

HOUSE BILL No. 2492

By Representatives Murphy, Fairchild, Garber, Hill, Jacobs, Poetter Parshall,
Rhiley and Seiwert

1-10

1 AN ACT concerning abortion; prohibiting abortion procedures,
2 exceptions; providing a private cause of action for civil enforcement of
3 such prohibition; amending K.S.A. 65-2401, 65-2837, 65-6731, 65-
4 67a01, 76-3308 and 79-32,195 and K.S.A. 2023 Supp. 60-1906, 79-
5 32,182b, 79-32,261 and 79-3606 and repealing the existing sections;
6 also repealing K.S.A. 65-4a02, 65-4a03, 65-4a04, 65-4a05, 65-4a06,
7 65-4a07, 65-4a08, 65-4a09, 65-4a10, 65-4a11, 65-4a12, 65-6702, 65-
8 6703, 65-6704, 65-6705, 65-6707, 65-6709, 65-6710, 65-6711, 65-
9 6712, 65-6714, 65-6715, 65-6721, 65-6722, 65-6724, 65-6725, 65-
10 6726, 65-6741, 65-6743, 65-6744, 65-6745, 65-6746, 65-6747, 65-
11 6748 and 65-6749 and K.S.A. 2023 Supp. 65-4a01, 65-6701, 65-6708,
12 65-6716, 65-6723 and 65-6742.

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 New Section 1. (a) It shall be unlawful for any person to knowingly
16 perform or induce or attempt to perform or induce an abortion except
17 when necessary to preserve the life of a pregnant woman in a medical
18 emergency.

19 (b) It shall not be a violation of this section if a physician provides
20 medical treatment to a pregnant woman that results in accidental or
21 unintentional injury to or the death of the unborn child.

22 (c) Nothing in this section shall be construed to authorize the
23 performance or induction of an abortion that is otherwise prohibited by
24 federal or state law.

25 New Sec. 2. It shall be unlawful for any person to manufacture,
26 distribute, prescribe, dispense, sell, give or otherwise provide mifepristone,
27 mifegyne, mifeperex or any other substantially similar generic or
28 nongeneric abortifacient drug in this state for the purpose of inducing an
29 abortion in violation of section 1, and amendments thereto.

30 New Sec. 3. Nothing in section 1 or 2, and amendments thereto, shall
31 be construed to:

32 (a) Impose any liability against the woman upon whom an abortion is
33 performed or induced or attempted to be performed or induced; or

34 (b) prohibit the administration of misoprostol for the purpose of
35 treatment of a miscarriage.

1 New Sec. 4. (a) Violations of section 1 or 2, and amendments thereto,
2 shall be enforced exclusively through the private civil enforcement actions
3 provided under section 5, and amendments thereto. Notwithstanding any
4 other provision of law, no enforcement of sections 1 and 2, and
5 amendments thereto, may be taken or threatened by any state agency,
6 political subdivision, county attorney or district attorney or any officer or
7 employee thereof against any person.

8 (b) Nothing in this section shall be construed to:

9 (1) Render any of the conduct prohibited by sections 1 and 2, and
10 amendments thereto, or by any other provision of law to be lawful;

11 (2) limit or affect, in any way, the availability of any relief established
12 under section 5, and amendments thereto; or

13 (3) limit the enforceability of any other laws that regulate or prohibit
14 abortion.

15 New Sec. 5. (a) Except for the entities and individuals described in
16 section 4, and amendments thereto, any person may bring a civil action
17 against any person who:

18 (1) Violates section 1 or 2, and amendments thereto; or

19 (2) knowingly engages in conduct that aids or abets a violation of
20 section 1 or 2, and amendments thereto, including paying for or
21 reimbursing the costs of an abortion through insurance or otherwise,
22 regardless of whether the person knew or should have known that the
23 performance or induction of the abortion would violate section 1, and
24 amendments thereto.

