesser of its fair market value or cost to

1 the donor and may be inclusive of costs incurred in making the
2 contribution, but shall not include sales tax. Contributions of real estate are
3 allowable for credit only when title thereto is in fee simple absolute and is
4 clear of any encumbrances. The amount of credit allowable shall be based
5 upon the lesser of two current independent appraisals conducted by state
6 licensed appraisers.

7 (f) "Health care services" shall include, but not be limited to, the
8 following: Services provided by local health departments, city, county or
9 district hospitals, city or county nursing homes, or other residential
10 institutions, preventive health care services offered by a community
11 service organization including immunizations, prenatal care, the
12 postponement of entry into nursing homes by home health care services,
13 and community based services for persons with a disability, mental health
14 services, indigent health care, physician or health care worker recruitment,
15 health education, emergency medical services, services provided by rural
16 health clinics, integration of health care services, home health services and
17 services provided by rural health networks, *except that for taxable years*
18 *commencing after December 31, 2013, health care services shall not*
19 *include any service involving the performance of any abortion, as defined*
20 *in K.S.A. 65-6701, and amendments thereto.*

21 (g) "Rural community" means any city having a population of fewer
22 than 15,000 located in a county that is not part of a standard metropolitan
23 statistical area as defined by the United States department of commerce or
24 its successor agency. However, any such city located in a county defined
25 as a standard metropolitan statistical area shall be deemed a rural
26 community if a substantial number of persons in such county derive their
27 income from agriculture and, in any county where there is only one city
28 within the county which has a population of more than 15,000 and which
29 classifies as a standard metropolitan statistical area, all other cities in that
30 county having a population of less than 15,000 shall be deemed a rural
31 community.

32 Sec. 19. K.S.A. 2012 Supp. 79-32,261 is hereby amended to read as
33 follows: 79-32,261. (a) On and after July 1, 2008, any taxpayer who
34 contributes in the manner prescribed by this section to a community
35 college located in Kansas for capital improvements, to a technical college
36 for deferred maintenance or the purchase of technology or equipment or to
37 a postsecondary educational institution located in Kansas for deferred
38 maintenance, shall be allowed a credit against the tax imposed by the
39 Kansas income tax act, the premium tax or privilege fees imposed
40 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
41 measured by net income of financial institutions imposed pursuant to
42 article 11 of chapter 79 of the Kansas Statutes Annotated, *and amendments*
43 *thereto.* The tax credit allowed by this section is applicable for the tax year

1 2008 for any contributions made on and after July 1, 2008, and for the tax
2 years 2009, 2010, 2011 and 2012 for any contributions made during the
3 entire tax year. The amount of the credit allowed by this section shall not
4 exceed 60% of the total amount contributed during the taxable year by the
5 taxpayer to a community college or a technical college located in Kansas
6 for such purposes. The amount of the credit allowed by this section shall
7 not exceed 50% of the total amount contributed during the taxable year by
8 the taxpayer to a postsecondary educational institution for such purposes.
9 If the amount of the credit allowed by this section for a taxpayer who
10 contributes to a community college or a technical college exceeds the
11 taxpayer's income tax liability imposed by the Kansas income tax act, such
12 excess amount shall be refunded to the taxpayer. If the amount of the tax
13 credit for a taxpayer who contributes to a postsecondary educational
14 institution exceeds the taxpayer's income tax liability for the taxable year,
15 the amount which exceeds the tax liability may be carried over for
16 deduction from the taxpayer's income tax liability in the next succeeding
17 taxable year or years until the total amount of the tax credit has been
18 deducted from tax liability, except that no such tax credit shall be carried
19 over for deduction after the third taxable year succeeding the taxable year
20 in which the contribution is made. Prior to the issuance of any tax credits
21 pursuant to this section, the structure of the process in which contributions
22 received by a community college, a technical college or a postsecondary
23 educational institution qualify as tax credits allowed and issued pursuant to
24 this section shall be developed by a community college, a technical college
25 and a postsecondary educational institution in consultation with the
26 secretary of revenue and the foundation or endowment association of any
27 such community college, technical college or postsecondary educational
28 institution in a manner that complies with requirements specified in the
29 federal internal revenue code of 1986, as amended, so that contributions
30 qualify as charitable contributions allowable as deductions from federal
31 adjusted gross income.

32 (b) (1) Upon receipt of any such contributions to a community
33 college made pursuant to the provisions of this section, the treasurer of the
34 community college shall deposit such contributions to the credit of the
35 capital outlay fund of such community college established as provided by
36 K.S.A. 71-501a, and amendments thereto. Expenditures from such fund
37 shall be made for the purposes described in subsection (a) of K.S.A. 71-
38 501, and amendments thereto, except that expenditures shall not be made
39 from such fund for new construction or the acquisition of real property for
40 use as building sites or for educational programs.

41 (2) Upon receipt of any such contributions to a technical college
42 made pursuant to the provisions of this section, such contributions shall be
43 deposited to the credit of a deferred maintenance fund or a technology and

1 equipment fund established by the technical college which received the
2 contribution. Expenditures from such fund shall be made only for the
3 purpose as provided in this subsection.

4 (3) Upon receipt of any such contributions to a postsecondary
5 educational institution made pursuant to the provisions of this section,
6 such contributions shall be deposited to the credit of the appropriate
7 deferred maintenance support fund of the postsecondary educational
8 institution which received the contribution. Expenditures from such fund
9 shall be made only for the purposes designated for such fund pursuant to
10 law.

11 (c) (1) In no event shall the total amount of credits allowed under this
12 section for taxpayers who contribute to any one such community college
13 or technical college exceed the following amounts: For the tax year 2008,
14 an amount not to exceed \$78,125; for the tax year 2009, an amount not to
15 exceed \$156,250; and for the tax years 2010, 2011 and 2012, an amount
16 not to exceed \$208,233.33.

17 (2) In no event shall the total of credits allowed under this section for
18 taxpayers who contribute to postsecondary educational institutions exceed
19 the following amounts: For the tax year 2008, an amount not to exceed
20 \$5,625,000; for the tax year 2009, an amount not to exceed \$11,250,000;
21 and for the tax years 2010, 2011 and 2012, an amount not to exceed
22 \$15,000,000. Except as otherwise provided, the allocation of such tax
23 credits for each individual state educational institution shall be determined
24 by the state board of regents in consultation with the secretary of revenue
25 and the university foundation or endowment association of each
26 postsecondary educational institution, and such determination shall be
27 completed prior to the issuance of any tax credits pursuant to this section.
28 Not more than 40% of the total of credits allowed under this section shall
29 be allocated to any one postsecondary educational institution unless all
30 such postsecondary educational institutions approve an allocation to any
31 one such postsecondary educational institution which exceeds 40% of the
32 total of such credits allowed under this section.

33 (d) As used in this section: (1) "Community college" means a
34 community college established under the provisions of the community
35 college act;

36 (2) "deferred maintenance" means the maintenance, repair,
37 reconstruction or rehabilitation of a building located at a technical college
38 or a postsecondary educational institution which has been deferred, any
39 utility systems relating to such building, any life-safety upgrades to such
40 building and any improvements necessary to be made to such building in
41 order to comply with the requirements of the Americans with disabilities
42 act or other federal or state law, *except that for taxable years commencing*
43 *after December 31, 2013, deferred maintenance shall not include any*

1 *maintenance, repair, reconstruction or rehabilitation of any building in*
2 *which any abortion, as defined in K.S.A. 65-6701, and amendments*
3 *thereto, is performed;*

4 (3) "postsecondary educational institution" means the university of
5 Kansas, Kansas state university of agriculture and applied science, Wichita
6 state university, Emporia state university, Pittsburg state university, Fort
7 Hays state university and Washburn university of Topeka; and

8 (4) "technical college" means a technical college as designated
9 pursuant to K.S.A. 72-4472, 72-4473, 72-4474, 72-4475 and 72-4477, and
10 amendments thereto.

11 (e) Any taxpayer not subject to Kansas income, privilege or
12 premiums tax who contributes to a community college, technical college
13 or postsecondary educational institution, hereinafter designated the
14 transferor, may sell, assign, convey or otherwise transfer tax credits
15 allowed and earned pursuant to this section. The sale price of a tax credit
16 shall be at least 50% of the full value of the credit. Such credit shall be
17 deemed to be allowed and earned by any such taxpayer which is only
18 disqualified therefrom by reason of not being subject to such Kansas taxes.
19 The taxpayer acquiring earned credits, hereinafter designated the
20 transferee, may use the amount of the acquired credits to offset up to 100%
21 of the taxpayer's income, privilege or premiums tax liability for the taxable
22 year in which such acquisition was made. Such credits may be sold or
23 transferred only one time and, if sold or transferred, shall be transferred in
24 the tax year such credit is earned or the two successive tax years. A
25 transferred credit shall be claimed in the year purchased. The transferor
26 shall enter into a written agreement with the transferee establishing the
27 terms and conditions of the sale or transfer and shall perfect such transfer
28 by notifying the secretary of revenue in writing within 30 calendar days
29 following the effective date of the transfer, subject to the review and
30 approval or denial of such transfer by the secretary of revenue. The
31 transferor and transferee shall provide any information pertaining to the
32 sale or transfer as may be required by the secretary of revenue to
33 administer and carry out the provisions of this section. The amount
34 received by the transferor of such tax credit shall be taxable as income of
35 the transferor, and the excess of the value of such credit over the amount
36 paid by the transferee for such credit shall be taxable as income of the
37 transferee.

38 (f) The secretary of revenue shall submit an annual report to the
39 legislature to assist the legislature in the evaluation of the utilization of any
40 credits claimed pursuant to this act, including information specific as to
41 each community college, technical college or postsecondary educational
42 institution. Such report shall be due on or before the first day of the
43 legislative session following the tax year in which the credits were

1 claimed.

2 (g) The secretary of revenue shall adopt rules and regulations
3 necessary to administer the provisions of this section.

