

## Senate Substitute for HOUSE BILL No. 2316

By Committee on Assessment and Taxation

3-21

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1 AN ACT concerning sales taxation; relating to rates and exemptions;  
2 expanding the eligible uses for the 0% state rate for sales of certain  
3 utilities and providing for the levying of such tax by cities, counties and  
4 Washburn university of Topeka; authorizing cities and counties to  
5 exempt sales of such utilities from such city or county taxes; providing  
6 an exemption for sales of school supplies, personal computers and  
7 clothing during an annual sales tax holiday; providing an exemption for  
8 certain purchases and sales by the Johnson county Christmas bureau  
9 association; relating to exclusions from the sales or selling price;  
10 excluding manufacturers' coupons; removing the expiration on  
11 manufacturer cash rebates on motor vehicles; relating to countywide  
12 retailers' sales tax; discontinuing an Atchison countywide retailers' sales  
13 tax; allowing counties to decide whether to apportion revenue received  
14 for general purposes between the county and cities located therein;  
15 relating to returns and payment of tax by retailers; increasing thresholds  
16 for timing of returns and payment; discontinuing the first 15 days of the  
17 month remittance requirements for certain retailers; amending K.S.A.  
18 13-13a39 and 79-3607 and K.S.A. 2021 Supp. 12-187, 12-189a, 12-  
19 192, 79-3602, 79-3603 and 79-3606, as amended by section 16 of 2022  
20 Senate Bill No. 347, and repealing the existing sections; also repealing  
21 K.S.A. 79-3607, as amended by section 3 of chapter 83 of the 2021  
22 Session Laws of Kansas.

23

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

25 New Section 1. (a) On and after July 1, 2022, the following shall be  
26 exempt from the tax imposed by the Kansas retailers' sales tax act: All  
27 back-to-school-related sales of clothing, clothing accessories or  
28 equipment, school supplies, school instructional materials, school art  
29 supplies, prewritten computer software, personal computers and school  
30 computer supplies during the period beginning at 12:01 a.m. on the first  
31 Thursday in August and ending at midnight on the Sunday following. The  
32 seller of items specified in this subsection shall not be required to obtain  
33 an exemption certificate from the purchaser of such items as provided  
34 pursuant to K.S.A. 79-3692, and amendments thereto, during the period of  
35 time specified in this subsection.

36 (b) As used in this section:

1 (1) "Clothing" means all human wearing apparel suitable for general  
2 use. "Clothing" includes, but is not limited to: Aprons, household and  
3 shop; athletic supporters; bathing suits and caps; beach capes and coats;  
4 belts and suspenders; boots; coats and jackets; costumes; ear muffs;  
5 footlets; formal wear; garters and garter belts; girdles; gloves and mittens  
6 for general use; hats and caps; hosiery; insoles for shoes; lab coats;  
7 neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves;  
8 shoes and shoe laces; slippers; sneakers; socks and stockings; steel-toed  
9 shoes; underwear; and uniforms, athletic and non-athletic. "Clothing" does  
10 not include: Belt buckles sold separately; costume masks sold separately;  
11 patches and emblems sold separately; sewing equipment and supplies  
12 including, but not limited to, knitting needles, patterns, pins, sewing  
13 machines, sewing needles, tape measures and thimbles; and sewing  
14 materials that become part of clothing including, but not limited to,  
15 buttons, fabric, lace, thread, yarn and zippers;

16 (2) "clothing accessories or equipment" means incidental items worn  
17 on the person or in conjunction with clothing. "Clothing accessories or  
18 equipment" includes, but is not limited to: Briefcases; cosmetics; hair  
19 notions, including, but not limited to, barrettes, hair bows, and hair nets;  
20 handbags; handkerchiefs; jewelry; sunglasses, non-prescription; umbrellas;  
21 wallets; watches and wigs and hair pieces;

22 (3) "eligible property" means an item of a type, such as clothing, that  
23 qualifies for the sales tax exemption as provided in this section;

24 (4) "layaway sale" means a transaction in which property is set aside  
25 for future delivery to a customer who makes a deposit, agrees to pay the  
26 balance of the purchase over a period of time and, at the end of the  
27 payment period, receives the property. An order is accepted for layaway by  
28 the seller when the seller removes the property from normal inventory or  
29 clearly identifies the property as sold to the purchaser;

30 (5) "rain check" means the seller allows a customer to purchase an  
31 item at a certain price at a later time because the particular item was out of  
32 stock;

33 (6) "school art supply" means an item commonly used by a student in  
34 a course of study for artwork. The following is an all-inclusive list: Clay  
35 and glazes; paints, acrylic, tempera and oil; paintbrushes for artwork;  
36 sketch and drawing pads; and watercolors;

37 (7) "school computer supply" means an item commonly used by a  
38 student in a course of study in which a computer is used. The following is  
39 an all-inclusive list: Computer storage media, diskettes, compact disks;  
40 handheld electronic schedulers, except devices that are cellular phones;  
41 personal digital assistants, except devices that are cellular phones;  
42 computer printers; and printer supplies for computers, printer paper and  
43 printer ink;

1 (8) "school instructional material" means written material commonly  
2 used by a student in a course of study as a reference and to learn the  
3 subject being taught. The following is an all-inclusive list: Reference  
4 books; reference maps and globes; textbooks; and workbooks; and

5 (9) "school supply" means an item commonly used by a student in a  
6 course of study. The following is an all-inclusive list: Binders; book bags;  
7 calculators; cellophane tape; blackboard chalk; compasses; composition  
8 books; crayons; erasers; folders, expandable, pocket, plastic and manila;  
9 glue, paste and paste sticks; highlighters; index cards; index card boxes;  
10 legal pads; lunch boxes; markers; notebooks; paper; loose leaf ruled  
11 notebook paper, copy paper, graph paper, tracing paper, manila paper,  
12 colored paper, poster board and construction paper; pencil boxes and other  
13 school supply boxes; pencil sharpeners; pencils; pens; protractors; rulers;  
14 scissors; wipe boards; wipe board markers; and writing tablets.

15 (c) The secretary of revenue shall provide notice of the exemption  
16 period to retailers at least 60 days prior to the first day of the calendar  
17 month in which the exemption period established in this section  
18 commences.

19 (d) The following procedures are to be used in administering the  
20 exemption as provided in this section:

21 (1) A sale of eligible property under a layaway sale qualifies for the  
22 exemption if:

23 (A) Final payment on a layaway order is made by, and the property is  
24 given to, the purchaser during the exemption period; or

25 (B) the purchaser selects the property and the retailer accepts the  
26 order for the item during the exemption period for immediate delivery  
27 upon full payment, even if delivery is made after the exemption period;

28 (2) there shall be no change during the period of exemption for the  
29 handling of a bundled sale as treated for sales tax purposes at times other  
30 than the exemption period;

31 (3) a discount by the seller reduces the sales price of the property. A  
32 coupon that reduces the sales price is treated as a discount if the seller is  
33 not reimbursed for the coupon amount by a third party. If a discount  
34 applies to the total amount paid by a purchaser rather than to the sales  
35 price of a particular item and the purchaser has purchased both eligible  
36 property and taxable property, the seller shall allocate the discount based  
37 on the total sales prices of the taxable property compared to the total sales  
38 prices of all property sold in that same transaction;

39 (4) articles that are normally sold as a single unit shall continue to be  
40 sold in that manner. Such articles cannot be priced separately and sold as  
41 individual items in order to obtain the exemption;

42 (5) a rain check allows a customer to purchase an item at a certain  
43 price at a later time because the particular item was out of stock. Eligible

1 property that customers purchase during the exemption period with use of  
2 a rain check will qualify for the exemption regardless of when the rain  
3 check was issued. Issuance of a rain check during the exemption period  
4 shall not qualify eligible property for the exemption if the property is  
5 actually purchased after the exemption period;

6 (6) the procedure for an exchange in regards to an exemption is as  
7 follows:

8 (A) If a customer purchases an item of eligible property during the  
9 exemption period, but later exchanges the item for a similar eligible item,  
10 even if a different size, different color or other feature, no additional tax is  
11 due even if the exchange is made after the exemption period;

12 (B) if a customer purchases an item of eligible property during the  
13 exemption period, but after the exemption period has ended, the customer  
14 returns the item and receives credit on the purchase of a different item, the  
15 appropriate sales tax is due on the sale of the new item; and

16 (C) if a customer purchases an item of eligible property before the  
17 exemption period, but during the exemption period the customer returns  
18 the item and receives credit on the purchase of a different item of eligible  
19 property, no sales tax is due on the sale of the new item if the new item is  
20 purchased during the exemption period;

21 (7) for the purpose of an exemption, eligible property qualifies for the  
22 exemption if:

23 (A) The item is both delivered to and paid for by the customer during  
24 the exemption period; or

25 (B) the customer orders and pays for the item and the seller accepts  
26 the order during the exemption period for immediate shipment, even if  
27 delivery is made after the exemption period. The seller accepts an order  
28 when the seller has taken action to fill the order for immediate shipment.  
29 Actions to fill an order include placement of an in date stamp on a mail  
30 order or assignment of an order number to a telephone order. An order is  
31 for immediate shipment when the customer does not request delayed  
32 shipment. An order is for immediate shipment, notwithstanding that the  
33 shipment may be delayed because of a backlog of orders or because stock  
34 is currently unavailable to, or on back order by, the seller;

35 (8) for a 60-day period immediately after the exemption period, when  
36 a customer returns an item that would qualify for the exemption, no credit  
37 for or refund of sales tax shall be given unless the customer provides a  
38 receipt or invoice that shows tax was paid or the seller has sufficient  
39 documentation to show that tax was paid on the specific item. This 60-day  
40 period is set solely for the purpose of designating a time period during  
41 which the customer must provide documentation that shows that sales tax  
42 was paid on returned merchandise. The 60-day period is not intended to  
43 change a seller's policy on the time period during which the seller will

1 accept returns; and

2 (9) the time zone of the seller's location determines the authorized  
3 time period for a sales tax holiday when the purchaser is located in one  
4 time zone and a seller is located in another.

5 (e) The provisions of this section shall be a part of and supplemental  
6 to the Kansas retailers' sales tax act.

7 Sec. 2. K.S.A. 2021 Supp. 12-187 is hereby amended to read as  
8 follows: 12-187. (a) No city shall impose a retailers' sales tax under the  
9 provisions of this act without the governing body of such city having first  
10 submitted such proposition to and having received the approval of a  
11 majority of the electors of the city voting thereon at an election called and  
12 held therefor. The governing body of any city may submit the question of  
13 imposing a retailers' sales tax and the governing body shall be required to  
14 submit the question upon submission of a petition signed by electors of  
15 such city equal in number to not less than 10% of the electors of such city.

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

30 (2) The board of county commissioners of Anderson, Atchison,  
31 Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford,  
32 Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho,  
33 Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Thomas,  
34 Wabaunsee, Wilson and Wyandotte counties may submit the question of  
35 imposing a countywide retailers' sales tax and pledging the revenue  
36 received therefrom for the purpose of financing the construction or  
37 remodeling of a courthouse, jail, law enforcement center facility or other  
38 county administrative facility, to the electors at an election called and held  
39 thereon. The tax imposed pursuant to this paragraph shall expire when  
40 sales tax sufficient to pay all of the costs incurred in the financing of such  
41 facility has been collected by retailers as determined by the secretary of  
42 revenue. Nothing in this paragraph shall be construed to allow the rate of  
43 tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley,

1 Sumner or Wilson county pursuant to this paragraph to exceed or be  
2 imposed at any rate other than the rates prescribed in K.S.A. 12-189, and  
3 amendments thereto.

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

12 (B) The result of the election held on November 8, 1994, on the  
13 question submitted by the board of county commissioners of Ottawa  
14 county for the purpose of increasing its countywide retailers' sales tax by  
15 1% is hereby declared valid, and the revenue received therefrom by the  
16 county shall be expended solely for the purpose of financing the erection,  
17 construction and furnishing of a law enforcement center and jail facility.

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

33 (D) Except as otherwise provided in this paragraph, the result of the  
34 election held on August 5, 2008, on the question submitted by the board of  
35 county commissioners of Lyon county for the purpose of increasing its  
36 countywide retailers' sales tax by 1% is hereby declared valid, and the  
37 revenue received therefrom by the county shall be expended for the  
38 purposes of ad valorem tax reduction and capital outlay. The tax imposed  
39 pursuant to this paragraph shall terminate not later than five years after the  
40 commencement thereof.

41 (E) Except as otherwise provided in this paragraph, the result of the  
42 election held on August 5, 2008, on the question submitted by the board of  
43 county commissioners of Rawlins county for the purpose of increasing its

1 countywide retailers' sales tax by 0.75% is hereby declared valid, and the  
2 revenue received therefrom by the county shall be expended for the  
3 purposes of financing the costs of a swimming pool. The tax imposed  
4 pursuant to this paragraph shall terminate not later than 15 years after the  
5 commencement thereof or upon payment of all costs authorized pursuant  
6 to this paragraph in the financing of such project.

7 (F) The result of the election held on December 1, 2009, on the  
8 question submitted by the board of county commissioners of Chautauqua  
9 county for the purpose of increasing its countywide retailers' sales tax by  
10 1% is hereby declared valid, and the revenue received from such tax by the  
11 county shall be expended for the purposes of financing the costs of  
12 constructing, furnishing and equipping a county jail and law enforcement  
13 center and necessary improvements appurtenant to such jail and law  
14 enforcement center. Any tax imposed pursuant to authority granted in this  
15 paragraph shall terminate upon payment of all costs authorized pursuant to  
16 this paragraph incurred in the financing of the project described in this  
17 paragraph.

18 (G) The result of the election held on April 7, 2015, on the question  
19 submitted by the board of county commissioners of Bourbon county for  
20 the purpose of increasing its retailers' sales tax by 0.4% is hereby declared  
21 valid, and the revenue received therefrom by the county shall be expended  
22 solely for the purpose of financing the costs of constructing, furnishing  
23 and operating a courthouse, law enforcement center or jail facility  
24 improvements. 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 (H) The result of the election held on November 7, 2017, on the  
29 question submitted by the board of county commissioners of Finney  
30 county for the purpose of increasing its countywide retailers' sales tax by  
31 0.3% is hereby declared valid, and the revenues of such tax shall be used  
32 by Finney county and the city of Garden City, Kansas, as agreed in an  
33 interlocal cooperation agreement between the city and county, and as  
34 detailed in the ballot question approved by voters. The tax imposed  
35 pursuant to this subparagraph shall be levied for a period of 15 years from  
36 the date it is first levied.

