HOUSE BILL No. 2253

By Committee on Federal and State Affairs


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

New Section 1. As used in sections 1 through 8, and amendments thereto:
   (a) "Abortion" has the same meaning as such term is defined in K.S.A. 65-6701, and amendments thereto.
   (b) "Health benefit plan" means any hospital or medical expense policy, health, hospital or medical services corporation contract, and a plan provided by a municipal group-funded pool, or a health maintenance organization contract offered by any employer or any certificate issued under any such policy, contract or plan.
   (c) "Health care entity" means an individual physician or other health care professional, a hospital, a provider-sponsored organization, a health maintenance organization or any other health care facility or organization.
   (d) "School district" means any public school district organized under the laws of this state.
   (e) "State agency" has the same meaning as such term is defined in K.S.A. 75-3701, and amendments thereto.

New Sec. 2. (a) The legislature hereby finds and declares the following:
   (1) The life of each human being begins at fertilization;
   (2) unborn children have interests in life, health and well-being that should be protected; and
   (3) the parents of unborn children have protectable interests in the life, health and well-being of the unborn children of such parents.
   (b) On and after July 1, 2013, the laws of this state shall be interpreted and construed to acknowledge on behalf of the unborn child at every stage of development, all the rights, privileges and immunities available to other persons, citizens and residents of this state, subject only to the constitution of the United States, and decisional interpretations thereof by the United States supreme court and specific provisions to the
contrary in the Kansas constitution and the Kansas Statutes Annotated.

(c) As used in this section:

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

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

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

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

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

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

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

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

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

New Sec. 5. Nothing in sections 1 through 8, and amendments thereto, shall repeal, amend or have any effect on any other state law to the extent such law imposes any limitation on the use of funds for abortion, more restrictive than the limitations set forth in sections 1 through 8, and amendments thereto.
New Sec. 6. Nothing in sections 1 through 8, and amendments thereto, shall be construed:
(a) To require any state agency or municipality to provide or pay for any abortion; or
(b) as creating or recognizing a right to an abortion.

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

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

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

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

(2) For employers that have established a small employer health benefit plan or made contributions to a health savings account of an eligible covered employee after December 31, 2004, the amount of credit allowed by subsection (a) shall be $70 per month per eligible covered employee for the first 12 months of participation, $50 per month per
eligible covered employee for the next 12 months of participation and $35 per eligible covered employee for the next 12 months of participation. After 36 months of participation, no credit shall be allowed.

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

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

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

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

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

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

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

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

(c) "Counselor" means a person who is: (1) Licensed to practice medicine and surgery; (2) licensed to practice psychology; (3) licensed to practice professional or practical nursing; (4) registered to practice professional counseling; (5) licensed as a social worker; (6) the holder of a master's or doctor's degree from an accredited graduate school of social-
work; (7) registered to practice marriage and family therapy; (8) licensed to practice professional or practical nursing; (3) the following persons licensed to practice behavioral sciences: Licensed psychologists, licensed master's level psychologists, licensed clinical psychotherapists, licensed social workers, licensed specialist clinical social workers, licensed marriage and family therapists, licensed clinical marriage and family therapists, licensed professional counselors, licensed clinical professional counselors; (4) a licensed physician assistant; or—(9) (5) a currently ordained member of the clergy or religious authority of any religious denomination or society. Counselor does not include the physician who performs or induces the abortion or a physician or other person who assists in performing or inducing the abortion.

(e) (d) "Department" means the department of health and environment.

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

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

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

(f) (h) "Minor" means a person less than 18 years of age.

(g) (i) "Physician" means a person licensed to practice medicine and surgery in this state.

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

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

(1) (l) "Unemancipated minor" means any minor who has never been:

(1) Married; or (2) freed, by court order or otherwise, from the care, custody and control of the minor's parents.

(m) "Viable" means that stage of fetal development when it is the
physician's judgment according to accepted obstetrical or neonatal standards of care and practice applied by physicians in the same or similar circumstances that there is a reasonable probability that the life of the child can be continued indefinitely outside the mother's womb with natural or artificial life-supportive measures.

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

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

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

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

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

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

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

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

(4) If the physician who is to perform the abortion determines the gestational age of an unborn child is 22 or more weeks, and determines that the unborn child is viable, both physicians under subsection (a) determine in accordance with the provisions of subsection (a) that an abortion is necessary to preserve the life of the pregnant woman or that a continuation of the pregnancy will cause a substantial and irreversible *physical* impairment of a major bodily function of the pregnant woman.
and the physician performs an abortion on the woman, the physician who performs the abortion shall report such determinations, the medical basis and the reasons for such determinations, including the specific medical diagnosis for the determination that an abortion is necessary to preserve the life of the pregnant woman or that a continuation of the pregnancy will cause a substantial and irreversible physical impairment of a major bodily function of the pregnant woman and the name of the referring physician required by subsection (a) in writing to the medical care facility in which the abortion is performed for inclusion in the report of the medical care facility to the secretary of health and environment under K.S.A. 65-445, and amendments thereto, or if the abortion is not performed in a medical care facility, the physician who performs the abortion shall report such determinations, the medical basis and the reasons for such determinations, including the specific medical diagnosis for the determination that an abortion is necessary to preserve the life of the pregnant woman or that a continuation of the pregnancy will cause a substantial and irreversible physical impairment of a major bodily function of the pregnant woman and the name of the referring physician required by subsection (a) in writing to the secretary of health and environment as part of the written report made by the physician to the secretary of health and environment under K.S.A. 65-445, and amendments thereto.

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

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

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

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

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

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

(f) Nothing in this section shall be construed to create a right to an
abortion. Notwithstanding any provision of this section, a person shall not
perform an abortion that is prohibited by law.

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

(2) Such relief shall include:

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

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

and

(C) reasonable attorney fees.

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

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

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

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

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

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

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

(2) a description of the proposed abortion method;

(3) a description of risks related to the proposed abortion method,
including risk of premature birth in future pregnancies, risk of breast
cancer and risks to the woman's reproductive health and alternatives to the
abortion that a reasonable patient would consider material to the decision
of whether or not to undergo the abortion;
(4) the probable gestational age of the unborn child at the time the abortion is to be performed and that Kansas law requires the following: "No person shall perform or induce an abortion when the unborn child is viable unless such person is a physician and has a documented referral from another physician not financially associated with the physician performing or inducing the abortion and both physicians determine that:
(1) The abortion is necessary to preserve the life of the pregnant woman; or
(2) a continuation of the pregnancy will cause a substantial and irreversible physical impairment of a major bodily function of the pregnant woman." If the child is born alive, the attending physician has the legal obligation to take all reasonable steps necessary to maintain the life and health of the child;

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

(6) the contact information for—free counseling assistance for medically challenging pregnancies and the contact information for—free perinatal hospice services, including information regarding which entities provide such services free of charge;

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

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

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

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

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

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

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

(5) the abortion will terminate the life of a whole, separate, unique,
living human being; and

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

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

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

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

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

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

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

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

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

(3) offers the woman the opportunity to view the ultrasound image
and receive a physical picture of the ultrasound image;
(4) certifies in writing that the woman was offered the opportunity to view the ultrasound image and receive a physical picture of the ultrasound image at least 30 minutes prior to the performance of the abortion; and
(5) obtains the woman's signed acceptance or rejection of the opportunity to view the ultrasound image and receive a physical picture of the ultrasound image.

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

(i) A physician who will use heart monitor equipment preparatory to or in the performance of the abortion, at least 30 minutes prior to the performance of the abortion:
(1) Informs the woman that she has the right to listen to the heartbeat of her unborn child, at no additional expense to her;
(2) offers the woman the opportunity to listen to the heartbeat of her unborn child;
(3) certifies in writing that the woman was offered the opportunity to listen to the heartbeat of her unborn child at least 30 minutes prior to the performance of the abortion; and
(4) obtains the woman's signed acceptance or rejection of the opportunity to listen to the heartbeat of her unborn child.

