

**HOUSE BILL No. 2160**

By Committee on Taxation

2-6

1 AN ACT concerning sales and compensating use tax; relating to  
2 countywide retailers' sales tax; election, ***Dickinson, Jackson, Russell,***  
3 ***Thomas and Wabaunsee***~~county~~ ***counties; exemptions, sales of certain***  
4 ***coins or bullion***; amending K.S.A. 2018 Supp. 12-187, ***12-189 and 79-***  
5 ***3606*** and repealing the existing ~~section~~ ***sections.***  
6

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

8 Section 1. K.S.A. 2018 Supp. 12-187 is hereby amended to read as  
9 follows: 12-187. (a) No city shall impose a retailers' sales tax under the  
10 provisions of this act without the governing body of such city having first  
11 submitted such proposition to and having received the approval of a  
12 majority of the electors of the city voting thereon at an election called and  
13 held therefor. The governing body of any city may submit the question of  
14 imposing a retailers' sales tax and the governing body shall be required to  
15 submit the question upon submission of a petition signed by electors of  
16 such city equal in number to not less than 10% of the electors of such city.

17 (b) (1) The board of county commissioners of any county may submit  
18 the question of imposing a countywide retailers' sales tax to the electors at  
19 an election called and held thereon, and any such board shall be required  
20 to submit the question upon submission of a petition signed by electors of  
21 such county equal in number to not less than 10% of the electors of such  
22 county who voted at the last preceding general election for the office of  
23 secretary of state, or upon receiving resolutions requesting such an election  
24 passed by not less than  $\frac{2}{3}$  of the membership of the governing body of  
25 each of one or more cities within such county ~~which~~ ***that*** contains a  
26 population of not less than 25% of the entire population of the county, or  
27 upon receiving resolutions requesting such an election passed by  $\frac{2}{3}$  of the  
28 membership of the governing body of each of one or more taxing  
29 subdivisions within such county ~~which~~ ***that*** levy not less than 25% of the  
30 property taxes levied by all taxing subdivisions within the county.

31 (2) The board of county commissioners of Anderson, Atchison,  
32 Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford,  
33 Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho,  
34 Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Thomas,

1 Wabaunsee, Wilson and Wyandotte counties may submit the question of  
2 imposing a countywide retailers' sales tax and pledging the revenue  
3 received therefrom for the purpose of financing the construction or  
4 remodeling of a courthouse, jail, law enforcement center facility or other  
5 county administrative facility, to the electors at an election called and held  
6 thereon. The tax imposed pursuant to this paragraph shall expire when  
7 sales tax sufficient to pay all of the costs incurred in the financing of such  
8 facility has been collected by retailers as determined by the secretary of  
9 revenue. Nothing in this paragraph shall be construed to allow the rate of  
10 tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley,  
11 Sumner or Wilson county pursuant to this paragraph to exceed or be  
12 imposed at any rate other than the rates prescribed in K.S.A. 12-189, and  
13 amendments thereto.

14 (3) (A) Except as otherwise provided in this paragraph, the result of  
15 the election held on November 8, 1988, on the question submitted by the  
16 board of county commissioners of Jackson county for the purpose of  
17 increasing its countywide retailers' sales tax by 1% is hereby declared  
18 valid, and the revenue received therefrom by the county shall be expended  
19 solely for the purpose of financing the Banner Creek reservoir project. The  
20 tax imposed pursuant to this paragraph shall take effect on the effective  
21 date of this act and shall expire not later than five years after such date.

22 (B) The result of the election held on November 8, 1994, on the  
23 question submitted by the board of county commissioners of Ottawa  
24 county for the purpose of increasing its countywide retailers' sales tax by  
25 1% is hereby declared valid, and the revenue received therefrom by the  
26 county shall be expended solely for the purpose of financing the erection,  
27 construction and furnishing of a law enforcement center and jail facility.

28 (C) Except as otherwise provided in this paragraph, the result of the  
29 election held on November 2, 2004, on the question submitted by the  
30 board of county commissioners of Sedgwick county for the purpose of  
31 increasing its countywide retailers' sales tax by 1% is hereby declared  
32 valid, and the revenue received therefrom by the county shall be used only  
33 to pay the costs of: (i) Acquisition of a site and constructing and equipping  
34 thereon a new regional events center, associated parking and infrastructure  
35 improvements and related appurtenances thereto, to be located in the  
36 downtown area of the city of Wichita, Kansas, (the "downtown arena");  
37 (ii) design for the Kansas coliseum complex and construction of  
38 improvements to the pavilions; and (iii) establishing an operating and  
39 maintenance reserve for the downtown arena and the Kansas coliseum  
40 complex. The tax imposed pursuant to this paragraph shall commence on  
41 July 1, 2005, and shall terminate not later than 30 months after the  
42 commencement thereof.

43 (D) Except as otherwise provided in this paragraph, the result of the

1 election held on August 5, 2008, on the question submitted by the board of  
2 county commissioners of Lyon county for the purpose of increasing its  
3 countywide retailers' sales tax by 1% is hereby declared valid, and the  
4 revenue received therefrom by the county shall be expended for the  
5 purposes of ad valorem tax reduction and capital outlay. The tax imposed  
6 pursuant to this paragraph shall terminate not later than five years after the  
7 commencement thereof.

8 (E) Except as otherwise provided in this paragraph, the result of the  
9 election held on August 5, 2008, on the question submitted by the board of  
10 county commissioners of Rawlins county for the purpose of increasing its  
11 countywide retailers' sales tax by 0.75% is hereby declared valid, and the  
12 revenue received therefrom by the county shall be expended for the  
13 purposes of financing the costs of a swimming pool. The tax imposed  
14 pursuant to this paragraph shall terminate not later than 15 years after the  
15 commencement thereof or upon payment of all costs authorized pursuant  
16 to this paragraph in the financing of such project.

17 (F) The result of the election held on December 1, 2009, on the  
18 question submitted by the board of county commissioners of Chautauqua  
19 county for the purpose of increasing its countywide retailers' sales tax by  
20 1% is hereby declared valid, and the revenue received from such tax by the  
21 county shall be expended for the purposes of financing the costs of  
22 constructing, furnishing and equipping a county jail and law enforcement  
23 center and necessary improvements appurtenant to such jail and law  
24 enforcement center. Any tax imposed pursuant to authority granted in this  
25 paragraph shall terminate upon payment of all costs authorized pursuant to  
26 this paragraph incurred in the financing of the project described in this  
27 paragraph.

28 (G) The result of the election held on April 7, 2015, on the question  
29 submitted by the board of county commissioners of Bourbon county for  
30 the purpose of increasing its retailers' sales tax by 0.4% is hereby declared  
31 valid, and the revenue received therefrom by the county shall be expended  
32 solely for the purpose of financing the costs of constructing, furnishing  
33 and operating a courthouse, law enforcement center or jail facility  
34 improvements. Any tax imposed pursuant to authority granted in this  
35 paragraph shall terminate upon payment of all costs authorized pursuant to  
36 this paragraph incurred in the financing of the project described in this  
37 paragraph.

38 (4) The board of county commissioners of Finney and Ford counties  
39 may submit the question of imposing a countywide retailers' sales tax at  
40 the rate of 0.25% and pledging the revenue received therefrom for the  
41 purpose of financing all or any portion of the cost to be paid by Finney or  
42 Ford county for construction of highway projects identified as system  
43 enhancements under the provisions of K.S.A. 68-2314(b)(5), and

1 amendments thereto, to the electors at an election called and held thereon.  
2 Such election shall be called and held in the manner provided by the  
3 general bond law. The tax imposed pursuant to this paragraph shall expire  
4 upon the payment of all costs authorized pursuant to this paragraph in the  
5 financing of such highway projects. Nothing in this paragraph shall be  
6 construed to allow the rate of tax imposed by Finney or Ford county  
7 pursuant to this paragraph to exceed the maximum rate prescribed in  
8 K.S.A. 12-189, and amendments thereto. If any funds remain upon the  
9 payment of all costs authorized pursuant to this paragraph in the financing  
10 of such highway projects in Finney county, the state treasurer shall remit  
11 such funds to the treasurer of Finney county and upon receipt of such  
12 moneys shall be deposited to the credit of the county road and bridge fund.  
13 If any funds remain upon the payment of all costs authorized pursuant to  
14 this paragraph in the financing of such highway projects in Ford county,  
15 the state treasurer shall remit such funds to the treasurer of Ford county  
16 and upon receipt of such moneys shall be deposited to the credit of the  
17 county road and bridge fund.

18 (5) The board of county commissioners of any county may submit the  
19 question of imposing a retailers' sales tax at the rate of 0.25%, 0.5%,  
20 0.75% or 1% and pledging the revenue received therefrom for the purpose  
21 of financing the provision of health care services, as enumerated in the  
22 question, to the electors at an election called and held thereon. Whenever  
23 any county imposes a tax pursuant to this paragraph, any tax imposed  
24 pursuant to subsection (a)(2) by any city located in such county shall  
25 expire upon the effective date of the imposition of the countywide tax, and  
26 thereafter the state treasurer shall remit to each such city that portion of the  
27 countywide tax revenue collected by retailers within such city as certified  
28 by the director of taxation. The tax imposed pursuant to this paragraph  
29 shall be deemed to be in addition to the rate limitations prescribed in  
30 K.S.A. 12-189, and amendments thereto. As used in this paragraph, health  
31 care services shall include, but not be limited to, the following: Local  
32 health departments, city or county hospitals, city or county nursing homes,  
33 preventive health care services including immunizations, prenatal care and  
34 the postponement of entry into nursing homes by home care services,  
35 mental health services, indigent health care, physician or health care  
36 worker recruitment, health education, emergency medical services, rural  
37 health clinics, integration of health care services, home health services and  
38 rural health networks.

39 (6) The board of county commissioners of Allen county may submit  
40 the question of imposing a countywide retailers' sales tax at the rate of  
41 0.5% and pledging the revenue received therefrom for the purpose of  
42 financing the costs of operation and construction of a solid waste disposal  
43 area or the modification of an existing landfill to comply with federal

1 regulations to the electors at an election called and held thereon. The tax  
2 imposed pursuant to this paragraph shall expire upon the payment of all  
3 costs incurred in the financing of the project undertaken. Nothing in this  
4 paragraph shall be construed to allow the rate of tax imposed by Allen  
5 county pursuant to this paragraph to exceed or be imposed at any rate other  
6 than the rates prescribed in K.S.A. 12-189, and amendments thereto.

7 (7) (A) The board of county commissioners of Clay, ~~Dickinson~~ and  
8 Miami county may submit the question of imposing a countywide retailers'  
9 sales tax at the rate of 0.50% in the case of Clay ~~and Dickinson~~ county and  
10 at a rate of up to 1% in the case of Miami county, and pledging the revenue  
11 received therefrom for the purpose of financing the costs of roadway  
12 construction and improvement to the electors at an election called and held  
13 thereon. Except as otherwise provided, the tax imposed pursuant to this  
14 ~~paragraph~~ *subparagraph* shall expire after five years from the date such  
15 tax is first collected. The result of the election held on November 2, 2004,  
16 on the question submitted by the board of county commissioners of Miami  
17 county for the purpose of extending for an additional five-year period the  
18 countywide retailers' sales tax imposed pursuant to this subsection in  
19 Miami county is hereby declared valid. The countywide retailers' sales tax  
20 imposed pursuant to this subsection in Clay and Miami county may be  
21 extended or reenacted for additional five-year periods upon the board of  
22 county commissioners of Clay and Miami county submitting such question  
23 to the electors at an election called and held thereon for each additional  
24 five-year period as provided by law.

25 (B) *The board of county commissioners of Dickinson county may*  
26 *submit the question of imposing a countywide retailers' sales tax at the*  
27 *rate of 0.5% and pledging the revenue received therefrom for the*  
28 *purpose of financing the costs of roadway construction and*  
29 *improvement to the electors at an election called and held thereon. The*  
30 *tax imposed pursuant to this subparagraph shall expire after 10 years*  
31 *from the date such tax is first collected.*

32 (8) The board of county commissioners of Sherman county may  
33 submit the question of imposing a countywide retailers' sales tax at the rate  
34 of 1% and pledging the revenue received therefrom for the purpose of  
35 financing the costs of street and roadway improvements to the electors at  
36 an election called and held thereon. The tax imposed pursuant to this  
37 paragraph shall expire upon payment of all costs authorized pursuant to  
38 this paragraph in the financing of such project.