37 (I) The result of the election held on November 3, 2020, on the  
38 question submitted by the board of county commissioners of Cherokee  
39 county for the purpose of increasing its retailers' sales tax by 0.5% is  
40 hereby declared valid, and the revenue received therefrom by the county  
41 shall be expended solely for the purpose of financing: (i) Ambulance  
42 services within the county; (ii) renovations and maintenance of county  
43 buildings and facilities; or (iii) any other projects within the county

1 deemed necessary by the governing body of Cherokee county. The tax  
2 imposed pursuant to this subparagraph shall terminate prior to January 1,  
3 2033.

4 (4) The board of county commissioners of Finney and Ford counties  
5 may submit the question of imposing a countywide retailers' sales tax at  
6 the rate of 0.25% and pledging the revenue received therefrom for the  
7 purpose of financing all or any portion of the cost to be paid by Finney or  
8 Ford county for construction of highway projects identified as system  
9 enhancements under the provisions of K.S.A. 68-2314(b)(5), and  
10 amendments thereto, to the electors at an election called and held thereon.  
11 Such election shall be called and held in the manner provided by the  
12 general bond law. The tax imposed pursuant to this paragraph shall expire  
13 upon the payment of all costs authorized pursuant to this paragraph in the  
14 financing of such highway projects. Nothing in this paragraph shall be  
15 construed to allow the rate of tax imposed by Finney or Ford county  
16 pursuant to this paragraph to exceed the maximum rate prescribed in  
17 K.S.A. 12-189, and amendments thereto. If any funds remain upon the  
18 payment of all costs authorized pursuant to this paragraph in the financing  
19 of such highway projects in Finney county, the state treasurer shall remit  
20 such funds to the treasurer of Finney county and upon receipt of such  
21 moneys shall be deposited to the credit of the county road and bridge fund.  
22 If any funds remain upon the payment of all costs authorized pursuant to  
23 this paragraph in the financing of such highway projects in Ford county,  
24 the state treasurer shall remit such funds to the treasurer of Ford county  
25 and upon receipt of such moneys shall be deposited to the credit of the  
26 county road and bridge fund.

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



1 mental health services, indigent health care, physician or health care  
2 worker recruitment, health education, emergency medical services, rural  
3 health clinics, integration of health care services, home health services and  
4 rural health networks.

5 (6) The board of county commissioners of Allen county may submit  
6 the question of imposing a countywide retailers' sales tax at the rate of  
7 0.5% and pledging the revenue received therefrom for the purpose of  
8 financing the costs of operation and construction of a solid waste disposal  
9 area or the modification of an existing landfill to comply with federal  
10 regulations to the electors at an election called and held thereon. The tax  
11 imposed pursuant to this paragraph shall expire upon the payment of all  
12 costs incurred in the financing of the project undertaken. Nothing in this  
13 paragraph shall be construed to allow the rate of tax imposed by Allen  
14 county pursuant to this paragraph to exceed or be imposed at any rate other  
15 than the rates prescribed in K.S.A. 12-189, and amendments thereto.

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

34 (B) The board of county commissioners of Dickinson county may  
35 submit the question of imposing a countywide retailers' sales tax at the rate  
36 of 0.5% and pledging the revenue received therefrom for the purpose of  
37 financing the costs of roadway construction and improvement to the  
38 electors at an election called and held thereon. The tax imposed pursuant  
39 to this subparagraph shall expire after 10 years from the date such tax is  
40 first collected.

41 (8) The board of county commissioners of Sherman county may  
42 submit the question of imposing a countywide retailers' sales tax at the rate  
43 of 1% and pledging the revenue received therefrom for the purpose of

1 financing the costs of street and roadway improvements to the electors at  
2 an election called and held thereon. The tax imposed pursuant to this  
3 paragraph shall expire upon payment of all costs authorized pursuant to  
4 this paragraph in the financing of such project.

5 (9) (A) The board of county commissioners of Cowley, Crawford and  
6 Woodson county may submit the question of imposing a countywide  
7 retailers' sales tax at the rate of 0.5% in the case of Crawford and Woodson  
8 county and at a rate of up to 0.25%, in the case of Cowley county and  
9 pledging the revenue received therefrom for the purpose of financing  
10 economic development initiatives or public infrastructure projects. The tax  
11 imposed pursuant to this subparagraph shall expire after five years from  
12 the date such tax is first collected.

13 (B) The board of county commissioners of Russell county may  
14 submit the question of imposing a countywide retailers' sales tax at the rate  
15 of 0.5% and pledging the revenue received therefrom for the purpose of  
16 financing economic development initiatives or public infrastructure  
17 projects. The tax imposed pursuant to this subparagraph shall expire after  
18 10 years from the date such tax is first collected.

19 (10) The board of county commissioners of Franklin 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 recreational facilities. The tax imposed pursuant to this  
23 paragraph shall expire upon payment of all costs authorized in financing  
24 such facilities.

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

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

38 (13) The board of county commissioners of Jackson county may  
39 submit the question of imposing a countywide retailers' sales tax at a rate  
40 of 0.4% and pledging the revenue received therefrom for the purpose of  
41 financing public infrastructure projects to the electors at an election called  
42 and held thereon. Such tax shall expire after seven years from the date  
43 such tax is first collected.

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

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

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

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

28 (18) The board of county commissioners of Wabaunsee 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 bridge and roadway construction and improvement  
32 to the electors at an election called and held thereon. The tax imposed  
33 pursuant to this paragraph shall expire after 15 years from the date such  
34 tax is first collected. On and after July 1, 2019, the countywide retailers'  
35 sales tax imposed pursuant to this paragraph may be extended or reenacted  
36 for one additional period not to exceed 15 years upon the board of county  
37 commissioners of Wabaunsee county submitting such question to the  
38 electors at an election called and held thereon as provided by law. For any  
39 countywide retailers' sales tax that is extended or reenacted pursuant to this  
40 paragraph, such tax shall expire not later than 15 years from the date such  
41 tax is first collected.

42 (19) The board of county commissioners of Jefferson county may  
43 submit the question of imposing a countywide retailers' sales tax at the rate

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

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

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

31 (22) The board of county commissioners of Wilson county may  
32 submit the question of imposing a countywide retailers' sales tax at the rate  
33 of up to 1% and pledging the revenue received therefrom for the purpose  
34 of financing the costs of roadway construction and improvements to  
35 federal highways, the development of a new industrial park and other  
36 public infrastructure improvements to the electors at an election called and  
37 held thereon. The tax imposed pursuant to this paragraph shall expire upon  
38 payment of all costs authorized pursuant to this paragraph in the financing  
39 of such project or projects.

40 (23) The board of county commissioners of Butler county may  
41 submit the question of imposing a countywide retailers' sales tax at the rate  
42 of either 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received  
43 therefrom for the purpose of financing the costs of public safety capital

1 projects or bridge and roadway construction projects, or both, to the  
2 electors at an election called and held thereon. The tax imposed pursuant  
3 to this paragraph shall expire upon payment of all costs authorized in  
4 financing such projects.

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

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

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

32 (27) The board of county commissioners of Kingman county may  
33 submit the question of imposing a countywide retailers' sales tax at the rate  
34 of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received  
35 therefrom for the purpose of financing the costs of constructing and  
36 furnishing a law enforcement center and jail facility and the costs of  
37 roadway and bridge improvements to the electors at an election called and  
38 held thereon. The tax imposed pursuant to this paragraph shall expire not  
39 later than 20 years from the date such tax is first collected.

40 (28) The board of county commissioners of Edwards county may  
41 submit the question of imposing a countywide retailers' sales tax at the rate  
42 of 0.375% and pledging the revenue therefrom for the purpose of  
43 financing the costs of economic development initiatives to the electors at

1 an election called and held thereon.

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

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

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

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

28 (c) The boards of county commissioners of any two or more  
29 contiguous counties, upon adoption of a joint resolution by such boards,  
30 may submit the question of imposing a retailers' sales tax within such  
31 counties to the electors of such counties at an election called and held  
32 thereon and such boards of any two or more contiguous counties shall be  
33 required to submit such question upon submission of a petition in each of  
34 such counties, signed by a number of electors of each of such counties  
35 where submitted equal in number to not less than 10% of the electors of  
36 each of such counties who voted at the last preceding general election for  
37 the office of secretary of state, or upon receiving resolutions requesting  
38 such an election passed by not less than  $\frac{2}{3}$  of the membership of the  
39 governing body of each of one or more cities within each of such counties  
40 that contains a population of not less than 25% of the entire population of  
41 each of such counties, or upon receiving resolutions requesting such an  
42 election passed by  $\frac{2}{3}$  of the membership of the governing body of each of  
43 one or more taxing subdivisions within each of such counties that levy not

1 less than 25% of the property taxes levied by all taxing subdivisions within  
2 each of such counties.

3 (d) Any city retailers' sales tax being levied by a city prior to July 1,  
4 2006, shall continue in effect until repealed in the manner provided herein  
5 for the adoption and approval of such tax or until repealed by the adoption  
6 of an ordinance for such repeal. Any countywide retailers' sales tax in the  
7 amount of 0.5% or 1% in effect on July 1, 1990, shall continue in effect  
8 until repealed in the manner provided herein for the adoption and approval  
9 of such tax.

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

26 (f) The sufficiency of the number of signers of any petition filed  
27 under this section shall be determined by the county election officer. Every  
28 election held under this act shall be conducted by the county election  
29 officer.

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

34 (h) *The countywide retailers' sales tax levied by the board of county  
35 commissioners of Atchison county pursuant to the result of the election  
36 held on August 3, 1993, on the question submitted by the board of county  
37 commissioners for the purpose of joint law enforcement communications  
38 and solid waste disposal in Atchison county shall terminate not later than  
39 June 30, 2024.*

40 Sec. 3. K.S.A. 2021 Supp. 12-189a is hereby amended to read as  
41 follows: 12-189a. (a) The following sales shall be subject to the taxes  
42 levied and collected by all cities and counties under the provisions of  
43 K.S.A. 12-187 et seq., and amendments thereto:

1       ~~(a)~~(1) All sales of natural gas, electricity, heat and water delivered  
2 through mains, lines or pipes to residential premises for noncommercial  
3 use by the occupant of such premises and all sales of natural gas,  
4 electricity, heat and water delivered through mains, lines or pipes for  
5 agricultural use, except that effective January 1, 2006, the provisions of  
6 this subsection shall expire for sales of water pursuant to this subsection.  
7 *The provisions of this paragraph shall expire on June 30, 2023;*

8       ~~(b)~~(2) all sales of propane gas, LP-gas, coal, wood and other fuel  
9 sources for the production of heat or lighting for noncommercial use of an  
10 occupant of residential premises; ~~and~~. *The provisions of this paragraph*  
11 *shall expire on June 30, 2023;*

12       (3) *on and after July 1, 2023, all sales of natural gas, electricity and*  
13 *heat delivered through mains, lines or pipes to any premises for any use by*  
14 *the occupant of such premises and all sales of natural gas, electricity and*  
15 *heat delivered through mains, lines or pipes for agricultural use;*

16       (4) *on and after July 1, 2023, all sales of propane gas, LP-gas, coal,*  
17 *wood and other fuel sources for the production of heat or lighting for any*  
18 *use of an occupant of any premises; and*

19       (5) all sales of intrastate telephone and telegraph services for  
20 noncommercial use.

21       (b) *On and after July 1, 2023, the governing body of any city or the*  
22 *board of county commissioners of any county may exempt all sales subject*  
23 *to tax under the provisions of subsection (a)(3) or (a)(4), or both, from the*  
24 *taxes levied by such city or county under the provisions of K.S.A. 12-187*  
25 *et seq., and amendments thereto, by the adoption of an ordinance or*  
26 *resolution authorizing the exemption. A certified copy of the ordinance or*  
27 *resolution authorizing or repealing an exemption pursuant to this*  
28 *subsection shall be submitted to the director of taxation within 30 days*  
29 *after adoption of any such ordinance or resolution. The director of*  
30 *taxation shall cause such exemption to be applied at the same time and in*  
31 *the same manner provided for the administration of the state retailers'*  
32 *sales tax. The director of taxation shall confirm that all provisions of law*  
33 *applicable to the authorization of the exemption have been followed prior*  
34 *to causing the exemption. Any repeal of an exemption authorized pursuant*  
35 *to this subsection may be accomplished by the adoption of an ordinance or*  
36 *resolution so providing.*

37       Sec. 4. K.S.A. 2021 Supp. 12-192 is hereby amended to read as  
38 follows: 12-192. (a) Except as otherwise provided by subsection (b), (d)  
39 ~~or~~, (h) or (i), all revenue received by the director of taxation from a  
40 countywide retailers' sales tax shall be apportioned among the county and  
41 each city located in such county in the following manner:

42       (1)  $\frac{1}{2}$  of all revenue received by the director of taxation shall be  
43 apportioned among the county and each city located in such county in the



1 proportion that the total tangible property tax levies made in such county  
2 in the preceding year for all funds of each such governmental unit bear to  
3 the total of all such levies made in the preceding year; and

4 (2)  $\frac{1}{2}$  of all revenue received by the director of taxation from such  
5 countywide retailers' sales tax shall be apportioned among the county and  
6 each city located in such county, first to the county that portion of the  
7 revenue equal to the proportion that the population of the county residing  
8 in the unincorporated area of the county bears to the total population of the  
9 county, and second to the cities in the proportion that the population of  
10 each city bears to the total population of the county, except that no persons  
11 residing within the Fort Riley military reservation shall be included in the  
12 determination of the population of any city located within Riley county.

13 All revenue apportioned to a county shall be paid to its county treasurer  
14 and shall be credited to the general fund of the county.