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

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

(k) Any private office, freestanding surgical outpatient clinic or other facility or clinic in which abortions are performed shall conspicuously post a sign in a location so as to be clearly visible to patients. The sign required pursuant to this subsection shall be printed with lettering that is legible and shall be at least three quarters of an inch boldfaced type which reads. The sign shall include the address for the pregnancy resources website
published and maintained by the department of health and environment, and the following text:

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

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

(1) For purposes of this section:

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

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

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

(1) Geographically indexed printed materials designed to inform the woman of public and private agencies and services available to assist a woman through pregnancy, upon childbirth and while her child is dependent, including but not limited to, a list of providers of free ultrasound services and adoption agencies. The materials shall include a comprehensive list of the agencies, a description of the services they offer and the telephone numbers and addresses of the agencies; and inform the woman about available medical assistance benefits for prenatal care,
childbirth and neonatal care and about the support obligations of the father
of a child who is born alive. The department shall ensure that the materials
described in this section are comprehensive and do not directly or
indirectly promote, exclude or discourage the use of any agency or service
described in this section. The materials shall also contain a toll-free 24-
hour-a-day telephone number which may be called to obtain, orally, such a
list and description of agencies in the locality of the caller and of the
services they offer. The materials shall state that it is unlawful for any
individual to coerce a woman to undergo an abortion, and that any
physician who performs an abortion upon a woman without her informed
consent may be liable to her for damages. Kansas law permits adoptive
parents to pay costs of prenatal care, childbirth and neonatal care. The
materials shall include the following statement:

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

(2) Printed materials that inform the pregnant woman of the probable
anatomical and physiological characteristics of the unborn child at two-
week gestational increments from fertilization to full term, including
pictures or drawings representing the development of an unborn child at
two-week gestational increments, and any relevant information on the
possibility of the unborn child's survival. Any such pictures or drawings
shall contain the dimensions of the unborn child and shall be realistic. The
material shall include the statement the following statements: (A) That by
no later than 20 weeks from fertilization, the unborn child has the physical
structures necessary to experience pain; (B) that there is evidence that by
20 weeks from fertilization unborn children seek to evade certain stimuli
in a manner that in an infant or an adult would be interpreted to be a
response to pain; (C) that anesthesia is routinely administered to unborn
children who are 20 weeks from fertilization or older who undergo
prenatal surgery; (D) that less than 5% of all natural pregnancies end in
spontaneous miscarriage after detection of cardiac activity, and a fetal
heartbeat is, therefore, a key medical indicator that an unborn child is
likely to achieve the capacity for live birth; and (E) that abortion
terminates the life of a whole, separate, unique, living human being. The
materials shall be objective, nonjudgmental and designed to convey only
accurate scientific information about the unborn child at the various
gestational ages. The material shall also contain objective information
descriving the methods of abortion procedures commonly employed, the
medical risks commonly associated with each such procedure, including risk of premature birth in future pregnancies, risk of breast cancer, risks to the woman's reproductive health and the medical risks associated with carrying an unborn child to term.

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

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

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

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

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

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

Pregnancy begins at fertilization with the union of a man's sperm and a woman's egg to form a single-cell embryo. This brand new being contains
the original copy of a new individual's complete genetic code. Gender, eye
color and other traits are determined at fertilization.

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

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

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

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

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

By 10 weeks, intermittent breathing motions begin, and the kidneys
begin to produce and release urine. All the fingers and toes are free and
fully formed, and several hundred muscles are now present. The hands and
feet move frequently, and most unborn children show the first signs of
right- or left-handedness. Pain receptors in the skin, the sensory nerves
connecting them to the spinal cord, and the nerve tracts in the spinal cord
that will carry pain impulses to the brain are all present by this time.
Experts estimate the 10-week unborn child possesses approximately 90%
of the 4,500 body parts found in adults. This means approximately 4,000
permanent body parts are present just eight weeks after fertilization.

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

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

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

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

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

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

By 22 weeks, the cochlea, the organ of hearing, reaches adult size, and
the unborn child begins hearing and responding to various sounds. All the
skin layers and structures are now complete. The unborn child reacts to
stimuli that would be recognized as painful if applied to an adult human.
By 22 weeks, some infants can live outside the womb with specialized
medical care, and survival rates have been reported as high as 40% in
some medical centers. Between 20 and 23 weeks, rapid eye movements begin, which are similar to the REM sleep pattern seen when children and adults have dreams.

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

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

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

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

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

What about adoption? Women or couples facing an untimely pregnancy who choose not to take on the full responsibilities of parenthood have another option, which is adoption. Counseling and support services are a key part of adoption and are available from a variety of adoption agencies and parent support groups across the state. A list of adoption agencies is available. There are several ways to make a plan for adoption, including through a child placement agency or through a private attorney. Although fully anonymous adoptions are available, some degree of openness in adoption is more common, such as permitting the birth mother to choose
the adoptive parents. A father only has the right to consent to an adoption or refuse consent and raise the child if he provides support for the mother during the last six months of the pregnancy.

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

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

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

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

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

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

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

Sec. 14. K.S.A. 2012 Supp. 76-3308 is hereby amended to read as follows: 76-3308. (a) The authority shall have all the powers necessary to
carry out the purposes and provisions of this act, including, without limitation, the following powers to:

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

(2) have perpetual existence and succession;

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

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

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

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

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

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

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

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

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

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

(13) procure such insurance, participate in such insurance plans or provide such self insurance or both as it deems necessary or convenient to carry out the purposes and provisions of this act; the purchase of insurance, participation in an insurance plan or creation of a self-insurance
fund by the authority shall not be deemed as a waiver or relinquishment of any sovereign immunity to which the authority or its officers, directors, employees or agents are otherwise entitled;
(14) appoint, supervise and set the salary and compensation of a president of the authority who shall be appointed by and serve at the pleasure of the board;
(15) fix, revise, charge and collect rates, rentals, fees and other charges for the services or facilities furnished by or on behalf of the authority, and to establish policies and procedures regarding any such service rendered for the use, occupancy or operation of any such facility; such charges and policies and procedures not to be subject to supervision or regulation by any commission, board, bureau or agency of the State; and
(16) do any and all things necessary or convenient to carry out the authority's purposes and exercise the powers given in this act.
(b) The authority may create, own in whole or in part, or otherwise acquire or dispose of any entity organized for a purpose related to or in support of the mission of the authority.
(c) The authority may participate in joint ventures with individuals, corporations, governmental bodies or agencies, partnerships, associations, insurers or other entities to facilitate any activities or programs consistent with the public purpose and intent of this act.
(d) The authority may create a nonprofit entity or entities for the purpose of soliciting, accepting and administering grants, outright gifts and bequests, endowment gifts and bequests and gifts and bequests in trust which entity or entities shall not engage in trust business.
(e) In carrying out any activities authorized by this act, the authority may provide appropriate assistance, including the making of loans and providing time of employees, to corporations, partnerships, associations, joint ventures or other entities, whether or not such corporations, partnerships, associations, joint ventures or other entities are owned or controlled in whole or in part, directly or indirectly, by the authority.
(f) Effective with the transfer date, all moneys of the authority shall be deposited in one or more banks or trust companies in one or more special accounts. All banks and trust companies are authorized to give security for such deposits if required by the authority. The moneys in such accounts shall be paid out on a warrant or other orders of the treasurer of the authority or any such other person or persons as the authority may authorize to execute such warrants or orders.
(g) Notwithstanding any provision of law to the contrary, the authority, effective with the transfer date, may invest the authority's operating funds in any obligations or securities as authorized by the board. The board shall adopt written investment guidelines.
(h) The authority is authorized to negotiate contracts with one or more qualified parties to provide collection services. The selection of a collection services provider shall be based on responses to a request for proposals from qualified professional firms and shall be administered in accordance with policies adopted by the board.