4 Sec. 20. K.S.A. 2012 Supp. 79-3606 is hereby amended to read as
5 follows: 79-3606. The following shall be exempt from the tax imposed by
6 this act:

7 (a) All sales of motor-vehicle fuel or other articles upon which a sales
8 or excise tax has been paid, not subject to refund, under the laws of this
9 state except cigarettes as defined by K.S.A. 79-3301, and amendments
10 thereto, cereal malt beverages and malt products as defined by K.S.A. 79-
11 3817, and amendments thereto, including wort, liquid malt, malt syrup and
12 malt extract, which is not subject to taxation under the provisions of
13 K.S.A. 79-41a02, and amendments thereto, motor vehicles taxed pursuant
14 to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A.
15 65-3424d, and amendments thereto, drycleaning and laundry services
16 taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and gross
17 receipts from regulated sports contests taxed pursuant to the Kansas
18 professional regulated sports act, and amendments thereto;

19 (b) all sales of tangible personal property or service, including the
20 renting and leasing of tangible personal property, purchased directly by the
21 state of Kansas, a political subdivision thereof, other than a school or
22 educational institution, or purchased by a public or private nonprofit
23 hospital or public hospital authority or nonprofit blood, tissue or organ
24 bank and used exclusively for state, political subdivision, hospital or
25 public hospital authority or nonprofit blood, tissue or organ bank purposes,
26 except when: (1) Such state, hospital or public hospital authority is
27 engaged or proposes to engage in any business specifically taxable under
28 the provisions of this act and such items of tangible personal property or
29 service are used or proposed to be used in such business; or (2) such
30 political subdivision is engaged or proposes to engage in the business of
31 furnishing gas, electricity or heat to others and such items of personal
32 property or service are used or proposed to be used in such business;

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

42 (d) all sales of tangible personal property or services purchased by a
43 contractor for the purpose of constructing, equipping, reconstructing,

1 maintaining, repairing, enlarging, furnishing or remodeling facilities for
2 any public or private nonprofit hospital or public hospital authority, public
3 or private elementary or secondary school, a public or private nonprofit
4 educational institution, state correctional institution including a privately
5 constructed correctional institution contracted for state use and ownership,
6 which would be exempt from taxation under the provisions of this act if
7 purchased directly by such hospital or public hospital authority, school,
8 educational institution or a state correctional institution; and all sales of
9 tangible personal property or services purchased by a contractor for the
10 purpose of constructing, equipping, reconstructing, maintaining, repairing,
11 enlarging, furnishing or remodeling facilities for any political subdivision
12 of the state or district described in subsection (s), the total cost of which is
13 paid from funds of such political subdivision or district and which would
14 be exempt from taxation under the provisions of this act if purchased
15 directly by such political subdivision or district. Nothing in this subsection
16 or in the provisions of K.S.A. 12-3418, and amendments thereto, shall be
17 deemed to exempt the purchase of any construction machinery, equipment
18 or tools used in the constructing, equipping, reconstructing, maintaining,
19 repairing, enlarging, furnishing or remodeling facilities for any political
20 subdivision of the state or any such district. As used in this subsection,
21 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
22 political subdivision" shall mean general tax revenues, the proceeds of any
23 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
24 purpose of constructing, equipping, reconstructing, repairing, enlarging,
25 furnishing or remodeling facilities which are to be leased to the donor.
26 When any political subdivision of the state, district described in subsection
27 (s), public or private nonprofit hospital or public hospital authority, public
28 or private elementary or secondary school, public or private nonprofit
29 educational institution, state correctional institution including a privately
30 constructed correctional institution contracted for state use and ownership
31 shall contract for the purpose of constructing, equipping, reconstructing,
32 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
33 shall obtain from the state and furnish to the contractor an exemption
34 certificate for the project involved, and the contractor may purchase
35 materials for incorporation in such project. The contractor shall furnish the
36 number of such certificate to all suppliers from whom such purchases are
37 made, and such suppliers shall execute invoices covering the same bearing
38 the number of such certificate. Upon completion of the project the
39 contractor shall furnish to the political subdivision, district described in
40 subsection (s), hospital or public hospital authority, school, educational
41 institution or department of corrections concerned a sworn statement, on a
42 form to be provided by the director of taxation, that all purchases so made
43 were entitled to exemption under this subsection. As an alternative to the

1 foregoing procedure, any such contracting entity may apply to the
2 secretary of revenue for agent status for the sole purpose of issuing and
3 furnishing project exemption certificates to contractors pursuant to rules
4 and regulations adopted by the secretary establishing conditions and
5 standards for the granting and maintaining of such status. All invoices
6 shall be held by the contractor for a period of five years and shall be
7 subject to audit by the director of taxation. If any materials purchased
8 under such a certificate are found not to have been incorporated in the
9 building or other project or not to have been returned for credit or the sales
10 or compensating tax otherwise imposed upon such materials which will
11 not be so incorporated in the building or other project reported and paid by
12 such contractor to the director of taxation not later than the 20th day of the
13 month following the close of the month in which it shall be determined
14 that such materials will not be used for the purpose for which such
15 certificate was issued, the political subdivision, district described in
16 subsection (s), hospital or public hospital authority, school, educational
17 institution or the contractor contracting with the department of corrections
18 for a correctional institution concerned shall be liable for tax on all
19 materials purchased for the project, and upon payment thereof it may
20 recover the same from the contractor together with reasonable attorney
21 fees. Any contractor or any agent, employee or subcontractor thereof, who
22 shall use or otherwise dispose of any materials purchased under such a
23 certificate for any purpose other than that for which such a certificate is
24 issued without the payment of the sales or compensating tax otherwise
25 imposed upon such materials, shall be guilty of a misdemeanor and, upon
26 conviction therefor, shall be subject to the penalties provided for in
27 subsection (g) of K.S.A. 79-3615, and amendments thereto;

28 (e) all sales of tangible personal property or services purchased by a
29 contractor for the erection, repair or enlargement of buildings or other
30 projects for the government of the United States, its agencies or
31 instrumentalities, which would be exempt from taxation if purchased
32 directly by the government of the United States, its agencies or
33 instrumentalities. When the government of the United States, its agencies
34 or instrumentalities shall contract for the erection, repair, or enlargement
35 of any building or other project, it shall obtain from the state and furnish to
36 the contractor an exemption certificate for the project involved, and the
37 contractor may purchase materials for incorporation in such project. The
38 contractor shall furnish the number of such certificates to all suppliers
39 from whom such purchases are made, and such suppliers shall execute
40 invoices covering the same bearing the number of such certificate. Upon
41 completion of the project the contractor shall furnish to the government of
42 the United States, its agencies or instrumentalities concerned a sworn
43 statement, on a form to be provided by the director of taxation, that all

1 purchases so made were entitled to exemption under this subsection. As an
2 alternative to the foregoing procedure, any such contracting entity may
3 apply to the secretary of revenue for agent status for the sole purpose of
4 issuing and furnishing project exemption certificates to contractors
5 pursuant to rules and regulations adopted by the secretary establishing
6 conditions and standards for the granting and maintaining of such status.
7 All invoices shall be held by the contractor for a period of five years and
8 shall be subject to audit by the director of taxation. Any contractor or any
9 agent, employee or subcontractor thereof, who shall use or otherwise
10 dispose of any materials purchased under such a certificate for any purpose
11 other than that for which such a certificate is issued without the payment
12 of the sales or compensating tax otherwise imposed upon such materials,
13 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
14 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
15 and amendments thereto;

16 (f) tangible personal property purchased by a railroad or public utility
17 for consumption or movement directly and immediately in interstate
18 commerce;

19 (g) sales of aircraft including remanufactured and modified aircraft
20 sold to persons using directly or through an authorized agent such aircraft
21 as certified or licensed carriers of persons or property in interstate or
22 foreign commerce under authority of the laws of the United States or any
23 foreign government or sold to any foreign government or agency or
24 instrumentality of such foreign government and all sales of aircraft for use
25 outside of the United States and sales of aircraft repair, modification and
26 replacement parts and sales of services employed in the remanufacture,
27 modification and repair of aircraft;

28 (h) all rentals of nonsectarian textbooks by public or private
29 elementary or secondary schools;

30 (i) the lease or rental of all films, records, tapes, or any type of sound
31 or picture transcriptions used by motion picture exhibitors;

32 (j) meals served without charge or food used in the preparation of
33 such meals to employees of any restaurant, eating house, dining car, hotel,
34 drugstore or other place where meals or drinks are regularly sold to the
35 public if such employees' duties are related to the furnishing or sale of
36 such meals or drinks;

37 (k) any motor vehicle, semitrailer or pole trailer, as such terms are
38 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and
39 delivered in this state to a bona fide resident of another state, which motor
40 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based
41 in this state and which vehicle, semitrailer, pole trailer or aircraft will not
42 remain in this state more than 10 days;

43 (l) all isolated or occasional sales of tangible personal property,

1 services, substances or things, except isolated or occasional sale of motor
2 vehicles specifically taxed under the provisions of subsection (o) of K.S.A.
3 79-3603, and amendments thereto;

4 (m) all sales of tangible personal property which become an
5 ingredient or component part of tangible personal property or services
6 produced, manufactured or compounded for ultimate sale at retail within
7 or without the state of Kansas; and any such producer, manufacturer or
8 compounder may obtain from the director of taxation and furnish to the
9 supplier an exemption certificate number for tangible personal property for
10 use as an ingredient or component part of the property or services
11 produced, manufactured or compounded;

12 (n) all sales of tangible personal property which is consumed in the
13 production, manufacture, processing, mining, drilling, refining or
14 compounding of tangible personal property, the treating of by-products or
15 wastes derived from any such production process, the providing of
16 services or the irrigation of crops for ultimate sale at retail within or
17 without the state of Kansas; and any purchaser of such property may
18 obtain from the director of taxation and furnish to the supplier an
19 exemption certificate number for tangible personal property for
20 consumption in such production, manufacture, processing, mining,
21 drilling, refining, compounding, treating, irrigation and in providing such
22 services;

23 (o) all sales of animals, fowl and aquatic plants and animals, the
24 primary purpose of which is use in agriculture or aquaculture, as defined in
25 K.S.A. 47-1901, and amendments thereto, the production of food for
26 human consumption, the production of animal, dairy, poultry or aquatic
27 plant and animal products, fiber or fur, or the production of offspring for
28 use for any such purpose or purposes;

29 (p) all sales of drugs dispensed pursuant to a prescription order by a
30 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
31 1626, and amendments thereto. As used in this subsection, "drug" means a
32 compound, substance or preparation and any component of a compound,
33 substance or preparation, other than food and food ingredients, dietary
34 supplements or alcoholic beverages, recognized in the official United
35 States pharmacopoeia, official homeopathic pharmacopoeia of the United
36 States or official national formulary, and supplement to any of them,
37 intended for use in the diagnosis, cure, mitigation, treatment or prevention
38 of disease or intended to affect the structure or any function of the body,
39 *except that for taxable years commencing after December 31, 2013, this*
40 *subsection shall not apply to any sales of drugs used in the performance*
41 *or induction of an abortion, as defined in K.S.A. 65-6701, and*
42 *amendments thereto;*

43 (q) all sales of insulin dispensed by a person licensed by the state

1 board of pharmacy to a person for treatment of diabetes at the direction of
2 a person licensed to practice medicine by the board of healing arts;

3 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,
4 enteral feeding systems, prosthetic devices and mobility enhancing
5 equipment prescribed in writing by a person licensed to practice the
6 healing arts, dentistry or optometry, and in addition to such sales, all sales
7 of hearing aids, as defined by subsection (c) of K.S.A. 74-5807, and
8 amendments thereto, and repair and replacement parts therefor, including
9 batteries, by a person licensed in the practice of dispensing and fitting
10 hearing aids pursuant to the provisions of K.S.A. 74-5808, and
11 amendments thereto. For the purposes of this subsection: (1) "Mobility
12 enhancing equipment" means equipment including repair and replacement
13 parts to same, but does not include durable medical equipment, which is
14 primarily and customarily used to provide or increase the ability to move
15 from one place to another and which is appropriate for use either in a
16 home or a motor vehicle; is not generally used by persons with normal
17 mobility; and does not include any motor vehicle or equipment on a motor
18 vehicle normally provided by a motor vehicle manufacturer; and (2)
19 "prosthetic device" means a replacement, corrective or supportive device
20 including repair and replacement parts for same worn on or in the body to
21 artificially replace a missing portion of the body, prevent or correct
22 physical deformity or malfunction or support a weak or deformed portion
23 of the body;