15 (b) (1) In lieu of the apportionment formula provided in subsection  
16 (a), all revenue received by the director of taxation from a countywide  
17 retailers' sales tax imposed within Johnson county at the rate of 0.75%, 1%  
18 or 1.25% after July 1, 2007, shall be apportioned among the county and  
19 each city located in such county in the following manner:

20 (A) The revenue received from the first 0.5% rate of tax shall be  
21 apportioned in the manner prescribed by subsection (a); and

22 (B) the revenue received from the rate of tax exceeding 0.5% shall be  
23 apportioned as follows:

24 (i)  $\frac{1}{4}$  shall be apportioned among the county and each city located in  
25 such county in the proportion that the total tangible property tax levies  
26 made in such county in the preceding year for all funds of each such  
27 governmental unit bear to the total of all such levies made in the preceding  
28 year;

29 (ii)  $\frac{1}{4}$  shall be apportioned among the county and each city located in  
30 such county, first to the county that portion of the revenue equal to the  
31 proportion that the population of the county residing in the unincorporated  
32 area of the county bears to the total population of the county, and second to  
33 the cities in the proportion that the population of each city bears to the  
34 total population of the county; and

35 (iii)  $\frac{1}{2}$  shall be retained by the county for its sole use and benefit.

36 (2) In lieu of the apportionment formula provided in subsection (a),  
37 all money received by the director of taxation from a countywide sales tax  
38 imposed within Montgomery county pursuant to the election held on  
39 November 8, 1994, shall be remitted to and shall be retained by the county  
40 and expended only for the purpose for which the revenue received from  
41 the tax was pledged. All revenue apportioned and paid from the imposition  
42 of such tax to the treasurer of any city prior to the effective date of this act  
43 shall be remitted to the county treasurer and expended only for the purpose

1 for which the revenue received from the tax was pledged.

2 (3) In lieu of the apportionment formula provided in subsection (a),  
3 on and after the effective date of this act, all moneys received by the  
4 director of taxation from a countywide retailers' sales tax imposed within  
5 Phillips county pursuant to the election held on September 20, 2005, shall  
6 be remitted to and shall be retained by the county and expended only for  
7 the purpose for which the revenue received from the tax was pledged.

8 (c) (1) Except as otherwise provided by paragraph (2) of this  
9 subsection, for purposes of subsections (a) and (b), the term "total tangible  
10 property tax levies" means the aggregate dollar amount of tax revenue  
11 derived from ad valorem tax levies applicable to all tangible property  
12 located within each such city or county. The ad valorem property tax levy  
13 of any county or city district entity or subdivision shall be included within  
14 this term if the levy of any such district entity or subdivision is applicable  
15 to all tangible property located within each such city or county.

16 (2) For the purposes of subsections (a) and (b), any ad valorem  
17 property tax levied on property located in a city in Johnson county for the  
18 purpose of providing fire protection service in such city shall be included  
19 within the term "total tangible property tax levies" for such city regardless  
20 of its applicability to all tangible property located within each such city. If  
21 the tax is levied by a district which extends across city boundaries, for  
22 purposes of this computation, the amount of such levy shall be apportioned  
23 among each city in which such district extends in the proportion that such  
24 tax levied within each city bears to the total tax levied by the district.

25 (d) (1) All revenue received from a countywide retailers' sales tax  
26 imposed pursuant to K.S.A. 12-187(b)(2), (3)(C), (3)(F), (3)(G), (3)(I), (6),  
27 (7), (8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25),  
28 (27), (28), (29), (30), (31) and (32), and amendments thereto, shall be  
29 remitted to and shall be retained by the county and expended only for the  
30 purpose for which the revenue received from the tax was pledged.

31 (2) Except as otherwise provided in K.S.A. 12-187(b)(5), and  
32 amendments thereto, all revenues received from a countywide retailers'  
33 sales tax imposed pursuant to K.S.A. 12-187(b)(5), and amendments  
34 thereto, shall be remitted to and shall be retained by the county and  
35 expended only for the purpose for which the revenue received from the tax  
36 was pledged.

37 (3) All revenue received from a countywide retailers' sales tax  
38 imposed pursuant to K.S.A. 12-187(b)(26), and amendments thereto, shall  
39 be remitted to and shall be retained by the county and expended only for  
40 the purpose for which the revenue received from the tax was pledged  
41 unless the question of imposing a countywide retailers' sales tax authorized  
42 by K.S.A. 12-187(b)(26), and amendments thereto, includes the  
43 apportionment of revenue prescribed in subsection (a).

1 (e) All revenue apportioned to the several cities of the county shall be  
2 paid to the respective treasurers thereof and deposited in the general fund  
3 of the city. Whenever the territory of any city is located in two or more  
4 counties and any one or more of such counties do not levy a countywide  
5 retailers' sales tax, or whenever such counties do not levy countywide  
6 retailers' sales taxes at a uniform rate, the revenue received by such city  
7 from the proceeds of the countywide retailers' sales tax, as an alternative to  
8 depositing the same in the general fund, may be used for the purpose of  
9 reducing the tax levies of such city upon the taxable tangible property  
10 located within the county levying such countywide retailers' sales tax.

11 (f) Prior to March 1 of each year, the secretary of revenue shall advise  
12 each county treasurer of the revenue collected in such county from the  
13 state retailers' sales tax for the preceding calendar year.

14 (g) Prior to December 31 of each year, the clerk of every county  
15 imposing a countywide retailers' sales tax shall provide such information  
16 deemed necessary by the secretary of revenue to apportion and remit  
17 revenue to the counties and cities pursuant to this section.

18 (h) The provisions of subsections (a) and (b) for the apportionment of  
19 countywide retailers' sales tax shall not apply to any revenues received  
20 pursuant to a county or countywide retailers' sales tax levied or collected  
21 under K.S.A. 74-8929, and amendments thereto. All such revenue  
22 collected under K.S.A. 74-8929, and amendments thereto, shall be  
23 deposited into the redevelopment bond fund established by K.S.A. 74-  
24 8927, and amendments thereto, for the period of time set forth in K.S.A.  
25 74-8927, and amendments thereto.

26 (i) *In lieu of the apportionment formula provided in subsection (a),*  
27 *all moneys received by the director of taxation from a countywide*  
28 *retailers' sales tax imposed pursuant to an election held on or after July 1,*  
29 *2022, shall be remitted to and retained by the county and expended only*  
30 *for the purpose for which the revenue received from the tax was pledged, if*  
31 *the board of county commissioners decides at least 60 days prior to such*  
32 *election, by resolution, that the apportionment formula provided in*  
33 *subsection (a) shall not be applicable to the proposed sales tax. On and*  
34 *after July 1, 2022, all ballot propositions shall include a statement*  
35 *explaining whether the apportionment formula of subsection (a) shall*  
36 *apply to the proposed countywide retailers' sales tax.*

37 Sec. 5. K.S.A. 13-13a39 is hereby amended to read as follows: 13-  
38 13a39. ~~The following~~ Sales subject to the countywide and city retailers'  
39 sales tax pursuant to K.S.A. 12-189a, and amendments thereto, shall also  
40 be subject to the taxes levied by Washburn University of Topeka under the  
41 provisions of K.S.A. 13-13a38, and amendments thereto:

42 (a) ~~All sales of natural gas, electricity, heat and water delivered~~  
43 ~~through mains, lines or pipes to residential premises for noncommercial~~

1 use by the occupant of such premises and all sales of natural gas,  
2 electricity, heat and water delivered through mains, lines or pipes for  
3 agricultural use;

4 ~~(b) all sales of propane gas, LP-gas, coal, wood and other fuel sources~~  
5 ~~for the production of heat or lighting for noncommercial use of an~~  
6 ~~occupant of residential premises; and~~

7 ~~(e) all sales of intrastate telephone and telegraph services for~~  
8 ~~noncommercial use.~~

9 Sec. 6. K.S.A. 2021 Supp. 79-3602 is hereby amended to read as  
10 follows: 79-3602. Except as otherwise provided, as used in the Kansas  
11 retailers' sales tax act:

12 (a) "Agent" means a person appointed by a seller to represent the  
13 seller before the member states.

14 (b) "Agreement" means the multistate agreement entitled the  
15 streamlined sales and use tax agreement approved by the streamlined sales  
16 tax implementing states at Chicago, Illinois on November 12, 2002.

17 (c) "Alcoholic beverages" means beverages that are suitable for  
18 human consumption and contain 0.05% or more of alcohol by volume.

19 (d) "Certified automated system (CAS)" means software certified  
20 under the agreement to calculate the tax imposed by each jurisdiction on a  
21 transaction, determine the amount of tax to remit to the appropriate state  
22 and maintain a record of the transaction.

23 (e) "Certified service provider (CSP)" means an agent certified under  
24 the agreement to perform all the seller's sales and use tax functions, other  
25 than the seller's obligation to remit tax on its own purchases.

26 (f) "Computer" means an electronic device that accepts information  
27 in digital or similar form and manipulates it for a result based on a  
28 sequence of instructions.

29 (g) "Computer software" means a set of coded instructions designed  
30 to cause a computer or automatic data processing equipment to perform a  
31 task.

32 (h) "Delivered electronically" means delivered to the purchaser by  
33 means other than tangible storage media.

34 (i) "Delivery charges" means charges by the seller of personal  
35 property or services for preparation and delivery to a location designated  
36 by the purchaser of personal property or services including, but not limited  
37 to, transportation, shipping, postage, handling, crating and packing.  
38 Delivery charges shall not include charges for delivery of direct mail if the  
39 charges are separately stated on an invoice or similar billing document  
40 given to the purchaser.

41 (j) "Direct mail" means printed material delivered or distributed by  
42 United States mail or other delivery services to a mass audience or to  
43 addressees on a mailing list provided by the purchaser or at the direction of

1 the purchaser when the cost of the items are not billed directly to the  
2 recipients. Direct mail includes tangible personal property supplied  
3 directly or indirectly by the purchaser to the direct mail seller for inclusion  
4 in the package containing the printed material. Direct mail does not  
5 include multiple items of printed material delivered to a single address.

6 (k) "Director" means the state director of taxation.

7 (l) "Educational institution" means any nonprofit school, college and  
8 university that offers education at a level above the 12<sup>th</sup> grade, and  
9 conducts regular classes and courses of study required for accreditation by,  
10 or membership in, the higher learning commission, the state board of  
11 education, or that otherwise qualify as an "educational institution," as  
12 defined by K.S.A. 74-50,103, and amendments thereto. Such phrase shall  
13 include: (1) A group of educational institutions that operates exclusively  
14 for an educational purpose; (2) nonprofit endowment associations and  
15 foundations organized and operated exclusively to receive, hold, invest  
16 and administer moneys and property as a permanent fund for the support  
17 and sole benefit of an educational institution; (3) nonprofit trusts,  
18 foundations and other entities organized and operated principally to hold  
19 and own receipts from intercollegiate sporting events and to disburse such  
20 receipts, as well as grants and gifts, in the interest of collegiate and  
21 intercollegiate athletic programs for the support and sole benefit of an  
22 educational institution; and (4) nonprofit trusts, foundations and other  
23 entities organized and operated for the primary purpose of encouraging,  
24 fostering and conducting scholarly investigations and industrial and other  
25 types of research for the support and sole benefit of an educational  
26 institution.

27 (m) "Electronic" means relating to technology having electrical,  
28 digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

29 (n) "Food and food ingredients" means substances, whether in liquid,  
30 concentrated, solid, frozen, dried or dehydrated form, that are sold for  
31 ingestion or chewing by humans and are consumed for their taste or  
32 nutritional value. "Food and food ingredients" does not include alcoholic  
33 beverages or tobacco.

34 (o) "Gross receipts" means the total selling price or the amount  
35 received as defined in this act, in money, credits, property or other  
36 consideration valued in money from sales at retail within this state; and  
37 embraced within the provisions of this act. The taxpayer, may take credit  
38 in the report of gross receipts for: (1) An amount equal to the selling price  
39 of property returned by the purchaser when the full sale price thereof,  
40 including the tax collected, is refunded in cash or by credit; and (2) an  
41 amount equal to the allowance given for the trade-in of property.

42 (p) "Ingredient or component part" means tangible personal property  
43 that is necessary or essential to, and that is actually used in and becomes

1 an integral and material part of tangible personal property or services  
2 produced, manufactured or compounded for sale by the producer,  
3 manufacturer or compounder in its regular course of business. The  
4 following items of tangible personal property are hereby declared to be  
5 ingredients or component parts, but the listing of such property shall not be  
6 deemed to be exclusive nor shall such listing be construed to be a  
7 restriction upon, or an indication of, the type or types of property to be  
8 included within the definition of "ingredient or component part" as herein  
9 set forth:

10 (1) Containers, labels and shipping cases used in the distribution of  
11 property produced, manufactured or compounded for sale that are not to be  
12 returned to the producer, manufacturer or compounder for reuse.

13 (2) Containers, labels, shipping cases, paper bags, drinking straws,  
14 paper plates, paper cups, twine and wrapping paper used in the distribution  
15 and sale of property taxable under the provisions of this act by wholesalers  
16 and retailers and that is not to be returned to such wholesaler or retailer for  
17 reuse.

18 (3) Seeds and seedlings for the production of plants and plant  
19 products produced for resale.

20 (4) Paper and ink used in the publication of newspapers.

21 (5) Fertilizer used in the production of plants and plant products  
22 produced for resale.

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

29 (q) "Isolated or occasional sale" means the nonrecurring sale of  
30 tangible personal property, or services taxable hereunder by a person not  
31 engaged at the time of such sale in the business of selling such property or  
32 services. Any religious organization that makes a nonrecurring sale of  
33 tangible personal property acquired for the purpose of resale shall be  
34 deemed to be not engaged at the time of such sale in the business of selling  
35 such property. Such term shall include: (1) Any sale by a bank, savings and  
36 loan institution, credit union or any finance company licensed under the  
37 provisions of the Kansas uniform consumer credit code of tangible  
38 personal property that has been repossessed by any such entity; and (2)  
39 any sale of tangible personal property made by an auctioneer or agent on  
40 behalf of not more than two principals or households if such sale is  
41 nonrecurring and any such principal or household is not engaged at the  
42 time of such sale in the business of selling tangible personal property.

43 (r) "Lease or rental" means any transfer of possession or control of

1 tangible personal property for a fixed or indeterminate term for  
2 consideration. A lease or rental may include future options to purchase or  
3 extend.

4 (1) Lease or rental does not include: (A) A transfer of possession or  
5 control of property under a security agreement or deferred payment plan  
6 that requires the transfer of title upon completion of the required  
7 payments;

8 (B) a transfer or possession or control of property under an agreement  
9 that requires the transfer of title upon completion of required payments and  
10 payment of an option price does not exceed the greater of \$100 or 1% of  
11 the total required payments; or

12 (C) providing tangible personal property along with an operator for a  
13 fixed or indeterminate period of time. A condition of this exclusion is that  
14 the operator is necessary for the equipment to perform as designed. For the  
15 purpose of this subsection, an operator must do more than maintain,  
16 inspect or set-up the tangible personal property.