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

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

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

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

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not
credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction.

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

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

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

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

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

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

(x) Amounts received as nonqualified withdrawals, as defined by
K.S.A. 2012 Supp. 75-643, and amendments thereto, if, at the time of
collection to a family postsecondary education savings account, such
amounts were subtracted from the federal adjusted gross income pursuant
to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments thereto, or if such amounts are not already included in the federal adjusted
gross income.

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

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

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

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

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

(xvi) The amount of any amortization deduction claimed in
determining federal adjusted gross income to the extent the same is
claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,227, 79-

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

(xviii) For taxable years commencing after December 31, 2006, the
amount of any ad valorem or property taxes and assessments paid to a state
other than Kansas or local government located in a state other than Kansas
by a taxpayer who resides in a state other than Kansas, when the law of
such state does not allow a resident of Kansas who earns income in such
other state to claim a deduction for ad valorem or property taxes or
assessments paid to a political subdivision of the state of Kansas in
determining taxable income for income tax purposes in such other state, to
the extent that such taxes and assessments are claimed as an itemized
deduction for federal income tax purposes.

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

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

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

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

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

(xxiv) For taxable years commencing after December 31, 2013, that
portion of the amount of any expenditure deduction claimed in
determining federal adjusted gross income for expenses paid for medical
care of the taxpayer or the taxpayer's spouse or dependents when such
expenses were paid or incurred for an abortion, or for a health benefit
plan, as defined in section 1, and amendments thereto, for the purchase of
an optional rider for coverage of abortion in accordance with K.S.A. 2012
Supp. 40-2,190, and amendments thereto, to the extent that such taxes and
assessments are claimed as an itemized deduction for federal income tax
purposes.

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

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

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

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

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

(iv) The amount necessary to prevent the taxation under this act of
any annuity or other amount of income or gain which was properly
included in income or gain and was taxed under the laws of this state for a
taxable year prior to the effective date of this act, as amended, to the
taxpayer, or to a decedent by reason of whose death the taxpayer acquired
the right to receive the income or gain, or to a trust or estate from which
the taxpayer received the income or gain.
(v) The amount of any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in gross income for federal income tax purposes.

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

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

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

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

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

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

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

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

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such
corporation and which is not distributed to the stockholders as dividends of
the corporation. For all taxable years beginning after December 31, 2012,
the amount of modification under this subsection shall exclude the portion
of income or loss reported on schedule E and included on line 17 of the
taxpayer's form 1040 federal individual income tax return.

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

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

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

(xviii) For the taxable year beginning after December 31, 2006,
amounts received as benefits under the federal social security act which
are included in federal adjusted gross income of a taxpayer with federal
adjusted gross income of $50,000 or less, whether such taxpayer's filing
status is single, head of household, married filing separate or married filing
jointly; and for all taxable years beginning after December 31, 2007,
amounts received as benefits under the federal social security act which
are included in federal adjusted gross income of a taxpayer with federal
adjusted gross income of $75,000 or less, whether such taxpayer's filing
status is single, head of household, married filing separate or married filing
jointly.

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

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

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

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

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

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

(ii) The amount of all depreciation deductions claimed for any
property upon which the deduction allowed by K.S.A. 2012 Supp. 79-
32,255 or 79-32,256, and amendments thereto, is claimed.
(iii) The amount of any charitable contribution deduction claimed for
any contribution or gift to or for the use of any racially segregated
educational institution.

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

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

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

(iii) An amount for the amortization deduction allowed pursuant to

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

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

(d) If any corporation derives all of its income from sources within
Kansas in any taxable year commencing after December 31, 1979, its
Kansas taxable income shall be the sum resulting after application of
subsections (a) through (c) hereof. Otherwise, such corporation's Kansas
taxable income in any such taxable year, after excluding any refunds of
federal income tax and before the deduction of federal income taxes
provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-3271 to K.S.A. 79-3293, inclusive, and amendments thereto, plus any refund of federal income tax as determined under paragraph (iv) of subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus the deduction for federal income taxes as provided by subsection (c)(ii) shall be such corporation's Kansas taxable income.

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

Sec. 17. K.S.A. 2012 Supp. 79-32,182b is hereby amended to read as follows: 79-32,182b. (a) For all taxable years commencing after December 31, 2000, a credit shall be allowed against the tax imposed by the Kansas income tax act on the Kansas taxable income of a taxpayer for expenditures in research and development activities conducted within this state in an amount equal to $\frac{1}{2}\%$ of the amount by which the amount expended for such activities in the taxable year of the taxpayer exceeds the taxpayer's average of the actual expenditures for such purposes made in such taxable year and the next preceding two taxable years.

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

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

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

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

(b) "Community services" means:

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

(2) crime prevention; and

(3) health care services.

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

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

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

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

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

(4) is chartered by the United States congress.

(e) "Contributions" shall mean and include the donation of cash, services or property other than used clothing in an amount or value of $250 or more. Stocks and bonds contributed shall be valued at the stock market price on the date of transfer. Services contributed shall be valued at the standard billing rate for not-for-profit clients. Personal property items contributed shall be valued at the lesser of its fair market value or cost to
the donor and may be inclusive of costs incurred in making the
contribution, but shall not include sales tax. Contributions of real estate are
allowable for credit only when title thereto is in fee simple absolute and is
clear of any encumbrances. The amount of credit allowable shall be based
upon the lesser of two current independent appraisals conducted by state
licensed appraisers.

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

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

Sec. 19. K.S.A. 2012 Supp. 79-32,261 is hereby amended to read as
follows: 79-32,261. (a) On and after July 1, 2008, any taxpayer who
contributes in the manner prescribed by this section to a community
college located in Kansas for capital improvements, to a technical college
for deferred maintenance or the purchase of technology or equipment or to
a postsecondary educational institution located in Kansas for deferred
maintenance, shall be allowed a credit against the tax imposed by the
Kansas income tax act, the premium tax or privilege fees imposed
pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
measured by net income of financial institutions imposed pursuant to
article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments
thereto. The tax credit allowed by this section is applicable for the tax year
2008 for any contributions made on and after July 1, 2008, and for the tax
years 2009, 2010, 2011 and 2012 for any contributions made during the
total amount contributed during the taxable year by the
taxpayer to a community college or a technical college located in Kansas
for such purposes. The amount of the credit allowed by this section shall not
exceed 60% of the total amount contributed during the taxable year by the
taxpayer to a postsecondary educational institution for such purposes.
If the amount of the credit allowed by this section for a taxpayer who
contributes to a community college or a technical college exceeds the
amount of the credit allowed by this section for a taxpayer who contributes to a postsecondary educational
institution exceeds the taxpayer's income tax liability for the taxable year,
the amount of the tax credit for a taxpayer who contributes to a postsecondary educational
institutions shall be refunded to the taxpayer. If the amount of the tax
credit for a taxpayer who contributes to a postsecondary educational
institutions exceeds the taxpayer's income tax liability for the taxable year,
the amount which exceeds the tax liability may be carried over for
deduction from the taxpayer's income tax liability in the next succeeding
taxable year or years until the total amount of the tax credit has been
deducted from tax liability, except that no such tax credit shall be carried
over for deduction after the third taxable year succeeding the taxable year
in which the contribution is made. Prior to the issuance of any tax credits
pursuant to this section, the structure of the process in which contributions
received by a community college, a technical college or a postsecondary
educational institution qualify as tax credits allowed and issued pursuant to
this section shall be developed by a community college, a technical college
and a postsecondary educational institution in consultation with the
secretary of revenue and the foundation or endowment association of any
such community college, technical college or postsecondary educational
institutions in a manner that complies with requirements specified in the
federal internal revenue code of 1986, as amended, so that contributions
qualify as charitable contributions allowable as deductions from federal
adjusted gross income.