25 (b) (1) Except as otherwise provided, if the party bringing a cause of
26 action pursuant to this section prevails, the court shall award:

27 (A) Injunctive relief sufficient to prevent the defendant from violating
28 section 1 or 2, and amendments thereto, or engaging in acts that aid or abet
29 violations of section 1 or 2, and amendments thereto;

30 (B) (i) statutory damages in an amount of not less than \$10,000 for
31 each abortion that the defendant performed or induced or attempted to
32 perform or induce in violation of section 1, and amendments thereto, and
33 for each abortion performed or induced or attempted to perform or induce
34 in violation of section 1, and amendments thereto, that the defendant aided
35 or abetted; and

36 (ii) statutory damages in an amount of not less than \$10,000 for each
37 violation of section 2, and amendments thereto; and

38 (C) attorney fees and court costs.

39 (2) A court shall not award attorney fees or court costs to any
40 defendant who is the prevailing party in such action.

41 (c) A court shall not make any award under this section if the
42 defendant demonstrates that the defendant previously paid statutory
43 damages in a prior action that was brought for the same violation of

1 section 1 or 2, and amendments thereto, or for the same conduct that aided
2 or abetted a violation of section 1 or 2, and amendments thereto.

3 (d) No action shall be maintained under this section after six years
4 from the time the cause of action accrues.

5 (e) Notwithstanding any other law, the following may not be asserted
6 as an affirmative defense to any claims in an action brought under this
7 section:

8 (1) Ignorance or mistake of law;

9 (2) a defendant's belief that the provisions of sections 1 through 8,
10 and amendments thereto, are unconstitutional;

11 (3) a defendant's reliance on any court decision that has been
12 overruled on appeal or by a subsequent court, even if such court decision
13 had not been overruled when the defendant engaged in conduct that
14 violates section 1 or 2, and amendments thereto;

15 (4) a defendant's reliance on any state or federal court decision that is
16 not binding on the court in which the action has been brought;

17 (5) nonmutual issue preclusion or nonmutual claim preclusion; or

18 (6) the consent of the pregnant woman to the abortion.

19 (f) In any action brought pursuant to subsection (a)(2), it is an
20 affirmative defense that the defendant reasonably believed, after
21 conducting a reasonable investigation, that the physician performing or
22 inducing or attempting to perform or induce the abortion had complied or
23 would comply with section 1, and amendments thereto. The defendant
24 shall have the burden of proving the affirmative defense under this
25 subsection by a preponderance of the evidence.

26 (g) No entity or person described in section 4, and amendments
27 thereto, shall intervene in any action brought under this section. No entity
28 or person shall be prohibited from filing an amicus curiae brief in any such
29 action.

30 (h) Nothing in this section shall be construed to impose liability on
31 any speech or conduct protected by the amendment 1 to the constitution of
32 the United States or by section 11 of the bill of rights of the constitution of
33 the state of Kansas.

34 New Sec. 6. Any action brought under section 5, and amendments
35 thereto, shall be brought in:

36 (a) The county where all or a substantial part of the events or
37 omissions giving rise to the claim occurred;

38 (b) the county of residence for the defendant who is a natural person,
39 if any, at the time the cause of action accrued;

40 (c) the county where the principal office in this state of the defendant
41 that is not a natural person, if any, is located; or

42 (d) the county of residence for the plaintiff if the plaintiff is a natural
43 person residing in this state.

1 New Sec. 7. As used in sections 1 through 7, and amendments
2 thereto:

3 (a) (1) "Abortion" means the use or prescription of any instrument,
4 medicine, drug or any other substance or device to terminate the
5 pregnancy of a woman with an intention to cause the premature
6 termination of the pregnancy knowing that such termination will with
7 reasonable likelihood cause the death of the unborn child. Such use or
8 prescription is not an "abortion" if done with the intent to:

9 (A) Preserve the life or health of the unborn child;

10 (B) increase the probability of a live birth;

11 (C) remove a dead unborn child who died as the result of natural
12 causes in utero, accidental trauma or a criminal assault on the pregnant
13 woman or the unborn child; or

14 (D) remove an ectopic pregnancy.

15 (2) "Abortion" does not include the prescription, dispensing,
16 administration, sale or use of any method of contraception, including, but
17 not limited to, any type of emergency contraception intended to be taken
18 or used immediately subsequent to sexual intercourse.