17 (2) Lease or rental does include agreements covering motor vehicles  
18 and trailers where the amount of consideration may be increased or  
19 decreased by reference to the amount realized upon sale or disposition of  
20 the property as defined in 26 U.S.C. § 7701(h)(1).

21 (3) This definition shall be used for sales and use tax purposes  
22 regardless if a transaction is characterized as a lease or rental under  
23 generally accepted accounting principles, the internal revenue code, the  
24 uniform commercial code, K.S.A. 84-1-101 et seq., and amendments  
25 thereto, or other provisions of federal, state or local law.

26 (4) This definition will be applied only prospectively from the  
27 effective date of this act and will have no retroactive impact on existing  
28 leases or rentals.

29 (s) "Load and leave" means delivery to the purchaser by use of a  
30 tangible storage media where the tangible storage media is not physically  
31 transferred to the purchaser.

32 (t) "Member state" means a state that has entered in the agreement,  
33 pursuant to provisions of article VIII of the agreement.

34 (u) "Model 1 seller" means a seller that has selected a CSP as its  
35 agent to perform all the seller's sales and use tax functions, other than the  
36 seller's obligation to remit tax on its own purchases.

37 (v) "Model 2 seller" means a seller that has selected a CAS to  
38 perform part of its sales and use tax functions, but retains responsibility for  
39 remitting the tax.

40 (w) "Model 3 seller" means a seller that has sales in at least five  
41 member states, has total annual sales revenue of at least \$500,000,000, has  
42 a proprietary system that calculates the amount of tax due each jurisdiction  
43 and has entered into a performance agreement with the member states that

1 establishes a tax performance standard for the seller. As used in this  
2 subsection a seller includes an affiliated group of sellers using the same  
3 proprietary system.

4 (x) "Municipal corporation" means any city incorporated under the  
5 laws of Kansas.

6 (y) "Nonprofit blood bank" means any nonprofit place, organization,  
7 institution or establishment that is operated wholly or in part for the  
8 purpose of obtaining, storing, processing, preparing for transfusing,  
9 furnishing, donating or distributing human blood or parts or fractions of  
10 single blood units or products derived from single blood units, whether or  
11 not any remuneration is paid therefor, or whether such procedures are done  
12 for direct therapeutic use or for storage for future use of such products.

13 (z) "Persons" means any individual, firm, copartnership, joint  
14 adventure, association, corporation, estate or trust, receiver or trustee, or  
15 any group or combination acting as a unit, and the plural as well as the  
16 singular number; and shall specifically mean any city or other political  
17 subdivision of the state of Kansas engaging in a business or providing a  
18 service specifically taxable under the provisions of this act.

19 (aa) "Political subdivision" means any municipality, agency or  
20 subdivision of the state that is, or shall hereafter be, authorized to levy  
21 taxes upon tangible property within the state or that certifies a levy to a  
22 municipality, agency or subdivision of the state that is, or shall hereafter  
23 be, authorized to levy taxes upon tangible property within the state. Such  
24 term also shall include any public building commission, housing, airport,  
25 port, metropolitan transit or similar authority established pursuant to law  
26 and the horsethief reservoir benefit district established pursuant to K.S.A.  
27 82a-2201, and amendments thereto.

28 (bb) "Prescription" means an order, formula or recipe issued in any  
29 form of oral, written, electronic or other means of transmission by a duly  
30 licensed practitioner authorized by the laws of this state.

31 (cc) "Prewritten computer software" means computer software,  
32 including prewritten upgrades, that is not designed and developed by the  
33 author or other creator to the specifications of a specific purchaser. The  
34 combining of two or more prewritten computer software programs or  
35 prewritten portions thereof does not cause the combination to be other than  
36 prewritten computer software. Prewritten computer software includes  
37 software designed and developed by the author or other creator to the  
38 specifications of a specific purchaser when it is sold to a person other than  
39 the purchaser. Where a person modifies or enhances computer software of  
40 which the person is not the author or creator, the person shall be deemed to  
41 be the author or creator only of such person's modifications or  
42 enhancements. Prewritten computer software or a prewritten portion  
43 thereof that is modified or enhanced to any degree, where such



1 modification or enhancement is designed and developed to the  
2 specifications of a specific purchaser, remains prewritten computer  
3 software, except that where there is a reasonable, separately stated charge  
4 or an invoice or other statement of the price given to the purchaser for  
5 such modification or enhancement, such modification or enhancement  
6 shall not constitute prewritten computer software.

7 (dd) "Property which is consumed" means tangible personal property  
8 that is essential or necessary to and that is used in the actual process of and  
9 consumed, depleted or dissipated within one year in: (1) The production,  
10 manufacture, processing, mining, drilling, refining or compounding of  
11 tangible personal property; (2) the providing of services; (3) the irrigation  
12 of crops, for sale in the regular course of business; or (4) the storage or  
13 processing of grain by a public grain warehouse or other grain storage  
14 facility, and which is not reusable for such purpose. The following is a  
15 listing of tangible personal property, included by way of illustration but  
16 not of limitation, that qualifies as property that is consumed:

17 (A) Insecticides, herbicides, germicides, pesticides, fungicides,  
18 fumigants, antibiotics, biologicals, pharmaceuticals, vitamins and  
19 chemicals for use in commercial or agricultural production, processing or  
20 storage of fruit, vegetables, feeds, seeds, grains, animals or animal  
21 products whether fed, injected, applied, combined with or otherwise used;

22 (B) electricity, gas and water; and

23 (C) petroleum products, lubricants, chemicals, solvents, reagents and  
24 catalysts.

25 (ee) "Purchase price" applies to the measure subject to use tax and  
26 has the same meaning as sales price.

27 (ff) "Purchaser" means a person to whom a sale of personal property  
28 is made or to whom a service is furnished.

29 (gg) "Quasi-municipal corporation" means any county, township,  
30 school district, drainage district or any other governmental subdivision in  
31 the state of Kansas having authority to receive or hold moneys or funds.

32 (hh) "Registered under this agreement" means registration by a seller  
33 with the member states under the central registration system provided in  
34 article IV of the agreement.

35 (ii) "Retailer" means a seller regularly engaged in the business of  
36 selling, leasing or renting tangible personal property at retail or furnishing  
37 electrical energy, gas, water, services or entertainment, and selling only to  
38 the user or consumer and not for resale.

39 (jj) "Retail sale" or "sale at retail" means any sale, lease or rental for  
40 any purpose other than for resale, sublease or subrent.

41 (kk) "Sale" or "sales" means the exchange of tangible personal  
42 property, as well as the sale thereof for money, and every transaction,  
43 conditional or otherwise, for a consideration, constituting a sale, including

1 the sale or furnishing of electrical energy, gas, water, services or  
2 entertainment taxable under the terms of this act and including, except as  
3 provided in the following provision, the sale of the use of tangible personal  
4 property by way of a lease, license to use or the rental thereof regardless of  
5 the method by which the title, possession or right to use the tangible  
6 personal property is transferred. The term "sale" or "sales" shall not mean  
7 the sale of the use of any tangible personal property used as a dwelling by  
8 way of a lease or rental thereof for a term of more than 28 consecutive  
9 days.

10 (II) (1) "Sales or selling price" applies to the measure subject to sales  
11 tax and means the total amount of consideration, including cash, credit,  
12 property and services, for which personal property or services are sold,  
13 leased or rented, valued in money, whether received in money or  
14 otherwise, without any deduction for the following:

- 15 (A) The seller's cost of the property sold;
- 16 (B) the cost of materials used, labor or service cost, interest, losses,  
17 all costs of transportation to the seller, all taxes imposed on the seller and  
18 any other expense of the seller;
- 19 (C) charges by the seller for any services necessary to complete the  
20 sale, other than delivery and installation charges;
- 21 (D) delivery charges; and
- 22 (E) installation charges.

23 (2) "Sales or selling price" includes consideration received by the  
24 seller from third parties if:

- 25 (A) The seller actually receives consideration from a party other than  
26 the purchaser and the consideration is directly related to a price reduction  
27 or discount on the sale;
- 28 (B) the seller has an obligation to pass the price reduction or discount  
29 through to the purchaser;
- 30 (C) the amount of the consideration attributable to the sale is fixed  
31 and determinable by the seller at the time of the sale of the item to the  
32 purchaser; and
- 33 (D) one of the following criteria is met:

34 (i) The purchaser presents a coupon, certificate or other  
35 documentation to the seller to claim a price reduction or discount where  
36 the coupon, certificate or documentation is authorized, distributed or  
37 granted by a third party with the understanding that the third party will  
38 reimburse any seller to whom the coupon, certificate or documentation is  
39 presented;

40 (ii) the purchaser identifies to the seller that the purchaser is a  
41 member of a group or organization entitled to a price reduction or  
42 discount. A preferred customer card that is available to any patron does not  
43 constitute membership in such a group; or

1 (iii) the price reduction or discount is identified as a third party price  
2 reduction or discount on the invoice received by the purchaser or on a  
3 coupon, certificate or other documentation presented by the purchaser.

4 (3) "Sales or selling price" shall not include:

5 (A) Discounts, including cash, term or coupons ~~that are not~~  
6 ~~reimbursed by a third party~~ that are allowed by a seller and taken by a  
7 purchaser on a sale;

8 (B) interest, financing and carrying charges from credit extended on  
9 the sale of personal property or services, if the amount is separately stated  
10 on the invoice, bill of sale or similar document given to the purchaser;

11 (C) any taxes legally imposed directly on the consumer that are  
12 separately stated on the invoice, bill of sale or similar document given to  
13 the purchaser;

14 (D) the amount equal to the allowance given for the trade-in of  
15 property, if separately stated on the invoice, billing or similar document  
16 given to the purchaser; ~~and~~

17 (E) ~~commencing on July 1, 2018, and ending on June 30, 2024,~~ cash  
18 rebates granted by a manufacturer to a purchaser or lessee of a new motor  
19 vehicle if paid directly to the retailer as a result of the original sale; *and*

20 (F) *reimbursements received by sellers from manufacturers for*  
21 *coupons issued by a manufacturer that were allowed as a discount by the*  
22 *seller to the purchaser.*

23 (mm) "Seller" means a person making sales, leases or rentals of  
24 personal property or services.

25 (nn) "Service" means those services described in and taxed under the  
26 provisions of K.S.A. 79-3603, and amendments thereto.

27 (oo) "Sourcing rules" means the rules set forth in K.S.A. 79-3670  
28 through 79-3673, K.S.A. 12-191 and 12-191a, and amendments thereto,  
29 that shall apply to identify and determine the state and local taxing  
30 jurisdiction sales or use taxes to pay, or collect and remit on a particular  
31 retail sale.

32 (pp) "Tangible personal property" means personal property that can  
33 be seen, weighed, measured, felt or touched, or that is in any other manner  
34 perceptible to the senses. Tangible personal property includes electricity,  
35 water, gas, steam and prewritten computer software.

36 (qq) "Taxpayer" means any person obligated to account to the  
37 director for taxes collected under the terms of this act.

38 (rr) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco or  
39 any other item that contains tobacco.

40 (ss) "Entity-based exemption" means an exemption based on who  
41 purchases the product or who sells the product. An exemption that is  
42 available to all individuals shall not be considered an entity-based  
43 exemption.

1 (tt) "Over-the-counter drug" means a drug that contains a label that  
2 identifies the product as a drug as required by 21 C.F.R. § 201.66. The  
3 over-the-counter drug label includes: (1) A drug facts panel; or (2) a  
4 statement of the active ingredients with a list of those ingredients  
5 contained in the compound, substance or preparation. Over-the-counter  
6 drugs do not include grooming and hygiene products such as soaps,  
7 cleaning solutions, shampoo, toothpaste, antiperspirants and sun tan  
8 lotions and screens.

9 (uu) "Ancillary services" means services that are associated with or  
10 incidental to the provision of telecommunications services, including, but  
11 not limited to, detailed telecommunications billing, directory assistance,  
12 vertical service and voice mail services.

13 (vv) "Conference bridging service" means an ancillary service that  
14 links two or more participants of an audio or video conference call and  
15 may include the provision of a telephone number. Conference bridging  
16 service does not include the telecommunications services used to reach the  
17 conference bridge.

18 (ww) "Detailed telecommunications billing service" means an  
19 ancillary service of separately stating information pertaining to individual  
20 calls on a customer's billing statement.

21 (xx) "Directory assistance" means an ancillary service of providing  
22 telephone number information or address information, or both.

23 (yy) "Vertical service" means an ancillary service that is offered in  
24 connection with one or more telecommunications services, that offers  
25 advanced calling features that allow customers to identify callers and to  
26 manage multiple calls and call connections, including conference bridging  
27 services.

28 (zz) "Voice mail service" means an ancillary service that enables the  
29 customer to store, send or receive recorded messages. Voice mail service  
30 does not include any vertical services that the customer may be required to  
31 have in order to utilize the voice mail service.

32 (aaa) "Telecommunications service" means the electronic  
33 transmission, conveyance or routing of voice, data, audio, video or any  
34 other information or signals to a point, or between or among points. The  
35 term telecommunications service includes such transmission, conveyance  
36 or routing in which computer processing applications are used to act on the  
37 form, code or protocol of the content for purposes of transmissions,  
38 conveyance or routing without regard to whether such service is referred to  
39 as voice over internet protocol services or is classified by the federal  
40 communications commission as enhanced or value added.  
41 Telecommunications service does not include:

42 (1) Data processing and information services that allow data to be  
43 generated, acquired, stored, processed or retrieved and delivered by an

1 electronic transmission to a purchaser where such purchaser's primary  
2 purpose for the underlying transaction is the processed data or  
3 information;

4 (2) installation or maintenance of wiring or equipment on a  
5 customer's premises;

6 (3) tangible personal property;

7 (4) advertising, including, but not limited to, directory advertising;

8 (5) billing and collection services provided to third parties;

9 (6) internet access service;

10 (7) radio and television audio and video programming services,  
11 regardless of the medium, including the furnishing of transmission,  
12 conveyance and routing of such services by the programming service  
13 provider. Radio and television audio and video programming services shall  
14 include, but not be limited to, cable service as defined in 47 U.S.C. §  
15 522(6) and audio and video programming services delivered by  
16 commercial mobile radio service providers, as defined in 47 C.F.R. § 20.3;

17 (8) ancillary services; or

18 (9) digital products delivered electronically, including, but not limited  
19 to, software, music, video, reading materials or ring tones.