39 (9) (A) The board of county commissioners of Cowley, Crawford,  ~~Russell~~  
40 ~~Russell~~ and Woodson county may submit the question of imposing a  
41 countywide retailers' sales tax at the rate of 0.5% in the case of Crawford,  ~~Russell~~  
42 ~~Russell~~ and Woodson county and at a rate of up to 0.25%, in the case of  
43 Cowley county and pledging the revenue received therefrom for the

1 purpose of financing economic development initiatives or public  
2 infrastructure projects. The tax imposed pursuant to this ~~paragraph~~  
3 **subparagraph** shall expire after five years from the date such tax is first  
4 collected.

5 ***(B) The board of county commissioners of Russell county may***  
6 ***submit the question of imposing a countywide retailers' sales tax at the***  
7 ***rate of 0.5% and pledging the revenue received therefrom for the***  
8 ***purpose of financing economic development initiatives or public***  
9 ***infrastructure projects. The tax imposed pursuant to this subparagraph***  
10 ***shall expire after 10 years from the date such tax is first collected.***

11 (10) The board of county commissioners of Franklin county may  
12 submit the question of imposing a countywide retailers' sales tax at the rate  
13 of 0.25% and pledging the revenue received therefrom for the purpose of  
14 financing recreational facilities. The tax imposed pursuant to this  
15 paragraph shall expire upon payment of all costs authorized in financing  
16 such facilities.

17 (11) The board of county commissioners of Douglas county may  
18 submit the question of imposing a countywide retailers' sales tax at the rate  
19 of 0.25% and pledging the revenue received therefrom for the purposes of  
20 conservation, access and management of open space; preservation of  
21 cultural heritage; and economic development projects and activities.

22 (12) The board of county commissioners of Shawnee county may  
23 submit the question of imposing a countywide retailers' sales tax at the rate  
24 of 0.25% and pledging the revenue received therefrom to the city of  
25 Topeka for the purpose of financing the costs of rebuilding the Topeka  
26 boulevard bridge and other public infrastructure improvements associated  
27 with such project to the electors at an election called and held thereon. The  
28 tax imposed pursuant to this paragraph shall expire upon payment of all  
29 costs authorized in financing such project.

30 ~~(13) The board of county commissioners of Jackson county may~~  
31 ~~submit the question of imposing a countywide retailers' sales tax at a rate~~  
32 ~~of 0.4% and pledging the revenue received therefrom as follows: 50% of~~  
33 ~~such revenues for the purpose of financing for economic development~~  
34 ~~initiatives; and 50% of such revenues for the purpose of financing public~~  
35 ~~infrastructure projects to the electors at an election called and held thereon.~~  
36 ~~The tax imposed pursuant to this paragraph shall expire after seven years~~  
37 ~~from the date such tax is first collected.~~ The board of county  
38 commissioners of Jackson county may submit the question of imposing a  
39 countywide retailers' sales tax at a rate of 0.4% ~~which such tax shall take~~  
40 ~~effect after the expiration of the tax imposed pursuant to this paragraph~~  
41 ~~prior to the effective date of this act,~~ and pledging the revenue received  
42 therefrom for the purpose of financing public infrastructure projects to the  
43 electors at an election called and held thereon. Such tax shall expire after

1 seven years from the date such tax is first collected.

2 (14) The board of county commissioners of Neosho county may  
3 submit the question of imposing a countywide retailers' sales tax at the rate  
4 of 0.5% and pledging the revenue received therefrom for the purpose of  
5 financing the costs of roadway construction and improvement to the  
6 electors at an election called and held thereon. The tax imposed pursuant  
7 to this paragraph shall expire upon payment of all costs authorized  
8 pursuant to this paragraph in the financing of such project.

9 (15) The board of county commissioners of Saline county may  
10 submit the question of imposing a countywide retailers' sales tax at the rate  
11 of up to 0.5% and pledging the revenue received therefrom for the purpose  
12 of financing the costs of construction and operation of an expo center to  
13 the electors at an election called and held thereon. The tax imposed  
14 pursuant to this paragraph shall expire after five years from the date such  
15 tax is first collected.

16 (16) The board of county commissioners of Harvey county may  
17 submit the question of imposing a countywide retailers' sales tax at the rate  
18 of 1.0% and pledging the revenue received therefrom for the purpose of  
19 financing the costs of property tax relief, economic development initiatives  
20 and public infrastructure improvements to the electors at an election called  
21 and held thereon.

22 (17) The board of county commissioners of Atchison county may  
23 submit the question of imposing a countywide retailers' sales tax at the rate  
24 of 0.25% and pledging the revenue received therefrom for the purpose of  
25 financing the costs of construction and maintenance of sports and  
26 recreational facilities to the electors at an election called and held thereon.  
27 The tax imposed pursuant to this paragraph shall expire upon payment of  
28 all costs authorized in financing such facilities.

29 (18) The board of county commissioners of Wabaunsee county may  
30 submit the question of imposing a countywide retailers' sales tax at the rate  
31 of 0.5% and pledging the revenue received therefrom for the purpose of  
32 financing the costs of bridge and roadway construction and improvement  
33 to the electors at an election called and held thereon. The tax imposed  
34 pursuant to this paragraph shall expire after 15 years from the date such  
35 tax is first collected. ~~The countywide retailers' sales tax imposed pursuant  
36 to this paragraph may be extended or reenacted for additional periods not  
37 exceeding 15 years upon the board of county commissioners of Wabaunsee  
38 county submitting such question to the electors at an election called and  
39 held thereon for each extension or reenactment period as provided by law.~~  
40 **On and after July 1, 2019, the countywide retailers' sales tax imposed**  
41 **pursuant to this paragraph may be extended or reenacted for one**  
42 **additional period not to exceed 15 years upon the board of county**  
43 **commissioners of Wabaunsee county submitting such question to the**

1 **electors at an election called and held thereon as provided by law. For**  
2 **any countywide retailers' sales tax that is extended or reenacted**  
3 **pursuant to this paragraph, such tax shall expire not later than 15**  
4 **years from the date such tax is first collected.**

5 (19) The board of county commissioners of Jefferson county may  
6 submit the question of imposing a countywide retailers' sales tax at the rate  
7 of 1% and pledging the revenue received therefrom for the purpose of  
8 financing the costs of roadway construction and improvement to the  
9 electors at an election called and held thereon. The tax imposed pursuant  
10 to this paragraph shall expire after six years from the date such tax is first  
11 collected. The countywide retailers' sales tax imposed pursuant to this  
12 paragraph may be extended or reenacted for additional six-year periods  
13 upon the board of county commissioners of Jefferson county submitting  
14 such question to the electors at an election called and held thereon for each  
15 additional six-year period as provided by law.

16 (20) The board of county commissioners of Riley county may submit  
17 the question of imposing a countywide retailers' sales tax at the rate of up  
18 to 1% and pledging the revenue received therefrom for the purpose of  
19 financing the costs of bridge and roadway construction and improvement  
20 to the electors at an election called and held thereon. The tax imposed  
21 pursuant to this paragraph shall expire after five years from the date such  
22 tax is first collected.

23 (21) The board of county commissioners of Johnson county may  
24 submit the question of imposing a countywide retailers' sales tax at the rate  
25 of 0.25% and pledging the revenue received therefrom for the purpose of  
26 financing the construction and operation costs of public safety projects,  
27 including, but not limited to, a jail, detention center, sheriff's resource  
28 center, crime lab or other county administrative or operational facility  
29 dedicated to public safety, to the electors at an election called and held  
30 thereon. The tax imposed pursuant to this paragraph shall expire after 10  
31 years from the date such tax is first collected. The countywide retailers'  
32 sales tax imposed pursuant to this subsection may be extended or  
33 reenacted for additional periods not exceeding 10 years upon the board of  
34 county commissioners of Johnson county submitting such question to the  
35 electors at an election called and held thereon for each additional ten-year  
36 period as provided by law.

37 (22) The board of county commissioners of Wilson county may  
38 submit the question of imposing a countywide retailers' sales tax at the rate  
39 of up to 1% and pledging the revenue received therefrom for the purpose  
40 of financing the costs of roadway construction and improvements to  
41 federal highways, the development of a new industrial park and other  
42 public infrastructure improvements to the electors at an election called and  
43 held thereon. The tax imposed pursuant to this paragraph shall expire upon



1 payment of all costs authorized pursuant to this paragraph in the financing  
2 of such project or projects.

3 (23) The board of county commissioners of Butler county may  
4 submit the question of imposing a countywide retailers' sales tax at the rate  
5 of either 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received  
6 therefrom for the purpose of financing the costs of public safety capital  
7 projects or bridge and roadway construction projects, or both, to the  
8 electors at an election called and held thereon. The tax imposed pursuant  
9 to this paragraph shall expire upon payment of all costs authorized in  
10 financing such projects.

11 (24) The board of county commissioners of Barton county may  
12 submit the question of imposing a countywide retailers' sales tax at the rate  
13 of up to 0.5% and pledging the revenue received therefrom for the purpose  
14 of financing the costs of roadway and bridge construction and  
15 improvement and infrastructure development and improvement to the  
16 electors at an election called and held thereon. The tax imposed pursuant  
17 to this paragraph shall expire after 10 years from the date such tax is first  
18 collected.

19 (25) The board of county commissioners of Jefferson county may  
20 submit the question of imposing a countywide retailers' sales tax at the rate  
21 of 0.25% and pledging the revenue received therefrom for the purpose of  
22 financing the costs of the county's obligation as participating employer to  
23 make employer contributions and other required contributions to the  
24 Kansas public employees retirement system for eligible employees of the  
25 county who are members of the Kansas police and firemen's retirement  
26 system, to the electors at an election called and held thereon. The tax  
27 imposed pursuant to this paragraph shall expire upon payment of all costs  
28 authorized in financing such purpose.

29 (26) The board of county commissioners of Pottawatomie county  
30 may submit the question of imposing a countywide retailers' sales tax at  
31 the rate of up to 0.5% and pledging the revenue received therefrom for the  
32 purpose of financing the costs of construction or remodeling of a  
33 courthouse, jail, law enforcement center facility or other county  
34 administrative facility, or public infrastructure improvements, or both, to  
35 the electors at an election called and held thereon. The tax imposed  
36 pursuant to this paragraph shall expire upon payment of all costs  
37 authorized in financing such project or projects.

38 (27) The board of county commissioners of Kingman county may  
39 submit the question of imposing a countywide retailers' sales tax at the rate  
40 of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received  
41 therefrom for the purpose of financing the costs of constructing and  
42 furnishing a law enforcement center and jail facility and the costs of  
43 roadway and bridge improvements to the electors at an election called and

1 held thereon. The tax imposed pursuant to this paragraph shall expire not  
2 later than 20 years from the date such tax is first collected.

3 (28) The board of county commissioners of Edwards county may  
4 submit the question of imposing a countywide retailers' sales tax at the rate  
5 of 0.375% and pledging the revenue therefrom for the purpose of  
6 financing the costs of economic development initiatives to the electors at  
7 an election called and held thereon.

8 (29) The board of county commissioners of Rooks county may  
9 submit the question of imposing a countywide retailers' sales tax at the rate  
10 of 0.5% and pledging the revenue therefrom for the purpose of financing  
11 the costs of constructing or remodeling and furnishing a jail facility to the  
12 electors at an election called and held thereon. The tax imposed pursuant  
13 to this paragraph shall expire upon the payment of all costs authorized in  
14 financing such project or projects.

15 (30) The board of county commissioners of Douglas county may  
16 submit the question of imposing a countywide retailers' sales tax at the rate  
17 of 0.5% and pledging the revenue received therefrom for the purpose of  
18 financing the construction or remodeling of a courthouse, jail, law  
19 enforcement center facility, detention facility or other county  
20 administrative facility, specifically including mental health and for the  
21 operation thereof.

22 (31) The board of county commissioners of Bourbon county may  
23 submit the question of imposing a countywide retailers' sales tax at the rate  
24 of up to 1%, in increments of 0.05%, and pledging the revenue received  
25 therefrom for the purpose of financing the costs of constructing, furnishing  
26 and operating a courthouse, law enforcement center or jail facility  
27 improvements to the electors at an election called and held thereon.

28 (32) The board of county commissioners of Marion county may  
29 submit the question of imposing a countywide retailers' sales tax at the rate  
30 of 0.5% and pledging the revenue received therefrom for the purpose of  
31 financing the costs of property tax relief, economic development initiatives  
32 and the construction of public infrastructure improvements, including  
33 buildings, to the electors at an election called and held thereon.