19 (b) "Imminent harm" exclusively includes a physical condition and
20 does not include any mental condition, including, but not limited to, any
21 claim or diagnosis that the pregnant woman will engage in conduct
22 intended to result in her own death or some other form of self-harm.

23 (c) "Medical emergency" means a condition that, in reasonable
24 medical judgment, necessitates the immediate abortion of a woman's
25 pregnancy to preserve the life of the pregnant woman because such
26 woman's life is endangered and subject to imminent harm arising from the
27 pregnancy by a physical disorder, illness or injury, including a life-
28 endangering physical condition caused by or arising from the pregnancy
29 itself.

30 (d) "Miscarriage" means the nondeliberate and spontaneous expulsion
31 of a nonviable fetus that has a gestational age of fewer than 20 weeks.

32 (e) "Unborn child" means a living individual of the species homo
33 sapiens at any stage of gestation from fertilization to birth.

34 New Sec. 8. The provisions of sections 1 through 7, and amendments
35 thereto, are hereby declared severable. If any part or provision of sections
36 1 through 7, and amendments thereto, is held to be void, invalid or
37 unconstitutional, such part or provision shall not affect or impair any of the
38 remaining parts or provisions of sections 1 through 7, and amendments
39 thereto, and any such remaining provisions shall continue in full force and
40 effect.

41 Sec. 9. K.S.A. 2023 Supp. 60-1906 is hereby amended to read as
42 follows: 60-1906. (a) No civil action may be commenced in any court for a
43 claim of wrongful life or wrongful birth, and no damages may be

1 recovered in any civil action for any physical condition of a minor that
2 existed at the time of such minor's birth if the damages sought arise out of
3 a claim that a person's action or omission contributed to such minor's
4 mother not obtaining an abortion.

5 (b) Nothing in this section shall be deemed to create any new cause of
6 action, nor preclude any otherwise proper cause of action based on a claim
7 that, but for a person's wrongful action or omission, the death or physical
8 injury of the mother would not have occurred, or the handicap, disease or
9 disability of an individual prior to birth would have been prevented, cured
10 or ameliorated in a manner that preserved the health and life of such
11 individual.

12 (c) If any provision or clause of this act or application thereof to any
13 person or circumstance is held invalid, such invalidity shall not affect other
14 provisions or applications of the act which can be given effect without the
15 invalid provision or application, and to this end the provisions of this act
16 are declared to be severable.

17 (d) As used in this section:

18 (1) "Abortion" ~~has the same meaning as such term is~~ *means the same*
19 *as defined in K.S.A. 65-6701 section 7, and amendments thereto.*

20 (2) "Claim of wrongful birth" means a cause of action brought by a
21 parent, legal guardian or other individual legally required to provide for
22 the support of a minor, which seeks damages, whether economic or
23 noneconomic, as a result of a physical condition of such minor that existed
24 at the time of such minor's birth, and which is based on a claim that a
25 person's action or omission contributed to such minor's mother not
26 obtaining an abortion.

27 (3) "Claim of wrongful life" means a cause of action brought by, or
28 on behalf of, a minor, which seeks damages, whether economic or
29 noneconomic, for such minor as a result of a physical condition of such
30 minor that existed at the time of such minor's birth, and which is based on
31 a claim that a person's action or omission contributed to such minor's
32 mother not obtaining an abortion.

33 Sec. 10. K.S.A. 65-2401 is hereby amended to read as follows: 65-
34 2401. As used in this act:

35 (a) "Vital statistics" includes the registration, preparation,
36 transcription, collection, compilation, and preservation of data pertaining
37 to birth, adoption, legitimation, death, stillbirth, marriage, divorce,
38 annulment of marriage, induced termination of pregnancy, and data
39 incidental thereto.

40 (b) "Live birth" means the complete expulsion or extraction from its
41 mother of a human child, irrespective of the duration of pregnancy, which,
42 after such expulsion or extraction, breathes or shows any other evidence of
43 life such as beating of the heart, pulsation of the umbilical cord, or definite

1 movement of voluntary muscles, whether or not the umbilical cord has
2 been cut or the placenta is attached.

3 (c) "Gestational age" means the age of the human child as measured
4 in weeks as determined by either the last date of the mother's menstrual
5 period, a sonogram conducted prior to the 20th week of pregnancy or the
6 confirmed known date of conception.