24 (s) except as provided in K.S.A. 2012 Supp. 82a-2101, and
25 amendments thereto, all sales of tangible personal property or services
26 purchased directly or indirectly by a groundwater management district
27 organized or operating under the authority of K.S.A. 82a-1020 et seq., and
28 amendments thereto, by a rural water district organized or operating under
29 the authority of K.S.A. 82a-612, and amendments thereto, or by a water
30 supply district organized or operating under the authority of K.S.A. 19-
31 3501 et seq., 19-3522 et seq., or 19-3545, and amendments thereto, which
32 property or services are used in the construction activities, operation or
33 maintenance of the district;

34 (t) all sales of farm machinery and equipment or aquaculture
35 machinery and equipment, repair and replacement parts therefor and
36 services performed in the repair and maintenance of such machinery and
37 equipment. For the purposes of this subsection the term "farm machinery
38 and equipment or aquaculture machinery and equipment" shall include a
39 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments
40 thereto, and is equipped with a bed or cargo box for hauling materials, and
41 shall also include machinery and equipment used in the operation of
42 Christmas tree farming but shall not include any passenger vehicle, truck,
43 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as

1 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm
2 machinery and equipment" includes precision farming equipment that is
3 portable or is installed or purchased to be installed on farm machinery and
4 equipment. "Precision farming equipment" includes the following items
5 used only in computer-assisted farming, ranching or aquaculture
6 production operations: Soil testing sensors, yield monitors, computers,
7 monitors, software, global positioning and mapping systems, guiding
8 systems, modems, data communications equipment and any necessary
9 mounting hardware, wiring and antennas. Each purchaser of farm
10 machinery and equipment or aquaculture machinery and equipment
11 exempted herein must certify in writing on the copy of the invoice or sales
12 ticket to be retained by the seller that the farm machinery and equipment
13 or aquaculture machinery and equipment purchased will be used only in
14 farming, ranching or aquaculture production. Farming or ranching shall
15 include the operation of a feedlot and farm and ranch work for hire and the
16 operation of a nursery;

17 (u) all leases or rentals of tangible personal property used as a
18 dwelling if such tangible personal property is leased or rented for a period
19 of more than 28 consecutive days;

20 (v) all sales of tangible personal property to any contractor for use in
21 preparing meals for delivery to homebound elderly persons over 60 years
22 of age and to homebound disabled persons or to be served at a group-
23 sitting at a location outside of the home to otherwise homebound elderly
24 persons over 60 years of age and to otherwise homebound disabled
25 persons, as all or part of any food service project funded in whole or in
26 part by government or as part of a private nonprofit food service project
27 available to all such elderly or disabled persons residing within an area of
28 service designated by the private nonprofit organization, and all sales of
29 tangible personal property for use in preparing meals for consumption by
30 indigent or homeless individuals whether or not such meals are consumed
31 at a place designated for such purpose, and all sales of food products by or
32 on behalf of any such contractor or organization for any such purpose;

33 (w) all sales of natural gas, electricity, heat and water delivered
34 through mains, lines or pipes: (1) To residential premises for
35 noncommercial use by the occupant of such premises; (2) for agricultural
36 use and also, for such use, all sales of propane gas; (3) for use in the
37 severing of oil; and (4) to any property which is exempt from property
38 taxation pursuant to K.S.A. 79-201b, *Second* through *Sixth*. As used in this
39 paragraph, "severing" shall have the meaning ascribed thereto by
40 subsection (k) of K.S.A. 79-4216, and amendments thereto. For all sales of
41 natural gas, electricity and heat delivered through mains, lines or pipes
42 pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions
43 of this subsection shall expire on December 31, 2005;

1 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources
2 for the production of heat or lighting for noncommercial use of an
3 occupant of residential premises occurring prior to January 1, 2006;

4 (y) all sales of materials and services used in the repairing, servicing,
5 altering, maintaining, manufacturing, remanufacturing, or modification of
6 railroad rolling stock for use in interstate or foreign commerce under
7 authority of the laws of the United States;

8 (z) all sales of tangible personal property and services purchased
9 directly by a port authority or by a contractor therefor as provided by the
10 provisions of K.S.A. 12-3418, and amendments thereto;

11 (aa) all sales of materials and services applied to equipment which is
12 transported into the state from without the state for repair, service,
13 alteration, maintenance, remanufacture or modification and which is
14 subsequently transported outside the state for use in the transmission of
15 liquids or natural gas by means of pipeline in interstate or foreign
16 commerce under authority of the laws of the United States;

17 (bb) all sales of used mobile homes or manufactured homes. As used
18 in this subsection: (1) "Mobile homes" and "manufactured homes" shall
19 have the meanings ascribed thereto by K.S.A. 58-4202, and amendments
20 thereto; and (2) "sales of used mobile homes or manufactured homes"
21 means sales other than the original retail sale thereof;

22 (cc) all sales of tangible personal property or services purchased prior
23 to January 1, 2012, except as otherwise provided, for the purpose of and in
24 conjunction with constructing, reconstructing, enlarging or remodeling a
25 business or retail business which meets the requirements established in
26 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
27 machinery and equipment purchased for installation at any such business
28 or retail business, and all sales of tangible personal property or services
29 purchased on or after January 1, 2012, for the purpose of and in
30 conjunction with constructing, reconstructing, enlarging or remodeling a
31 business which meets the requirements established in K.S.A. 74-50,115(e),
32 and amendments thereto, and the sale and installation of machinery and
33 equipment purchased for installation at any such business. When a person
34 shall contract for the construction, reconstruction, enlargement or
35 remodeling of any such business or retail business, such person shall
36 obtain from the state and furnish to the contractor an exemption certificate
37 for the project involved, and the contractor may purchase materials,
38 machinery and equipment for incorporation in such project. The contractor
39 shall furnish the number of such certificates to all suppliers from whom
40 such purchases are made, and such suppliers shall execute invoices
41 covering the same bearing the number of such certificate. Upon
42 completion of the project the contractor shall furnish to the owner of the
43 business or retail business a sworn statement, on a form to be provided by

1 the director of taxation, that all purchases so made were entitled to
2 exemption under this subsection. All invoices shall be held by the
3 contractor for a period of five years and shall be subject to audit by the
4 director of taxation. Any contractor or any agent, employee or
5 subcontractor thereof, who shall use or otherwise dispose of any materials,
6 machinery or equipment purchased under such a certificate for any
7 purpose other than that for which such a certificate is issued without the
8 payment of the sales or compensating tax otherwise imposed thereon, shall
9 be guilty of a misdemeanor and, upon conviction therefor, shall be subject
10 to the penalties provided for in subsection (g) of K.S.A. 79-3615, and
11 amendments thereto. As used in this subsection, "business" and "retail
12 business" have the meanings respectively ascribed thereto by K.S.A. 74-
13 50,114, and amendments thereto. Project exemption certificates that have
14 been previously issued under this subsection by the department of revenue
15 pursuant to K.S.A. 74-50,115, and amendments thereto, but not including
16 K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012,
17 and have not expired will be effective for the term of the project or two
18 years from the effective date of the certificate, whichever occurs earlier.
19 Project exemption certificates that are submitted to the department of
20 revenue prior to January 1, 2012, and are found to qualify will be issued a
21 project exemption certificate that will be effective for a two-year period or
22 for the term of the project, whichever occurs earlier;

23 (dd) all sales of tangible personal property purchased with food
24 stamps issued by the United States department of agriculture;

25 (ee) all sales of lottery tickets and shares made as part of a lottery
26 operated by the state of Kansas;

27 (ff) on and after July 1, 1988, all sales of new mobile homes or
28 manufactured homes to the extent of 40% of the gross receipts, determined
29 without regard to any trade-in allowance, received from such sale. As used
30 in this subsection, "mobile homes" and "manufactured homes" shall have
31 the meanings ascribed thereto by K.S.A. 58-4202, and amendments
32 thereto;

33 (gg) all sales of tangible personal property purchased in accordance
34 with vouchers issued pursuant to the federal special supplemental food
35 program for women, infants and children;

36 (hh) all sales of medical supplies and equipment, including durable
37 medical equipment, purchased directly by a nonprofit skilled nursing home
38 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
39 and amendments thereto, for the purpose of providing medical services to
40 residents thereof. This exemption shall not apply to tangible personal
41 property customarily used for human habitation purposes. As used in this
42 subsection, "durable medical equipment" means equipment including
43 repair and replacement parts for such equipment, which can withstand

1 repeated use, is primarily and customarily used to serve a medical purpose,
2 generally is not useful to a person in the absence of illness or injury and is
3 not worn in or on the body, but does not include mobility enhancing
4 equipment as defined in subsection (r), oxygen delivery equipment, kidney
5 dialysis equipment or enteral feeding systems;

6 (ii) all sales of tangible personal property purchased directly by a
7 nonprofit organization for nonsectarian comprehensive multidiscipline
8 youth development programs and activities provided or sponsored by such
9 organization, and all sales of tangible personal property by or on behalf of
10 any such organization. This exemption shall not apply to tangible personal
11 property customarily used for human habitation purposes;

12 (jj) all sales of tangible personal property or services, including the
13 renting and leasing of tangible personal property, purchased directly on
14 behalf of a community-based facility for people with intellectual disability
15 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and
16 amendments thereto, and licensed in accordance with the provisions of
17 K.S.A. 75-3307b, and amendments thereto, and all sales of tangible
18 personal property or services purchased by contractors during the time
19 period from July, 2003, through June, 2006, for the purpose of
20 constructing, equipping, maintaining or furnishing a new facility for a
21 community-based facility for people with intellectual disability or mental
22 health center located in Riverton, Cherokee County, Kansas, which would
23 have been eligible for sales tax exemption pursuant to this subsection if
24 purchased directly by such facility or center. This exemption shall not
25 apply to tangible personal property customarily used for human habitation
26 purposes;

27 (kk) (1) (A) all sales of machinery and equipment which are used in
28 this state as an integral or essential part of an integrated production
29 operation by a manufacturing or processing plant or facility;

30 (B) all sales of installation, repair and maintenance services
31 performed on such machinery and equipment; and

32 (C) all sales of repair and replacement parts and accessories
33 purchased for such machinery and equipment.