20 (bbb) "800 service" means a telecommunications service that allows a  
21 caller to dial a toll-free number without incurring a charge for the call. The  
22 service is typically marketed under the name 800, 855, 866, 877 and 888  
23 toll-free calling, and any subsequent numbers designated by the federal  
24 communications commission.

25 (ccc) "900 service" means an inbound toll telecommunications  
26 service purchased by a subscriber that allows the subscriber's customers to  
27 call in to the subscriber's prerecorded announcement or live service. 900  
28 service does not include the charge for collection services provided by the  
29 seller of the telecommunications services to the subscriber, or service or  
30 product sold by the subscriber to the subscriber's customer. The service is  
31 typically marketed under the name 900 service, and any subsequent  
32 numbers designated by the federal communications commission.

33 (ddd) "Value-added non-voice data service" means a service that  
34 otherwise meets the definition of telecommunications services in which  
35 computer processing applications are used to act on the form, content,  
36 code or protocol of the information or data primarily for a purpose other  
37 than transmission, conveyance or routing.

38 (eee) "International" means a telecommunications service that  
39 originates or terminates in the United States and terminates or originates  
40 outside the United States, respectively. United States includes the District  
41 of Columbia or a U.S. territory or possession.

42 (fff) "Interstate" means a telecommunications service that originates  
43 in one United States state, or a United States territory or possession, and

1 terminates in a different United States state or a United States territory or  
2 possession.

3 (ggg) "Intrastate" means a telecommunications service that originates  
4 in one United States state or a United States territory or possession, and  
5 terminates in the same United States state or a United States territory or  
6 possession.

7 (hhh) "Cereal malt beverage" shall have the same meaning as such  
8 term is defined in K.S.A. 41-2701, and amendments thereto, except that  
9 for the purposes of the Kansas retailers sales tax act and for no other  
10 purpose, such term shall include beer containing not more than 6% alcohol  
11 by volume when such beer is sold by a retailer licensed under the Kansas  
12 cereal malt beverage act.

13 (iii) "Nonprofit integrated community care organization" means an  
14 entity that is:

15 (1) Exempt from federal income taxation pursuant to section 501(c)  
16 (3) of the federal internal revenue code of 1986;

17 (2) certified to participate in the medicare program as a hospice under  
18 42 C.F.R. § 418 et seq. and focused on providing care to the aging and  
19 indigent population at home and through inpatient care, adult daycare or  
20 assisted living facilities and related facilities and services across multiple  
21 counties; and

22 (3) approved by the Kansas department for aging and disability  
23 services as an organization providing services under the program of all-  
24 inclusive care for the elderly as defined in 42 U.S.C. § 1396u-4 and  
25 regulations implementing such section.

26 Sec. 7. K.S.A. 2021 Supp. 79-3603 is hereby amended to read as  
27 follows: 79-3603. For the privilege of engaging in the business of selling  
28 tangible personal property at retail in this state or rendering or furnishing  
29 any of the services taxable under this act, there is hereby levied and there  
30 shall be collected and paid a tax at the rate of 6.5%. On and after July 1,  
31 2021, 16.154% of the 6.5% rate imposed shall be levied for the state  
32 highway fund, the state highway fund purposes and those purposes  
33 specified in K.S.A. 68-416, and amendments thereto, and all revenue  
34 collected and received from such tax levy shall be deposited in the state  
35 highway fund. Within a redevelopment district established pursuant to  
36 K.S.A. 74-8921, and amendments thereto, there is hereby levied and there  
37 shall be collected and paid an additional tax at the rate of 2% until the  
38 earlier of the date the bonds issued to finance or refinance the  
39 redevelopment project have been paid in full or the final scheduled  
40 maturity of the first series of bonds issued to finance any part of the  
41 project. *Such tax shall be imposed* upon:

42 (a) The gross receipts received from the sale of tangible personal  
43 property at retail within this state;

1 (b) the gross receipts from intrastate, interstate or international  
2 telecommunications services and any ancillary services sourced to this  
3 state in accordance with K.S.A. 79-3673, and amendments thereto, except  
4 that telecommunications service does not include: (1) Any interstate or  
5 international 800 or 900 service; (2) any interstate or international private  
6 communications service as defined in K.S.A. 79-3673, and amendments  
7 thereto; (3) any value-added nonvoice data service; (4) any  
8 telecommunication service to a provider of telecommunication services  
9 which will be used to render telecommunications services, including  
10 carrier access services; or (5) any service or transaction defined in this  
11 section among entities classified as members of an affiliated group as  
12 provided by section 1504 of the federal internal revenue code of 1986, as  
13 in effect on January 1, 2001;

14 (c) *(1) the gross receipts from the sale or furnishing of gas, water,*  
15 *electricity and heat, which sale is not otherwise exempt from taxation*  
16 *under the provisions of this act, and whether furnished by municipally or*  
17 *privately owned utilities, except that, on and after January 1, 2006, for*  
18 *sales of gas, electricity and heat delivered through mains, lines or pipes to*  
19 *residential premises for noncommercial use by the occupant of such*  
20 *premises, and for agricultural use and also, for such use, all sales of*  
21 *propane gas, the state rate shall be 0%; and for all sales of propane gas, LP*  
22 *gas, coal, wood and other fuel sources for the production of heat or*  
23 *lighting for noncommercial use of an occupant of residential premises, the*  
24 *state rate shall be 0%, but such tax shall not be levied and collected upon*  
25 *the gross receipts from:*~~(1)~~ *(A) The sale of a rural water district benefit*  
26 *unit;*~~(2)~~ *(B) a water system impact fee, system enhancement fee or similar*  
27 *fee collected by a water supplier as a condition for establishing service; or*  
28 ~~(3)~~ *(C) connection or reconnection fees collected by a water supplier. The*  
29 *provisions of this paragraph shall expire on June 30, 2023; and*

30 *(2) on and after July 1, 2023, the gross receipts from the sale or*  
31 *furnishing of gas, water, electricity and heat, which sale is not otherwise*  
32 *exempt from taxation under the provisions of this act, and whether*  
33 *furnished by municipally or privately owned utilities, except that for sales*  
34 *of gas, electricity and heat delivered through mains, lines or pipes to any*  
35 *premises for any use by the occupant of such premises, and for*  
36 *agricultural use and also, for such use, all sales of propane gas, the state*  
37 *rate shall be 0%; and for all sales of propane gas, LP gas, coal, wood and*  
38 *other fuel sources for the production of heat or lighting for any use of an*  
39 *occupant of any premises, the state rate shall be 0%, but such tax shall not*  
40 *be levied and collected upon the gross receipts from: (A) The sale of a*  
41 *rural water district benefit unit; (B) a water system impact fee, system*  
42 *enhancement fee or similar fee collected by a water supplier as a*  
43 *condition for establishing service; or (C) connection or reconnection fees*

1 *collected by a water supplier;*

2 (d) the gross receipts from the sale of meals or drinks furnished at any  
3 private club, drinking establishment, catered event, restaurant, eating  
4 house, dining car, hotel, drugstore or other place where meals or drinks are  
5 regularly sold to the public;

6 (e) the gross receipts from the sale of admissions to any place  
7 providing amusement, entertainment or recreation services including  
8 admissions to state, county, district and local fairs, but such tax shall not  
9 be levied and collected upon the gross receipts received from sales of  
10 admissions to any cultural and historical event which occurs triennially;

11 (f) the gross receipts from the operation of any coin-operated device  
12 dispensing or providing tangible personal property, amusement or other  
13 services except laundry services, whether automatic or manually operated;

14 (g) the gross receipts from the service of renting of rooms by hotels,  
15 as defined by K.S.A. 36-501, and amendments thereto, or by  
16 accommodation brokers, as defined by K.S.A. 12-1692, and amendments  
17 thereto, but such tax shall not be levied and collected upon the gross  
18 receipts received from sales of such service to the federal government and  
19 any agency, officer or employee thereof in association with the  
20 performance of official government duties;

21 (h) the gross receipts from the service of renting or leasing of tangible  
22 personal property except such tax shall not apply to the renting or leasing  
23 of machinery, equipment or other personal property owned by a city and  
24 purchased from the proceeds of industrial revenue bonds issued prior to  
25 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
26 12-1749, and amendments thereto, and any city or lessee renting or leasing  
27 such machinery, equipment or other personal property purchased with the  
28 proceeds of such bonds who shall have paid a tax under the provisions of  
29 this section upon sales made prior to July 1, 1973, shall be entitled to a  
30 refund from the sales tax refund fund of all taxes paid thereon;

31 (i) the gross receipts from the rendering of dry cleaning, pressing,  
32 dyeing and laundry services except laundry services rendered through a  
33 coin-operated device whether automatic or manually operated;

34 (j) the gross receipts from the rendering of the services of washing  
35 and washing and waxing of vehicles;

36 (k) the gross receipts from cable, community antennae and other  
37 subscriber radio and television services;

38 (l) (1) except as otherwise provided by paragraph (2), the gross  
39 receipts received from the sales of tangible personal property to all  
40 contractors, subcontractors or repairmen for use by them in erecting  
41 structures, or building on, or otherwise improving, altering, or repairing  
42 real or personal property.

43 (2) Any such contractor, subcontractor or repairman who maintains



1 an inventory of such property both for sale at retail and for use by them for  
2 the purposes described by paragraph (1) shall be deemed a retailer with  
3 respect to purchases for and sales from such inventory, except that the  
4 gross receipts received from any such sale, other than a sale at retail, shall  
5 be equal to the total purchase price paid for such property and the tax  
6 imposed thereon shall be paid by the deemed retailer;

7 (m) the gross receipts received from fees and charges by public and  
8 private clubs, drinking establishments, organizations and businesses for  
9 participation in sports, games and other recreational activities, but such tax  
10 shall not be levied and collected upon the gross receipts received from: (1)  
11 Fees and charges by any political subdivision, by any organization exempt  
12 from property taxation pursuant to K.S.A. 79-201 *Ninth*, and amendments  
13 thereto, or by any youth recreation organization exclusively providing  
14 services to persons 18 years of age or younger which is exempt from  
15 federal income taxation pursuant to section 501(c)(3) of the federal  
16 internal revenue code of 1986, for participation in sports, games and other  
17 recreational activities; and (2) entry fees and charges for participation in a  
18 special event or tournament sanctioned by a national sporting association  
19 to which spectators are charged an admission which is taxable pursuant to  
20 subsection (e);

21 (n) the gross receipts received from dues charged by public and  
22 private clubs, drinking establishments, organizations and businesses,  
23 payment of which entitles a member to the use of facilities for recreation  
24 or entertainment, but such tax shall not be levied and collected upon the  
25 gross receipts received from: (1) Dues charged by any organization exempt  
26 from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and  
27 amendments thereto; and (2) sales of memberships in a nonprofit  
28 organization which is exempt from federal income taxation pursuant to  
29 section 501(c)(3) of the federal internal revenue code of 1986, and whose  
30 purpose is to support the operation of a nonprofit zoo;

31 (o) the gross receipts received from the isolated or occasional sale of  
32 motor vehicles or trailers but not including: (1) The transfer of motor  
33 vehicles or trailers by a person to a corporation or limited liability  
34 company solely in exchange for stock securities or membership interest in  
35 such corporation or limited liability company; (2) the transfer of motor  
36 vehicles or trailers by one corporation or limited liability company to  
37 another when all of the assets of such corporation or limited liability  
38 company are transferred to such other corporation or limited liability  
39 company; or (3) the sale of motor vehicles or trailers which are subject to  
40 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
41 amendments thereto, by an immediate family member to another  
42 immediate family member. For the purposes of paragraph (3), immediate  
43 family member means lineal ascendants or descendants, and their spouses.

1 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
2 on the isolated or occasional sale of motor vehicles or trailers on and after  
3 July 1, 2004, which the base for computing the tax was the value pursuant  
4 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when  
5 such amount was higher than the amount of sales tax which would have  
6 been paid under the law as it existed on June 30, 2004, shall be refunded to  
7 the taxpayer pursuant to the procedure prescribed by this section. Such  
8 refund shall be in an amount equal to the difference between the amount of  
9 sales tax paid by the taxpayer and the amount of sales tax which would  
10 have been paid by the taxpayer under the law as it existed on June 30,  
11 2004. Each claim for a sales tax refund shall be verified and submitted not  
12 later than six months from the effective date of this act to the director of  
13 taxation upon forms furnished by the director and shall be accompanied by  
14 any additional documentation required by the director. The director shall  
15 review each claim and shall refund that amount of tax paid as provided by  
16 this act. All such refunds shall be paid from the sales tax refund fund, upon  
17 warrants of the director of accounts and reports pursuant to vouchers  
18 approved by the director of taxation or the director's designee. No refund  
19 for an amount less than \$10 shall be paid pursuant to this act. In  
20 determining the base for computing the tax on such isolated or occasional  
21 sale, the fair market value of any motor vehicle or trailer traded in by the  
22 purchaser to the seller may be deducted from the selling price;

23 (p) the gross receipts received for the service of installing or applying  
24 tangible personal property which when installed or applied is not being  
25 held for sale in the regular course of business, and whether or not such  
26 tangible personal property when installed or applied remains tangible  
27 personal property or becomes a part of real estate, except that no tax shall  
28 be imposed upon the service of installing or applying tangible personal  
29 property in connection with the original construction of a building or  
30 facility, the original construction, reconstruction, restoration, remodeling,  
31 renovation, repair or replacement of a residence or the construction,  
32 reconstruction, restoration, replacement or repair of a bridge or highway.