7 (d) "Stillbirth" means any complete expulsion or extraction from its
8 mother of a human child the gestational age of which is not less than 20
9 completed weeks, resulting in other than a live birth, as defined in this
10 section, and which is not an induced termination of pregnancy.

11 (e) "Induced termination of pregnancy" means abortion, as defined in
12 ~~K.S.A. 65-6704~~ *section 7*, and amendments thereto.

13 (f) "Dead body" means a lifeless human body or such parts of a
14 human body or the bones thereof from the state of which it reasonably may
15 be concluded that death recently occurred.

16 (g) "Person in charge of interment" means any person who places or
17 causes to be placed a stillborn child or dead body or the ashes, after
18 cremation, in a grave, vault, urn or other receptacle, or otherwise disposes
19 thereof.

20 (h) "Secretary" means the secretary of health and environment.

21 Sec. 11. K.S.A. 65-2837 is hereby amended to read as follows: 65-
22 2837. As used in K.S.A. 65-2836, and amendments thereto, and in this
23 section:

24 (a) "Professional incompetency" means:

25 (1) One or more instances involving failure to adhere to the
26 applicable standard of care to a degree that constitutes gross negligence, as
27 determined by the board.

28 (2) Repeated instances involving failure to adhere to the applicable
29 standard of care to a degree that constitutes ordinary negligence, as
30 determined by the board.

31 (3) A pattern of practice or other behavior that demonstrates a
32 manifest incapacity or incompetence to practice the healing arts.

33 (b) "Unprofessional conduct" means:

34 (1) Solicitation of professional patronage through the use of
35 fraudulent or false advertisements, or profiting by the acts of those
36 representing themselves to be agents of the licensee.

37 (2) Representing to a patient that a manifestly incurable disease,
38 condition or injury can be permanently cured.

39 (3) Assisting in the care or treatment of a patient without the consent
40 of the patient, the attending physician or the patient's legal representatives.

41 (4) The use of any letters, words or terms as an affix, on stationery, in
42 advertisements or otherwise indicating that such person is entitled to
43 practice a branch of the healing arts for which such person is not licensed.

- 1 (5) Performing, procuring or aiding and abetting in the performance
2 or procurement of a ~~criminal~~ *an* abortion.
- 3 (6) Willful betrayal of confidential information.
- 4 (7) Advertising professional superiority or the performance of
5 professional services in a superior manner.
- 6 (8) Advertising to guarantee any professional service or to perform
7 any operation painlessly.
- 8 (9) Participating in any action as a staff member of a medical care
9 facility that is designed to exclude or that results in the exclusion of any
10 person licensed to practice medicine and surgery from the medical staff of
11 a nonprofit medical care facility licensed in this state because of the
12 branch of the healing arts practiced by such person or without just cause.
- 13 (10) Failure to effectuate the declaration of a qualified patient as
14 provided in K.S.A. 65-28,107(a), and amendments thereto.
- 15 (11) Prescribing, ordering, dispensing, administering, selling,
16 supplying or giving any amphetamines or sympathomimetic amines,
17 except as authorized by K.S.A. 65-2837a, and amendments thereto.
- 18 (12) Conduct likely to deceive, defraud or harm the public.
- 19 (13) Making a false or misleading statement regarding the licensee's
20 skill or the efficacy or value of the drug, treatment or remedy prescribed
21 by the licensee or at the licensee's direction in the treatment of any disease
22 or other condition of the body or mind.
- 23 (14) Aiding or abetting the practice of the healing arts by an
24 unlicensed, incompetent or impaired person.
- 25 (15) Allowing another person or organization to use the licensee's
26 license to practice the healing arts.
- 27 (16) Commission of any act of sexual abuse, misconduct or other
28 improper sexual contact that exploits the licensee-patient relationship with
29 a patient or a person responsible for health care decisions concerning such
30 patient.
- 31 (17) The use of any false, fraudulent or deceptive statement in any
32 document connected with the practice of the healing arts including the
33 intentional falsifying or fraudulent altering of a patient or medical care
34 facility record.
- 35 (18) Obtaining any fee by fraud, deceit or misrepresentation.
- 36 (19) Directly or indirectly giving or receiving any fee, commission,
37 rebate or other compensation for professional services not actually and
38 personally rendered, other than through the legal functioning of lawful
39 professional partnerships, corporations, limited liability companies or
40 associations.
- 41 (20) Failure to transfer patient records to another licensee when
42 requested to do so by the subject patient or by such patient's legally
43 designated representative.