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

(2) Upon receipt of any such contributions to a technical college
made pursuant to the provisions of this section, such contributions shall be
deposited to the credit of a deferred maintenance fund or a technology and
equipment fund established by the technical college which received the contribution. Expenditures from such fund shall be made only for the purpose as provided in this subsection.

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

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

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

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

(2) "deferred maintenance" means the maintenance, repair, reconstruction or rehabilitation of a building located at a technical college or a postsecondary educational institution which has been deferred, any utility systems relating to such building, any life-safety upgrades to such building and any improvements necessary to be made to such building in order to comply with the requirements of the Americans with disabilities act or other federal or state law, except that for taxable years commencing after December 31, 2013, deferred maintenance shall not include any
maintenance, repair, reconstruction or rehabilitation of any building in which any abortion, as defined in K.S.A. 65-6701, and amendments thereto, is performed;

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

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

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

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

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

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

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

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

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

(d) all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities for
any public or private nonprofit hospital or public hospital authority, public
or private elementary or secondary school, a public or private nonprofit
educational institution, state correctional institution including a privately
constructed correctional institution contracted for state use and ownership,
which would be exempt from taxation under the provisions of this act if
purchased directly by such hospital or public hospital authority, school,
educational institution or a state correctional institution; and all sales of
tangible personal property or services purchased by a contractor for the
purpose of constructing, equipping, reconstructing, maintaining, repairing,
enlarging, furnishing or remodeling facilities for any political subdivision
of the state or district described in subsection (s), the total cost of which is
paid from funds of such political subdivision or district and which would
be exempt from taxation under the provisions of this act if purchased
directly by such political subdivision or district. Nothing in this subsection
or in the provisions of K.S.A. 12-3418, and amendments thereto, shall be
deemed to exempt the purchase of any construction machinery, equipment
or tools used in the constructing, equipping, reconstructing, maintaining,
repairing, enlarging, furnishing or remodeling facilities for any political
subdivision of the state or any such district. As used in this subsection,
K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
political subdivision" shall mean general tax revenues, the proceeds of any
bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
purpose of constructing, equipping, reconstructing, repairing, enlarging,
furnishing or remodeling facilities which are to be leased to the donor.
When any political subdivision of the state, district described in subsection
(s), public or private nonprofit hospital or public hospital authority, public
or private elementary or secondary school, public or private nonprofit
educational institution, state correctional institution including a privately
constructed correctional institution contracted for state use and ownership
shall contract for the purpose of constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities, it
shall obtain from the state and furnish to the contractor an exemption
certificate for the project involved, and the contractor may purchase
materials for incorporation in such project. The contractor shall furnish the
number of such certificate to all suppliers from whom such purchases are
made, and such suppliers shall execute invoices covering the same bearing
the number of such certificate. Upon completion of the project the
contractor shall furnish to the political subdivision, district described in
subsection (s), hospital or public hospital authority, school, educational
institution or department of corrections concerned a sworn statement, on a
form to be provided by the director of taxation, that all purchases so made
were entitled to exemption under this subsection. As an alternative to the
foregoing procedure, any such contracting entity may apply to the
secretary of revenue for agent status for the sole purpose of issuing and
furnishing project exemption certificates to contractors pursuant to rules
and regulations adopted by the secretary establishing conditions and
standards for the granting and maintaining of such status. All invoices
shall be held by the contractor for a period of five years and shall be
subject to audit by the director of taxation. If any materials purchased
under such a certificate are found not to have been incorporated in the
building or other project or not to have been returned for credit or the sales
or compensating tax otherwise imposed upon such materials which will
not be so incorporated in the building or other project reported and paid by
such contractor to the director of taxation not later than the 20th day of the
month following the close of the month in which it shall be determined
that such materials will not be used for the purpose for which such
certificate was issued, the political subdivision, district described in
subsection (s), hospital or public hospital authority, school, educational
institution or the contractor contracting with the department of corrections
for a correctional institution concerned shall be liable for tax on all
materials purchased for the project, and upon payment thereof it may
recover the same from the contractor together with reasonable attorney
fees. Any contractor or any agent, employee or subcontractor thereof, who
shall use or otherwise dispose of any materials purchased under such a
certificate for any purpose other than that for which such a certificate is
issued without the payment of the sales or compensating tax otherwise
imposed upon such materials, shall be guilty of a misdemeanor and, upon
conviction therefor, shall be subject to the penalties provided for in
subsection (g) of K.S.A. 79-3615, and amendments thereto;
(e) all sales of tangible personal property or services purchased by a
contractor for the erection, repair or enlargement of buildings or other
projects for the government of the United States, its agencies or
instrumentalities, which would be exempt from taxation if purchased
directly by the government of the United States, its agencies or
instrumentalities. When the government of the United States, its agencies
or instrumentalities shall contract for the erection, repair, or enlargement
of any building or other project, it shall obtain from the state and furnish to
the contractor an exemption certificate for the project involved, and the
contractor may purchase materials for incorporation in such project. The
contractor shall furnish the number of such certificates to all suppliers
from whom such purchases are made, and such suppliers shall execute
invoices covering the same bearing the number of such certificate. Upon
completion of the project the contractor shall furnish to the government of
the United States, its agencies or instrumentalities concerned a sworn
statement, on a form to be provided by the director of taxation, that all
purchases so made were entitled to exemption under this subsection. As an
alternative to the foregoing procedure, any such contracting entity may
apply to the secretary of revenue for agent status for the sole purpose of
issuing and furnishing project exemption certificates to contractors
pursuant to rules and regulations adopted by the secretary establishing
conditions and standards for the granting and maintaining of such status.
All invoices shall be held by the contractor for a period of five years and
shall be subject to audit by the director of taxation. Any contractor or any
agent, employee or subcontractor thereof, who shall use or otherwise
dispose of any materials purchased under such a certificate for any purpose
other than that for which such a certificate is issued without the payment
doing the sales or compensating tax otherwise imposed upon such materials,
shall be guilty of a misdemeanor and, upon conviction thereof, shall be
subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
and amendments thereto;
(f) tangible personal property purchased by a railroad or public utility
for consumption or movement directly and immediately in interstate
commerce;
(g) sales of aircraft including remanufactured and modified aircraft
sold to persons using directly or through an authorized agent such aircraft
as certified or licensed carriers of persons or property in interstate or
foreign commerce under authority of the laws of the United States or any
foreign government or sold to any foreign government or agency or
instrumentality of such foreign government and all sales of aircraft for use
outside of the United States and sales of aircraft repair, modification and
replacement parts and sales of services employed in the remanufacture,
modification and repair of aircraft;
(h) all rentals of nonsectarian textbooks by public or private
elementary or secondary schools;
(i) the lease or rental of all films, records, tapes, or any type of sound
or picture transcriptions used by motion picture exhibitors;
(j) meals served without charge or food used in the preparation of
such meals to employees of any restaurant, eating house, dining car, hotel,
drugstore or other place where meals or drinks are regularly sold to the
public if such employees' duties are related to the furnishing or sale of
such meals or drinks;
(k) any motor vehicle, semitrailer or pole trailer, as such terms are
defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and
delivered in this state to a bona fide resident of another state, which motor
vehicle, semitrailer, pole trailer or aircraft is not to be registered or based
in this state and which vehicle, semitrailer, pole trailer or aircraft will not
remain in this state more than 10 days;
(l) all isolated or occasional sales of tangible personal property,
services, substances or things, except isolated or occasional sale of motor
vehicles specifically taxed under the provisions of subsection (o) of K.S.A.
79-3603, and amendments thereto;
(m) all sales of tangible personal property which become an
ingredient or component part of tangible personal property or services
produced, manufactured or compounded for ultimate sale at retail within
or without the state of Kansas; and any such producer, manufacturer or
compounder may obtain from the director of taxation and furnish to the
supplier an exemption certificate number for tangible personal property for
use as an ingredient or component part of the property or services
produced, manufactured or compounded;
(n) all sales of tangible personal property which is consumed in the
production, manufacture, processing, mining, drilling, refining or
compounding of tangible personal property, the treating of by-products or
wastes derived from any such production process, the providing of
services or the irrigation of crops for ultimate sale at retail within or
without the state of Kansas; and any purchaser of such property may
obtain from the director of taxation and furnish to the supplier an
exemption certificate number for tangible personal property for
consumption in such production, manufacture, processing, mining,
drilling, refining, compounding, treating, irrigation and in providing such
services;
(o) all sales of animals, fowl and aquatic plants and animals, the
primary purpose of which is use in agriculture or aquaculture, as defined in
K.S.A. 47-1901, and amendments thereto, the production of food for
human consumption, the production of animal, dairy, poultry or aquatic
plant and animal products, fiber or fur, or the production of offspring for
use for any such purpose or purposes;
(p) all sales of drugs dispensed pursuant to a prescription order by a
licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
1626, and amendments thereto. As used in this subsection, "drug" means a
compound, substance or preparation and any component of a compound,
substance or preparation, other than food and food ingredients, dietary
supplements or alcoholic beverages, recognized in the official United
States pharmacopoeia, official homeopathic pharmacopoeia of the United
States or official national formulary, and supplement to any of them,
intended for use in the diagnosis, cure, mitigation, treatment or prevention
of disease or intended to affect the structure or any function of the body,
except that for taxable years commencing after December 31, 2013, this
subsection shall not apply to any sales of drugs used in the performance
or induction of an abortion, as defined in K.S.A. 65-6701, and
amendments thereto;
(q) all sales of insulin dispensed by a person licensed by the state
board of pharmacy to a person for treatment of diabetes at the direction of
a person licensed to practice medicine by the board of healing arts;