34 (2) For purposes of this subsection:

35 (A) "Integrated production operation" means an integrated series of
36 operations engaged in at a manufacturing or processing plant or facility to
37 process, transform or convert tangible personal property by physical,
38 chemical or other means into a different form, composition or character
39 from that in which it originally existed. Integrated production operations
40 shall include: (i) Production line operations, including packaging
41 operations; (ii) preproduction operations to handle, store and treat raw
42 materials; (iii) post production handling, storage, warehousing and
43 distribution operations; and (iv) waste, pollution and environmental

1 control operations, if any;

2 (B) "production line" means the assemblage of machinery and
3 equipment at a manufacturing or processing plant or facility where the
4 actual transformation or processing of tangible personal property occurs;

5 (C) "manufacturing or processing plant or facility" means a single,
6 fixed location owned or controlled by a manufacturing or processing
7 business that consists of one or more structures or buildings in a
8 contiguous area where integrated production operations are conducted to
9 manufacture or process tangible personal property to be ultimately sold at
10 retail. Such term shall not include any facility primarily operated for the
11 purpose of conveying or assisting in the conveyance of natural gas,
12 electricity, oil or water. A business may operate one or more manufacturing
13 or processing plants or facilities at different locations to manufacture or
14 process a single product of tangible personal property to be ultimately sold
15 at retail;

16 (D) "manufacturing or processing business" means a business that
17 utilizes an integrated production operation to manufacture, process,
18 fabricate, finish, or assemble items for wholesale and retail distribution as
19 part of what is commonly regarded by the general public as an industrial
20 manufacturing or processing operation or an agricultural commodity
21 processing operation. (i) Industrial manufacturing or processing operations
22 include, by way of illustration but not of limitation, the fabrication of
23 automobiles, airplanes, machinery or transportation equipment, the
24 fabrication of metal, plastic, wood, or paper products, electricity power
25 generation, water treatment, petroleum refining, chemical production,
26 wholesale bottling, newspaper printing, ready mixed concrete production,
27 and the remanufacturing of used parts for wholesale or retail sale. Such
28 processing operations shall include operations at an oil well, gas well,
29 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
30 sand or gravel that has been extracted from the earth is cleaned, separated,
31 crushed, ground, milled, screened, washed, or otherwise treated or
32 prepared before its transmission to a refinery or before any other wholesale
33 or retail distribution. (ii) Agricultural commodity processing operations
34 include, by way of illustration but not of limitation, meat packing, poultry
35 slaughtering and dressing, processing and packaging farm and dairy
36 products in sealed containers for wholesale and retail distribution, feed
37 grinding, grain milling, frozen food processing, and grain handling,
38 cleaning, blending, fumigation, drying and aeration operations engaged in
39 by grain elevators or other grain storage facilities. (iii) Manufacturing or
40 processing businesses do not include, by way of illustration but not of
41 limitation, nonindustrial businesses whose operations are primarily retail
42 and that produce or process tangible personal property as an incidental part
43 of conducting the retail business, such as retailers who bake, cook or

1 prepare food products in the regular course of their retail trade, grocery
2 stores, meat lockers and meat markets that butcher or dress livestock or
3 poultry in the regular course of their retail trade, contractors who alter,
4 service, repair or improve real property, and retail businesses that clean,
5 service or refurbish and repair tangible personal property for its owner;

6 (E) "repair and replacement parts and accessories" means all parts
7 and accessories for exempt machinery and equipment, including, but not
8 limited to, dies, jigs, molds, patterns and safety devices that are attached to
9 exempt machinery or that are otherwise used in production, and parts and
10 accessories that require periodic replacement such as belts, drill bits,
11 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
12 other refractory items for exempt kiln equipment used in production
13 operations;

14 (F) "primary" or "primarily" mean more than 50% of the time.

15 (3) For purposes of this subsection, machinery and equipment shall
16 be deemed to be used as an integral or essential part of an integrated
17 production operation when used:

18 (A) To receive, transport, convey, handle, treat or store raw materials
19 in preparation of its placement on the production line;

20 (B) to transport, convey, handle or store the property undergoing
21 manufacturing or processing at any point from the beginning of the
22 production line through any warehousing or distribution operation of the
23 final product that occurs at the plant or facility;

24 (C) to act upon, effect, promote or otherwise facilitate a physical
25 change to the property undergoing manufacturing or processing;

26 (D) to guide, control or direct the movement of property undergoing
27 manufacturing or processing;

28 (E) to test or measure raw materials, the property undergoing
29 manufacturing or processing or the finished product, as a necessary part of
30 the manufacturer's integrated production operations;

31 (F) to plan, manage, control or record the receipt and flow of
32 inventories of raw materials, consumables and component parts, the flow of
33 the property undergoing manufacturing or processing and the
34 management of inventories of the finished product;

35 (G) to produce energy for, lubricate, control the operating of or
36 otherwise enable the functioning of other production machinery and
37 equipment and the continuation of production operations;

38 (H) to package the property being manufactured or processed in a
39 container or wrapping in which such property is normally sold or
40 transported;

41 (I) to transmit or transport electricity, coke, gas, water, steam or
42 similar substances used in production operations from the point of
43 generation, if produced by the manufacturer or processor at the plant site,

1 to that manufacturer's production operation; or, if purchased or delivered
2 from off-site, from the point where the substance enters the site of the
3 plant or facility to that manufacturer's production operations;

4 (J) to cool, heat, filter, refine or otherwise treat water, steam, acid, oil,
5 solvents or other substances that are used in production operations;

6 (K) to provide and control an environment required to maintain
7 certain levels of air quality, humidity or temperature in special and limited
8 areas of the plant or facility, where such regulation of temperature or
9 humidity is part of and essential to the production process;

10 (L) to treat, transport or store waste or other byproducts of production
11 operations at the plant or facility; or

12 (M) to control pollution at the plant or facility where the pollution is
13 produced by the manufacturing or processing operation.

14 (4) The following machinery, equipment and materials shall be
15 deemed to be exempt even though it may not otherwise qualify as
16 machinery and equipment used as an integral or essential part of an
17 integrated production operation: (A) Computers and related peripheral
18 equipment that are utilized by a manufacturing or processing business for
19 engineering of the finished product or for research and development or
20 product design; (B) machinery and equipment that is utilized by a
21 manufacturing or processing business to manufacture or rebuild tangible
22 personal property that is used in manufacturing or processing operations,
23 including tools, dies, molds, forms and other parts of qualifying machinery
24 and equipment; (C) portable plants for aggregate concrete, bulk cement
25 and asphalt including cement mixing drums to be attached to a motor
26 vehicle; (D) industrial fixtures, devices, support facilities and special
27 foundations necessary for manufacturing and production operations, and
28 materials and other tangible personal property sold for the purpose of
29 fabricating such fixtures, devices, facilities and foundations. An exemption
30 certificate for such purchases shall be signed by the manufacturer or
31 processor. If the fabricator purchases such material, the fabricator shall
32 also sign the exemption certificate; and (E) a manufacturing or processing
33 business' laboratory equipment that is not located at the plant or facility,
34 but that would otherwise qualify for exemption under subsection (3)(E).

35 (5) "Machinery and equipment used as an integral or essential part of
36 an integrated production operation" shall not include:

37 (A) Machinery and equipment used for nonproduction purposes,
38 including, but not limited to, machinery and equipment used for plant
39 security, fire prevention, first aid, accounting, administration, record
40 keeping, advertising, marketing, sales or other related activities, plant
41 cleaning, plant communications, and employee work scheduling;

42 (B) machinery, equipment and tools used primarily in maintaining
43 and repairing any type of machinery and equipment or the building and

1 plant;

2 (C) transportation, transmission and distribution equipment not
3 primarily used in a production, warehousing or material handling
4 operation at the plant or facility, including the means of conveyance of
5 natural gas, electricity, oil or water, and equipment related thereto, located
6 outside the plant or facility;

7 (D) office machines and equipment including computers and related
8 peripheral equipment not used directly and primarily to control or measure
9 the manufacturing process;

10 (E) furniture and other furnishings;

11 (F) buildings, other than exempt machinery and equipment that is
12 permanently affixed to or becomes a physical part of the building, and any
13 other part of real estate that is not otherwise exempt;

14 (G) building fixtures that are not integral to the manufacturing
15 operation, such as utility systems for heating, ventilation, air conditioning,
16 communications, plumbing or electrical;

17 (H) machinery and equipment used for general plant heating, cooling
18 and lighting;

19 (I) motor vehicles that are registered for operation on public
20 highways; or

21 (J) employee apparel, except safety and protective apparel that is
22 purchased by an employer and furnished gratuitously to employees who
23 are involved in production or research activities.

24 (6) Subsections (3) and (5) shall not be construed as exclusive listings
25 of the machinery and equipment that qualify or do not qualify as an
26 integral or essential part of an integrated production operation. When
27 machinery or equipment is used as an integral or essential part of
28 production operations part of the time and for nonproduction purpose at
29 other times, the primary use of the machinery or equipment shall
30 determine whether or not such machinery or equipment qualifies for
31 exemption.

32 (7) The secretary of revenue shall adopt rules and regulations
33 necessary to administer the provisions of this subsection;

34 (II) all sales of educational materials purchased for distribution to the
35 public at no charge by a nonprofit corporation organized for the purpose of
36 encouraging, fostering and conducting programs for the improvement of
37 public health, *except that for taxable years commencing after December*
38 *31, 2013, this subsection shall not apply to any sales of such materials*
39 *purchased by a nonprofit corporation which performs any abortion, as*
40 *defined in K.S.A. 65-6701, and amendments thereto;*

41 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,
42 herbicides, germicides, pesticides and fungicides; and services, purchased
43 and used for the purpose of producing plants in order to prevent soil

1 erosion on land devoted to agricultural use;

2 (nn) except as otherwise provided in this act, all sales of services
3 rendered by an advertising agency or licensed broadcast station or any
4 member, agent or employee thereof;

5 (oo) all sales of tangible personal property purchased by a community
6 action group or agency for the exclusive purpose of repairing or
7 weatherizing housing occupied by low income individuals;

8 (pp) all sales of drill bits and explosives actually utilized in the
9 exploration and production of oil or gas;

10 (qq) all sales of tangible personal property and services purchased by
11 a nonprofit museum or historical society or any combination thereof,
12 including a nonprofit organization which is organized for the purpose of
13 stimulating public interest in the exploration of space by providing
14 educational information, exhibits and experiences, which is exempt from
15 federal income taxation pursuant to section 501(c)(3) of the federal
16 internal revenue code of 1986;

17 (rr) all sales of tangible personal property which will admit the
18 purchaser thereof to any annual event sponsored by a nonprofit
19 organization which is exempt from federal income taxation pursuant to
20 section 501(c)(3) of the federal internal revenue code of 1986, *except that*
21 *for taxable years commencing after December 31, 2013, this subsection*
22 *shall not apply to any sales of such tangible personal property purchased*
23 *by a nonprofit organization which performs any abortion, as defined in*
24 *K.S.A. 65-6701, and amendments thereto;*

25 (ss) all sales of tangible personal property and services purchased by
26 a public broadcasting station licensed by the federal communications
27 commission as a noncommercial educational television or radio station;

28 (tt) all sales of tangible personal property and services purchased by
29 or on behalf of a not-for-profit corporation which is exempt from federal
30 income taxation pursuant to section 501(c)(3) of the federal internal
31 revenue code of 1986, for the sole purpose of constructing a Kansas
32 Korean War memorial;

33 (uu) all sales of tangible personal property and services purchased by
34 or on behalf of any rural volunteer fire-fighting organization for use
35 exclusively in the performance of its duties and functions;