1 (21) Performing unnecessary tests, examinations or services that have
2 no legitimate medical purpose.

3 (22) Charging an excessive fee for services rendered.

4 (23) Prescribing, dispensing, administering or distributing a
5 prescription drug or substance, including a controlled substance, in an
6 improper or inappropriate manner, or for other than a valid medical
7 purpose, or not in the course of the licensee's professional practice.

8 (24) Repeated failure to practice healing arts with that level of care,
9 skill and treatment that is recognized by a reasonably prudent similar
10 practitioner as being acceptable under similar conditions and
11 circumstances.

12 (25) Failure to keep written medical records that accurately describe
13 the services rendered to the patient, including patient histories, pertinent
14 findings, examination results and test results.

15 (26) Delegating professional responsibilities to a person when the
16 licensee knows or has reason to know that such person is not qualified by
17 training, experience or licensure to perform them.

18 (27) Using experimental forms of therapy without proper informed
19 patient consent, without conforming to generally accepted criteria or
20 standard protocols, without keeping detailed legible records or without
21 having periodic analysis of the study and results reviewed by a committee
22 or peers.

23 (28) Prescribing, dispensing, administering or distributing an anabolic
24 steroid or human growth hormone for other than a valid medical purpose.
25 Bodybuilding, muscle enhancement or increasing muscle bulk or strength
26 through the use of an anabolic steroid or human growth hormone by a
27 person who is in good health is not a valid medical purpose.

28 (29) Referring a patient to a health care entity for services if the
29 licensee has a significant investment interest in the health care entity,
30 unless the licensee informs the patient in writing of such significant
31 investment interest and that the patient may obtain such services
32 elsewhere.

33 (30) Failing to properly supervise, direct or delegate acts that
34 constitute the healing arts to persons who perform professional services
35 pursuant to such licensee's direction, supervision, order, referral,
36 delegation or practice protocols.

37 (31) ~~Violating K.S.A. 65-6703, and amendments thereto.~~

38 (32) Charging, billing or otherwise soliciting payment from any
39 patient, patient's representative or insurer for anatomic pathology services,
40 if such services are not personally rendered by the licensee or under such
41 licensee's direct supervision. As used in this subsection, "anatomic
42 pathology services" means the gross or microscopic examination of
43 histologic processing of human organ tissue or the examination of human

1 cells from fluids, aspirates, washings, brushings or smears, including blood
2 banking services, and subcellular or molecular pathology services,
3 performed by or under the supervision of a person licensed to practice
4 medicine and surgery or a clinical laboratory. Nothing in this subsection
5 shall be construed to prohibit billing for anatomic pathology services by:

6 (A) A hospital;

7 (B) a clinical laboratory when samples are transferred between
8 clinical laboratories for the provision of anatomic pathology services; or

9 (C) a physician providing services to a patient pursuant to a medical
10 retainer agreement in compliance with K.S.A. 65-4978, and amendments
11 thereto, when the bill to the patient for such services:

12 (i) Identifies the laboratory or physician that performed the services;

13 (ii) discloses in writing to the patient the actual amount charged by
14 the physician or laboratory that performed the service; and

15 (iii) is consistent with rules and regulations adopted by the board for
16 appropriate billing standards applicable to such services when furnished
17 under these agreements.

18 ~~(33)~~(32) Engaging in conduct that violates patient trust and exploits
19 the licensee-patient relationship for personal gain.

20 ~~(34)~~(33) Obstructing a board investigation including, but not limited to,
21 engaging in one or more of the following acts:

22 (A) Falsifying or concealing a material fact;

23 (B) knowingly making or causing to be made any false or misleading
24 statement or writing; or

25 (C) other acts or conduct likely to deceive or defraud the board.