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

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

(t) all sales of farm machinery and equipment or aquaculture
machinery and equipment, repair and replacement parts therefor and
services performed in the repair and maintenance of such machinery and
equipment. For the purposes of this subsection the term "farm machinery
and equipment or aquaculture machinery and equipment" shall include a
work-site utility vehicle, as defined in K.S.A. 8-126, and amendments
thereto, and is equipped with a bed or cargo box for hauling materials, and
shall also include machinery and equipment used in the operation of
Christmas tree farming but shall not include any passenger vehicle, truck,
truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as
such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm machinery and equipment" includes precision farming equipment that is portable or is installed or purchased to be installed on farm machinery and equipment. "Precision farming equipment" includes the following items used only in computer-assisted farming, ranching or aquaculture production operations: Soil testing sensors, yield monitors, computers, monitors, software, global positioning and mapping systems, guiding systems, modems, data communications equipment and any necessary mounting hardware, wiring and antennas. Each purchaser of farm machinery and equipment or aquaculture machinery and equipment exempted herein must certify in writing on the copy of the invoice or sales ticket to be retained by the seller that the farm machinery and equipment or aquaculture machinery and equipment purchased will be used only in farming, ranching or aquaculture production. Farming or ranching shall include the operation of a feedlot and farm and ranch work for hire and the operation of a nursery;

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

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

(w) all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes: (1) To residential premises for noncommercial use by the occupant of such premises; (2) for agricultural use and also, for such use, all sales of propane gas; (3) for use in the severing of oil; and (4) to any property which is exempt from property taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this paragraph, "severing" shall have the meaning ascribed thereto by subsection (k) of K.S.A. 79-4216, and amendments thereto. For all sales of natural gas, electricity and heat delivered through mains, lines or pipes pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions of this subsection shall expire on December 31, 2005;
(x) all sales of propane gas, LP-gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises occurring prior to January 1, 2006;

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

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

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

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

(cc) all sales of tangible personal property or services purchased prior to January 1, 2012, except as otherwise provided, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business or retail business which meets the requirements established in K.S.A. 74-50,115, and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business or retail business, and all sales of tangible personal property or services purchased on or after January 1, 2012, for the purpose of and in conjunction with constructing, reconstructing, enlarging or remodeling a business which meets the requirements established in K.S.A. 74-50,115(e), and amendments thereto, and the sale and installation of machinery and equipment purchased for installation at any such business. When a person shall contract for the construction, reconstruction, enlargement or remodeling of any such business or retail business, such person shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials, machinery and equipment for incorporation in such project. The contractor shall furnish the number of such certificates to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the owner of the business or retail business a sworn statement, on a form to be provided by
the director of taxation, that all purchases so made were entitled to
exemption under this subsection. All invoices shall be held by the
contractor for a period of five years and shall be subject to audit by the
director of taxation. Any contractor or any agent, employee or
subcontractor thereof, who shall use or otherwise dispose of any materials,
machinery or equipment purchased under such a certificate for any
purpose other than that for which such a certificate is issued without the
payment of the sales or compensating tax otherwise imposed thereon, shall
be guilty of a misdemeanor and, upon conviction therefor, shall be subject
to the penalties provided for in subsection (g) of K.S.A. 79-3615, and
amendments thereto. As used in this subsection, "business" and "retail
business" have the meanings respectively ascribed thereto by K.S.A. 74-
50,114, and amendments thereto. Project exemption certificates that have
been previously issued under this subsection by the department of revenue
pursuant to K.S.A. 74-50,115, and amendments thereto, but not including
K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012,
and have not expired will be effective for the term of the project or two
years from the effective date of the certificate, whichever occurs earlier.
Project exemption certificates that are submitted to the department of
revenue prior to January 1, 2012, and are found to qualify will be issued a
project exemption certificate that will be effective for a two-year period or
for the term of the project, whichever occurs earlier;
(dd) all sales of tangible personal property purchased with food
stamps issued by the United States department of agriculture;
(ee) all sales of lottery tickets and shares made as part of a lottery
operated by the state of Kansas;
(ff) on and after July 1, 1988, all sales of new mobile homes or
manufactured homes to the extent of 40% of the gross receipts, determined
without regard to any trade-in allowance, received from such sale. As used
in this subsection, "mobile homes" and "manufactured homes" shall have
the meanings ascribed thereto by K.S.A. 58-4202, and amendments
thereto;
(gg) all sales of tangible personal property purchased in accordance
with vouchers issued pursuant to the federal special supplemental food
program for women, infants and children;
(hh) all sales of medical supplies and equipment, including durable
medical equipment, purchased directly by a nonprofit skilled nursing home
or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
and amendments thereto, for the purpose of providing medical services to
residents thereof. This exemption shall not apply to tangible personal
property customarily used for human habitation purposes. As used in this
subsection, "durable medical equipment" means equipment including
repair and replacement parts for such equipment, which can withstand
repeated use, is primarily and customarily used to serve a medical purpose, generally is not useful to a person in the absence of illness or injury and is not worn in or on the body, but does not include mobility enhancing equipment as defined in subsection (r), oxygen delivery equipment, kidney dialysis equipment or enteral feeding systems;

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

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

(kk) (1) (A) all sales of machinery and equipment which are used in this state as an integral or essential part of an integrated production operation by a manufacturing or processing plant or facility;
(B) all sales of installation, repair and maintenance services performed on such machinery and equipment; and
(C) all sales of repair and replacement parts and accessories purchased for such machinery and equipment.