34 (c) The boards of county commissioners of any two or more  
35 contiguous counties, upon adoption of a joint resolution by such boards,  
36 may submit the question of imposing a retailers' sales tax within such  
37 counties to the electors of such counties at an election called and held  
38 thereon and such boards of any two or more contiguous counties shall be  
39 required to submit such question upon submission of a petition in each of  
40 such counties, signed by a number of electors of each of such counties  
41 where submitted equal in number to not less than 10% of the electors of  
42 each of such counties who voted at the last preceding general election for  
43 the office of secretary of state, or upon receiving resolutions requesting

1 such an election passed by not less than  $\frac{2}{3}$  of the membership of the  
2 governing body of each of one or more cities within each of such counties  
3 ~~which~~ *that* contains a population of not less than 25% of the entire  
4 population of each of such counties, or upon receiving resolutions  
5 requesting such an election passed by  $\frac{2}{3}$  of the membership of the  
6 governing body of each of one or more taxing subdivisions within each of  
7 such counties ~~which~~ *that* levy not less than 25% of the property taxes  
8 levied by all taxing subdivisions within each of such counties.

9 (d) Any city retailers' sales tax being levied by a city prior to July 1,  
10 2006, shall continue in effect until repealed in the manner provided herein  
11 for the adoption and approval of such tax or until repealed by the adoption  
12 of an ordinance for such repeal. Any countywide retailers' sales tax in the  
13 amount of 0.5% or 1% in effect on July 1, 1990, shall continue in effect  
14 until repealed in the manner provided herein for the adoption and approval  
15 of such tax.

16 (e) Any city or county proposing to adopt a retailers' sales tax shall  
17 give notice of its intention to submit such proposition for approval by the  
18 electors in the manner required by K.S.A. 10-120, and amendments  
19 thereto. The notices shall state the time of the election and the rate and  
20 effective date of the proposed tax. If a majority of the electors voting  
21 thereon at such election fail to approve the proposition, such proposition  
22 may be resubmitted under the conditions and in the manner provided in  
23 this act for submission of the proposition. If a majority of the electors  
24 voting thereon at such election shall approve the levying of such tax, the  
25 governing body of any such city or county shall provide by ordinance or  
26 resolution, as the case may be, for the levy of the tax. Any repeal of such  
27 tax or any reduction or increase in the rate thereof, within the limits  
28 prescribed by K.S.A. 12-189, and amendments thereto, shall be  
29 accomplished in the manner provided herein for the adoption and approval  
30 of such tax except that the repeal of any such city retailers' sales tax may  
31 be accomplished by the adoption of an ordinance so providing.

32 (f) The sufficiency of the number of signers of any petition filed  
33 under this section shall be determined by the county election officer. Every  
34 election held under this act shall be conducted by the county election  
35 officer.

36 (g) The governing body of the city or county proposing to levy any  
37 retailers' sales tax shall specify the purpose or purposes for which the  
38 revenue would be used, and a statement generally describing such purpose  
39 or purposes shall be included as a part of the ballot proposition.

40 ***Sec. 2. K.S.A. 2018 Supp. 12-189 is hereby amended to read as***  
41 ***follows: 12-189. The rate of any city retailers' sales tax shall be fixed in***  
42 ***increments of 0.05% and in an amount not to exceed 2% for general***  
43 ***purposes and not to exceed 1% for special purposes, which shall be***

1 *determined by the governing body of the city. For any retailers' sales tax*  
2 *imposed by a city for special purposes, such city shall specify the*  
3 *purposes for which such tax is imposed. All such special purpose*  
4 *retailers' sales taxes imposed by a city shall expire after 10 years from*  
5 *the date such tax is first collected. The rate of any countywide retailers'*  
6 *sales tax shall be fixed in an amount not to exceed 1% and shall be fixed*  
7 *in increments of 0.25%, and which amount shall be determined by the*  
8 *board of county commissioners, except that:*

9 *(a) The board of county commissioners of Wabaunsee county, for*  
10 *the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix*  
11 *such rate at 1.25%; the board of county commissioners of Osage or*  
12 *Reno county, for the purposes of K.S.A. 12-187(b)(2), and amendments*  
13 *thereto, may fix such rate at 1.25% or 1.5%; the board of county*  
14 *commissioners of Cherokee, Crawford, Ford, Saline, Seward, Thomas or*  
15 *Wyandotte county, for the purposes of K.S.A. 12-187(b)(2), and*  
16 *amendments thereto, may fix such rate at 1.5%; the board of county*  
17 *commissioners of Atchison or Thomas county, for the purposes of K.S.A.*  
18 *12-187(b)(2), and amendments thereto, may fix such rate at 1.5% or*  
19 *1.75%; the board of county commissioners of Anderson, Barton,*  
20 *Jefferson or Ottawa county, for the purposes of K.S.A. 12-187(b)(2), and*  
21 *amendments thereto, may fix such rate at 2%; the board of county*  
22 *commissioners of Marion county, for the purposes of K.S.A. 12-187(b)*  
23 *(2), and amendments thereto, may fix such rate at 2.5%; the board of*  
24 *county commissioners of Franklin, Linn and Miami counties, for the*  
25 *purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such*  
26 *rate at a percentage which that is equal to the sum of the rate allowed to*  
27 *be imposed by the respective board of county commissioners on July 1,*  
28 *2007, plus up to 1.0%; and the board of county commissioners of Brown*  
29 *county, for the purposes of K.S.A. 12-187(b)(2), and amendments*  
30 *thereto, may fix such rate at up to 2%;*

31 *(b) the board of county commissioners of Jackson county, for the*  
32 *purposes of K.S.A. 12-187(b)(3), and amendments thereto, may fix such*  
33 *rate at 2%;*

34 *(c) the boards of county commissioners of Finney and Ford*  
35 *counties, for the purposes of K.S.A. 12-187(b)(4), and amendments*  
36 *thereto, may fix such rate at 0.25%;*

37 *(d) the board of county commissioners of any county, for the*  
38 *purposes of K.S.A. 12-187(b)(5), and amendments thereto, may fix such*  
39 *rate at a percentage which that is equal to the sum of the rate allowed to*  
40 *be imposed by a board of county commissioners on the effective date of*  
41 *this act plus 0.25%, 0.5%, 0.75% or 1%, as the case requires;*

42 *(e) the board of county commissioners of Dickinson county, for the*  
43 *purposes of K.S.A. 12-187(b)(7), and amendments thereto, may fix such*

1 *rate at 1.5%, and the board of county commissioners of Miami county,*  
2 *for the purposes of K.S.A. 12-187(b)(7), and amendments thereto, may*  
3 *fix such rate at 1.25%, 1.5%, 1.75% or 2%;*

4 *(f) the board of county commissioners of Sherman county, for the*  
5 *purposes of K.S.A. 12-187(b)(8), and amendments thereto, may fix such*  
6 *rate at 2.25%;*

7 *(g) the board of county commissioners of Crawford or Russell*  
8 *county for the purposes of K.S.A. 12-187(b)(9), and amendments thereto,*  
9 *may fix such rate at 1.5%;*

10 *(h) the board of county commissioners of Franklin county, for the*  
11 *purposes of K.S.A. 12-187(b)(10), and amendments thereto, may fix*  
12 *such rate at 1.75%;*

13 *(i) the board of county commissioners of Douglas county, for the*  
14 *purposes of K.S.A. 12-187(b)(11) and (b)(30), and amendments thereto,*  
15 *may fix such rate at 1.75%;*

16 *(j) the board of county commissioners of Jackson county, for the*  
17 *purposes of K.S.A. 12-187(b)(13), and amendments thereto, may fix*  
18 *such rate at 1.4%;*

19 *(k) the board of county commissioners of Sedgwick county, for the*  
20 *purposes of K.S.A. 12-187(b)(3)(C), and amendments thereto, may fix*  
21 *such rate at 2%;*

22 *(l) the board of county commissioners of Neosho county, for the*  
23 *purposes of K.S.A. 12-187(b)(14), and amendments thereto, may fix*  
24 *such rate at 1.0% or 1.5%;*

25 *(m) the board of county commissioners of Saline county, for the*  
26 *purposes of K.S.A. 12-187(b)(15), and amendments thereto, may fix*  
27 *such rate at up to 1.5%;*

28 *(n) the board of county commissioners of Harvey county, for the*  
29 *purposes of K.S.A. 12-187(b)(16), and amendments thereto, may fix*  
30 *such rate at 2.0%;*

31 *(o) the board of county commissioners of Atchison county, for the*  
32 *purpose of K.S.A. 12-187(b)(17), and amendments thereto, may fix such*  
33 *rate at a percentage ~~which~~ that is equal to the sum of the rate allowed to*  
34 *be imposed by the board of county commissioners of Atchison county on*  
35 *the effective date of this act plus 0.25%;*

36 *(p) the board of county commissioners of Wabaunsee county, for*  
37 *the purpose of K.S.A. 12-187(b)(18), and amendments thereto, may fix*  
38 *such rate at a percentage ~~which~~ that is equal to the sum of the rate*  
39 *allowed to be imposed by the board of county commissioners of*  
40 *Wabaunsee county on July 1, 2007, plus 0.5%;*

41 *(q) the board of county commissioners of Jefferson county, for the*  
42 *purpose of K.S.A. 12-187(b)(19) and (25), and amendments thereto, may*  
43 *fix such rate at 2.25%;*

1       (r) *the board of county commissioners of Riley county, for the*  
2 *purpose of K.S.A. 12-187(b)(20), and amendments thereto, may fix such*  
3 *rate at a percentage—~~which~~ that is equal to the sum of the rate allowed to*  
4 *be imposed by the board of county commissioners of Riley county on*  
5 *July 1, 2007, plus up to 1%;*

6       (s) *the board of county commissioners of Johnson county, for the*  
7 *purposes of K.S.A. 12-187(b)(21), and amendments thereto, may fix*  
8 *such rate at a percentage—~~which~~ that is equal to the sum of the rate*  
9 *allowed to be imposed by the board of county commissioners of Johnson*  
10 *county on July 1, 2007, plus 0.25%;*

11       (t) *the board of county commissioners of Wilson county, for the*  
12 *purposes of K.S.A. 12-187(b)(22), and amendments thereto, may fix*  
13 *such rate at up to 2%;*

14       (u) *the board of county commissioners of Butler county, for the*  
15 *purposes of K.S.A. 12-187(b)(23), and amendments thereto, may fix*  
16 *such rate at a percentage—~~which~~ that is equal to the sum of the rate*  
17 *otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75% or*  
18 *1%;*

19       (v) *the board of county commissioners of Barton county, for the*  
20 *purposes of K.S.A. 12-187(b)(24), and amendments thereto, may fix*  
21 *such rate at up to 1.5%;*

22       (w) *the board of county commissioners of Lyon county, for the*  
23 *purposes of K.S.A. 12-187(b)(3)(D), and amendments thereto, may fix*  
24 *such rate at 1.5%;*

25       (x) *the board of county commissioners of Rawlins county, for the*  
26 *purposes of K.S.A. 12-187(b)(3)(E), and amendments thereto, may fix*  
27 *such rate at 1.75%;*

28       (y) *the board of county commissioners of Chautauqua county, for*  
29 *the purposes of K.S.A. 12-187(b)(3)(F), and amendments thereto, may*  
30 *fix such rate at 2.0%;*

31       (z) *the board of county commissioners of Pottawatomie county, for*  
32 *the purposes of K.S.A. 12-187(b)(26), and amendments thereto, may fix*  
33 *such rate at up to 1.5%;*

34       (aa) *the board of county commissioners of Kingman county, for the*  
35 *purposes of K.S.A. 12-187(b)(27), and amendments thereto, may fix*  
36 *such rate at a percentage—~~which~~ that is equal to the sum of the rate*  
37 *otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75%, or*  
38 *1%;*

39       (bb) *the board of county commissioners of Edwards county, for the*  
40 *purposes of K.S.A. 12-187(b)(28), and amendments thereto, may fix*  
41 *such rate at 1.375%;*

42       (cc) *the board of county commissioners of Rooks county, for the*  
43 *purposes of K.S.A. 12-187(b)(29), and amendments thereto, may fix*

1 *such rate at up to 1.5%;*

2 *(dd) the board of county commissioners of Bourbon county, for the*  
3 *purposes of K.S.A. 12-187(b)(3)(G) and (b)(31), and amendments*  
4 *thereto, may fix such rate at up to 2.0%; and*

5 *(ee) the board of county commissioners of Marion county, for the*  
6 *purposes of K.S.A. 12-187(b)(32), and amendments thereto, may fix*  
7 *such rate at 2.5%.*