26 (c) "False advertisement" means any advertisement that is false,
27 misleading or deceptive in a material respect. In determining whether any
28 advertisement is misleading, there shall be taken into account not only
29 representations made or suggested by statement, word, design, device,
30 sound or any combination thereof, but also the extent to which the
31 advertisement fails to reveal facts material in the light of such
32 representations made.

33 (d) "Advertisement" means all representations disseminated in any
34 manner or by any means for the purpose of inducing, or that are likely to
35 induce, directly or indirectly, the purchase of professional services.

36 (e) "Licensee" for purposes of this section and K.S.A. 65-2836, and
37 amendments thereto, means all persons issued a license, permit or special
38 permit pursuant to article 28 of chapter 65 of the Kansas Statutes
39 Annotated, and amendments thereto.

40 (f) "License" for purposes of this section and K.S.A. 65-2836, and
41 amendments thereto, means any license, permit or special permit granted
42 under article 28 of chapter 65 of the Kansas Statutes Annotated, and
43 amendments thereto.

1 (g) "Health care entity" means any corporation, firm, partnership or
2 other business entity that provides services for diagnosis or treatment of
3 human health conditions and that is owned separately from a referring
4 licensee's principle practice.

5 (h) "Significant investment interest" means ownership of at least 10%
6 of the value of the firm, partnership or other business entity that owns or
7 leases the health care entity, or ownership of at least 10% of the shares of
8 stock of the corporation that owns or leases the health care entity.

9 Sec. 12. K.S.A. 65-6731 is hereby amended to read as follows: 65-
10 6731. As used in K.S.A. 65-6731 through 65-6738, and amendments
11 thereto:

12 (a) "Abortion" ~~has the same meaning as such term is~~ *means the same*
13 *as defined in K.S.A. 65-6701 section 7, and amendments thereto.*

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

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

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

24 (e) "State agency" ~~has the same meaning as such term is~~ *means the*
25 *same as defined in K.S.A. 75-3701, and amendments thereto.*

26 Sec. 13. K.S.A. 65-67a01 is hereby amended to read as follows: 65-
27 67a01. As used in this act:

28 (a) "Abortion" means an abortion as defined ~~by K.S.A. 65-6701 in~~
29 *section 7, and amendments thereto.*

30 (b) (1) "Consideration" means:

31 (A) Any payment made or debt incurred;

32 (B) any gift, honorarium or recognition of value bestowed;

33 (C) any price, charge or fee which is waived, forgiven, reduced or
34 indefinitely delayed;

35 (D) any loan or debt which is canceled or otherwise forgiven; or

36 (E) the transfer of any item from one person to another or provision
37 of any service or granting of any opportunity for which a charge is
38 customarily made, without charge or for a reduced charge.

39 (2) "Consideration" ~~shall~~ *does not mean:*

40 (A) A payment in an amount not to exceed \$25 for the cost of
41 transporting, processing, preserving and storing fetal tissue; or

42 (B) a payment in an amount not to exceed the actual cost, as
43 documented by the delivery service, of transporting fetal tissue.

1 (c) "Delivery service" means a common carrier as defined by K.S.A.
2 66-105, and amendments thereto, or other person or entity used to
3 transport fetal tissue.

4 (d) "Fetal tissue" means any tissue, cells or organs obtained from a
5 dead human embryo or fetus after an abortion or after a stillbirth.

6 (e) "Person" means a person as defined by K.S.A. 65-425, and
7 amendments thereto.

8 (f) "Stillbirth" means a stillbirth as defined by K.S.A. 65-2401, and
9 amendments thereto.