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

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

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

(D) "manufacturing or processing business" means a business that utilizes an integrated production operation to manufacture, process, fabricate, finish, or assemble items for wholesale and retail distribution as part of what is commonly regarded by the general public as an industrial manufacturing or processing operation or an agricultural commodity processing operation. (i) Industrial manufacturing or processing operations include, by way of illustration but not of limitation, the fabrication of automobiles, airplanes, machinery or transportation equipment, the fabrication of metal, plastic, wood, or paper products, electricity power generation, water treatment, petroleum refining, chemical production, wholesale bottling, newspaper printing, ready mixed concrete production, and the remanufacturing of used parts for wholesale or retail sale. Such processing operations shall include operations at an oil well, gas well, mine or other excavation site where the oil, gas, minerals, coal, clay, stone, sand or gravel that has been extracted from the earth is cleaned, separated, crushed, ground, milled, screened, washed, or otherwise treated or prepared before its transmission to a refinery or before any other wholesale or retail distribution. (ii) Agricultural commodity processing operations include, by way of illustration but not of limitation, meat packing, poultry slaughtering and dressing, processing and packaging farm and dairy products in sealed containers for wholesale and retail distribution, feed grinding, grain milling, frozen food processing, and grain handling, cleaning, blending, fumigation, drying and aeration operations engaged in by grain elevators or other grain storage facilities. (iii) Manufacturing or processing businesses do not include, by way of illustration but not of limitation, nonindustrial businesses whose operations are primarily retail and that produce or process tangible personal property as an incidental part of conducting the retail business, such as retailers who bake, cook or
prepare food products in the regular course of their retail trade, grocery
stores, meat lockers and meat markets that butcher or dress livestock or
poultry in the regular course of their retail trade, contractors who alter,
service, repair or improve real property, and retail businesses that clean,
serve or refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

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

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

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

(I) to transmit or transport electricity, coke, gas, water, steam or
similar substances used in production operations from the point of
generation, if produced by the manufacturer or processor at the plant site,
to that manufacturer's production operation; or, if purchased or delivered from off-site, from the point where the substance enters the site of the plant or facility to that manufacturer's production operations;

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

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

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

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

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

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

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

(B) machinery, equipment and tools used primarily in maintaining and repairing any type of machinery and equipment or the building and
(C) transportation, transmission and distribution equipment not primarily used in a production, warehousing or material handling operation at the plant or facility, including the means of conveyance of natural gas, electricity, oil or water, and equipment related thereto, located outside the plant or facility;

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

(E) furniture and other furnishings;

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

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

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

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

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

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

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

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

(mm) all sales of seeds and tree seedlings; fertilizers, insecticides, herbicides, germicides, pesticides and fungicides; and services, purchased and used for the purpose of producing plants in order to prevent soil
erosion on land devoted to agricultural use;

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

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

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

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

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

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

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

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

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

(1) The American Heart Association, Kansas Affiliate, Inc. for the purposes of providing education, training, certification in emergency cardiac care, research and other related services to reduce disability and
death from cardiovascular diseases and stroke;
(2) the Kansas Alliance for the Mentally Ill, Inc. for the purpose of
advocacy for persons with mental illness and to education, research and
support for their families;
(3) the Kansas Mental Illness Awareness Council for the purposes of
advocacy for persons who are mentally ill and to education, research and
support for them and their families;
(4) the American Diabetes Association Kansas Affiliate, Inc. for the
purpose of eliminating diabetes through medical research, public education
focusing on disease prevention and education, patient education including
information on coping with diabetes, and professional education and
training;
(5) the American Lung Association of Kansas, Inc. for the purpose of
eliminating all lung diseases through medical research, public education
including information on coping with lung diseases, professional education
and training related to lung disease and other related services to reduce the
incidence of disability and death due to lung disease;
(6) the Kansas chapters of the Alzheimer's Disease and Related
Disorders Association, Inc. for the purpose of providing assistance and
support to persons in Kansas with Alzheimer's disease, and their families
and caregivers;
(7) the Kansas chapters of the Parkinson's disease association for the
purpose of eliminating Parkinson's disease through medical research and
public and professional education related to such disease;
(8) the National Kidney Foundation of Kansas and Western Missouri
for the purpose of eliminating kidney disease through medical research
and public and private education related to such disease;
(9) the heartstrings community foundation for the purpose of
providing training, employment and activities for adults with
developmental disabilities;
(10) the Cystic Fibrosis Foundation, Heart of America Chapter, for
the purposes of assuring the development of the means to cure and control
cystic fibrosis and improving the quality of life for those with the disease;
(11) the spina bifida association of Kansas for the purpose of
providing financial, educational and practical aid to families and
individuals with spina bifida. Such aid includes, but is not limited to,
funding for medical devices, counseling and medical educational
opportunities;
(12) the CHWC, Inc., for the purpose of rebuilding urban core
neighborhoods through the construction of new homes, acquiring and
renovating existing homes and other related activities, and promoting
economic development in such neighborhoods;
(13) the cross-lines cooperative council for the purpose of providing
social services to low income individuals and families;

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

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

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

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

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

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

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

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

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

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

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

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

(xx) all sales of tangible personal property and services purchased by
a nonprofit zoo which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, or on behalf of such zoo by an entity itself exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986 contracted with to operate such zoo and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo which would be exempt from taxation under the provisions of this section if purchased directly by such nonprofit zoo or the entity operating such zoo. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any nonprofit zoo. When any nonprofit zoo shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to the nonprofit zoo concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, the nonprofit zoo concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
and amendments thereto;