36 (vv) all sales of tangible personal property purchased by any of the
37 following organizations which are exempt from federal income taxation
38 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
39 for the following purposes, and all sales of any such property by or on
40 behalf of any such organization for any such purpose:

41 (1) The American Heart Association, Kansas Affiliate, Inc. for the
42 purposes of providing education, training, certification in emergency
43 cardiac care, research and other related services to reduce disability and

1 death from cardiovascular diseases and stroke;

2 (2) the Kansas Alliance for the Mentally Ill, Inc. for the purpose of
3 advocacy for persons with mental illness and to education, research and
4 support for their families;

5 (3) the Kansas Mental Illness Awareness Council for the purposes of
6 advocacy for persons who are mentally ill and to education, research and
7 support for them and their families;

8 (4) the American Diabetes Association Kansas Affiliate, Inc. for the
9 purpose of eliminating diabetes through medical research, public education
10 focusing on disease prevention and education, patient education including
11 information on coping with diabetes, and professional education and
12 training;

13 (5) the American Lung Association of Kansas, Inc. for the purpose of
14 eliminating all lung diseases through medical research, public education
15 including information on coping with lung diseases, professional education
16 and training related to lung disease and other related services to reduce the
17 incidence of disability and death due to lung disease;

18 (6) the Kansas chapters of the Alzheimer's Disease and Related
19 Disorders Association, Inc. for the purpose of providing assistance and
20 support to persons in Kansas with Alzheimer's disease, and their families
21 and caregivers;

22 (7) the Kansas chapters of the Parkinson's disease association for the
23 purpose of eliminating Parkinson's disease through medical research and
24 public and professional education related to such disease;

25 (8) the National Kidney Foundation of Kansas and Western Missouri
26 for the purpose of eliminating kidney disease through medical research
27 and public and private education related to such disease;

28 (9) the heartstrings community foundation for the purpose of
29 providing training, employment and activities for adults with
30 developmental disabilities;

31 (10) the Cystic Fibrosis Foundation, Heart of America Chapter, for
32 the purposes of assuring the development of the means to cure and control
33 cystic fibrosis and improving the quality of life for those with the disease;

34 (11) the spina bifida association of Kansas for the purpose of
35 providing financial, educational and practical aid to families and
36 individuals with spina bifida. Such aid includes, but is not limited to,
37 funding for medical devices, counseling and medical educational
38 opportunities;

39 (12) the CHWC, Inc., for the purpose of rebuilding urban core
40 neighborhoods through the construction of new homes, acquiring and
41 renovating existing homes and other related activities, and promoting
42 economic development in such neighborhoods;

43 (13) the cross-lines cooperative council for the purpose of providing

1 social services to low income individuals and families;

2 (14) the Dreams Work, Inc., for the purpose of providing young adult
3 day services to individuals with developmental disabilities and assisting
4 families in avoiding institutional or nursing home care for a
5 developmentally disabled member of their family;

6 (15) the KSDS, Inc., for the purpose of promoting the independence
7 and inclusion of people with disabilities as fully participating and
8 contributing members of their communities and society through the
9 training and providing of guide and service dogs to people with
10 disabilities, and providing disability education and awareness to the
11 general public;

12 (16) the lyme association of greater Kansas City, Inc., for the purpose
13 of providing support to persons with lyme disease and public education
14 relating to the prevention, treatment and cure of lyme disease;

15 (17) the Dream Factory, Inc., for the purpose of granting the dreams
16 of children with critical and chronic illnesses;

17 (18) the Ottawa Suzuki Strings, Inc., for the purpose of providing
18 students and families with education and resources necessary to enable
19 each child to develop fine character and musical ability to the fullest
20 potential;

21 (19) the International Association of Lions Clubs for the purpose of
22 creating and fostering a spirit of understanding among all people for
23 humanitarian needs by providing voluntary services through community
24 involvement and international cooperation;

25 (20) the Johnson county young matrons, inc., for the purpose of
26 promoting a positive future for members of the community through
27 volunteerism, financial support and education through the efforts of an all
28 volunteer organization;

29 (21) the American Cancer Society, Inc., for the purpose of eliminating
30 cancer as a major health problem by preventing cancer, saving lives and
31 diminishing suffering from cancer, through research, education, advocacy
32 and service;

33 (22) the community services of Shawnee, inc., for the purpose of
34 providing food and clothing to those in need;

35 (23) the angel babies association, for the purpose of providing
36 assistance, support and items of necessity to teenage mothers and their
37 babies; and

38 (24) the Kansas fairgrounds foundation for the purpose of the
39 preservation, renovation and beautification of the Kansas state fairgrounds;

40 (ww) all sales of tangible personal property purchased by the Habitat
41 for Humanity for the exclusive use of being incorporated within a housing
42 project constructed by such organization;

43 (xx) all sales of tangible personal property and services purchased by

1 a nonprofit zoo which is exempt from federal income taxation pursuant to
2 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
3 of such zoo by an entity itself exempt from federal income taxation
4 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
5 contracted with to operate such zoo and all sales of tangible personal
6 property or services purchased by a contractor for the purpose of
7 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
8 furnishing or remodeling facilities for any nonprofit zoo which would be
9 exempt from taxation under the provisions of this section if purchased
10 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
11 this subsection shall be deemed to exempt the purchase of any construction
12 machinery, equipment or tools used in the constructing, equipping,
13 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
14 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for
15 the purpose of constructing, equipping, reconstructing, maintaining,
16 repairing, enlarging, furnishing or remodeling facilities, it shall obtain
17 from the state and furnish to the contractor an exemption certificate for the
18 project involved, and the contractor may purchase materials for
19 incorporation in such project. The contractor shall furnish the number of
20 such certificate to all suppliers from whom such purchases are made, and
21 such suppliers shall execute invoices covering the same bearing the
22 number of such certificate. Upon completion of the project the contractor
23 shall furnish to the nonprofit zoo concerned a sworn statement, on a form
24 to be provided by the director of taxation, that all purchases so made were
25 entitled to exemption under this subsection. All invoices shall be held by
26 the contractor for a period of five years and shall be subject to audit by the
27 director of taxation. If any materials purchased under such a certificate are
28 found not to have been incorporated in the building or other project or not
29 to have been returned for credit or the sales or compensating tax otherwise
30 imposed upon such materials which will not be so incorporated in the
31 building or other project reported and paid by such contractor to the
32 director of taxation not later than the 20th day of the month following the
33 close of the month in which it shall be determined that such materials will
34 not be used for the purpose for which such certificate was issued, the
35 nonprofit zoo concerned shall be liable for tax on all materials purchased
36 for the project, and upon payment thereof it may recover the same from
37 the contractor together with reasonable attorney fees. Any contractor or
38 any agent, employee or subcontractor thereof, who shall use or otherwise
39 dispose of any materials purchased under such a certificate for any purpose
40 other than that for which such a certificate is issued without the payment
41 of the sales or compensating tax otherwise imposed upon such materials,
42 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
43 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,

1 and amendments thereto;

2 (yy) all sales of tangible personal property and services purchased by
3 a parent-teacher association or organization, and all sales of tangible
4 personal property by or on behalf of such association or organization;

5 (zz) all sales of machinery and equipment purchased by over-the-air,
6 free access radio or television station which is used directly and primarily
7 for the purpose of producing a broadcast signal or is such that the failure
8 of the machinery or equipment to operate would cause broadcasting to
9 cease. For purposes of this subsection, machinery and equipment shall
10 include, but not be limited to, that required by rules and regulations of the
11 federal communications commission, and all sales of electricity which are
12 essential or necessary for the purpose of producing a broadcast signal or is
13 such that the failure of the electricity would cause broadcasting to cease;

14 (aaa) all sales of tangible personal property and services purchased by
15 a religious organization which is exempt from federal income taxation
16 pursuant to section 501(c)(3) of the federal internal revenue code, and used
17 exclusively for religious purposes, and all sales of tangible personal
18 property or services purchased by a contractor for the purpose of
19 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
20 furnishing or remodeling facilities for any such organization which would
21 be exempt from taxation under the provisions of this section if purchased
22 directly by such organization. Nothing in this subsection shall be deemed
23 to exempt the purchase of any construction machinery, equipment or tools
24 used in the constructing, equipping, reconstructing, maintaining, repairing,
25 enlarging, furnishing or remodeling facilities for any such organization.
26 When any such organization shall contract for the purpose of constructing,
27 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
28 remodeling facilities, it shall obtain from the state and furnish to the
29 contractor an exemption certificate for the project involved, and the
30 contractor may purchase materials for incorporation in such project. The
31 contractor shall furnish the number of such certificate to all suppliers from
32 whom such purchases are made, and such suppliers shall execute invoices
33 covering the same bearing the number of such certificate. Upon
34 completion of the project the contractor shall furnish to such organization
35 concerned a sworn statement, on a form to be provided by the director of
36 taxation, that all purchases so made were entitled to exemption under this
37 subsection. All invoices shall be held by the contractor for a period of five
38 years and shall be subject to audit by the director of taxation. If any
39 materials purchased under such a certificate are found not to have been
40 incorporated in the building or other project or not to have been returned
41 for credit or the sales or compensating tax otherwise imposed upon such
42 materials which will not be so incorporated in the building or other project
43 reported and paid by such contractor to the director of taxation not later

1 than the 20th day of the month following the close of the month in which it
2 shall be determined that such materials will not be used for the purpose for
3 which such certificate was issued, such organization concerned shall be
4 liable for tax on all materials purchased for the project, and upon payment
5 thereof it may recover the same from the contractor together with
6 reasonable attorney fees. Any contractor or any agent, employee or
7 subcontractor thereof, who shall use or otherwise dispose of any materials
8 purchased under such a certificate for any purpose other than that for
9 which such a certificate is issued without the payment of the sales or
10 compensating tax otherwise imposed upon such materials, shall be guilty
11 of a misdemeanor and, upon conviction therefor, shall be subject to the
12 penalties provided for in subsection (g) of K.S.A. 79-3615, and
13 amendments thereto. Sales tax paid on and after July 1, 1998, but prior to
14 the effective date of this act upon the gross receipts received from any sale
15 exempted by the amendatory provisions of this subsection shall be
16 refunded. Each claim for a sales tax refund shall be verified and submitted
17 to the director of taxation upon forms furnished by the director and shall
18 be accompanied by any additional documentation required by the director.
19 The director shall review each claim and shall refund that amount of sales
20 tax paid as determined under the provisions of this subsection. All refunds
21 shall be paid from the sales tax refund fund upon warrants of the director
22 of accounts and reports pursuant to vouchers approved by the director or
23 the director's designee;

24 (bbb) all sales of food for human consumption by an organization
25 which is exempt from federal income taxation pursuant to section 501(c)
26 (3) of the federal internal revenue code of 1986, pursuant to a food
27 distribution program which offers such food at a price below cost in
28 exchange for the performance of community service by the purchaser
29 thereof;