8 *Any county or city levying a retailers' sales tax is hereby prohibited*  
9 *from administering or collecting such tax locally, but shall utilize the*  
10 *services of the state department of revenue to administer, enforce and*  
11 *collect such tax. Except as otherwise specifically provided in K.S.A. 12-*  
12 *189a, and amendments thereto, such tax shall be identical in its*  
13 *application, and exemptions therefrom, to the Kansas retailers' sales tax*  
14 *act and all laws and administrative rules and regulations of the state*  
15 *department of revenue relating to the Kansas retailers' sales tax shall*  
16 *apply to such local sales tax insofar as such laws and rules and*  
17 *regulations may be made applicable. The state director of taxation is*  
18 *hereby authorized to administer, enforce and collect such local sales*  
19 *taxes and to adopt such rules and regulations as may be necessary for*  
20 *the efficient and effective administration and enforcement thereof.*

21 *Upon receipt of a certified copy of an ordinance or resolution*  
22 *authorizing the levy of a local retailers' sales tax, the director of taxation*  
23 *shall cause such taxes to be collected within or without the boundaries*  
24 *of such taxing subdivision at the same time and in the same manner*  
25 *provided for the collection of the state retailers' sales tax. Such copy*  
26 *shall be submitted to the director of taxation within 30 days after*  
27 *adoption of any such ordinance or resolution. All moneys collected by*  
28 *the director of taxation under the provisions of this section shall be*  
29 *credited to a county and city retailers' sales tax fund which fund is*  
30 *hereby established in the state treasury, except that all moneys collected*  
31 *by the director of taxation pursuant to the authority granted in K.S.A.*  
32 *12-187(b)(22), and amendments thereto, shall be credited to the Wilson*  
33 *county capital improvements fund. Any refund due on any county or city*  
34 *retailers' sales tax collected pursuant to this act shall be paid out of the*  
35 *sales tax refund fund and reimbursed by the director of taxation from*  
36 *collections of local retailers' sales tax revenue. Except for local retailers'*  
37 *sales tax revenue required to be deposited in the redevelopment bond*  
38 *fund established under K.S.A. 74-8927, and amendments thereto, all*  
39 *local retailers' sales tax revenue collected within any county or city*  
40 *pursuant to this act shall be apportioned and remitted at least quarterly*  
41 *by the state treasurer, on instruction from the director of taxation, to the*  
42 *treasurer of such county or city.*

43 *Revenue that is received from the imposition of a local retailers' sales*

1 ~~tax which~~ *that exceeds the amount of revenue required to pay the costs*  
2 *of a special project for which such revenue was pledged shall be credited*  
3 *to the city or county general fund, as the case requires.*

4 *The director of taxation shall provide, upon request by a city or*  
5 *county clerk or treasurer or finance officer of any city or county levying*  
6 *a local retailers' sales tax, monthly reports identifying each retailer*  
7 *doing business in such city or county or making taxable sales sourced to*  
8 *such city or county, setting forth the tax liability and the amount of such*  
9 *tax remitted by each retailer during the preceding month and identifying*  
10 *each business location maintained by the retailer and such retailer's*  
11 *sales or use tax registration or account number. Such report shall be*  
12 *made available to the clerk or treasurer or finance officer of such city or*  
13 *county within a reasonable time after it has been requested from the*  
14 *director of taxation. The director of taxation shall be allowed to assess a*  
15 *reasonable fee for the issuance of such report. Information received by*  
16 *any city or county pursuant to this section shall be confidential, and it*  
17 *shall be unlawful for any officer or employee of such city or county to*  
18 *divulge any such information in any manner. Any violation of this*  
19 *paragraph by a city or county officer or employee is a class A*  
20 *misdemeanor, and such officer or employee shall be dismissed from*  
21 *office. Reports of violations of this paragraph shall be investigated by*  
22 *the attorney general. The district attorney or county attorney and the*  
23 *attorney general shall have authority to prosecute violations of this*  
24 *paragraph.*

25 *Sec. 3. K.S.A. 2018 Supp. 79-3606 is hereby amended to read as*  
26 *follows: 79-3606. The following shall be exempt from the tax imposed by*  
27 *this act:*

28 *(a) All sales of motor-vehicle fuel or other articles upon which a*  
29 *sales or excise tax has been paid, not subject to refund, under the laws of*  
30 *this state except cigarettes and electronic cigarettes as defined by K.S.A.*  
31 *79-3301, and amendments thereto, including consumable material for*  
32 *such electronic cigarettes, cereal malt beverages and malt products as*  
33 *defined by K.S.A. 79-3817, and amendments thereto, including wort,*  
34 *liquid malt, malt syrup and malt extract, that is not subject to taxation*  
35 *under the provisions of K.S.A. 79-41a02, and amendments thereto,*  
36 *motor vehicles taxed pursuant to K.S.A. 79-5117, and amendments*  
37 *thereto, tires taxed pursuant to K.S.A. 65-3424d, and amendments*  
38 *thereto, drycleaning and laundry services taxed pursuant to K.S.A. 65-*  
39 *34,150, and amendments thereto, and gross receipts from regulated*  
40 *sports contests taxed pursuant to the Kansas professional regulated*  
41 *sports act, and amendments thereto;*

42 *(b) all sales of tangible personal property or service, including the*  
43 *renting and leasing of tangible personal property, purchased directly by*



1 *the state of Kansas, a political subdivision thereof, other than a school*  
2 *or educational institution, or purchased by a public or private nonprofit*  
3 *hospital or public hospital authority or nonprofit blood, tissue or organ*  
4 *bank and used exclusively for state, political subdivision, hospital or*  
5 *public hospital authority or nonprofit blood, tissue or organ bank*  
6 *purposes, except when: (1) Such state, hospital or public hospital*  
7 *authority is engaged or proposes to engage in any business specifically*  
8 *taxable under the provisions of this act and such items of tangible*  
9 *personal property or service are used or proposed to be used in such*  
10 *business; or (2) such political subdivision is engaged or proposes to*  
11 *engage in the business of furnishing gas, electricity or heat to others and*  
12 *such items of personal property or service are used or proposed to be*  
13 *used in such business;*

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

24 *(d) all sales of tangible personal property or services purchased by*  
25 *a contractor for the purpose of constructing, equipping, reconstructing,*  
26 *maintaining, repairing, enlarging, furnishing or remodeling facilities*  
27 *for any public or private nonprofit hospital or public hospital authority,*  
28 *public or private elementary or secondary school, a public or private*  
29 *nonprofit educational institution, state correctional institution including*  
30 *a privately constructed correctional institution contracted for state use*  
31 *and ownership, that would be exempt from taxation under the provisions*  
32 *of this act if purchased directly by such hospital or public hospital*  
33 *authority, school, educational institution or a state correctional*  
34 *institution; and all sales of tangible personal property or services*  
35 *purchased by a contractor for the purpose of constructing, equipping,*  
36 *reconstructing, maintaining, repairing, enlarging, furnishing or*  
37 *remodeling facilities for any political subdivision of the state or district*  
38 *described in subsection (s), the total cost of which is paid from funds of*  
39 *such political subdivision or district and that would be exempt from*  
40 *taxation under the provisions of this act if purchased directly by such*  
41 *political subdivision or district. Nothing in this subsection or in the*  
42 *provisions of K.S.A. 12-3418, and amendments thereto, shall be deemed*  
43 *to exempt the purchase of any construction machinery, equipment or*

1 *tools used in the constructing, equipping, reconstructing, maintaining,*  
2 *repairing, enlarging, furnishing or remodeling facilities for any political*  
3 *subdivision of the state or any such district. As used in this subsection,*  
4 *K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a*  
5 *political subdivision" shall mean general tax revenues, the proceeds of*  
6 *any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for*  
7 *the purpose of constructing, equipping, reconstructing, repairing,*  
8 *enlarging, furnishing or remodeling facilities that are to be leased to the*  
9 *donor. When any political subdivision of the state, district described in*  
10 *subsection (s), public or private nonprofit hospital or public hospital*  
11 *authority, public or private elementary or secondary school, public or*  
12 *private nonprofit educational institution, state correctional institution*  
13 *including a privately constructed correctional institution contracted for*  
14 *state use and ownership shall contract for the purpose of constructing,*  
15 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*  
16 *or remodeling facilities, it shall obtain from the state and furnish to the*  
17 *contractor an exemption certificate for the project involved, and the*  
18 *contractor may purchase materials for incorporation in such project.*  
19 *The contractor shall furnish the number of such certificate to all*  
20 *suppliers from whom such purchases are made, and such suppliers shall*  
21 *execute invoices covering the same bearing the number of such*  
22 *certificate. Upon completion of the project the contractor shall furnish*  
23 *to the political subdivision, district described in subsection (s), hospital*  
24 *or public hospital authority, school, educational institution or*  
25 *department of corrections concerned a sworn statement, on a form to be*  
26 *provided by the director of taxation, that all purchases so made were*  
27 *entitled to exemption under this subsection. As an alternative to the*  
28 *foregoing procedure, any such contracting entity may apply to the*  
29 *secretary of revenue for agent status for the sole purpose of issuing and*  
30 *furnishing project exemption certificates to contractors pursuant to rules*  
31 *and regulations adopted by the secretary establishing conditions and*  
32 *standards for the granting and maintaining of such status. All invoices*  
33 *shall be held by the contractor for a period of five years and shall be*  
34 *subject to audit by the director of taxation. If any materials purchased*  
35 *under such a certificate are found not to have been incorporated in the*  
36 *building or other project or not to have been returned for credit or the*  
37 *sales or compensating tax otherwise imposed upon such materials that*  
38 *will not be so incorporated in the building or other project reported and*  
39 *paid by such contractor to the director of taxation not later than the 20<sup>th</sup>*  
40 *day of the month following the close of the month in which it shall be*  
41 *determined that such materials will not be used for the purpose for*  
42 *which such certificate was issued, the political subdivision, district*  
43 *described in subsection (s), hospital or public hospital authority, school,*

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

12 *(e) all sales of tangible personal property or services purchased by a*  
13 *contractor for the erection, repair or enlargement of buildings or other*  
14 *projects for the government of the United States, its agencies or*  
15 *instrumentalities, that would be exempt from taxation if purchased*  
16 *directly by the government of the United States, its agencies or*  
17 *instrumentalities. When the government of the United States, its*  
18 *agencies or instrumentalities shall contract for the erection, repair, or*  
19 *enlargement of any building or other project, it shall obtain from the*  
20 *state and furnish to the contractor an exemption certificate for the*  
21 *project involved, and the contractor may purchase materials for*  
22 *incorporation in such project. The contractor shall furnish the number*  
23 *of such certificates to all suppliers from whom such purchases are made,*  
24 *and such suppliers shall execute invoices covering the same bearing the*  
25 *number of such certificate. Upon completion of the project the*  
26 *contractor shall furnish to the government of the United States, its*  
27 *agencies or instrumentalities concerned a sworn statement, on a form to*  
28 *be provided by the director of taxation, that all purchases so made were*  
29 *entitled to exemption under this subsection. As an alternative to the*  
30 *foregoing procedure, any such contracting entity may apply to the*  
31 *secretary of revenue for agent status for the sole purpose of issuing and*  
32 *furnishing project exemption certificates to contractors pursuant to rules*  
33 *and regulations adopted by the secretary establishing conditions and*  
34 *standards for the granting and maintaining of such status. All invoices*  
35 *shall be held by the contractor for a period of five years and shall be*  
36 *subject to audit by the director of taxation. Any contractor or any agent,*  
37 *employee or subcontractor thereof, who shall use or otherwise dispose of*  
38 *any materials purchased under such a certificate for any purpose other*  
39 *than that for which such a certificate is issued without the payment of*  
40 *the sales or compensating tax otherwise imposed upon such materials,*  
41 *shall be guilty of a misdemeanor and, upon conviction therefor, shall be*  
42 *subject to the penalties provided for in K.S.A. 79-3615(h), and*  
43 *amendments thereto;*

1       (f) *tangible personal property purchased by a railroad or public*  
2 *utility for consumption or movement directly and immediately in*  
3 *interstate commerce;*

4       (g) *sales of aircraft including remanufactured and modified*  
5 *aircraft sold to persons using directly or through an authorized agent*  
6 *such aircraft as certified or licensed carriers of persons or property in*  
7 *interstate or foreign commerce under authority of the laws of the United*  
8 *States or any foreign government or sold to any foreign government or*  
9 *agency or instrumentality of such foreign government and all sales of*  
10 *aircraft for use outside of the United States and sales of aircraft repair,*  
11 *modification and replacement parts and sales of services employed in the*  
12 *remanufacture, modification and repair of aircraft;*

13       (h) *all rentals of nonsectarian textbooks by public or private*  
14 *elementary or secondary schools;*