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

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

(aaa) all sales of tangible personal property and services purchased by a religious organization which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and used exclusively for religious purposes, and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization which would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later
than the 20th day of the month following the close of the month in which it
shall be determined that such materials will not be used for the purpose for
which such certificate was issued, such organization concerned shall be
liable for tax on all materials purchased for the project, and upon payment
thereof it may recover the same from the contractor together with
reasonable attorney fees. Any contractor or any agent, employee or
subcontractor thereof, who shall use or otherwise dispose of any materials
purchased under such a certificate for any purpose other than that for
which such a certificate is issued without the payment of the sales or
compensating tax otherwise imposed upon such materials, shall be guilty
of a misdemeanor and, upon conviction therefor, shall be subject to the
penalties provided for in subsection (g) of K.S.A. 79-3615, and
amendments thereto. Sales tax paid on and after July 1, 1998, but prior to
the effective date of this act upon the gross receipts received from any sale
exempted by the amendatory provisions of this subsection shall be
refunded. Each claim for a sales tax refund shall be verified and submitted
to the director of taxation upon forms furnished by the director and shall
be accompanied by any additional documentation required by the director.
The director shall review each claim and shall refund that amount of sales
tax paid as determined under the provisions of this subsection. All refunds
shall be paid from the sales tax refund fund upon warrants of the director
of accounts and reports pursuant to vouchers approved by the director or
the director's designee;
(bbb) all sales of food for human consumption by an organization
which is exempt from federal income taxation pursuant to section 501(c)
(3) of the federal internal revenue code of 1986, pursuant to a food
distribution program which offers such food at a price below cost in
exchange for the performance of community service by the purchaser
thereof;
(ccc) on and after July 1, 1999, all sales of tangible personal property
and services purchased by a primary care clinic or health center the
primary purpose of which is to provide services to medically underserved
individuals and families, and which is exempt from federal income
taxation pursuant to section 501(c)(3) of the federal internal revenue code,
and all sales of tangible personal property or services purchased by a
contractor for the purpose of constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities for
any such clinic or center which would be exempt from taxation under the
provisions of this section if purchased directly by such clinic or center,
except that for taxable years commencing after December 31, 2013, this
subsection shall not apply to any sales of such tangible personal property
and services purchased by a primary care clinic or health center which
performs any abortion, as defined in K.S.A. 65-6701, and amendments
thereto. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such clinic or center. When any such clinic or center shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such clinic or center concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such clinic or center concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(ddd) on and after January 1, 1999, and before January 1, 2000, all sales of materials and services purchased by any class II or III railroad as classified by the federal surface transportation board for the construction, renovation, repair or replacement of class II or III railroad track and facilities used directly in interstate commerce. In the event any such track or facility for which materials and services were purchased sales tax exempt is not operational for five years succeeding the allowance of such exemption, the total amount of sales tax which would have been payable
except for the operation of this subsection shall be recouped in accordance
with rules and regulations adopted for such purpose by the secretary of
revenue;
   (eee) on and after January 1, 1999, and before January 1, 2001, all
sales of materials and services purchased for the original construction,
reconstruction, repair or replacement of grain storage facilities, including
railroad sidings providing access thereto;
   (fff) all sales of material handling equipment, racking systems and
other related machinery and equipment that is used for the handling,
movement or storage of tangible personal property in a warehouse or
distribution facility in this state; all sales of installation, repair and
maintenance services performed on such machinery and equipment; and
all sales of repair and replacement parts for such machinery and
equipment. For purposes of this subsection, a warehouse or distribution
facility means a single, fixed location that consists of buildings or
structures in a contiguous area where storage or distribution operations are
conducted that are separate and apart from the business’ retail operations,
if any, and which do not otherwise qualify for exemption as occurring at a
manufacturing or processing plant or facility. Material handling and
storage equipment shall include aeration, dust control, cleaning, handling
and other such equipment that is used in a public grain warehouse or other
commercial grain storage facility, whether used for grain handling, grain
storage, grain refining or processing, or other grain treatment operation;
   (ggg) all sales of tangible personal property and services purchased
by or on behalf of the Kansas Academy of Science which is exempt from
federal income taxation pursuant to section 501(c)(3) of the federal
internal revenue code of 1986, and used solely by such academy for the
preparation, publication and dissemination of education materials;
   (hhh) all sales of tangible personal property and services purchased
by or on behalf of all domestic violence shelters that are member agencies
of the Kansas coalition against sexual and domestic violence;
   (iii) all sales of personal property and services purchased by an
organization which is exempt from federal income taxation pursuant to
section 501(c)(3) of the federal internal revenue code of 1986, and which
such personal property and services are used by any such organization in
the collection, storage and distribution of food products to nonprofit
organizations which distribute such food products to persons pursuant to a
food distribution program on a charitable basis without fee or charge, and
all sales of tangible personal property or services purchased by a
contractor for the purpose of constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities used
for the collection and storage of such food products for any such
organization which is exempt from federal income taxation pursuant to
section 501(c)(3) of the federal internal revenue code of 1986, which would be exempt from taxation under the provisions of this section if purchased directly by such organization. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for any such organization. When any such organization shall contract for the purpose of constructing, equipping, reconstructing, maintaining, repairing, enlarging, furnishing or remodeling facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to such organization concerned a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization concerned shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax paid on and after July 1, 2005, but prior to the effective date of this act upon the gross receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as
determined under the provisions of this subsection. All refunds shall be
paid from the sales tax refund fund upon warrants of the director of
accounts and reports pursuant to vouchers approved by the director or the
director's designee;
(jjj) all sales of dietary supplements dispensed pursuant to a
prescription order by a licensed practitioner or a mid-level practitioner as
defined by K.S.A. 65-1626, and amendments thereto. As used in this
subsection, "dietary supplement" means any product, other than tobacco,
intended to supplement the diet that: (1) Contains one or more of the
following dietary ingredients: A vitamin, a mineral, an herb or other
botanical, an amino acid, a dietary substance for use by humans to
supplement the diet by increasing the total dietary intake or a concentrate,
metabolite, constituent, extract or combination of any such ingredient; (2)
is intended for ingestion in tablet, capsule, powder, softgel, gelcap or
liquid form, or if not intended for ingestion, in such a form, is not
represented as conventional food and is not represented for use as a sole
item of a meal or of the diet; and (3) is required to be labeled as a dietary
supplement, identifiable by the supplemental facts box found on the label
and as required pursuant to 21 C.F.R. § 101.36;
(III) all sales of tangible personal property and services purchased by
special olympics Kansas, inc. for the purpose of providing year-round
sports training and athletic competition in a variety of olympic-type sports
for individuals with intellectual disabilities by giving them continuing
opportunities to develop physical fitness, demonstrate courage, experience
joy and participate in a sharing of gifts, skills and friendship with their
families, other special olympics athletes and the community, and activities
provided or sponsored by such organization, and all sales of tangible
personal property by or on behalf of any such organization;
(mmm) all sales of tangible personal property purchased by or on
behalf of the Marillac Center, Inc., which is exempt from federal income
taxation pursuant to section 501(c)(3) of the federal internal revenue code,
for the purpose of providing psycho-social-biological and special
education services to children, and all sales of any such property by or on
behalf of such organization for such purpose;
(nnn) all sales of tangible personal property and services purchased
by the West Sedgwick County-Sunrise Rotary Club and Sunrise Charitable
Fund for the purpose of constructing a boundless playground which is an
integrated, barrier free and developmentally advantageous play
environment for children of all abilities and disabilities;
(ooo) all sales of tangible personal property by or on behalf of a
public library serving the general public and supported in whole or in part
with tax money or a not-for-profit organization whose purpose is to raise
funds for or provide services or other benefits to any such public library;
all sales of tangible personal property and services purchased by or on behalf of a homeless shelter which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal income tax code of 1986, and used by any such homeless shelter to provide emergency and transitional housing for individuals and families experiencing homelessness, and all sales of any such property by or on behalf of any such homeless shelter for any such purpose;

all sales of tangible personal property and services purchased by TLC for children and families, inc., hereinafter referred to as TLC, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing emergency shelter and treatment for abused and neglected children as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of TLC for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by TLC. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC. When TLC contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC shall be liable for tax on all materials
purchased for the project, and upon payment thereof it may recover the
same from the contractor together with reasonable attorney fees. Any
contractor or any agent, employee or subcontractor thereof, who shall use
or otherwise dispose of any materials purchased under such a certificate
for any purpose other than that for which such a certificate is issued
without the payment of the sales or compensating tax otherwise imposed
upon such materials, shall be guilty of a misdemeanor and, upon
conviction therefor, shall be subject to the penalties provided for in
subsection (g) of K.S.A. 79-3615, and amendments thereto;

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

(sss) all sales of tangible personal property and services purchased by
catholic charities or youthville, hereinafter referred to as charitable family
providers, which is exempt from federal income taxation pursuant to
section 501(c)(3) of the federal internal revenue code of 1986, and which
such property and services are used for the purpose of providing
emergency shelter and treatment for abused and neglected children as well
as meeting additional critical needs for children, juveniles and family, and
all sales of any such property by or on behalf of charitable family
providers for any such purpose; and all sales of tangible personal property
or services purchased by a contractor for the purpose of constructing,
maintaining, repairing, enlarging, furnishing or remodeling facilities for
the operation of services for charitable family providers for any such
purpose which would be exempt from taxation under the provisions of this
section if purchased directly by charitable family providers. Nothing in
this subsection shall be deemed to exempt the purchase of any construction
machinery, equipment or tools used in the constructing, maintaining,
repairing, enlarging, furnishing or remodeling such facilities for charitable
family providers. When charitable family providers contracts for the
purpose of constructing, maintaining, repairing, enlarging, furnishing or
remodeling such facilities, it shall obtain from the state and furnish to the
contractor an exemption certificate for the project involved, and the
contractor may purchase materials for incorporation in such project. The
contractor shall furnish the number of such certificate to all suppliers from
whom such purchases are made, and such suppliers shall execute invoices
covering the same bearing the number of such certificate. Upon
completion of the project the contractor shall furnish to charitable family
providers a sworn statement, on a form to be provided by the director of
taxation, that all purchases so made were entitled to exemption under this
subsection. All invoices shall be held by the contractor for a period of five
years and shall be subject to audit by the director of taxation. If any
materials purchased under such a certificate are found not to have been
incorporated in the building or other project or not to have been returned
for credit or the sales or compensating tax otherwise imposed upon such
materials which will not be so incorporated in the building or other project
reported and paid by such contractor to the director of taxation not later
than the 20th day of the month following the close of the month in which it
shall be determined that such materials will not be used for the purpose for
which such certificate was issued, charitable family providers shall be
liable for tax on all materials purchased for the project, and upon payment
thereof it may recover the same from the contractor together with
reasonable attorney fees. Any contractor or any agent, employee or
subcontractor thereof, who shall use or otherwise dispose of any materials
purchased under such a certificate for any purpose other than that for
which such a certificate is issued without the payment of the sales or
compensating tax otherwise imposed upon such materials, shall be guilty
of a misdemeanor and, upon conviction therefor, shall be subject to the
penalties provided for in subsection (g) of K.S.A. 79-3615, and
amendments thereto;