30 (ccc) on and after July 1, 1999, all sales of tangible personal property
31 and services purchased by a primary care clinic or health center the
32 primary purpose of which is to provide services to medically underserved
33 individuals and families, and which is exempt from federal income
34 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
35 and all sales of tangible personal property or services purchased by a
36 contractor for the purpose of constructing, equipping, reconstructing,
37 maintaining, repairing, enlarging, furnishing or remodeling facilities for
38 any such clinic or center which would be exempt from taxation under the
39 provisions of this section if purchased directly by such clinic or center,
40 *except that for taxable years commencing after December 31, 2013, this*
41 *subsection shall not apply to any sales of such tangible personal property*
42 *and services purchased by a primary care clinic or health center which*
43 *performs any abortion, as defined in K.S.A. 65-6701, and amendments*

1 *thereto*. Nothing in this subsection shall be deemed to exempt the purchase
2 of any construction machinery, equipment or tools used in the
3 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
4 furnishing or remodeling facilities for any such clinic or center. When any
5 such clinic or center shall contract for the purpose of constructing,
6 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
7 remodeling facilities, it shall obtain from the state and furnish to the
8 contractor an exemption certificate for the project involved, and the
9 contractor may purchase materials for incorporation in such project. The
10 contractor shall furnish the number of such certificate to all suppliers from
11 whom such purchases are made, and such suppliers shall execute invoices
12 covering the same bearing the number of such certificate. Upon
13 completion of the project the contractor shall furnish to such clinic or
14 center concerned a sworn statement, on a form to be provided by the
15 director of taxation, that all purchases so made were entitled to exemption
16 under this subsection. All invoices shall be held by the contractor for a
17 period of five years and shall be subject to audit by the director of taxation.
18 If any materials purchased under such a certificate are found not to have
19 been incorporated in the building or other project or not to have been
20 returned for credit or the sales or compensating tax otherwise imposed
21 upon such materials which will not be so incorporated in the building or
22 other project reported and paid by such contractor to the director of
23 taxation not later than the 20th day of the month following the close of the
24 month in which it shall be determined that such materials will not be used
25 for the purpose for which such certificate was issued, such clinic or center
26 concerned shall be liable for tax on all materials purchased for the project,
27 and upon payment thereof it may recover the same from the contractor
28 together with reasonable attorney fees. Any contractor or any agent,
29 employee or subcontractor thereof, who shall use or otherwise dispose of
30 any materials purchased under such a certificate for any purpose other than
31 that for which such a certificate is issued without the payment of the sales
32 or compensating tax otherwise imposed upon such materials, shall be
33 guilty of a misdemeanor and, upon conviction therefor, shall be subject to
34 the penalties provided for in subsection (g) of K.S.A. 79-3615, and
35 amendments thereto;

36 (ddd) on and after January 1, 1999, and before January 1, 2000, all
37 sales of materials and services purchased by any class II or III railroad as
38 classified by the federal surface transportation board for the construction,
39 renovation, repair or replacement of class II or III railroad track and
40 facilities used directly in interstate commerce. In the event any such track
41 or facility for which materials and services were purchased sales tax
42 exempt is not operational for five years succeeding the allowance of such
43 exemption, the total amount of sales tax which would have been payable

1 except for the operation of this subsection shall be recouped in accordance
2 with rules and regulations adopted for such purpose by the secretary of
3 revenue;

4 (eee) on and after January 1, 1999, and before January 1, 2001, all
5 sales of materials and services purchased for the original construction,
6 reconstruction, repair or replacement of grain storage facilities, including
7 railroad sidings providing access thereto;

8 (fff) all sales of material handling equipment, racking systems and
9 other related machinery and equipment that is used for the handling,
10 movement or storage of tangible personal property in a warehouse or
11 distribution facility in this state; all sales of installation, repair and
12 maintenance services performed on such machinery and equipment; and
13 all sales of repair and replacement parts for such machinery and
14 equipment. For purposes of this subsection, a warehouse or distribution
15 facility means a single, fixed location that consists of buildings or
16 structures in a contiguous area where storage or distribution operations are
17 conducted that are separate and apart from the business' retail operations,
18 if any, and which do not otherwise qualify for exemption as occurring at a
19 manufacturing or processing plant or facility. Material handling and
20 storage equipment shall include aeration, dust control, cleaning, handling
21 and other such equipment that is used in a public grain warehouse or other
22 commercial grain storage facility, whether used for grain handling, grain
23 storage, grain refining or processing, or other grain treatment operation;

24 (ggg) all sales of tangible personal property and services purchased
25 by or on behalf of the Kansas Academy of Science which is exempt from
26 federal income taxation pursuant to section 501(c)(3) of the federal
27 internal revenue code of 1986, and used solely by such academy for the
28 preparation, publication and dissemination of education materials;

29 (hhh) all sales of tangible personal property and services purchased
30 by or on behalf of all domestic violence shelters that are member agencies
31 of the Kansas coalition against sexual and domestic violence;

32 (iii) all sales of personal property and services purchased by an
33 organization which is exempt from federal income taxation pursuant to
34 section 501(c)(3) of the federal internal revenue code of 1986, and which
35 such personal property and services are used by any such organization in
36 the collection, storage and distribution of food products to nonprofit
37 organizations which distribute such food products to persons pursuant to a
38 food distribution program on a charitable basis without fee or charge, and
39 all sales of tangible personal property or services purchased by a
40 contractor for the purpose of constructing, equipping, reconstructing,
41 maintaining, repairing, enlarging, furnishing or remodeling facilities used
42 for the collection and storage of such food products for any such
43 organization which is exempt from federal income taxation pursuant to

1 section 501(c)(3) of the federal internal revenue code of 1986, which
2 would be exempt from taxation under the provisions of this section if
3 purchased directly by such organization. Nothing in this subsection shall
4 be deemed to exempt the purchase of any construction machinery,
5 equipment or tools used in the constructing, equipping, reconstructing,
6 maintaining, repairing, enlarging, furnishing or remodeling facilities for
7 any such organization. When any such organization shall contract for the
8 purpose of constructing, equipping, reconstructing, maintaining, repairing,
9 enlarging, furnishing or remodeling facilities, it shall obtain from the state
10 and furnish to the contractor an exemption certificate for the project
11 involved, and the contractor may purchase materials for incorporation in
12 such project. The contractor shall furnish the number of such certificate to
13 all suppliers from whom such purchases are made, and such suppliers shall
14 execute invoices covering the same bearing the number of such certificate.
15 Upon completion of the project the contractor shall furnish to such
16 organization concerned a sworn statement, on a form to be provided by the
17 director of taxation, that all purchases so made were entitled to exemption
18 under this subsection. All invoices shall be held by the contractor for a
19 period of five years and shall be subject to audit by the director of taxation.
20 If any materials purchased under such a certificate are found not to have
21 been incorporated in such facilities or not to have been returned for credit
22 or the sales or compensating tax otherwise imposed upon such materials
23 which will not be so incorporated in such facilities reported and paid by
24 such contractor to the director of taxation not later than the 20th day of the
25 month following the close of the month in which it shall be determined
26 that such materials will not be used for the purpose for which such
27 certificate was issued, such organization concerned shall be liable for tax
28 on all materials purchased for the project, and upon payment thereof it
29 may recover the same from the contractor together with reasonable
30 attorney fees. Any contractor or any agent, employee or subcontractor
31 thereof, who shall use or otherwise dispose of any materials purchased
32 under such a certificate for any purpose other than that for which such a
33 certificate is issued without the payment of the sales or compensating tax
34 otherwise imposed upon such materials, shall be guilty of a misdemeanor
35 and, upon conviction therefor, shall be subject to the penalties provided for
36 in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax
37 paid on and after July 1, 2005, but prior to the effective date of this act
38 upon the gross receipts received from any sale exempted by the
39 amendatory provisions of this subsection shall be refunded. Each claim for
40 a sales tax refund shall be verified and submitted to the director of taxation
41 upon forms furnished by the director and shall be accompanied by any
42 additional documentation required by the director. The director shall
43 review each claim and shall refund that amount of sales tax paid as

1 determined under the provisions of this subsection. All refunds shall be
2 paid from the sales tax refund fund upon warrants of the director of
3 accounts and reports pursuant to vouchers approved by the director or the
4 director's designee;

5 (jjj) all sales of dietary supplements dispensed pursuant to a
6 prescription order by a licensed practitioner or a mid-level practitioner as
7 defined by K.S.A. 65-1626, and amendments thereto. As used in this
8 subsection, "dietary supplement" means any product, other than tobacco,
9 intended to supplement the diet that: (1) Contains one or more of the
10 following dietary ingredients: A vitamin, a mineral, an herb or other
11 botanical, an amino acid, a dietary substance for use by humans to
12 supplement the diet by increasing the total dietary intake or a concentrate,
13 metabolite, constituent, extract or combination of any such ingredient; (2)
14 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or
15 liquid form, or if not intended for ingestion, in such a form, is not
16 represented as conventional food and is not represented for use as a sole
17 item of a meal or of the diet; and (3) is required to be labeled as a dietary
18 supplement, identifiable by the supplemental facts box found on the label
19 and as required pursuant to 21 C.F.R. § 101.36;

20 (lll) all sales of tangible personal property and services purchased by
21 special olympics Kansas, inc. for the purpose of providing year-round
22 sports training and athletic competition in a variety of olympic-type sports
23 for individuals with intellectual disabilities by giving them continuing
24 opportunities to develop physical fitness, demonstrate courage, experience
25 joy and participate in a sharing of gifts, skills and friendship with their
26 families, other special olympics athletes and the community, and activities
27 provided or sponsored by such organization, and all sales of tangible
28 personal property by or on behalf of any such organization;

29 (mmm) all sales of tangible personal property purchased by or on
30 behalf of the Marillac Center, Inc., which is exempt from federal income
31 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
32 for the purpose of providing psycho-social-biological and special
33 education services to children, and all sales of any such property by or on
34 behalf of such organization for such purpose;

35 (nnn) all sales of tangible personal property and services purchased
36 by the West Sedgwick County-Sunrise Rotary Club and Sunrise Charitable
37 Fund for the purpose of constructing a boundless playground which is an
38 integrated, barrier free and developmentally advantageous play
39 environment for children of all abilities and disabilities;

40 (ooo) all sales of tangible personal property by or on behalf of a
41 public library serving the general public and supported in whole or in part
42 with tax money or a not-for-profit organization whose purpose is to raise
43 funds for or provide services or other benefits to any such public library;

1 (ppp) all sales of tangible personal property and services purchased
2 by or on behalf of a homeless shelter which is exempt from federal income
3 taxation pursuant to section 501(c)(3) of the federal income tax code of
4 1986, and used by any such homeless shelter to provide emergency and
5 transitional housing for individuals and families experiencing
6 homelessness, and all sales of any such property by or on behalf of any
7 such homeless shelter for any such purpose;