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

17       (j) *meals served without charge or food used in the preparation of*  
18 *such meals to employees of any restaurant, eating house, dining car,*  
19 *hotel, drugstore or other place where meals or drinks are regularly sold*  
20 *to the public if such employees' duties are related to the furnishing or*  
21 *sale of such meals or drinks;*

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

28       (l) *all isolated or occasional sales of tangible personal property,*  
29 *services, substances or things, except isolated or occasional sale of*  
30 *motor vehicles specifically taxed under the provisions of K.S.A. 79-*  
31 *3603(o), and amendments thereto;*

32       (m) *all sales of tangible personal property that become an*  
33 *ingredient or component part of tangible personal property or services*  
34 *produced, manufactured or compounded for ultimate sale at retail*  
35 *within or without the state of Kansas; and any such producer,*  
36 *manufacturer or compounder may obtain from the director of taxation*  
37 *and furnish to the supplier an exemption certificate number for tangible*  
38 *personal property for use as an ingredient or component part of the*  
39 *property or services produced, manufactured or compounded;*

40       (n) *all sales of tangible personal property that is consumed in the*  
41 *production, manufacture, processing, mining, drilling, refining or*  
42 *compounding of tangible personal property, the treating of by-products*  
43 *or wastes derived from any such production process, the providing of*

1 *services or the irrigation of crops for ultimate sale at retail within or*  
2 *without the state of Kansas; and any purchaser of such property may*  
3 *obtain from the director of taxation and furnish to the supplier an*  
4 *exemption certificate number for tangible personal property for*  
5 *consumption in such production, manufacture, processing, mining,*  
6 *drilling, refining, compounding, treating, irrigation and in providing*  
7 *such services;*

8 *(o) all sales of animals, fowl and aquatic plants and animals, the*  
9 *primary purpose of which is use in agriculture or aquaculture, as*  
10 *defined in K.S.A. 47-1901, and amendments thereto, the production of*  
11 *food for human consumption, the production of animal, dairy, poultry or*  
12 *aquatic plant and animal products, fiber or fur, or the production of*  
13 *offspring for use for any such purpose or purposes;*

14 *(p) all sales of drugs dispensed pursuant to a prescription order by*  
15 *a licensed practitioner or a mid-level practitioner as defined by K.S.A.*  
16 *65-1626, and amendments thereto. As used in this subsection, "drug"*  
17 *means a compound, substance or preparation and any component of a*  
18 *compound, substance or preparation, other than food and food*  
19 *ingredients, dietary supplements or alcoholic beverages, recognized in*  
20 *the official United States pharmacopeia, official homeopathic*  
21 *pharmacopoeia of the United States or official national formulary, and*  
22 *supplement to any of them, intended for use in the diagnosis, cure,*  
23 *mitigation, treatment or prevention of disease or intended to affect the*  
24 *structure or any function of the body, except that for taxable years*  
25 *commencing after December 31, 2013, this subsection shall not apply to*  
26 *any sales of drugs used in the performance or induction of an abortion,*  
27 *as defined in K.S.A. 65-6701, and amendments thereto;*

28 *(q) all sales of insulin dispensed by a person licensed by the state*  
29 *board of pharmacy to a person for treatment of diabetes at the direction*  
30 *of a person licensed to practice medicine by the state board of healing*  
31 *arts;*

32 *(r) all sales of oxygen delivery equipment, kidney dialysis*  
33 *equipment, enteral feeding systems, prosthetic devices and mobility*  
34 *enhancing equipment prescribed in writing by a person licensed to*  
35 *practice the healing arts, dentistry or optometry, and in addition to such*  
36 *sales, all sales of hearing aids, as defined by K.S.A. 74-5807(c), and*  
37 *amendments thereto, and repair and replacement parts therefor,*  
38 *including batteries, by a person licensed in the practice of dispensing*  
39 *and fitting hearing aids pursuant to the provisions of K.S.A. 74-5808,*  
40 *and amendments thereto. For the purposes of this subsection: (1)*  
41 *"Mobility enhancing equipment" means equipment including repair*  
42 *and replacement parts to same, but does not include durable medical*  
43 *equipment, which is primarily and customarily used to provide or*

1 *increase the ability to move from one place to another and which is*  
2 *appropriate for use either in a home or a motor vehicle; is not generally*  
3 *used by persons with normal mobility; and does not include any motor*  
4 *vehicle or equipment on a motor vehicle normally provided by a motor*  
5 *vehicle manufacturer; and (2) "prosthetic device" means a replacement,*  
6 *corrective or supportive device including repair and replacement parts*  
7 *for same worn on or in the body to artificially replace a missing portion*  
8 *of the body, prevent or correct physical deformity or malfunction or*  
9 *support a weak or deformed portion of the body;*

10 (s) *except as provided in K.S.A. 2018 Supp. 82a-2101, and*  
11 *amendments thereto, all sales of tangible personal property or services*  
12 *purchased directly or indirectly by a groundwater management district*  
13 *organized or operating under the authority of K.S.A. 82a-1020 et seq.,*  
14 *and amendments thereto, by a rural water district organized or operating*  
15 *under the authority of K.S.A. 82a-612, and amendments thereto, or by a*  
16 *water supply district organized or operating under the authority of*  
17 *K.S.A. 19-3501 et seq., 19-3522 et seq. or 19-3545, and amendments*  
18 *thereto, which property or services are used in the construction*  
19 *activities, operation or maintenance of the district;*

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

1 *aquaculture production. Farming or ranching shall include the*  
2 *operation of a feedlot and farm and ranch work for hire and the*  
3 *operation of a nursery;*

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

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

21 *(w) all sales of natural gas, electricity, heat and water delivered*  
22 *through mains, lines or pipes: (1) To residential premises for*  
23 *noncommercial use by the occupant of such premises; (2) for*  
24 *agricultural use and also, for such use, all sales of propane gas; (3) for*  
25 *use in the severing of oil; and (4) to any property which is exempt from*  
26 *property taxation pursuant to K.S.A. 79-201b, Second through Sixth. As*  
27 *used in this paragraph, "severing" means the same as defined in K.S.A.*  
28 *79-4216(k), and amendments thereto. For all sales of natural gas,*  
29 *electricity and heat delivered through mains, lines or pipes pursuant to*  
30 *the provisions of subsection (w)(1) and (w)(2), the provisions of this*  
31 *subsection shall expire on December 31, 2005;*

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

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

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

42 *(aa) all sales of materials and services applied to equipment that is*  
43 *transported into the state from without the state for repair, service,*

1 *alteration, maintenance, remanufacture or modification and that is*  
2 *subsequently transported outside the state for use in the transmission of*  
3 *liquids or natural gas by means of pipeline in interstate or foreign*  
4 *commerce under authority of the laws of the United States;*

5 *(bb) all sales of used mobile homes or manufactured homes. As*  
6 *used in this subsection: (1) "Mobile homes" and "manufactured*  
7 *homes" mean the same as defined in K.S.A. 58-4202, and amendments*  
8 *thereto; and (2) "sales of used mobile homes or manufactured homes"*  
9 *means sales other than the original retail sale thereof;*

10 *(cc) all sales of tangible personal property or services purchased*  
11 *prior to January 1, 2012, except as otherwise provided, for the purpose*  
12 *of and in conjunction with constructing, reconstructing, enlarging or*  
13 *remodeling a business or retail business that meets the requirements*  
14 *established in K.S.A. 74-50,115, and amendments thereto, and the sale*  
15 *and installation of machinery and equipment purchased for installation*  
16 *at any such business or retail business, and all sales of tangible personal*  
17 *property or services purchased on or after January 1, 2012, for the*  
18 *purpose of and in conjunction with constructing, reconstructing,*  
19 *enlarging or remodeling a business that meets the requirements*  
20 *established in K.S.A. 74-50,115(e), and amendments thereto, and the*  
21 *sale and installation of machinery and equipment purchased for*  
22 *installation at any such business. When a person shall contract for the*  
23 *construction, reconstruction, enlargement or remodeling of any such*  
24 *business or retail business, such person shall obtain from the state and*  
25 *furnish to the contractor an exemption certificate for the project*  
26 *involved, and the contractor may purchase materials, machinery and*  
27 *equipment for incorporation in such project. The contractor shall*  
28 *furnish the number of such certificates to all suppliers from whom such*  
29 *purchases are made, and such suppliers shall execute invoices covering*  
30 *the same bearing the number of such certificate. Upon completion of the*  
31 *project the contractor shall furnish to the owner of the business or retail*  
32 *business a sworn statement, on a form to be provided by the director of*  
33 *taxation, that all purchases so made were entitled to exemption under*  
34 *this subsection. All invoices shall be held by the contractor for a period*  
35 *of five years and shall be subject to audit by the director of taxation. Any*  
36 *contractor or any agent, employee or subcontractor thereof, who shall*  
37 *use or otherwise dispose of any materials, machinery or equipment*  
38 *purchased under such a certificate for any purpose other than that for*  
39 *which such a certificate is issued without the payment of the sales or*  
40 *compensating tax otherwise imposed thereon, shall be guilty of a*  
41 *misdemeanor and, upon conviction therefor, shall be subject to the*  
42 *penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As*  
43 *used in this subsection, "business" and "retail business" mean the same*



1 *as defined in K.S.A. 74-50,114, and amendments thereto. Project*  
2 *exemption certificates that have been previously issued under this*  
3 *subsection by the department of revenue pursuant to K.S.A. 74-50,115,*  
4 *and amendments thereto, but not including K.S.A. 74-50,115(e), and*  
5 *amendments thereto, prior to January 1, 2012, and have not expired will*  
6 *be effective for the term of the project or two years from the effective*  
7 *date of the certificate, whichever occurs earlier. Project exemption*  
8 *certificates that are submitted to the department of revenue prior to*  
9 *January 1, 2012, and are found to qualify will be issued a project*  
10 *exemption certificate that will be effective for a two-year period or for*  
11 *the term of the project, whichever occurs earlier;*

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

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

16 *(ff) on and after July 1, 1988, all sales of new mobile homes or*  
17 *manufactured homes to the extent of 40% of the gross receipts,*  
18 *determined without regard to any trade-in allowance, received from such*  
19 *sale. As used in this subsection, "mobile homes" and "manufactured*  
20 *homes" mean the same as defined in K.S.A. 58-4202, and amendments*  
21 *thereto;*

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

25 *(hh) all sales of medical supplies and equipment, including durable*  
26 *medical equipment, purchased directly by a nonprofit skilled nursing*  
27 *home or nonprofit intermediate nursing care home, as defined by K.S.A.*  
28 *39-923, and amendments thereto, for the purpose of providing medical*  
29 *services to residents thereof. This exemption shall not apply to tangible*  
30 *personal property customarily used for human habitation purposes. As*  
31 *used in this subsection, "durable medical equipment" means equipment*  
32 *including repair and replacement parts for such equipment, that can*  
33 *withstand repeated use, is primarily and customarily used to serve a*  
34 *medical purpose, generally is not useful to a person in the absence of*  
35 *illness or injury and is not worn in or on the body, but does not include*  
36 *mobility enhancing equipment as defined in subsection (r), oxygen*  
37 *delivery equipment, kidney dialysis equipment or enteral feeding*  
38 *systems;*

39 *(ii) all sales of tangible personal property purchased directly by a*  
40 *nonprofit organization for nonsectarian comprehensive multidiscipline*  
41 *youth development programs and activities provided or sponsored by*  
42 *such organization, and all sales of tangible personal property by or on*  
43 *behalf of any such organization. This exemption shall not apply to*

1 *tangible personal property customarily used for human habitation*  
2 *purposes;*

3 *(jj) all sales of tangible personal property or services, including the*  
4 *renting and leasing of tangible personal property, purchased directly on*  
5 *behalf of a community-based facility for people with intellectual*  
6 *disability or mental health center organized pursuant to K.S.A. 19-4001*  
7 *et seq., and amendments thereto, and licensed in accordance with the*  
8 *provisions of K.S.A. 2018 Supp. 39-2001 et seq., and amendments*  
9 *thereto, and all sales of tangible personal property or services purchased*  
10 *by contractors during the time period from July, 2003, through June,*  
11 *2006, for the purpose of constructing, equipping, maintaining or*  
12 *furnishing a new facility for a community-based facility for people with*  
13 *intellectual disability or mental health center located in Riverton,*  
14 *Cherokee County, Kansas, that would have been eligible for sales tax*  
15 *exemption pursuant to this subsection if purchased directly by such*  
16 *facility or center. This exemption shall not apply to tangible personal*  
17 *property customarily used for human habitation purposes;*

18 *(kk) (1) (A) all sales of machinery and equipment that are used in*  
19 *this state as an integral or essential part of an integrated production*  
20 *operation by a manufacturing or processing plant or facility;*