33 For the purposes of this subsection:

34 (1) "Original construction" shall mean the first or initial construction  
35 of a new building or facility. The term "original construction" shall include  
36 the addition of an entire room or floor to any existing building or facility,  
37 the completion of any unfinished portion of any existing building or  
38 facility and the restoration, reconstruction or replacement of a building,  
39 facility or utility structure damaged or destroyed by fire, flood, tornado,  
40 lightning, explosion, windstorm, ice loading and attendant winds,  
41 terrorism or earthquake, but such term, except with regard to a residence,  
42 shall not include replacement, remodeling, restoration, renovation or  
43 reconstruction under any other circumstances;

1 (2) "building" shall mean only those enclosures within which  
2 individuals customarily are employed, or which are customarily used to  
3 house machinery, equipment or other property, and including the land  
4 improvements immediately surrounding such building;

5 (3) "facility" shall mean a mill, plant, refinery, oil or gas well, water  
6 well, feedlot or any conveyance, transmission or distribution line of any  
7 cooperative, nonprofit, membership corporation organized under or subject  
8 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or  
9 municipal or quasi-municipal corporation, including the land  
10 improvements immediately surrounding such facility;

11 (4) "residence" shall mean only those enclosures within which  
12 individuals customarily live;

13 (5) "utility structure" shall mean transmission and distribution lines  
14 owned by an independent transmission company or cooperative, the  
15 Kansas electric transmission authority or natural gas or electric public  
16 utility; and

17 (6) "windstorm" shall mean straight line winds of at least 80 miles per  
18 hour as determined by a recognized meteorological reporting agency or  
19 organization;

20 (q) the gross receipts received for the service of repairing, servicing,  
21 altering or maintaining tangible personal property which when such  
22 services are rendered is not being held for sale in the regular course of  
23 business, and whether or not any tangible personal property is transferred  
24 in connection therewith. The tax imposed by this subsection shall be  
25 applicable to the services of repairing, servicing, altering or maintaining an  
26 item of tangible personal property which has been and is fastened to,  
27 connected with or built into real property;

28 (r) the gross receipts from fees or charges made under service or  
29 maintenance agreement contracts for services, charges for the providing of  
30 which are taxable under the provisions of subsection (p) or (q);

31 (s) on and after January 1, 2005, the gross receipts received from the  
32 sale of prewritten computer software and the sale of the services of  
33 modifying, altering, updating or maintaining prewritten computer  
34 software, whether the prewritten computer software is installed or  
35 delivered electronically by tangible storage media physically transferred to  
36 the purchaser or by load and leave;

37 (t) the gross receipts received for telephone answering services;

38 (u) the gross receipts received from the sale of prepaid calling service  
39 and prepaid wireless calling service as defined in K.S.A. 79-3673, and  
40 amendments thereto;

41 (v) all sales of bingo cards, bingo faces and instant bingo tickets by  
42 licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be  
43 exempt from taxes imposed pursuant to this section; and

1 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-  
2 5171 et seq., and amendments thereto, shall be exempt from taxes imposed  
3 pursuant to this section.

4 Sec. 8. K.S.A. 2021 Supp. 79-3606, as amended by section 16 of  
5 2022 Senate Bill No. 347, is hereby amended to read as follows: 79-3606.  
6 The following shall be exempt from the tax imposed by this act:

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

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

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

1 of buildings used primarily for human habitation, except that such  
2 exemption shall apply to the erection, construction, repair, enlargement or  
3 equipment of buildings used for human habitation by the cerebral palsy  
4 research foundation of Kansas located in Wichita, Kansas, and multi  
5 community diversified services, incorporated, located in McPherson,  
6 Kansas;

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

1 number of such certificate to all suppliers from whom such purchases are  
2 made, and such suppliers shall execute invoices covering the same bearing  
3 the number of such certificate. Upon completion of the project the  
4 contractor shall furnish to the political subdivision, district described in  
5 subsection (s), hospital or public hospital authority, school, educational  
6 institution or department of corrections concerned a sworn statement, on a  
7 form to be provided by the director of taxation, that all purchases so made  
8 were entitled to exemption under this subsection. As an alternative to the  
9 foregoing procedure, any such contracting entity may apply to the  
10 secretary of revenue for agent status for the sole purpose of issuing and  
11 furnishing project exemption certificates to contractors pursuant to rules  
12 and regulations adopted by the secretary establishing conditions and  
13 standards for the granting and maintaining of such status. All invoices  
14 shall be held by the contractor for a period of five years and shall be  
15 subject to audit by the director of taxation. If any materials purchased  
16 under such a certificate are found not to have been incorporated in the  
17 building or other project or not to have been returned for credit or the sales  
18 or compensating tax otherwise imposed upon such materials that will not  
19 be so incorporated in the building or other project reported and paid by  
20 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
21 month following the close of the month in which it shall be determined  
22 that such materials will not be used for the purpose for which such  
23 certificate was issued, the political subdivision, district described in  
24 subsection (s), hospital or public hospital authority, school, educational  
25 institution or the contractor contracting with the department of corrections  
26 for a correctional institution concerned shall be liable for tax on all  
27 materials purchased for the project, and upon payment thereof it may  
28 recover the same from the contractor together with reasonable attorney  
29 fees. Any contractor or any agent, employee or subcontractor thereof, who  
30 shall use or otherwise dispose of any materials purchased under such a  
31 certificate for any purpose other than that for which such a certificate is  
32 issued without the payment of the sales or compensating tax otherwise  
33 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
34 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
35 79-3615(h), and amendments thereto;

36 (e) all sales of tangible personal property or services purchased by a  
37 contractor for the erection, repair or enlargement of buildings or other  
38 projects for the government of the United States, its agencies or  
39 instrumentalities, that would be exempt from taxation if purchased directly  
40 by the government of the United States, its agencies or instrumentalities.  
41 When the government of the United States, its agencies or  
42 instrumentalities shall contract for the erection, repair, or enlargement of  
43 any building or other project, it shall obtain from the state and furnish to

1 the contractor an exemption certificate for the project involved, and the  
2 contractor may purchase materials for incorporation in such project. The  
3 contractor shall furnish the number of such certificates to all suppliers  
4 from whom such purchases are made, and such suppliers shall execute  
5 invoices covering the same bearing the number of such certificate. Upon  
6 completion of the project the contractor shall furnish to the government of  
7 the United States, its agencies or instrumentalities concerned a sworn  
8 statement, on a form to be provided by the director of taxation, that all  
9 purchases so made were entitled to exemption under this subsection. As an  
10 alternative to the foregoing procedure, any such contracting entity may  
11 apply to the secretary of revenue for agent status for the sole purpose of  
12 issuing and furnishing project exemption certificates to contractors  
13 pursuant to rules and regulations adopted by the secretary establishing  
14 conditions and standards for the granting and maintaining of such status.  
15 All invoices shall be held by the contractor for a period of five years and  
16 shall be subject to audit by the director of taxation. Any contractor or any  
17 agent, employee or subcontractor thereof, who shall use or otherwise  
18 dispose of any materials purchased under such a certificate for any purpose  
19 other than that for which such a certificate is issued without the payment  
20 of the sales or compensating tax otherwise imposed upon such materials,  
21 shall 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 (f) tangible personal property purchased by a railroad or public utility  
25 for consumption or movement directly and immediately in interstate  
26 commerce;

27 (g) sales of aircraft including remanufactured and modified aircraft  
28 sold to persons using directly or through an authorized agent such aircraft  
29 as certified or licensed carriers of persons or property in interstate or  
30 foreign commerce under authority of the laws of the United States or any  
31 foreign government or sold to any foreign government or agency or  
32 instrumentality of such foreign government and all sales of aircraft for use  
33 outside of the United States and sales of aircraft repair, modification and  
34 replacement parts and sales of services employed in the remanufacture,  
35 modification and repair of aircraft;

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

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

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

1 such meals or drinks;

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

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

12 (m) all sales of tangible personal property that become an ingredient  
13 or component part of tangible personal property or services produced,  
14 manufactured or compounded for ultimate sale at retail within or without  
15 the state of Kansas; and any such producer, manufacturer or compounder  
16 may obtain from the director of taxation and furnish to the supplier an  
17 exemption certificate number for tangible personal property for use as an  
18 ingredient or component part of the property or services produced,  
19 manufactured or compounded;

20 (n) all sales of tangible personal property that is consumed in the  
21 production, manufacture, processing, mining, drilling, refining or  
22 compounding of tangible personal property, the treating of by-products or  
23 wastes derived from any such production process, the providing of  
24 services or the irrigation of crops for ultimate sale at retail within or  
25 without the state of Kansas; and any purchaser of such property may  
26 obtain from the director of taxation and furnish to the supplier an  
27 exemption certificate number for tangible personal property for  
28 consumption in such production, manufacture, processing, mining,  
29 drilling, refining, compounding, treating, irrigation and in providing such  
30 services;

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

37 (p) all sales of drugs dispensed pursuant to a prescription order by a  
38 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
39 1626, and amendments thereto. As used in this subsection, "drug" means a  
40 compound, substance or preparation and any component of a compound,  
41 substance or preparation, other than food and food ingredients, dietary  
42 supplements or alcoholic beverages, recognized in the official United  
43 States pharmacopeia, official homeopathic pharmacopoeia of the United



1 States or official national formulary, and supplement to any of them,  
2 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
3 of disease or intended to affect the structure or any function of the body,  
4 except that for taxable years commencing after December 31, 2013, this  
5 subsection shall not apply to any sales of drugs used in the performance or  
6 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
7 thereto;

8 (q) all sales of insulin dispensed by a person licensed by the state  
9 board of pharmacy to a person for treatment of diabetes at the direction of  
10 a person licensed to practice medicine by the state board of healing arts;

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

31 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,  
32 all sales of tangible personal property or services purchased directly or  
33 indirectly by a groundwater management district organized or operating  
34 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
35 by a rural water district organized or operating under the authority of  
36 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
37 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
38 3522 et seq. or 19-3545, and amendments thereto, which property or  
39 services are used in the construction activities, operation or maintenance of  
40 the district;

41 (t) all sales of farm machinery and equipment or aquaculture  
42 machinery and equipment, repair and replacement parts therefor and  
43 services performed in the repair and maintenance of such machinery and

1 equipment. For the purposes of this subsection the term "farm machinery  
2 and equipment or aquaculture machinery and equipment" shall include a  
3 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
4 thereto, and is equipped with a bed or cargo box for hauling materials, and  
5 shall also include machinery and equipment used in the operation of  
6 Christmas tree farming but shall not include any passenger vehicle, truck,  
7 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
8 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
9 machinery and equipment" includes precision farming equipment that is  
10 portable or is installed or purchased to be installed on farm machinery and  
11 equipment. "Precision farming equipment" includes the following items  
12 used only in computer-assisted farming, ranching or aquaculture  
13 production operations: Soil testing sensors, yield monitors, computers,  
14 monitors, software, global positioning and mapping systems, guiding  
15 systems, modems, data communications equipment and any necessary  
16 mounting hardware, wiring and antennas. Each purchaser of farm  
17 machinery and equipment or aquaculture machinery and equipment  
18 exempted herein must certify in writing on the copy of the invoice or sales  
19 ticket to be retained by the seller that the farm machinery and equipment  
20 or aquaculture machinery and equipment purchased will be used only in  
21 farming, ranching or aquaculture production. Farming or ranching shall  
22 include the operation of a feedlot and farm and ranch work for hire and the  
23 operation of a nursery;

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

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

40 (w) all sales of natural gas, electricity, heat and water delivered  
41 through mains, lines or pipes: (1) To residential premises for  
42 noncommercial use by the occupant of such premises; (2) for agricultural  
43 use and also, for such use, all sales of propane gas; (3) for use in the

1 severing of oil; and (4) to any property which is exempt from property  
2 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this  
3 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
4 and amendments thereto. For all sales of natural gas, electricity and heat  
5 delivered through mains, lines or pipes pursuant to the provisions of  
6 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
7 on December 31, 2005;

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

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

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

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

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

29 (cc) all sales of tangible personal property or services purchased prior  
30 to January 1, 2012, except as otherwise provided, for the purpose of and in  
31 conjunction with constructing, reconstructing, enlarging or remodeling a  
32 business or retail business that meets the requirements established in  
33 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
34 machinery and equipment purchased for installation at any such business  
35 or retail business, and all sales of tangible personal property or services  
36 purchased on or after January 1, 2012, for the purpose of and in  
37 conjunction with constructing, reconstructing, enlarging or remodeling a  
38 business that meets the requirements established in K.S.A. 74-50,115(e),  
39 and amendments thereto, and the sale and installation of machinery and  
40 equipment purchased for installation at any such business. When a person  
41 shall contract for the construction, reconstruction, enlargement or  
42 remodeling of any such business or retail business, such person shall  
43 obtain from the state and furnish to the contractor an exemption certificate

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

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

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

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

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

42 (hh) all sales of medical supplies and equipment, including durable  
43 medical equipment, purchased directly by a nonprofit skilled nursing home

1 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
2 and amendments thereto, for the purpose of providing medical services to  
3 residents thereof. This exemption shall not apply to tangible personal  
4 property customarily used for human habitation purposes. As used in this  
5 subsection, "durable medical equipment" means equipment including  
6 repair and replacement parts for such equipment, that can withstand  
7 repeated use, is primarily and customarily used to serve a medical purpose,  
8 generally is not useful to a person in the absence of illness or injury and is  
9 not worn in or on the body, but does not include mobility enhancing  
10 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
11 dialysis equipment or enteral feeding systems;

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

18 (jj) all sales of tangible personal property or services, including the  
19 renting and leasing of tangible personal property, purchased directly on  
20 behalf of a community-based facility for people with intellectual disability  
21 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
22 amendments thereto, and licensed in accordance with the provisions of  
23 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible  
24 personal property or services purchased by contractors during the time  
25 period from July, 2003, through June, 2006, for the purpose of  
26 constructing, equipping, maintaining or furnishing a new facility for a  
27 community-based facility for people with intellectual disability or mental  
28 health center located in Riverton, Cherokee County, Kansas, that would  
29 have been eligible for sales tax exemption pursuant to this subsection if  
30 purchased directly by such facility or center. This exemption shall not  
31 apply to tangible personal property customarily used for human habitation  
32 purposes;

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

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

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

40 (2) For purposes of this subsection:

41 (A) "Integrated production operation" means an integrated series of  
42 operations engaged in at a manufacturing or processing plant or facility to  
43 process, transform or convert tangible personal property by physical,

1 chemical or other means into a different form, composition or character  
2 from that in which it originally existed. Integrated production operations  
3 shall include: (i) Production line operations, including packaging  
4 operations; (ii) preproduction operations to handle, store and treat raw  
5 materials; (iii) post production handling, storage, warehousing and  
6 distribution operations; and (iv) waste, pollution and environmental  
7 control operations, if any;

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

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

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

1 fumigation, drying and aeration operations engaged in by grain elevators  
2 or other grain storage facilities. (iii) Manufacturing or processing  
3 businesses do not include, by way of illustration but not of limitation,  
4 nonindustrial businesses whose operations are primarily retail and that  
5 produce or process tangible personal property as an incidental part of  
6 conducting the retail business, such as retailers who bake, cook or prepare  
7 food products in the regular course of their retail trade, grocery stores,  
8 meat lockers and meat markets that butcher or dress livestock or poultry in  
9 the regular course of their retail trade, contractors who alter, service, repair  
10 or improve real property, and retail businesses that clean, service or  
11 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 completed final site reclamation.