8 (qqq) all sales of tangible personal property and services purchased
9 by TLC for children and families, inc., hereinafter referred to as TLC,
10 which is exempt from federal income taxation pursuant to section 501(c)
11 (3) of the federal internal revenue code of 1986, and which such property
12 and services are used for the purpose of providing emergency shelter and
13 treatment for abused and neglected children as well as meeting additional
14 critical needs for children, juveniles and family, and all sales of any such
15 property by or on behalf of TLC for any such purpose; and all sales of
16 tangible personal property or services purchased by a contractor for the
17 purpose of constructing, maintaining, repairing, enlarging, furnishing or
18 remodeling facilities for the operation of services for TLC for any such
19 purpose which would be exempt from taxation under the provisions of this
20 section if purchased directly by TLC. Nothing in this subsection shall be
21 deemed to exempt the purchase of any construction machinery, equipment
22 or tools used in the constructing, maintaining, repairing, enlarging,
23 furnishing or remodeling such facilities for TLC. When TLC contracts for
24 the purpose of constructing, maintaining, repairing, enlarging, furnishing
25 or remodeling such facilities, it shall obtain from the state and furnish to
26 the contractor an exemption certificate for the project involved, and the
27 contractor may purchase materials for incorporation in such project. The
28 contractor shall furnish the number of such certificate to all suppliers from
29 whom such purchases are made, and such suppliers shall execute invoices
30 covering the same bearing the number of such certificate. Upon
31 completion of the project the contractor shall furnish to TLC a sworn
32 statement, on a form to be provided by the director of taxation, that all
33 purchases so made were entitled to exemption under this subsection. All
34 invoices shall be held by the contractor for a period of five years and shall
35 be subject to audit by the director of taxation. If any materials purchased
36 under such a certificate are found not to have been incorporated in the
37 building or other project or not to have been returned for credit or the sales
38 or compensating tax otherwise imposed upon such materials which will
39 not be so incorporated in the building or other project reported and paid by
40 such contractor to the director of taxation not later than the 20th day of the
41 month following the close of the month in which it shall be determined
42 that such materials will not be used for the purpose for which such
43 certificate was issued, TLC shall be liable for tax on all materials

1 purchased for the project, and upon payment thereof it may recover the
2 same from the contractor together with reasonable attorney fees. Any
3 contractor or any agent, employee or subcontractor thereof, who shall use
4 or otherwise dispose of any materials purchased under such a certificate
5 for any purpose other than that for which such a certificate is issued
6 without the payment of the sales or compensating tax otherwise imposed
7 upon such materials, shall be guilty of a misdemeanor and, upon
8 conviction therefor, shall be subject to the penalties provided for in
9 subsection (g) of K.S.A. 79-3615, and amendments thereto;

10 (rrr) all sales of tangible personal property and services purchased by
11 any county law library maintained pursuant to law and sales of tangible
12 personal property and services purchased by an organization which would
13 have been exempt from taxation under the provisions of this subsection if
14 purchased directly by the county law library for the purpose of providing
15 legal resources to attorneys, judges, students and the general public, and
16 all sales of any such property by or on behalf of any such county law
17 library;

18 (sss) all sales of tangible personal property and services purchased by
19 catholic charities or youthville, hereinafter referred to as charitable family
20 providers, which is exempt from federal income taxation pursuant to
21 section 501(c)(3) of the federal internal revenue code of 1986, and which
22 such property and services are used for the purpose of providing
23 emergency shelter and treatment for abused and neglected children as well
24 as meeting additional critical needs for children, juveniles and family, and
25 all sales of any such property by or on behalf of charitable family
26 providers for any such purpose; and all sales of tangible personal property
27 or services purchased by a contractor for the purpose of constructing,
28 maintaining, repairing, enlarging, furnishing or remodeling facilities for
29 the operation of services for charitable family providers for any such
30 purpose which would be exempt from taxation under the provisions of this
31 section if purchased directly by charitable family providers. Nothing in
32 this subsection shall be deemed to exempt the purchase of any construction
33 machinery, equipment or tools used in the constructing, maintaining,
34 repairing, enlarging, furnishing or remodeling such facilities for charitable
35 family providers. When charitable family providers contracts for the
36 purpose of constructing, maintaining, repairing, enlarging, furnishing or
37 remodeling such facilities, it shall obtain from the state and furnish to the
38 contractor an exemption certificate for the project involved, and the
39 contractor may purchase materials for incorporation in such project. The
40 contractor shall furnish the number of such certificate to all suppliers from
41 whom such purchases are made, and such suppliers shall execute invoices
42 covering the same bearing the number of such certificate. Upon
43 completion of the project the contractor shall furnish to charitable family

1 providers a sworn statement, on a form to be provided by the director of
2 taxation, that all purchases so made were entitled to exemption under this
3 subsection. All invoices shall be held by the contractor for a period of five
4 years and shall be subject to audit by the director of taxation. If any
5 materials purchased under such a certificate are found not to have been
6 incorporated in the building or other project or not to have been returned
7 for credit or the sales or compensating tax otherwise imposed upon such
8 materials which will not be so incorporated in the building or other project
9 reported and paid by such contractor to the director of taxation not later
10 than the 20th day of the month following the close of the month in which it
11 shall be determined that such materials will not be used for the purpose for
12 which such certificate was issued, charitable family providers shall be
13 liable for tax on all materials purchased for the project, and upon payment
14 thereof it may recover the same from the contractor together with
15 reasonable attorney fees. Any contractor or any agent, employee or
16 subcontractor thereof, who shall use or otherwise dispose of any materials
17 purchased under such a certificate for any purpose other than that for
18 which such a certificate is issued without the payment of the sales or
19 compensating tax otherwise imposed upon such materials, shall be guilty
20 of a misdemeanor and, upon conviction therefor, shall be subject to the
21 penalties provided for in subsection (g) of K.S.A. 79-3615, and
22 amendments thereto;

23 (ttt) all sales of tangible personal property or services purchased by a
24 contractor for a project for the purpose of restoring, constructing,
25 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
26 remodeling a home or facility owned by a nonprofit museum which has
27 been granted an exemption pursuant to subsection (qq), which such home
28 or facility is located in a city which has been designated as a qualified
29 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
30 amendments thereto, and which such project is related to the purposes of
31 K.S.A. 75-5071 et seq., and amendments thereto, and which would be
32 exempt from taxation under the provisions of this section if purchased
33 directly by such nonprofit museum. Nothing in this subsection shall be
34 deemed to exempt the purchase of any construction machinery, equipment
35 or tools used in the restoring, constructing, equipping, reconstructing,
36 maintaining, repairing, enlarging, furnishing or remodeling a home or
37 facility for any such nonprofit museum. When any such nonprofit museum
38 shall contract for the purpose of restoring, constructing, equipping,
39 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
40 a home or facility, it shall obtain from the state and furnish to the
41 contractor an exemption certificate for the project involved, and the
42 contractor may purchase materials for incorporation in such project. The
43 contractor shall furnish the number of such certificates to all suppliers

1 from whom such purchases are made, and such suppliers shall execute
2 invoices covering the same bearing the number of such certificate. Upon
3 completion of the project, the contractor shall furnish to such nonprofit
4 museum a sworn statement on a form to be provided by the director of
5 taxation that all purchases so made were entitled to exemption under this
6 subsection. All invoices shall be held by the contractor for a period of five
7 years and shall be subject to audit by the director of taxation. If any
8 materials purchased under such a certificate are found not to have been
9 incorporated in the building or other project or not to have been returned
10 for credit or the sales or compensating tax otherwise imposed upon such
11 materials which will not be so incorporated in a home or facility or other
12 project reported and paid by such contractor to the director of taxation not
13 later than the 20th day of the month following the close of the month in
14 which it shall be determined that such materials will not be used for the
15 purpose for which such certificate was issued, such nonprofit museum
16 shall be liable for tax on all materials purchased for the project, and upon
17 payment thereof it may recover the same from the contractor together with
18 reasonable attorney fees. Any contractor or any agent, employee or
19 subcontractor thereof, who shall use or otherwise dispose of any materials
20 purchased under such a certificate for any purpose other than that for
21 which such a certificate is issued without the payment of the sales or
22 compensating tax otherwise imposed upon such materials, shall be guilty
23 of a misdemeanor and, upon conviction therefor, shall be subject to the
24 penalties provided for in subsection (g) of K.S.A. 79-3615, and
25 amendments thereto;

26 (uuu) all sales of tangible personal property and services purchased
27 by Kansas children's service league, hereinafter referred to as KCSL,
28 which is exempt from federal income taxation pursuant to section 501(c)
29 (3) of the federal internal revenue code of 1986, and which such property
30 and services are used for the purpose of providing for the prevention and
31 treatment of child abuse and maltreatment as well as meeting additional
32 critical needs for children, juveniles and family, and all sales of any such
33 property by or on behalf of KCSL for any such purpose; and all sales of
34 tangible personal property or services purchased by a contractor for the
35 purpose of constructing, maintaining, repairing, enlarging, furnishing or
36 remodeling facilities for the operation of services for KCSL for any such
37 purpose which would be exempt from taxation under the provisions of this
38 section if purchased directly by KCSL. Nothing in this subsection shall be
39 deemed to exempt the purchase of any construction machinery, equipment
40 or tools used in the constructing, maintaining, repairing, enlarging,
41 furnishing or remodeling such facilities for KCSL. When KCSL contracts
42 for the purpose of constructing, maintaining, repairing, enlarging,
43 furnishing or remodeling such facilities, it shall obtain from the state and

1 furnish to the contractor an exemption certificate for the project involved,
2 and the contractor may purchase materials for incorporation in such
3 project. The contractor shall furnish the number of such certificate to all
4 suppliers from whom such purchases are made, and such suppliers shall
5 execute invoices covering the same bearing the number of such certificate.
6 Upon completion of the project the contractor shall furnish to KCSL a
7 sworn statement, on a form to be provided by the director of taxation, that
8 all purchases so made were entitled to exemption under this subsection.
9 All invoices shall be held by the contractor for a period of five years and
10 shall be subject to audit by the director of taxation. If any materials
11 purchased under such a certificate are found not to have been incorporated
12 in the building or other project or not to have been returned for credit or
13 the sales or compensating tax otherwise imposed upon such materials
14 which will not be so incorporated in the building or other project reported
15 and paid by such contractor to the director of taxation not later than the
16 20th day of the month following the close of the month in which it shall be
17 determined that such materials will not be used for the purpose for which
18 such certificate was issued, KCSL shall be liable for tax on all materials
19 purchased for the project, and upon payment thereof it may recover the
20 same from the contractor together with reasonable attorney fees. Any
21 contractor or any agent, employee or subcontractor thereof, who shall use
22 or otherwise dispose of any materials purchased under such a certificate
23 for any purpose other than that for which such a certificate is issued
24 without the payment of the sales or compensating tax otherwise imposed
25 upon such materials, shall be guilty of a misdemeanor and, upon
26 conviction therefor, shall be subject to the penalties provided for in
27 subsection (g) of K.S.A. 79-3615, and amendments thereto;

28 (vvv) all sales of tangible personal property or services, including the
29 renting and leasing of tangible personal property or services, purchased by
30 Jazz in the Woods, Inc., a Kansas corporation which is exempt from
31 federal income taxation pursuant to section 501(c)(3) of the federal
32 internal revenue code, for the purpose of providing Jazz in the Woods, an
33 event benefiting children-in-need and other nonprofit charities assisting
34 such children, and all sales of any such property by or on behalf of such
35 organization for such purpose;