21 *(B) all sales of installation, repair and maintenance services*  
22 *performed on such machinery and equipment; and*

23 *(C) all sales of repair and replacement parts and accessories*  
24 *purchased for such machinery and equipment.*

25 *(2) For purposes of this subsection:*

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

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

40 *(C) "manufacturing or processing plant or facility" means a single,*  
41 *fixed location owned or controlled by a manufacturing or processing*  
42 *business that consists of one or more structures or buildings in a*  
43 *contiguous area where integrated production operations are conducted*

1 *to manufacture or process tangible personal property to be ultimately*  
2 *sold at retail. Such term shall not include any facility primarily operated*  
3 *for the purpose of conveying or assisting in the conveyance of natural*  
4 *gas, electricity, oil or water. A business may operate one or more*  
5 *manufacturing or processing plants or facilities at different locations to*  
6 *manufacture or process a single product of tangible personal property to*  
7 *be ultimately sold at retail;*

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

43 *(E) "repair and replacement parts and accessories" means all parts*

1 *and accessories for exempt machinery and equipment, including, but not*  
2 *limited to, dies, jigs, molds, patterns and safety devices that are attached*  
3 *to exempt machinery or that are otherwise used in production, and parts*  
4 *and accessories that require periodic replacement such as belts, drill*  
5 *bits, grinding wheels, grinding balls, cutting bars, saws, refractory brick*  
6 *and other refractory items for exempt kiln equipment used in production*  
7 *operations;*

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

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

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

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

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

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

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

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

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

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

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

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

43 (K) *to provide and control an environment required to maintain*

1 *certain levels of air quality, humidity or temperature in special and*  
2 *limited areas of the plant or facility, where such regulation of*  
3 *temperature or humidity is part of and essential to the production*  
4 *process;*

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

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

9 *(4) The following machinery, equipment and materials shall be*  
10 *deemed to be exempt even though it may not otherwise qualify as*  
11 *machinery and equipment used as an integral or essential part of an*  
12 *integrated production operation: (A) Computers and related peripheral*  
13 *equipment that are utilized by a manufacturing or processing business*  
14 *for engineering of the finished product or for research and development*  
15 *or product design; (B) machinery and equipment that is utilized by a*  
16 *manufacturing or processing business to manufacture or rebuild*  
17 *tangible personal property that is used in manufacturing or processing*  
18 *operations, including tools, dies, molds, forms and other parts of*  
19 *qualifying machinery and equipment; (C) portable plants for aggregate*  
20 *concrete, bulk cement and asphalt including cement mixing drums to be*  
21 *attached to a motor vehicle; (D) industrial fixtures, devices, support*  
22 *facilities and special foundations necessary for manufacturing and*  
23 *production operations, and materials and other tangible personal*  
24 *property sold for the purpose of fabricating such fixtures, devices,*  
25 *facilities and foundations. An exemption certificate for such purchases*  
26 *shall be signed by the manufacturer or processor. If the fabricator*  
27 *purchases such material, the fabricator shall also sign the exemption*  
28 *certificate; (E) a manufacturing or processing business' laboratory*  
29 *equipment that is not located at the plant or facility, but that would*  
30 *otherwise qualify for exemption under subsection (3)(E); (F) all*  
31 *machinery and equipment used in surface mining activities as described*  
32 *in K.S.A. 49-601 et seq., and amendments thereto, beginning from the*  
33 *time a reclamation plan is filed to the acceptance of the completed final*  
34 *site reclamation.*

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

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

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

1 *plant;*

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

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

10 *(E) furniture and other furnishings;*

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

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

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

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

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

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

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

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

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

1 *prevent soil erosion on land devoted to agricultural use;*

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

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

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

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

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

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

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

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

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

41 *(1) The American heart association, Kansas affiliate, inc. for the*  
42 *purposes of providing education, training, certification in emergency*  
43 *cardiac care, research and other related services to reduce disability and*

1 *death from cardiovascular diseases and stroke;*

2 *(2) the Kansas alliance for the mentally ill, inc. for the purpose of*  
3 *advocacy for persons with mental illness and to education, research and*  
4 *support for their families;*

5 *(3) the Kansas mental illness awareness council for the purposes of*  
6 *advocacy for persons who are mentally ill and for education, research*  
7 *and support for them and their families;*

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

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

18 *(6) the Kansas chapters of the Alzheimer's disease and related*  
19 *disorders association, inc. for the purpose of providing assistance and*  
20 *support to persons in Kansas with Alzheimer's disease, and their families*  
21 *and caregivers;*

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

25 *(8) the national kidney foundation of Kansas and western Missouri*  
26 *for the purpose of eliminating kidney disease through medical research*  
27 *and public and private education related to such disease;*

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

31 *(10) the cystic fibrosis foundation, heart of America chapter, for the*  
32 *purposes of assuring the development of the means to cure and control*  
33 *cystic fibrosis and improving the quality of life for those with the*  
34 *disease;*

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

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



1       (13) *the cross-lines cooperative council for the purpose of providing*  
2 *social services to low income individuals and families;*

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

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

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

16       (17) *the dream factory, inc., for the purpose of granting the dreams*  
17 *of children with critical and chronic illnesses;*

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

22       (19) *the international association of lions clubs for the purpose of*  
23 *creating and fostering a spirit of understanding among all people for*  
24 *humanitarian needs by providing voluntary services through community*  
25 *involvement and international cooperation;*

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

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

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

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

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

42       (wv) *all sales of tangible personal property purchased by the*  
43 *habitat for humanity for the exclusive use of being incorporated within a*

1 *housing project constructed by such organization;*  
2 *(xx) all sales of tangible personal property and services purchased*  
3 *by a nonprofit zoo that is exempt from federal income taxation pursuant*  
4 *to section 501(c)(3) of the federal internal revenue code of 1986, or on*  
5 *behalf of such zoo by an entity itself exempt from federal income*  
6 *taxation pursuant to section 501(c)(3) of the federal internal revenue*  
7 *code of 1986 contracted with to operate such zoo and all sales of*  
8 *tangible personal property or services purchased by a contractor for the*  
9 *purpose of constructing, equipping, reconstructing, maintaining,*  
10 *repairing, enlarging, furnishing or remodeling facilities for any*  
11 *nonprofit zoo that would be exempt from taxation under the provisions*  
12 *of this section if purchased directly by such nonprofit zoo or the entity*  
13 *operating such zoo. Nothing in this subsection shall be deemed to*  
14 *exempt the purchase of any construction machinery, equipment or tools*  
15 *used in the constructing, equipping, reconstructing, maintaining,*  
16 *repairing, enlarging, furnishing or remodeling facilities for any*  
17 *nonprofit zoo. When any nonprofit zoo shall contract for the purpose of*  
18 *constructing, equipping, reconstructing, maintaining, repairing,*  
19 *enlarging, furnishing or remodeling facilities, it shall obtain from the*  
20 *state and furnish to the contractor an exemption certificate for the*  
21 *project involved, and the contractor may purchase materials for*  
22 *incorporation in such project. The contractor shall furnish the number*  
23 *of such certificate to all suppliers from whom such purchases are made,*  
24 *and such suppliers shall execute invoices covering the same bearing the*  
25 *number of such certificate. Upon completion of the project the*  
26 *contractor shall furnish to the nonprofit zoo concerned a sworn*  
27 *statement, on a form to be provided by the director of taxation, that all*  
28 *purchases so made were entitled to exemption under this subsection. All*  
29 *invoices shall be held by the contractor for a period of five years and*  
30 *shall be subject to audit by the director of taxation. If any materials*  
31 *purchased under such a certificate are found not to have been*  
32 *incorporated in the building or other project or not to have been*  
33 *returned for credit or the sales or compensating tax otherwise imposed*  
34 *upon such materials that will not be so incorporated in the building or*  
35 *other project reported and paid by such contractor to the director of*  
36 *taxation not later than the 20<sup>th</sup> day of the month following the close of*  
37 *the month in which it shall be determined that such materials will not be*  
38 *used for the purpose for which such certificate was issued, the nonprofit*  
39 *zoo concerned shall be liable for tax on all materials purchased for the*  
40 *project, and upon payment thereof it may recover the same from the*  
41 *contractor together with reasonable attorney fees. Any contractor or any*  
42 *agent, employee or subcontractor thereof, who shall use or otherwise*  
43 *dispose of any materials purchased under such a certificate for any*

1 *purpose other than that for which such a certificate is issued without the*  
2 *payment of the sales or compensating tax otherwise imposed upon such*  
3 *materials, shall be guilty of a misdemeanor and, upon conviction*  
4 *therefor, shall be subject to the penalties provided for in K.S.A. 79-*  
5 *3615(h), and amendments thereto;*

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

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

19 *(aaa) all sales of tangible personal property and services purchased*  
20 *by a religious organization that is exempt from federal income taxation*  
21 *pursuant to section 501(c)(3) of the federal internal revenue code, and*  
22 *used exclusively for religious purposes, and all sales of tangible personal*  
23 *property or services purchased by a contractor for the purpose of*  
24 *constructing, equipping, reconstructing, maintaining, repairing,*  
25 *enlarging, furnishing or remodeling facilities for any such organization*  
26 *that would be exempt from taxation under the provisions of this section*  
27 *if purchased directly by such organization. Nothing in this subsection*  
28 *shall be deemed to exempt the purchase of any construction machinery,*  
29 *equipment or tools used in the constructing, equipping, reconstructing,*  
30 *maintaining, repairing, enlarging, furnishing or remodeling facilities*  
31 *for any such organization. When any such organization shall contract*  
32 *for the purpose of constructing, equipping, reconstructing, maintaining,*  
33 *repairing, enlarging, furnishing or remodeling facilities, it shall obtain*  
34 *from the state and furnish to the contractor an exemption certificate for*  
35 *the project involved, and the contractor may purchase materials for*  
36 *incorporation in such project. The contractor shall furnish the number*  
37 *of such certificate to all suppliers from whom such purchases are made,*  
38 *and such suppliers shall execute invoices covering the same bearing the*  
39 *number of such certificate. Upon completion of the project the*  
40 *contractor shall furnish to such organization concerned a sworn*  
41 *statement, on a form to be provided by the director of taxation, that all*  
42 *purchases so made were entitled to exemption under this subsection. All*  
43 *invoices shall be held by the contractor for a period of five years and*

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

31 *(bbb) all sales of food for human consumption by an organization*  
32 *that is exempt from federal income taxation pursuant to section 501(c)*  
33 *(3) of the federal internal revenue code of 1986, pursuant to a food*  
34 *distribution program that offers such food at a price below cost in*  
35 *exchange for the performance of community service by the purchaser*  
36 *thereof;*

37 *(ccc) on and after July 1, 1999, all sales of tangible personal*  
38 *property and services purchased by a primary care clinic or health*  
39 *center the primary purpose of which is to provide services to medically*  
40 *underserved individuals and families, and that is exempt from federal*  
41 *income taxation pursuant to section 501(c)(3) of the federal internal*  
42 *revenue code, and all sales of tangible personal property or services*  
43 *purchased by a contractor for the purpose of constructing, equipping,*

1 *reconstructing, maintaining, repairing, enlarging, furnishing or*  
2 *remodeling facilities for any such clinic or center that would be exempt*  
3 *from taxation under the provisions of this section if purchased directly*  
4 *by such clinic or center, except that for taxable years commencing after*  
5 *December 31, 2013, this subsection shall not apply to any sales of such*  
6 *tangible personal property and services purchased by a primary care*  
7 *clinic or health center which performs any abortion, as defined in K.S.A.*  
8 *65-6701, and amendments thereto. Nothing in this subsection shall be*  
9 *deemed to exempt the purchase of any construction machinery,*  
10 *equipment or tools used in the constructing, equipping, reconstructing,*  
11 *maintaining, repairing, enlarging, furnishing or remodeling facilities*  
12 *for any such clinic or center. When any such clinic or center shall*  
13 *contract for the purpose of constructing, equipping, reconstructing,*  
14 *maintaining, repairing, enlarging, furnishing or remodeling facilities, it*  
15 *shall obtain from the state and furnish to the contractor an exemption*  
16 *certificate for the project involved, and the contractor may purchase*  
17 *materials for incorporation in such project. The contractor shall furnish*  
18 *the number of such certificate to all suppliers from whom such*  
19 *purchases are made, and such suppliers shall execute invoices covering*  
20 *the same bearing the number of such certificate. Upon completion of the*  
21 *project the contractor shall furnish to such clinic or center concerned a*  
22 *sworn statement, on a form to be provided by the director of taxation,*  
23 *that all purchases so made were entitled to exemption under this*  
24 *subsection. All invoices shall be held by the contractor for a period of*  
25 *five years and shall be subject to audit by the director of taxation. If any*  
26 *materials purchased under such a certificate are found not to have been*  
27 *incorporated in the building or other project or not to have been*  
28 *returned for credit or the sales or compensating tax otherwise imposed*  
29 *upon such materials that will not be so incorporated in the building or*  
30 *other project reported and paid by such contractor to the director of*  
31 *taxation not later than the 20<sup>th</sup> day of the month following the close of*  
32 *the month in which it shall be determined that such materials will not be*  
33 *used for the purpose for which such certificate was issued, such clinic or*  
34 *center concerned shall be liable for tax on all materials purchased for*  
35 *the project, and upon payment thereof it may recover the same from the*  
36 *contractor together with reasonable attorney fees. Any contractor or any*  
37 *agent, employee or subcontractor thereof, who shall use or otherwise*  
38 *dispose of any materials purchased under such a certificate for any*  
39 *purpose other than that for which such a certificate is issued without the*  
40 *payment of the sales or compensating tax otherwise imposed upon such*  
41 *materials, shall be guilty of a misdemeanor and, upon conviction*  
42 *therefor, shall be subject to the penalties provided for in K.S.A. 79-*  
43 *3615(h), and amendments thereto;*