(ttt) all sales of tangible personal property or services purchased by a
contractor for a project for the purpose of restoring, constructing,
equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
remodeling a home or facility owned by a nonprofit museum which has
been granted an exemption pursuant to subsection (qq), which such home
or facility is located in a city which has been designated as a qualified
hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
amendments thereto, and which such project is related to the purposes of
K.S.A. 75-5071 et seq., and amendments thereto, and which would be
exempt from taxation under the provisions of this section if purchased
directly by such nonprofit museum. Nothing in this subsection shall be
deemed to exempt the purchase of any construction machinery, equipment
or tools used in the restoring, constructing, equipping, reconstructing,
maintaining, repairing, enlarging, furnishing or remodeling a home or
facility for any such nonprofit museum. When any such nonprofit museum
shall contract for the purpose of restoring, constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
a home or facility, it shall obtain from the state and furnish to the
contractor an exemption certificate for the project involved, and the
contractor may purchase materials for incorporation in such project. The
contractor shall furnish the number of such certificates to all suppliers
from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such nonprofit museum a sworn statement on a form to be provided by the director of taxation that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in a home or facility or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such nonprofit museum shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

(uuu) all sales of tangible personal property and services purchased by Kansas children's service league, hereinafter referred to as KCSL, which is exempt from federal income taxation pursuant to section 501(c) (3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of providing for the prevention and treatment of child abuse and maltreatment as well as meeting additional critical needs for children, juveniles and family, and all sales of any such property by or on behalf of KCSL for any such purpose; and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for KCSL for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by KCSL. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for KCSL. When KCSL contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and
furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to KCSL a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be so incorporated in the building or other project reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, KCSL shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

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

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

(xxx) all sales of personal property and services purchased by the booth theatre foundation, inc., an organization which is exempt from
federal income taxation pursuant to section 501(c)(3) of the federal
internal revenue code of 1986, and which such personal property and
services are used by any such organization in the constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
of the booth theatre, and all sales of tangible personal property or services
purchased by a contractor for the purpose of constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
the booth theatre for such organization, which would be exempt from
taxation under the provisions of this section if purchased directly by such
organization. Nothing in this subsection shall be deemed to exempt the
purchase of any construction machinery, equipment or tools used in the
constructing, equipping, reconstructing, maintaining, repairing, enlarging,
furnishing or remodeling facilities for any such organization. When any
such organization shall contract for the purpose of constructing, equipping,
reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
facilities, it shall obtain from the state and furnish to the contractor an
exemption certificate for the project involved, and the contractor may
purchase materials for incorporation in such project. The contractor shall
furnish the number of such certificate to all suppliers from whom such
purchases are made, and such suppliers shall execute invoices covering the
same bearing the number of such certificate. Upon completion of the
project the contractor shall furnish to such organization concerned a sworn
statement, on a form to be provided by the director of taxation, that all
purchases so made were entitled to exemption under this subsection. All
invoices shall be held by the contractor for a period of five years and shall
be subject to audit by the director of taxation. If any materials purchased
under such a certificate are found not to have been incorporated in such
facilities or not to have been returned for credit or the sales or
compensating tax otherwise imposed upon such materials which will not
be so incorporated in such facilities reported and paid by such contractor
to the director of taxation not later than the 20th day of the month following
the close of the month in which it shall be determined that such materials
will not be used for the purpose for which such certificate was issued, such
organization concerned shall be liable for tax on all materials purchased
for the project, and upon payment thereof it may recover the same from
the contractor together with reasonable attorney fees. Any contractor or
any agent, employee or subcontractor thereof, who shall use or otherwise
dispose of any materials purchased under such a certificate for any purpose
other than that for which such a certificate is issued without the payment
of the sales or compensating tax otherwise imposed upon such materials,
shall be guilty of a misdemeanor and, upon conviction therefor, shall be
subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
and amendments thereto. Sales tax paid on and after January 1, 2007, but
prior to the effective date of this act upon the gross receipts received from any sale which would have been exempted by the provisions of this subsection had such sale occurred after the effective date of this act shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee;

(yyy) all sales of tangible personal property and services purchased by TLC charities foundation, inc., hereinafter referred to as TLC charities, which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and which such property and services are used for the purpose of encouraging private philanthropy to further the vision, values, and goals of TLC for children and families, inc.; and all sales of such property and services by or on behalf of TLC charities for any such purpose and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the operation of services for TLC charities for any such purpose which would be exempt from taxation under the provisions of this section if purchased directly by TLC charities. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities for TLC charities. When TLC charities contracts for the purpose of constructing, maintaining, repairing, enlarging, furnishing or remodeling such facilities, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project the contractor shall furnish to TLC charities a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in the building or other project or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials which will not be incorporated into the building or other project
reported and paid by such contractor to the director of taxation not later than the 20th day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, TLC charities shall be liable for tax on all materials purchased for the project, and upon payment thereof it may recover the same from the contractor together with reasonable attorney fees. Any contractor or any agent, employee or subcontractor thereof, who shall use or otherwise dispose of any materials purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

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

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

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

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

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

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

(ffff) all sales of tangible personal property and services purchased by
sheltered living, inc., which is exempt from federal income taxation
pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
and which such property and services are used for the purpose of
providing residential and day services for people with developmental
disabilities or intellectual disability, or both, and all sales of any such
property by or on behalf of sheltered living, inc., for any such purpose; and
all sales of tangible personal property or services purchased by a
contractor for the purpose of rehabilitating, constructing, maintaining,
repairing, enlarging, furnishing or remodeling homes and facilities for
sheltered living, inc., for any such purpose which would be exempt from
taxation under the provisions of this section if purchased directly by
sheltered living, inc. Nothing in this subsection shall be deemed to exempt
the purchase of any construction machinery, equipment or tools used in the
constructing, maintaining, repairing, enlarging, furnishing or remodeling
such homes and facilities for sheltered living, inc. When sheltered living,
icn., contracts for the purpose of rehabilitating, constructing, maintaining,
repairing, enlarging, furnishing or remodeling such homes and facilities, it
shall obtain from the state and furnish to the contractor an exemption
certificate for the project involved, and the contractor may purchase
materials for incorporation in such project. The contractor shall furnish the
number of such certificate to all suppliers from whom such purchases are
made, and such suppliers shall execute invoices covering the same bearing
the number of such certificate. Upon completion of the project the
contractor shall furnish to sheltered living, inc., a sworn statement, on a
form to be provided by the director of taxation, that all purchases so made
were entitled to exemption under this subsection. All invoices shall be held
by the contractor for a period of five years and shall be subject to audit by
the director of taxation. If any materials purchased under such a certificate
are found not to have been incorporated in the building or other project or
not to have been returned for credit or the sales or compensating tax
otherwise imposed upon such materials which will not be so incorporated
in the building or other project reported and paid by such contractor to the
director of taxation not later than the 20\textsuperscript{th} day of the month following the
close of the month in which it shall be determined that such materials will
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not be used for the purpose for which such certificate was issued, sheltered
living, inc., shall be liable for tax on all materials purchased for the
project, and upon payment thereof it may recover the same from the
contractor together with reasonable attorney fees. Any contractor or any
agent, employee or subcontractor thereof, who shall use or otherwise
dispose of any materials purchased under such a certificate for any purpose
other than that for which such a certificate is issued without the payment
of the sales or compensating tax otherwise imposed upon such materials,
shall be guilty of a misdemeanor and, upon conviction therefor, shall be
subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
and amendments thereto; and

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

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

and 79-3606 are hereby repealed.

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