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

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

9 (B) machinery, equipment and tools used primarily in maintaining  
10 and repairing any type of machinery and equipment or the building and  
11 plant;

12 (C) transportation, transmission and distribution equipment not  
13 primarily used in a production, warehousing or material handling  
14 operation at the plant or facility, including the means of conveyance of  
15 natural gas, electricity, oil or water, and equipment related thereto, located  
16 outside the plant or facility;

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

20 (E) furniture and other furnishings;

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

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

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

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

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

34 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings  
35 of the machinery and equipment that qualify or do not qualify as an  
36 integral or essential part of an integrated production operation. When  
37 machinery or equipment is used as an integral or essential part of  
38 production operations part of the time and for nonproduction purposes at  
39 other times, the primary use of the machinery or equipment shall  
40 determine whether or not such machinery or equipment qualifies for  
41 exemption.

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

1 (ll) all sales of educational materials purchased for distribution to the  
2 public at no charge by a nonprofit corporation organized for the purpose of  
3 encouraging, fostering and conducting programs for the improvement of  
4 public health, except that for taxable years commencing after December  
5 31, 2013, this subsection shall not apply to any sales of such materials  
6 purchased by a nonprofit corporation which performs any abortion, as  
7 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

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

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

1 or on behalf of any rural volunteer fire-fighting organization for use  
2 exclusively in the performance of its duties and functions;

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

8 (1) The American heart association, Kansas affiliate, inc. for the  
9 purposes of providing education, training, certification in emergency  
10 cardiac care, research and other related services to reduce disability and  
11 death from cardiovascular diseases and stroke;

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

15 (3) the Kansas mental illness awareness council for the purposes of  
16 advocacy for persons who are mentally ill and for education, research and  
17 support for them and their families;

18 (4) the American diabetes association Kansas affiliate, inc. for the  
19 purpose of eliminating diabetes through medical research, public education  
20 focusing on disease prevention and education, patient education including  
21 information on coping with diabetes, and professional education and  
22 training;

23 (5) the American lung association of Kansas, inc. for the purpose of  
24 eliminating all lung diseases through medical research, public education  
25 including information on coping with lung diseases, professional education  
26 and training related to lung disease and other related services to reduce the  
27 incidence of disability and death due to lung disease;

28 (6) the Kansas chapters of the Alzheimer's disease and related  
29 disorders association, inc. for the purpose of providing assistance and  
30 support to persons in Kansas with Alzheimer's disease, and their families  
31 and caregivers;

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

35 (8) the national kidney foundation of Kansas and western Missouri  
36 for the purpose of eliminating kidney disease through medical research  
37 and public and private education related to such disease;

38 (9) the heartstrings community foundation for the purpose of  
39 providing training, employment and activities for adults with  
40 developmental disabilities;

41 (10) the cystic fibrosis foundation, heart of America chapter, for the  
42 purposes of assuring the development of the means to cure and control  
43 cystic fibrosis and improving the quality of life for those with the disease;

- 1 (11) the spina bifida association of Kansas for the purpose of  
2 providing financial, educational and practical aid to families and  
3 individuals with spina bifida. Such aid includes, but is not limited to,  
4 funding for medical devices, counseling and medical educational  
5 opportunities;
- 6 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
7 neighborhoods through the construction of new homes, acquiring and  
8 renovating existing homes and other related activities, and promoting  
9 economic development in such neighborhoods;
- 10 (13) the cross-lines cooperative council for the purpose of providing  
11 social services to low income individuals and families;
- 12 (14) the dreams work, inc., for the purpose of providing young adult  
13 day services to individuals with developmental disabilities and assisting  
14 families in avoiding institutional or nursing home care for a  
15 developmentally disabled member of their family;
- 16 (15) the KSDS, Inc., for the purpose of promoting the independence  
17 and inclusion of people with disabilities as fully participating and  
18 contributing members of their communities and society through the  
19 training and providing of guide and service dogs to people with  
20 disabilities, and providing disability education and awareness to the  
21 general public;
- 22 (16) the lyme association of greater Kansas City, Inc., for the purpose  
23 of providing support to persons with lyme disease and public education  
24 relating to the prevention, treatment and cure of lyme disease;
- 25 (17) the dream factory, inc., for the purpose of granting the dreams of  
26 children with critical and chronic illnesses;
- 27 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
28 students and families with education and resources necessary to enable  
29 each child to develop fine character and musical ability to the fullest  
30 potential;
- 31 (19) the international association of lions clubs for the purpose of  
32 creating and fostering a spirit of understanding among all people for  
33 humanitarian needs by providing voluntary services through community  
34 involvement and international cooperation;
- 35 (20) the Johnson county young matrons, inc., for the purpose of  
36 promoting a positive future for members of the community through  
37 volunteerism, financial support and education through the efforts of an all  
38 volunteer organization;
- 39 (21) the American cancer society, inc., for the purpose of eliminating  
40 cancer as a major health problem by preventing cancer, saving lives and  
41 diminishing suffering from cancer, through research, education, advocacy  
42 and service;
- 43 (22) the community services of Shawnee, inc., for the purpose of

1 providing food and clothing to those in need;

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

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

7 (ww) all sales of tangible personal property purchased by the habitat  
8 for humanity for the exclusive use of being incorporated within a housing  
9 project constructed by such organization;

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

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

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

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

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

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

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

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

1 sales of tangible personal property or services purchased by a contractor  
2 for the purpose of constructing, equipping, reconstructing, maintaining,  
3 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
4 or center that would be exempt from taxation under the provisions of this  
5 section if purchased directly by such clinic or center, except that for  
6 taxable years commencing after December 31, 2013, this subsection shall  
7 not apply to any sales of such tangible personal property and services  
8 purchased by a primary care clinic or health center which performs any  
9 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
10 in this subsection shall be deemed to exempt the purchase of any  
11 construction machinery, equipment or tools used in the constructing,  
12 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
13 remodeling facilities for any such clinic or center. When any such clinic or  
14 center shall contract for the purpose of constructing, equipping,  
15 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
16 facilities, it shall obtain from the state and furnish to the contractor an  
17 exemption certificate for the project involved, and the contractor may  
18 purchase materials for incorporation in such project. The contractor shall  
19 furnish the number of such certificate to all suppliers from whom such  
20 purchases are made, and such suppliers shall execute invoices covering the  
21 same bearing the number of such certificate. Upon completion of the  
22 project the contractor shall furnish to such clinic or center concerned a  
23 sworn statement, on a form to be provided by the director of taxation, that  
24 all purchases so made were entitled to exemption under this subsection.  
25 All invoices shall be held by the contractor for a period of five years and  
26 shall be subject to audit by the director of taxation. If any materials  
27 purchased under such a certificate are found not to have been incorporated  
28 in the building or other project or not to have been returned for credit or  
29 the sales or compensating tax otherwise imposed upon such materials that  
30 will not be so incorporated in the building or other project reported and  
31 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
32 day of the month following the close of the month in which it shall be  
33 determined that such materials will not be used for the purpose for which  
34 such certificate was issued, such clinic or center concerned shall be liable  
35 for tax on all materials purchased for the project, and upon payment  
36 thereof it may recover the same from the contractor together with  
37 reasonable attorney fees. Any contractor or any agent, employee or  
38 subcontractor thereof, who shall use or otherwise dispose of any materials  
39 purchased under such a certificate for any purpose other than that for  
40 which such a certificate is issued without the payment of the sales or  
41 compensating tax otherwise imposed upon such materials, shall be guilty  
42 of a misdemeanor and, upon conviction therefor, shall be subject to the  
43 penalties provided for in K.S.A. 79-3615(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 as  
3 classified by the federal surface transportation board for the construction,  
4 renovation, repair or replacement of class II or III railroad track and  
5 facilities used directly in interstate commerce. In the event any such track  
6 or facility for which materials and services were purchased sales tax  
7 exempt is not operational for five years succeeding the allowance of such  
8 exemption, the total amount of sales tax that would have been payable  
9 except for the operation of this subsection shall be recouped in accordance  
10 with rules and regulations adopted for such purpose by the secretary of  
11 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, including  
15 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 are  
25 conducted that are separate and apart from the business' retail operations,  
26 if any, and that do not otherwise qualify for exemption as occurring at a  
27 manufacturing or processing plant or facility. Material handling and  
28 storage equipment shall include aeration, dust control, cleaning, handling  
29 and other such equipment that is used in a public grain warehouse or other  
30 commercial grain storage facility, whether used for grain handling, grain  
31 storage, grain refining or processing, or other grain treatment operation;

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

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

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

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

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

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

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

36 (mmm) all sales of tangible personal property purchased by or on  
37 behalf of the Marillac center, inc., which is exempt from federal income  
38 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
39 for the purpose of providing psycho-social-biological and special  
40 education services to children, and all sales of any such property by or on  
41 behalf of such organization for such purpose;

42 (nnn) all sales of tangible personal property and services purchased  
43 by the west Sedgwick county-sunrise rotary club and sunrise charitable

1 fund for the purpose of constructing a boundless playground which is an  
2 integrated, barrier free and developmentally advantageous play  
3 environment for children of all abilities and disabilities;

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

8 (ppp) all sales of tangible personal property and services purchased  
9 by or on behalf of a homeless shelter that is exempt from federal income  
10 taxation pursuant to section 501(c)(3) of the federal income tax code of  
11 1986, and used by any such homeless shelter to provide emergency and  
12 transitional housing for individuals and families experiencing  
13 homelessness, and all sales of any such property by or on behalf of any  
14 such homeless shelter for any such purpose;

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

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

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

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

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

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

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

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

1 deemed to exempt the purchase of any construction machinery, equipment  
2 or tools used in the constructing, maintaining, repairing, enlarging,  
3 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
4 for the purpose of constructing, maintaining, repairing, enlarging,  
5 furnishing or remodeling such facilities, it shall obtain from the state and  
6 furnish to the contractor an exemption certificate for the project involved,  
7 and the contractor may purchase materials for incorporation in such  
8 project. The contractor shall furnish the number of such certificate to all  
9 suppliers from whom such purchases are made, and such suppliers shall  
10 execute invoices covering the same bearing the number of such certificate.  
11 Upon completion of the project the contractor shall furnish to KCSL a  
12 sworn statement, on a form to be provided by the director of taxation, that  
13 all purchases so made were entitled to exemption under this subsection.  
14 All invoices shall be held by the contractor for a period of five years and  
15 shall be subject to audit by the director of taxation. If any materials  
16 purchased under such a certificate are found not to have been incorporated  
17 in the building or other project or not to have been returned for credit or  
18 the sales or compensating tax otherwise imposed upon such materials that  
19 will not be so incorporated in the building or other project reported and  
20 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
21 day of the month following the close of the month in which it shall be  
22 determined that such materials will not be used for the purpose for which  
23 such certificate was issued, KCSL shall be liable for tax on all materials  
24 purchased for the project, and upon payment thereof it may recover the  
25 same from the contractor together with reasonable attorney fees. Any  
26 contractor or any agent, employee or subcontractor thereof, who shall use  
27 or otherwise dispose of any materials purchased under such a certificate  
28 for any purpose other than that for which such a certificate is issued  
29 without the payment of the sales or compensating tax otherwise imposed  
30 upon such materials, shall be guilty of a misdemeanor and, upon  
31 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
32 79-3615(h), and amendments thereto;

33 (vvv) all sales of tangible personal property or services, including the  
34 renting and leasing of tangible personal property or services, purchased by  
35 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
36 income taxation pursuant to section 501(c)(3) of the federal internal  
37 revenue code, for the purpose of providing jazz in the woods, an event  
38 benefiting children-in-need and other nonprofit charities assisting such  
39 children, and all sales of any such property by or on behalf of such  
40 organization for such purpose;

41 (www) all sales of tangible personal property purchased by or on  
42 behalf of the Frontenac education foundation, which is exempt from  
43 federal income taxation pursuant to section 501(c)(3) of the federal



1 internal revenue code, for the purpose of providing education support for  
2 students, and all sales of any such property by or on behalf of such  
3 organization for such purpose;

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

1 other than that for which such a certificate is issued without the payment  
2 of the sales or compensating tax otherwise imposed upon such materials,  
3 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
4 subject to the penalties provided for in K.S.A. 79-3615(h), and  
5 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
6 to the effective date of this act upon the gross receipts received from any  
7 sale which would have been exempted by the provisions of this subsection  
8 had such sale occurred after the effective date of this act shall be refunded.  
9 Each claim for a sales tax refund shall be verified and submitted to the  
10 director of taxation upon forms furnished by the director and shall be  
11 accompanied by any additional documentation required by the director.  
12 The director shall review each claim and shall refund that amount of sales  
13 tax paid as determined under the provisions of this subsection. All refunds  
14 shall be paid from the sales tax refund fund upon warrants of the director  
15 of accounts and reports pursuant to vouchers approved by the director or  
16 the director's designee;

17 (yyy) all sales of tangible personal property and services purchased  
18 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
19 which is exempt from federal income taxation pursuant to section 501(c)  
20 (3) of the federal internal revenue code of 1986, and which such property  
21 and services are used for the purpose of encouraging private philanthropy  
22 to further the vision, values, and goals of TLC for children and families,  
23 inc.; and all sales of such property and services by or on behalf of TLC  
24 charities for any such purpose and all sales of tangible personal property or  
25 services purchased by a contractor for the purpose of constructing,  
26 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
27 the operation of services for TLC charities for any such purpose that would  
28 be exempt from taxation under the provisions of this section if purchased  
29 directly by TLC charities. Nothing in this subsection shall be deemed to  
30 exempt the purchase of any construction machinery, equipment or tools  
31 used in the constructing, maintaining, repairing, enlarging, furnishing or  
32 remodeling such facilities for TLC charities. When TLC charities contracts  
33 for the purpose of constructing, maintaining, repairing, enlarging,  
34 furnishing or remodeling such facilities, it shall obtain from the state and  
35 furnish to the contractor an exemption certificate for the project involved,  
36 and the contractor may purchase materials for incorporation in such  
37 project. The contractor shall furnish the number of such certificate to all  
38 suppliers from whom such purchases are made, and such suppliers shall  
39 execute invoices covering the same bearing the number of such certificate.  
40 Upon completion of the project the contractor shall furnish to TLC  
41 charities a sworn statement, on a form to be provided by the director of  
42 taxation, that all purchases so made were entitled to exemption under this  
43 subsection. All invoices shall be held by the contractor for a period of five