1        *(ddd) on and after January 1, 1999, and before January 1, 2000, all*  
2 *sales of materials and services purchased by any class II or III railroad*  
3 *as classified by the federal surface transportation board for the*  
4 *construction, renovation, repair or replacement of class II or III*  
5 *railroad track and facilities used directly in interstate commerce. In the*  
6 *event any such track or facility for which materials and services were*  
7 *purchased sales tax exempt is not operational for five years succeeding*  
8 *the allowance of such exemption, the total amount of sales tax that*  
9 *would have been payable except for the operation of this subsection*  
10 *shall be recouped in accordance with rules and regulations adopted for*  
11 *such purpose by the secretary of revenue;*

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

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

33        *(ggg) all sales of tangible personal property and services purchased*  
34 *by or on behalf of the Kansas academy of science, which is exempt from*  
35 *federal income taxation pursuant to section 501(c)(3) of the federal*  
36 *internal revenue code of 1986, and used solely by such academy for the*  
37 *preparation, publication and dissemination of education materials;*

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

41        *(iii) all sales of personal property and services purchased by an*  
42 *organization that is exempt from federal income taxation pursuant to*  
43 *section 501(c)(3) of the federal internal revenue code of 1986, and such*

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

1 *sales or compensating tax otherwise imposed upon such materials, shall*  
2 *be guilty of a misdemeanor and, upon conviction therefor, shall be*  
3 *subject to the penalties provided for in K.S.A. 79-3615(h), and*  
4 *amendments thereto. Sales tax paid on and after July 1, 2005, but prior*  
5 *to the effective date of this act upon the gross receipts received from any*  
6 *sale exempted by the amendatory provisions of this subsection shall be*  
7 *refunded. Each claim for a sales tax refund shall be verified and*  
8 *submitted to the director of taxation upon forms furnished by the*  
9 *director and shall be accompanied by any additional documentation*  
10 *required by the director. The director shall review each claim and shall*  
11 *refund that amount of sales tax paid as determined under the provisions*  
12 *of this subsection. All refunds shall be paid from the sales tax refund*  
13 *fund upon warrants of the director of accounts and reports pursuant to*  
14 *vouchers approved by the director or the director's designee;*

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

30 *(lll) all sales of tangible personal property and services purchased*  
31 *by special olympics Kansas, inc. for the purpose of providing year-round*  
32 *sports training and athletic competition in a variety of olympic-type*  
33 *sports for individuals with intellectual disabilities by giving them*  
34 *continuing opportunities to develop physical fitness, demonstrate*  
35 *courage, experience joy and participate in a sharing of gifts, skills and*  
36 *friendship with their families, other special olympics athletes and the*  
37 *community, and activities provided or sponsored by such organization,*  
38 *and all sales of tangible personal property by or on behalf of any such*  
39 *organization;*

40 *(mmm) all sales of tangible personal property purchased by or on*  
41 *behalf of the Marillac center, inc., which is exempt from federal income*  
42 *taxation pursuant to section 501(c)(3) of the federal internal revenue*  
43 *code, for the purpose of providing psycho-social-biological and special*



1 *education services to children, and all sales of any such property by or*  
2 *on behalf of such organization for such purpose;*

3 *(nnn) all sales of tangible personal property and services purchased*  
4 *by the west Sedgwick county-sunrise rotary club and sunrise charitable*  
5 *fund for the purpose of constructing a boundless playground which is*  
6 *an integrated, barrier free and developmentally advantageous play*  
7 *environment for children of all abilities and disabilities;*

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

13 *(ppp) all sales of tangible personal property and services purchased*  
14 *by or on behalf of a homeless shelter that is exempt from federal income*  
15 *taxation pursuant to section 501(c)(3) of the federal income tax code of*  
16 *1986, and used by any such homeless shelter to provide emergency and*  
17 *transitional housing for individuals and families experiencing*  
18 *homelessness, and all sales of any such property by or on behalf of any*  
19 *such homeless shelter for any such purpose;*

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

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

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

32 *(sss) all sales of tangible personal property and services purchased*  
33 *by catholic charities or youthville, hereinafter referred to as charitable*  
34 *family providers, which is exempt from federal income taxation*  
35 *pursuant to section 501(c)(3) of the federal internal revenue code of*  
36 *1986, and which such property and services are used for the purpose of*  
37 *providing emergency shelter and treatment for abused and neglected*  
38 *children as well as meeting additional critical needs for children,*  
39 *juveniles and family, and all sales of any such property by or on behalf*  
40 *of charitable family providers for any such purpose; and all sales of*  
41 *tangible personal property or services purchased by a contractor for the*  
42 *purpose of constructing, maintaining, repairing, enlarging, furnishing*  
43 *or remodeling facilities for the operation of services for charitable*

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

39 *(ttt) all sales of tangible personal property or services purchased by*  
40 *a contractor for a project for the purpose of restoring, constructing,*  
41 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*  
42 *or remodeling a home or facility owned by a nonprofit museum that has*  
43 *been granted an exemption pursuant to subsection (qq), which such*

1 *home or facility is located in a city that has been designated as a*  
2 *qualified hometown pursuant to the provisions of K.S.A. 75-5071 et seq.,*  
3 *and amendments thereto, and which such project is related to the*  
4 *purposes of K.S.A. 75-5071 et seq., and amendments thereto, and that*  
5 *would be exempt from taxation under the provisions of this section if*  
6 *purchased directly by such nonprofit museum. Nothing in this*  
7 *subsection shall be deemed to exempt the purchase of any construction*  
8 *machinery, equipment or tools used in the restoring, constructing,*  
9 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*  
10 *or remodeling a home or facility for any such nonprofit museum. When*  
11 *any such nonprofit museum shall contract for the purpose of restoring,*  
12 *constructing, equipping, reconstructing, maintaining, repairing,*  
13 *enlarging, furnishing or remodeling a home or facility, it shall obtain*  
14 *from the state and furnish to the contractor an exemption certificate for*  
15 *the project involved, and the contractor may purchase materials for*  
16 *incorporation in such project. The contractor shall furnish the number*  
17 *of such certificates to all suppliers from whom such purchases are made,*  
18 *and such suppliers shall execute invoices covering the same bearing the*  
19 *number of such certificate. Upon completion of the project, the*  
20 *contractor shall furnish to such nonprofit museum a sworn statement on*  
21 *a form to be provided by the director of taxation that all purchases so*  
22 *made were entitled to exemption under this subsection. All invoices shall*  
23 *be held by the contractor for a period of five years and shall be subject to*  
24 *audit by the director of taxation. If any materials purchased under such*  
25 *a certificate are found not to have been incorporated in the building or*  
26 *other project or not to have been returned for credit or the sales or*  
27 *compensating tax otherwise imposed upon such materials that will not*  
28 *be so incorporated in a home or facility or other project reported and*  
29 *paid by such contractor to the director of taxation not later than the 20<sup>th</sup>*  
30 *day of the month following the close of the month in which it shall be*  
31 *determined that such materials will not be used for the purpose for*  
32 *which such certificate was issued, such nonprofit museum shall be liable*  
33 *for tax on all materials purchased for the project, and upon payment*  
34 *thereof it may recover the same from the contractor together with*  
35 *reasonable attorney fees. Any contractor or any agent, employee or*  
36 *subcontractor thereof, who shall use or otherwise dispose of any*  
37 *materials purchased under such a certificate for any purpose other than*  
38 *that for which such a certificate is issued without the payment of the*  
39 *sales or compensating tax otherwise imposed upon such materials, shall*  
40 *be guilty of a misdemeanor and, upon conviction therefor, shall be*  
41 *subject to the penalties provided for in K.S.A. 79-3615(h), and*  
42 *amendments thereto;*

43 *(uuu) all sales of tangible personal property and services purchased*

1 *by Kansas children's service league, hereinafter referred to as KCSL,*  
2 *which is exempt from federal income taxation pursuant to section 501(c)*  
3 *(3) of the federal internal revenue code of 1986, and which such*  
4 *property and services are used for the purpose of providing for the*  
5 *prevention and treatment of child abuse and maltreatment as well as*  
6 *meeting additional critical needs for children, juveniles and family, and*  
7 *all sales of any such property by or on behalf of KCSL for any such*  
8 *purpose; and all sales of tangible personal property or services*  
9 *purchased by a contractor for the purpose of constructing, maintaining,*  
10 *repairing, enlarging, furnishing or remodeling facilities for the*  
11 *operation of services for KCSL for any such purpose that would be*  
12 *exempt from taxation under the provisions of this section if purchased*  
13 *directly by KCSL. Nothing in this subsection shall be deemed to exempt*  
14 *the purchase of any construction machinery, equipment or tools used in*  
15 *the constructing, maintaining, repairing, enlarging, furnishing or*  
16 *remodeling such facilities for KCSL. When KCSL contracts for the*  
17 *purpose of constructing, maintaining, repairing, enlarging, furnishing*  
18 *or remodeling such facilities, it shall obtain from the state and furnish to*  
19 *the contractor an exemption certificate for the project involved, and the*  
20 *contractor may purchase materials for incorporation in such project.*  
21 *The contractor shall furnish the number of such certificate to all*  
22 *suppliers from whom such purchases are made, and such suppliers shall*  
23 *execute invoices covering the same bearing the number of such*  
24 *certificate. Upon completion of the project the contractor shall furnish*  
25 *to KCSL a sworn statement, on a form to be provided by the director of*  
26 *taxation, that all purchases so made were entitled to exemption under*  
27 *this subsection. All invoices shall be held by the contractor for a period*  
28 *of five years and shall be subject to audit by the director of taxation. If*  
29 *any materials purchased under such a certificate are found not to have*  
30 *been incorporated in the building or other project or not to have been*  
31 *returned for credit or the sales or compensating tax otherwise imposed*  
32 *upon such materials that will not be so incorporated in the building or*  
33 *other project reported and paid by such contractor to the director of*  
34 *taxation not later than the 20<sup>th</sup> day of the month following the close of*  
35 *the month in which it shall be determined that such materials will not be*  
36 *used for the purpose for which such certificate was issued, KCSL shall*  
37 *be liable for tax on all materials purchased for the project, and upon*  
38 *payment thereof it may recover the same from the contractor together*  
39 *with reasonable attorney fees. Any contractor or any agent, employee or*  
40 *subcontractor thereof, who shall use or otherwise dispose of any*  
41 *materials purchased under such a certificate for any purpose other than*  
42 *that for which such a certificate is issued without the payment of the*  
43 *sales or compensating tax otherwise imposed upon such materials, shall*

1 *be guilty of a misdemeanor and, upon conviction therefor, shall be*  
2 *subject to the penalties provided for in K.S.A. 79-3615(h), and*  
3 *amendments thereto;*

4 *(vvv) all sales of tangible personal property or services, including*  
5 *the renting and leasing of tangible personal property or services,*  
6 *purchased by jazz in the woods, inc., a Kansas corporation that is*  
7 *exempt from federal income taxation pursuant to section 501(c)(3) of the*  
8 *federal internal revenue code, for the purpose of providing jazz in the*  
9 *woods, an event benefiting children-in-need and other nonprofit*  
10 *charities assisting such children, and all sales of any such property by or*  
11 *on behalf of such organization for such purpose;*