36 (www) all sales of tangible personal property purchased by or on
37 behalf of the Frontenac Education Foundation, which is exempt from
38 federal income taxation pursuant to section 501(c)(3) of the federal
39 internal revenue code, for the purpose of providing education support for
40 students, and all sales of any such property by or on behalf of such
41 organization for such purpose;

42 (xxx) all sales of personal property and services purchased by the
43 booth theatre foundation, inc., an organization which is exempt from

1 federal income taxation pursuant to section 501(c)(3) of the federal
2 internal revenue code of 1986, and which such personal property and
3 services are used by any such organization in the constructing, equipping,
4 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
5 of the booth theatre, and all sales of tangible personal property or services
6 purchased by a contractor for the purpose of constructing, equipping,
7 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
8 the booth theatre for such organization, which would be exempt from
9 taxation under the provisions of this section if purchased directly by such
10 organization. Nothing in this subsection shall be deemed to exempt the
11 purchase of any construction machinery, equipment or tools used in the
12 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
13 furnishing or remodeling facilities for any such organization. When any
14 such organization shall contract for the purpose of constructing, equipping,
15 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
16 facilities, it shall obtain from the state and furnish to the contractor an
17 exemption certificate for the project involved, and the contractor may
18 purchase materials for incorporation in such project. The contractor shall
19 furnish the number of such certificate to all suppliers from whom such
20 purchases are made, and such suppliers shall execute invoices covering the
21 same bearing the number of such certificate. Upon completion of the
22 project the contractor shall furnish to such organization concerned a sworn
23 statement, on a form to be provided by the director of taxation, that all
24 purchases so made were entitled to exemption under this subsection. All
25 invoices shall be held by the contractor for a period of five years and shall
26 be subject to audit by the director of taxation. If any materials purchased
27 under such a certificate are found not to have been incorporated in such
28 facilities or not to have been returned for credit or the sales or
29 compensating tax otherwise imposed upon such materials which will not
30 be so incorporated in such facilities reported and paid by such contractor
31 to the director of taxation not later than the 20th day of the month following
32 the close of the month in which it shall be determined that such materials
33 will not be used for the purpose for which such certificate was issued, such
34 organization concerned shall be liable for tax on all materials purchased
35 for the project, and upon payment thereof it may recover the same from
36 the contractor together with reasonable attorney fees. Any contractor or
37 any agent, employee or subcontractor thereof, who shall use or otherwise
38 dispose of any materials purchased under such a certificate for any purpose
39 other than that for which such a certificate is issued without the payment
40 of the sales or compensating tax otherwise imposed upon such materials,
41 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
42 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
43 and amendments thereto. Sales tax paid on and after January 1, 2007, but

1 prior to the effective date of this act upon the gross receipts received from
2 any sale which would have been exempted by the provisions of this
3 subsection had such sale occurred after the effective date of this act shall
4 be refunded. Each claim for a sales tax refund shall be verified and
5 submitted to the director of taxation upon forms furnished by the director
6 and shall be accompanied by any additional documentation required by the
7 director. The director shall review each claim and shall refund that amount
8 of sales tax paid as determined under the provisions of this subsection. All
9 refunds shall be paid from the sales tax refund fund upon warrants of the
10 director of accounts and reports pursuant to vouchers approved by the
11 director or the director's designee;

12 (yyy) all sales of tangible personal property and services purchased
13 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
14 which is exempt from federal income taxation pursuant to section 501(c)
15 (3) of the federal internal revenue code of 1986, and which such property
16 and services are used for the purpose of encouraging private philanthropy
17 to further the vision, values, and goals of TLC for children and families,
18 inc.; and all sales of such property and services by or on behalf of TLC
19 charities for any such purpose and all sales of tangible personal property or
20 services purchased by a contractor for the purpose of constructing,
21 maintaining, repairing, enlarging, furnishing or remodeling facilities for
22 the operation of services for TLC charities for any such purpose which
23 would be exempt from taxation under the provisions of this section if
24 purchased directly by TLC charities. Nothing in this subsection shall be
25 deemed to exempt the purchase of any construction machinery, equipment
26 or tools used in the constructing, maintaining, repairing, enlarging,
27 furnishing or remodeling such facilities for TLC charities. When TLC
28 charities contracts for the purpose of constructing, maintaining, repairing,
29 enlarging, furnishing or remodeling such facilities, it shall obtain from the
30 state and furnish to the contractor an exemption certificate for the project
31 involved, and the contractor may purchase materials for incorporation in
32 such project. The contractor shall furnish the number of such certificate to
33 all suppliers from whom such purchases are made, and such suppliers shall
34 execute invoices covering the same bearing the number of such certificate.
35 Upon completion of the project the contractor shall furnish to TLC
36 charities a sworn statement, on a form to be provided by the director of
37 taxation, that all purchases so made were entitled to exemption under this
38 subsection. All invoices shall be held by the contractor for a period of five
39 years and shall be subject to audit by the director of taxation. If any
40 materials purchased under such a certificate are found not to have been
41 incorporated in the building or other project or not to have been returned
42 for credit or the sales or compensating tax otherwise imposed upon such
43 materials which will not be incorporated into the building or other project

1 reported and paid by such contractor to the director of taxation not later
2 than the 20th day of the month following the close of the month in which it
3 shall be determined that such materials will not be used for the purpose for
4 which such certificate was issued, TLC charities shall be liable for tax on
5 all materials purchased for the project, and upon payment thereof it may
6 recover the same from the contractor together with reasonable attorney
7 fees. Any contractor or any agent, employee or subcontractor thereof, who
8 shall use or otherwise dispose of any materials purchased under such a
9 certificate for any purpose other than that for which such a certificate is
10 issued without the payment of the sales or compensating tax otherwise
11 imposed upon such materials, shall be guilty of a misdemeanor and, upon
12 conviction therefor, shall be subject to the penalties provided for in
13 subsection (g) of K.S.A. 79-3615, and amendments thereto;

14 (zzz) all sales of tangible personal property purchased by the rotary
15 club of shawnee foundation which is exempt from federal income taxation
16 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
17 as amended, used for the purpose of providing contributions to community
18 service organizations and scholarships;

19 (aaaa) all sales of personal property and services purchased by or on
20 behalf of victory in the valley, inc., which is exempt from federal income
21 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
22 for the purpose of providing a cancer support group and services for
23 persons with cancer, and all sales of any such property by or on behalf of
24 any such organization for any such purpose;

25 (bbbb) all sales of entry or participation fees, charges or tickets by
26 Guadalupe health foundation, which is exempt from federal income
27 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
28 for such organization's annual fundraising event which purpose is to
29 provide health care services for uninsured workers;

30 (cccc) all sales of tangible personal property or services purchased by
31 or on behalf of wayside waifs, inc., which is exempt from federal income
32 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
33 for the purpose of providing such organization's annual fundraiser, an
34 event whose purpose is to support the care of homeless and abandoned
35 animals, animal adoption efforts, education programs for children and
36 efforts to reduce animal over-population and animal welfare services, and
37 all sales of any such property, including entry or participation fees or
38 charges, by or on behalf of such organization for such purpose;

39 (dddd) all sales of tangible personal property or services purchased
40 by or on behalf of Goodwill Industries or Easter Seals of Kansas, Inc.,
41 both of which are exempt from federal income taxation pursuant to section
42 501(c)(3) of the federal internal revenue code, for the purpose of providing
43 education, training and employment opportunities for people with

1 disabilities and other barriers to employment;

2 (eeee) all sales of tangible personal property or services purchased by
3 or on behalf of All American Beef Battalion, Inc., which is exempt from
4 federal income taxation pursuant to section 501(c)(3) of the federal
5 internal revenue code, for the purpose of educating, promoting and
6 participating as a contact group through the beef cattle industry in order to
7 carry out such projects that provide support and morale to members of the
8 United States armed forces and military services;

9 (ffff) all sales of tangible personal property and services purchased by
10 sheltered living, inc., which is exempt from federal income taxation
11 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
12 and which such property and services are used for the purpose of
13 providing residential and day services for people with developmental
14 disabilities or intellectual disability, or both, and all sales of any such
15 property by or on behalf of sheltered living, inc., for any such purpose; and
16 all sales of tangible personal property or services purchased by a
17 contractor for the purpose of rehabilitating, constructing, maintaining,
18 repairing, enlarging, furnishing or remodeling homes and facilities for
19 sheltered living, inc., for any such purpose which would be exempt from
20 taxation under the provisions of this section if purchased directly by
21 sheltered living, inc. Nothing in this subsection shall be deemed to exempt
22 the purchase of any construction machinery, equipment or tools used in the
23 constructing, maintaining, repairing, enlarging, furnishing or remodeling
24 such homes and facilities for sheltered living, inc. When sheltered living,
25 inc., contracts for the purpose of rehabilitating, constructing, maintaining,
26 repairing, enlarging, furnishing or remodeling such homes and facilities, it
27 shall obtain from the state and furnish to the contractor an exemption
28 certificate for the project involved, and the contractor may purchase
29 materials for incorporation in such project. The contractor shall furnish the
30 number of such certificate to all suppliers from whom such purchases are
31 made, and such suppliers shall execute invoices covering the same bearing
32 the number of such certificate. Upon completion of the project the
33 contractor shall furnish to sheltered living, inc., a sworn statement, on a
34 form to be provided by the director of taxation, that all purchases so made
35 were entitled to exemption under this subsection. All invoices shall be held
36 by the contractor for a period of five years and shall be subject to audit by
37 the director of taxation. If any materials purchased under such a certificate
38 are found not to have been incorporated in the building or other project or
39 not to have been returned for credit or the sales or compensating tax
40 otherwise imposed upon such materials which will not be so incorporated
41 in the building or other project reported and paid by such contractor to the
42 director of taxation not later than the 20th day of the month following the
43 close of the month in which it shall be determined that such materials will

1 not be used for the purpose for which such certificate was issued, sheltered
2 living, inc., shall be liable for tax on all materials purchased for the
3 project, and upon payment thereof it may recover the same from the
4 contractor together with reasonable attorney fees. Any contractor or any
5 agent, employee or subcontractor thereof, who shall use or otherwise
6 dispose of any materials purchased under such a certificate for any purpose
7 other than that for which such a certificate is issued without the payment
8 of the sales or compensating tax otherwise imposed upon such materials,
9 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
10 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
11 and amendments thereto; and

12 (gggg) all sales of game birds for which the primary purpose is use in
13 hunting.

14 New Sec. 21. If any provision or clause of this act or application
15 thereof to any person or circumstances is held invalid, such invalidity shall
16 not affect other provisions or applications of the act which can be given
17 effect without the invalid provision or application, and to this end the
18 provisions of this act are declared to be severable.

19 Sec. 22. K.S.A. 2012 Supp. 40-2246, 65-6701, 65-6703, 65-6709, 65-
20 6710, 76-3308, 79-32,117, 79-32,138, 79-32,182b, 79-32,195, 79-32,261
21 and 79-3606 are hereby repealed.

22 Sec. 23. This act shall take effect and be in force from and after its
23 publication in the statute book.