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

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

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

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

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

1 (dddd) all sales of tangible personal property or services purchased  
2 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
3 of which are exempt from federal income taxation pursuant to section  
4 501(c)(3) of the federal internal revenue code, for the purpose of providing  
5 education, training and employment opportunities for people with  
6 disabilities and other barriers to employment;

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

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

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

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

19 (hhhh) all sales of tangible personal property or services purchased  
20 on or after July 1, 2014, for the purpose of and in conjunction with  
21 constructing, reconstructing, enlarging or remodeling a business identified  
22 under the North American industry classification system (NAICS)  
23 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
24 installation of machinery and equipment purchased for installation at any  
25 such business. The exemption provided in this subsection shall not apply  
26 to projects that have actual total costs less than \$50,000. When a person  
27 contracts for the construction, reconstruction, enlargement or remodeling  
28 of any such business, such person shall obtain from the state and furnish to  
29 the contractor an exemption certificate for the project involved, and the  
30 contractor may purchase materials, machinery and equipment for  
31 incorporation in such project. The contractor shall furnish the number of  
32 such certificates to all suppliers from whom such purchases are made, and  
33 such suppliers shall execute invoices covering the same bearing the  
34 number of such certificate. Upon completion of the project, the contractor  
35 shall furnish to the owner of the business a sworn statement, on a form to  
36 be provided by the director of taxation, that all purchases so made were  
37 entitled to exemption under this subsection. All invoices shall be held by  
38 the contractor for a period of five years and shall be subject to audit by the  
39 director of taxation. Any contractor or any agent, employee or  
40 subcontractor of the contractor, who shall use or otherwise dispose of any  
41 materials, machinery or equipment purchased under such a certificate for  
42 any purpose other than that for which such a certificate is issued without  
43 the payment of the sales or compensating tax otherwise imposed thereon,

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

42 (jjj) all sales of tangible personal property or services purchased by  
43 or on behalf of the beacon, inc., that is exempt from federal income

1 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
2 for the purpose of providing those desiring help with food, shelter, clothing  
3 and other necessities of life during times of special need;

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

11 (llll) all sales of tangible personal property and services purchased by  
12 Gove county healthcare endowment foundation, inc., which is exempt  
13 from federal income taxation pursuant to section 501(c)(3) of the federal  
14 internal revenue code of 1986, and which such property and services are  
15 used for the purpose of constructing and equipping an airport in Quinter,  
16 Kansas, and all sales of tangible personal property or services purchased  
17 by a contractor for the purpose of constructing and equipping an airport in  
18 Quinter, Kansas, for such organization, that would be exempt from  
19 taxation under the provisions of this section if purchased directly by such  
20 organization. Nothing in this subsection shall be deemed to exempt the  
21 purchase of any construction machinery, equipment or tools used in the  
22 constructing or equipping of facilities for such organization. When such  
23 organization shall contract for the purpose of constructing or equipping an  
24 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
25 contractor an exemption certificate for the project involved, and the  
26 contractor may purchase materials for incorporation in such project. The  
27 contractor shall furnish the number of such certificate to all suppliers from  
28 whom such purchases are made, and such suppliers shall execute invoices  
29 covering the same bearing the number of such certificate. Upon  
30 completion of the project, the contractor shall furnish to such organization  
31 concerned a sworn statement, on a form to be provided by the director of  
32 taxation, that all purchases so made were entitled to exemption under this  
33 subsection. All invoices shall be held by the contractor for a period of five  
34 years and shall be subject to audit by the director of taxation. If any  
35 materials purchased under such a certificate are found not to have been  
36 incorporated in such facilities or not to have been returned for credit or the  
37 sales or compensating tax otherwise imposed upon such materials that will  
38 not be so incorporated in such facilities reported and paid by such  
39 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
40 following the close of the month in which it shall be determined that such  
41 materials will not be used for the purpose for which such certificate was  
42 issued, such organization concerned shall be liable for tax on all materials  
43 purchased for the project, and upon payment thereof it may recover the

1 same from the contractor together with reasonable attorney fees. Any  
2 contractor or any agent, employee or subcontractor thereof, who purchased  
3 under such a certificate for any purpose other than that for which such a  
4 certificate is issued without the payment of the sales or compensating tax  
5 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
6 and, upon conviction therefor, shall be subject to the penalties provided for  
7 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
8 subsection shall expire and have no effect on and after July 1, 2019;

9 (mmmm) all sales of gold or silver coins; and palladium, platinum,  
10 gold or silver bullion. For the purposes of this subsection, "bullion" means  
11 bars, ingots or commemorative medallions of gold, silver, platinum,  
12 palladium, or a combination thereof, for which the value of the metal  
13 depends on its content and not the form;

14 (nnnn) all sales of tangible personal property or services purchased  
15 by friends of hospice of Jefferson county, an organization that is exempt  
16 from federal income taxation pursuant to section 501(c)(3) of the federal  
17 internal revenue code of 1986, for the purpose of providing support to the  
18 Jefferson county hospice agency in end-of-life care of Jefferson county  
19 families, friends and neighbors, and all sales of entry or participation fees,  
20 charges or tickets by friends of hospice of Jefferson county for such  
21 organization's fundraising event for such purpose; ~~and~~

22 (oooo) all sales of tangible personal property or services purchased  
23 for the purpose of and in conjunction with constructing, reconstructing,  
24 enlarging or remodeling a qualified business facility by a qualified firm or  
25 qualified supplier that meets the requirements established in sections 2 and  
26 9 of 2022 Senate Bill No. 347, and amendments thereto, and that has been  
27 approved for a project exemption certificate by the secretary of commerce,  
28 and the sale and installation of machinery and equipment purchased by  
29 such qualified firm or qualified supplier for installation at any such  
30 qualified business facility. When a person shall contract for the  
31 construction, reconstruction, enlargement or remodeling of any such  
32 qualified business facility, such person shall obtain from the state and  
33 furnish to the contractor an exemption certificate for the project involved,  
34 and the contractor may purchase materials, machinery and equipment for  
35 incorporation in such project. The contractor shall furnish the number of  
36 such certificates to all suppliers from whom such purchases are made, and  
37 such suppliers shall execute invoices covering the same bearing the  
38 number of such certificate. Upon completion of the project, the contractor  
39 shall furnish to the owner of the qualified firm or qualified supplier a  
40 sworn statement, on a form to be provided by the director of taxation, that  
41 all purchases so made were entitled to exemption under this subsection.  
42 All invoices shall be held by the contractor for a period of five years and  
43 shall be subject to audit by the director of taxation. Any contractor or any



1 agent, employee or subcontractor thereof who shall use or otherwise  
2 dispose of any materials, machinery or equipment purchased under such a  
3 certificate for any purpose other than that for which such a certificate is  
4 issued without the payment of the sales or compensating tax otherwise  
5 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
6 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
7 3615(h), and amendments thereto. As used in this subsection, "qualified  
8 business facility," "qualified firm" and "qualified supplier" mean the same  
9 as defined in section 1 of 2022 Senate Bill No. 347, and amendments  
10 thereto; and

11 *(pppp) all sales of tangible personal property and services purchased*  
12 *by or on behalf of the Johnson county Christmas bureau association that*  
13 *is exempt from federal income taxation pursuant to section 501(c)(3) of*  
14 *the federal internal revenue code for the purpose of providing food,*  
15 *clothing, cleaning supplies, personal care items and other necessities of*  
16 *life to those in need and desiring assistance and all sales of tangible*  
17 *personal property by or on behalf of such organization.*

18 Sec. 9. K.S.A. 79-3607 is hereby amended to read as follows: 79-  
19 3607. (a) Retailers shall make returns to the director at the times  
20 prescribed by this section in the manner prescribed by the director,  
21 including electronic filing, upon forms or format prescribed by the director  
22 stating: (1) The name and address of the retailer; (2) the total amount of  
23 gross sales of all tangible personal property and taxable services rendered  
24 by the retailer during the period for which the return is made; (3) the total  
25 amount received during the period for which the return is made on charge  
26 and time sales of tangible personal property made and taxable services  
27 rendered prior to the period for which the return is made; (4) deductions  
28 allowed by law from such total amount of gross sales and from total  
29 amount received during the period for which the return is made on such  
30 charge and time sales; (5) receipts during the period for which the return is  
31 made from the total amount of sales of tangible personal property and  
32 taxable services rendered during such period in the course of such  
33 business, after deductions allowed by law have been made; (6) receipts  
34 during the period for which the return is made from charge and time sales  
35 of tangible personal property made and taxable services rendered prior to  
36 such period in the course of such business, after deductions allowed by law  
37 have been made; (7) gross receipts during the period for which the return  
38 is made from sales of tangible personal property and taxable services  
39 rendered in the course of such business upon the basis of which the tax is  
40 imposed. The return shall include such other pertinent information as the  
41 director may require. In making such return, the retailer shall determine  
42 the market value of any consideration, other than money, received in  
43 connection with the sale of any tangible personal property in the course of

1 the business and shall include such value in the return. Such value shall be  
2 subject to review and revision by the director as hereinafter provided.  
3 Refunds made by the retailer during the period for which the return is  
4 made on account of tangible personal property returned to the retailer shall  
5 be allowed as a deduction under paragraph (4) ~~of this section~~ in case the  
6 retailer has theretofore included the receipts from such sale in a return  
7 made by such retailer and paid taxes therein imposed by this act. The  
8 retailer shall, at the time of making such return, pay to the director the  
9 amount of tax herein imposed, except as otherwise provided in this  
10 section. The director may extend the time for making returns and paying  
11 the tax required by this act for any period not to exceed 60 days under such  
12 rules and regulations as the secretary of revenue may prescribe.

13 (b) (1) When the total tax for which any retailer is liable under this  
14 act, does not exceed the sum of \$400 in any calendar year, the retailer shall  
15 file an annual return on or before January 25 of the following year. When  
16 the total tax liability does not exceed \$4,000 in any calendar year, the  
17 retailer shall file returns quarterly on or before the 25<sup>th</sup> day of the month  
18 following the end of each calendar quarter. When the total tax liability  
19 exceeds \$4,000 in any calendar year, the retailer shall file a return for each  
20 month on or before the 25<sup>th</sup> day of the following month. ~~When the total tax~~  
21 ~~liability exceeds \$40,000 in any calendar year, the retailer shall be required~~  
22 ~~to pay the sales tax liability for the first 15 days of each month to the~~  
23 ~~director on or before the 25<sup>th</sup> day of that month. Any such payment shall~~  
24 ~~accompany the return filed for the preceding month. A retailer will be~~  
25 ~~considered to have complied with the requirements to pay the first 15 days'~~  
26 ~~liability for any month if, on or before the 25<sup>th</sup> day of that month, the~~  
27 ~~retailer paid 90% of the liability for that fifteen-day period, or 50% of such~~  
28 ~~retailer's liability in the immediate preceding calendar year for the same~~  
29 ~~month as the month in which the fifteen-day period occurs computed at the~~  
30 ~~rate applicable in the month in which the fifteen-day period occurs, and, in~~  
31 ~~either case, paid any underpayment with the payment required on or before~~  
32 ~~the 25<sup>th</sup> day of the following month. Such retailers shall pay their sales tax~~  
33 ~~liabilities for the remainder of each such month at the time of filing the~~  
34 ~~return for such month. The provisions of this paragraph shall expire on~~  
35 ~~December 31, 2022.~~

36 (2) *On and after January 1, 2023, the retailer shall file:*

37 (A) *An annual return on or before January 25 of the following year*  
38 *when the total tax for which any retailer is liable under this act does not*  
39 *exceed the sum of \$1,000 in any calendar year;*

40 (B) *returns quarterly on or before the 25<sup>th</sup> day of the month following*  
41 *the end of each calendar quarter when the total tax liability does not*  
42 *exceed \$5,000 in any calendar year; or*

43 (C) *a return for each month on or before the 25<sup>th</sup> day of the following*

1 *month when the total tax liability exceeds \$5,000 in any calendar year.*

2 (3) Determinations of amounts of liability in a calendar year for  
3 purposes of determining filing requirements shall be made by the director  
4 upon the basis of amounts of liability by those retailers during the  
5 preceding calendar year or by estimates in cases of retailers having no  
6 previous sales tax histories. The director is hereby authorized to modify  
7 the filing schedule for any retailer when it is apparent that the original  
8 determination was inaccurate.

9 ~~(b)~~(c) All model 1, model 2 and model 3 sellers are required to file  
10 returns electronically. Any model 1, model 2 or model 3 seller may submit  
11 its sales and use tax returns in a simplified format approved by the  
12 director. Any seller that is registered under the agreement, which does not  
13 have a legal requirement to register in this state, and is not a model 1,  
14 model 2 or model 3 seller, may submit its sales and use tax returns as  
15 follows:

16 (1) Upon registration, the director shall provide to the seller the  
17 returns required;

18 (2) seller shall file a return anytime within one year of the month of  
19 initial registration, and future returns are required on an annual basis in  
20 succeeding years; and

21 (3) in addition to the returns required in subsection ~~(b)(2)~~ (c)(2),  
22 sellers are required to submit returns in the month following any month in  
23 which they have accumulated state and local sales tax funds for this state  
24 in the amount of \$1,600 or more.

25 Sec. 10. K.S.A. 13-13a39, 79-3607 and 79-3607, as amended by  
26 section 3 of chapter 83 of the 2021 Session Laws of Kansas, and K.S.A.  
27 2021 Supp. 12-187, 12-189a, 12-192, 79-3602, 79-3603 and 79-3606, as  
28 amended by section 16 of 2022 Senate Bill No. 347, are hereby repealed.

29 Sec. 11. This act shall take effect and be in force from and after its  
30 publication in the statute book.