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

18 *(xxx) all sales of personal property and services purchased by the*  
19 *booth theatre foundation, inc., an organization, which is exempt from*  
20 *federal income taxation pursuant to section 501(c)(3) of the federal*  
21 *internal revenue code of 1986, and which such personal property and*  
22 *services are used by any such organization in the constructing,*  
23 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*  
24 *or remodeling of the booth theatre, and all sales of tangible personal*  
25 *property or services purchased by a contractor for the purpose of*  
26 *constructing, equipping, reconstructing, maintaining, repairing,*  
27 *enlarging, furnishing or remodeling the booth theatre for such*  
28 *organization, that would be exempt from taxation under the provisions*  
29 *of this section if purchased directly by such organization. Nothing in this*  
30 *subsection shall be deemed to exempt the purchase of any construction*  
31 *machinery, equipment or tools used in the constructing, equipping,*  
32 *reconstructing, maintaining, repairing, enlarging, furnishing or*  
33 *remodeling facilities for any such organization. When any such*  
34 *organization shall contract for the purpose of constructing, equipping,*  
35 *reconstructing, maintaining, repairing, enlarging, furnishing or*  
36 *remodeling facilities, it shall obtain from the state and furnish to the*  
37 *contractor an exemption certificate for the project involved, and the*  
38 *contractor may purchase materials for incorporation in such project.*  
39 *The contractor shall furnish the number of such certificate to all*  
40 *suppliers from whom such purchases are made, and such suppliers shall*  
41 *execute invoices covering the same bearing the number of such*  
42 *certificate. Upon completion of the project the contractor shall furnish*  
43 *to such organization concerned a sworn statement, on a form to be*

1 *provided by the director of taxation, that all purchases so made were*  
2 *entitled to exemption under this subsection. All invoices shall be held by*  
3 *the contractor for a period of five years and shall be subject to audit by*  
4 *the director of taxation. If any materials purchased under such a*  
5 *certificate are found not to have been incorporated in such facilities or*  
6 *not to have been returned for credit or the sales or compensating tax*  
7 *otherwise imposed upon such materials that will not be so incorporated*  
8 *in such facilities reported and paid by such contractor to the director of*  
9 *taxation not later than the 20<sup>th</sup> day of the month following the close of*  
10 *the month in which it shall be determined that such materials will not be*  
11 *used for the purpose for which such certificate was issued, such*  
12 *organization concerned shall be liable for tax on all materials purchased*  
13 *for the project, and upon payment thereof it may recover the same from*  
14 *the contractor together with reasonable attorney fees. Any contractor or*  
15 *any agent, employee or subcontractor thereof, who shall use or*  
16 *otherwise dispose of any materials purchased under such a certificate*  
17 *for any purpose other than that for which such a certificate is issued*  
18 *without the payment of the sales or compensating tax otherwise imposed*  
19 *upon such materials, shall be guilty of a misdemeanor and, upon*  
20 *conviction therefor, shall be subject to the penalties provided for in*  
21 *K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after*  
22 *January 1, 2007, but prior to the effective date of this act upon the gross*  
23 *receipts received from any sale which would have been exempted by the*  
24 *provisions of this subsection had such sale occurred after the effective*  
25 *date of this act shall be refunded. Each claim for a sales tax refund shall*  
26 *be verified and submitted to the director of taxation upon forms*  
27 *furnished by the director and shall be accompanied by any additional*  
28 *documentation required by the director. The director shall review each*  
29 *claim and shall refund that amount of sales tax paid as determined*  
30 *under the provisions of this subsection. All refunds shall be paid from*  
31 *the sales tax refund fund upon warrants of the director of accounts and*  
32 *reports pursuant to vouchers approved by the director or the director's*  
33 *designee;*

34 *(yyy) all sales of tangible personal property and services purchased*  
35 *by TLC charities foundation, inc., hereinafter referred to as TLC*  
36 *charities, which is exempt from federal income taxation pursuant to*  
37 *section 501(c)(3) of the federal internal revenue code of 1986, and which*  
38 *such property and services are used for the purpose of encouraging*  
39 *private philanthropy to further the vision, values, and goals of TLC for*  
40 *children and families, inc.; and all sales of such property and services by*  
41 *or on behalf of TLC charities for any such purpose and all sales of*  
42 *tangible personal property or services purchased by a contractor for the*  
43 *purpose of constructing, maintaining, repairing, enlarging, furnishing*

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

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

43 *(aaaa) all sales of personal property and services purchased by or*



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

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

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

21 *(dddd) all sales of tangible personal property or services purchased*  
22 *by or on behalf of goodwill industries or Easter seals of Kansas, inc.,*  
23 *both of which are exempt from federal income taxation pursuant to*  
24 *section 501(c)(3) of the federal internal revenue code, for the purpose of*  
25 *providing education, training and employment opportunities for people*  
26 *with disabilities and other barriers to employment;*

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

34 *(ffff) all sales of tangible personal property and services purchased*  
35 *by sheltered living, inc., which is exempt from federal income taxation*  
36 *pursuant to section 501(c)(3) of the federal internal revenue code of*  
37 *1986, and which such property and services are used for the purpose of*  
38 *providing residential and day services for people with developmental*  
39 *disabilities or intellectual disability, or both, and all sales of any such*  
40 *property by or on behalf of sheltered living, inc., for any such purpose;*  
41 *and all sales of tangible personal property or services purchased by a*  
42 *contractor for the purpose of rehabilitating, constructing, maintaining,*  
43 *repairing, enlarging, furnishing or remodeling homes and facilities for*

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

39 *(gggg) all sales of game birds for which the primary purpose is use*  
40 *in hunting;*

41 *(hhhh) all sales of tangible personal property or services purchased*  
42 *on or after July 1, 2014, for the purpose of and in conjunction with*  
43 *constructing, reconstructing, enlarging or remodeling a business*

1 *identified under the North American industry classification system*  
2 *(NAICS) subsectors 1123, 1124, 112112, 112120 or 112210, and the sale*  
3 *and installation of machinery and equipment purchased for installation*  
4 *at any such business. The exemption provided in this subsection shall*  
5 *not apply to projects that have actual total costs less than \$50,000. When*  
6 *a person contracts for the construction, reconstruction, enlargement or*  
7 *remodeling of any such business, such person shall obtain from the state*  
8 *and furnish to the contractor an exemption certificate for the project*  
9 *involved, and the contractor may purchase materials, machinery and*  
10 *equipment for incorporation in such project. The contractor shall*  
11 *furnish the number of such certificates to all suppliers from whom such*  
12 *purchases are made, and such suppliers shall execute invoices covering*  
13 *the same bearing the number of such certificate. Upon completion of the*  
14 *project, the contractor shall furnish to the owner of the business a sworn*  
15 *statement, on a form to be provided by the director of taxation, that all*  
16 *purchases so made were entitled to exemption under this subsection. All*  
17 *invoices shall be held by the contractor for a period of five years and*  
18 *shall be subject to audit by the director of taxation. Any contractor or*  
19 *any agent, employee or subcontractor of the contractor, who shall use or*  
20 *otherwise dispose of any materials, machinery or equipment purchased*  
21 *under such a certificate for any purpose other than that for which such*  
22 *a certificate is issued without the payment of the sales or compensating*  
23 *tax otherwise imposed thereon, shall be guilty of a misdemeanor and,*  
24 *upon conviction therefor, shall be subject to the penalties provided for in*  
25 *K.S.A. 79-3615(h), and amendments thereto;*

26 *(iii) all sales of tangible personal property or services purchased by*  
27 *a contractor for the purpose of constructing, maintaining, repairing,*  
28 *enlarging, furnishing or remodeling facilities for the operation of*  
29 *services for Wichita children's home for any such purpose that would be*  
30 *exempt from taxation under the provisions of this section if purchased*  
31 *directly by Wichita children's home. Nothing in this subsection shall be*  
32 *deemed to exempt the purchase of any construction machinery,*  
33 *equipment or tools used in the constructing, maintaining, repairing,*  
34 *enlarging, furnishing or remodeling such facilities for Wichita*  
35 *children's home. When Wichita children's home contracts for the*  
36 *purpose of constructing, maintaining, repairing, enlarging, furnishing*  
37 *or remodeling such facilities, it shall obtain from the state and furnish to*  
38 *the contractor an exemption certificate for the project involved, and the*  
39 *contractor may purchase materials for incorporation in such project.*  
40 *The contractor shall furnish the number of such certificate to all*  
41 *suppliers from whom such purchases are made, and such suppliers shall*  
42 *execute invoices covering the same bearing the number of such*  
43 *certificate. Upon completion of the project, the contractor shall furnish*

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

23 *(jjjj) all sales of tangible personal property or services purchased by*  
24 *or on behalf of the beacon, inc., that is exempt from federal income*  
25 *taxation pursuant to section 501(c)(3) of the federal internal revenue*  
26 *code, for the purpose of providing those desiring help with food, shelter,*  
27 *clothing and other necessities of life during times of special need;*

28 *(kkkk) all sales of tangible personal property and services*  
29 *purchased by or on behalf of reaching out from within, inc., which is*  
30 *exempt from federal income taxation pursuant to section 501(c)(3) of the*  
31 *federal internal revenue code, for the purpose of sponsoring self-help*  
32 *programs for incarcerated persons that will enable such incarcerated*  
33 *persons to become role models for non-violence while in correctional*  
34 *facilities and productive family members and citizens upon return to the*  
35 *community; and*

36 *(llll) all sales of tangible personal property and services purchased*  
37 *by Gove county healthcare endowment foundation, inc., which is exempt*  
38 *from federal income taxation pursuant to section 501(c)(3) of the federal*  
39 *internal revenue code of 1986, and which such property and services are*  
40 *used for the purpose of constructing and equipping an airport in*  
41 *Quinter, Kansas, and all sales of tangible personal property or services*  
42 *purchased by a contractor for the purpose of constructing and equipping*  
43 *an airport in Quinter, Kansas, for such organization, that would be*

1 *exempt from taxation under the provisions of this section if purchased*  
2 *directly by such organization. Nothing in this subsection shall be*  
3 *deemed to exempt the purchase of any construction machinery,*  
4 *equipment or tools used in the constructing or equipping of facilities for*  
5 *such organization. When such organization shall contract for the*  
6 *purpose of constructing or equipping an airport in Quinter, Kansas, it*  
7 *shall obtain from the state and furnish to the contractor an exemption*  
8 *certificate for the project involved, and the contractor may purchase*  
9 *materials for incorporation in such project. The contractor shall furnish*  
10 *the number of such certificate to all suppliers from whom such*  
11 *purchases are made, and such suppliers shall execute invoices covering*  
12 *the same bearing the number of such certificate. Upon completion of the*  
13 *project, the contractor shall furnish to such organization concerned a*  
14 *sworn statement, on a form to be provided by the director of taxation,*  
15 *that all purchases so made were entitled to exemption under this*  
16 *subsection. All invoices shall be held by the contractor for a period of*  
17 *five years and shall be subject to audit by the director of taxation. If any*  
18 *materials purchased under such a certificate are found not to have been*  
19 *incorporated in such facilities or not to have been returned for credit or*  
20 *the sales or compensating tax otherwise imposed upon such materials*  
21 *that will not be so incorporated in such facilities reported and paid by*  
22 *such contractor to the director of taxation no later than the 20<sup>th</sup> day of*  
23 *the month following the close of the month in which it shall be*  
24 *determined that such materials will not be used for the purpose for*  
25 *which such certificate was issued, such organization concerned shall be*  
26 *liable for tax on all materials purchased for the project, and upon*  
27 *payment thereof it may recover the same from the contractor together*  
28 *with reasonable attorney fees. Any contractor or any agent, employee or*  
29 *subcontractor thereof, who purchased under such a certificate for any*  
30 *purpose other than that for which such a certificate is issued without the*  
31 *payment of the sales or compensating tax otherwise imposed upon such*  
32 *materials, shall be guilty of a misdemeanor and, upon conviction*  
33 *therefor, shall be subject to the penalties provided for in K.S.A. 79-*  
34 *3615(h), and amendments thereto. The provisions of this subsection*  
35 *shall expire and have no effect on and after July 1, 2019; and*

36 *(mmmm) all sales of gold or silver coins; and palladium, platinum,*  
37 *gold or silver bullion. For the purposes of this subsection, "bullion" means*  
38 *bars, ingots or commemorative medallions of gold, silver, platinum,*  
39 *palladium, or a combination thereof, for which the value of the metal*  
40 *depends on its content and not the form.*

41 Sec. 4. K.S.A. 2018 Supp. 12-187-~~is~~, 12-189 and 79-3606 are  
42 hereby repealed.

43 Sec. 5. This act shall take effect and be in force from and after its

- 1 publication in the statute book.