10 Sec. 14. K.S.A. 76-3308 is hereby amended to read as follows: 76-
11 3308. (a) The authority shall have all the powers necessary to carry out the
12 purposes and provisions of this act, including, without limitation, the
13 following powers to:

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

16 (2) have perpetual existence and succession;

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

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

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

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

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

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

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

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

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

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

8 (13) procure such insurance, participate in such insurance plans or
9 provide such self insurance or both as it deems necessary or convenient to
10 carry out the purposes and provisions of this act; the purchase of
11 insurance, participation in an insurance plan or creation of a self-insurance
12 fund by the authority shall not be deemed as a waiver or relinquishment of
13 any sovereign immunity to which the authority or its officers, directors,
14 employees or agents are otherwise entitled;

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

18 (15) fix, revise, charge and collect rates, rentals, fees and other
19 charges for the services or facilities furnished by or on behalf of the
20 authority, and to establish policies and procedures regarding any such
21 service rendered for the use, occupancy or operation of any such facility;
22 such charges and policies and procedures not to be subject to supervision
23 or regulation by any commission, board, bureau or agency of the state; and

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

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

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

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

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

43 (f) Effective with the transfer date, all moneys of the authority shall

1 be deposited in one or more banks or trust companies in one or more
2 special accounts. All banks and trust companies are authorized to give
3 security for such deposits if required by the authority. The moneys in such
4 accounts shall be paid out on a warrant or other orders of the treasurer of
5 the authority or any such other person or persons as the authority may
6 authorize to execute such warrants or orders.

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

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

16 (i) Notwithstanding any provision of law to the contrary, no abortion,
17 *as defined in section 7, and amendments thereto*, shall be performed,
18 ~~except in the event of a medical emergency~~, in any medical facility,
19 hospital or clinic owned, leased or operated by the authority, *except as*
20 *provided in section 1, and amendments thereto*. ~~The provisions of this~~
21 ~~subsection are not applicable to any member of the physician faculty of the~~
22 ~~university of Kansas school of medicine when such abortion is performed~~
23 ~~outside the scope of such member's employment on property not owned,~~
24 ~~leased or operated by the authority. As used in this subsection, "medical~~
25 ~~emergency" means a condition that, in reasonable medical judgment, so~~
26 ~~complicates the medical condition of the pregnant woman as to necessitate~~
27 ~~the immediate abortion of her pregnancy to avert the death of the woman~~
28 ~~or for which a delay necessary to comply with the applicable statutory~~
29 ~~requirements will create serious risk of substantial and irreversible~~
30 ~~physical impairment of a major bodily function. No condition shall be~~
31 ~~deemed a medical emergency if based on a claim or diagnosis that the~~
32 ~~woman will engage in conduct which would result in her death or in~~
33 ~~substantial and irreversible physical impairment of a major bodily~~
34 ~~function.~~

35 Sec. 15. K.S.A. 2023 Supp. 79-32,182b is hereby amended to read as
36 follows: 79-32,182b. (a) For all taxable years commencing after December
37 31, 2022, a credit shall be allowed against the tax imposed by the Kansas
38 income tax act on the Kansas taxable income of a taxpayer for
39 expenditures in research and development activities conducted within this
40 state in an amount equal to 10% of the amount by which the amount
41 expended for such activities in the taxable year of the taxpayer exceeds the
42 taxpayer's average of the actual expenditures for such purposes made in
43 such taxable year and the next preceding two taxable years.

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

8 (c) As used in this section, the term "expenditures in research and
9 development activities" means expenditures made for such purposes, other
10 than expenditures of moneys made available to the taxpayer pursuant to
11 federal or state law, which are treated as expenses allowable for deduction
12 under the provisions of the federal internal revenue code of 1986, as
13 amended, except that for taxable years commencing after December 31,
14 2013, expenditures in research and development activities shall not include
15 any expenditures for the performance of any abortion, as defined in ~~K.S.A.~~
16 ~~65-6701~~ section 7, and amendments thereto.

17 (d) For tax year 2023 and all tax years thereafter, the income tax
18 credit allowed pursuant to this section shall be transferable by a taxpayer
19 without a current tax liability. The tax credit may be transferred to any
20 person and be claimed by the transferee as a credit against the transferee's
21 Kansas income tax liability in the tax year when it was transferred. The
22 credit shall be claimed and may be carried forward by the transferee as
23 provided and limited by subsection (b). No person shall be entitled to a
24 refund for the transferred tax credit. Only the full credit may be
25 transferred, and the credit may only be transferred one time.
26 Documentation of any credit acquired by transfer shall be provided by the
27 taxpayer or the transferee in the manner required by the secretary of
28 revenue.

29 Sec. 16. K.S.A. 79-32,195 is hereby amended to read as follows: 79-
30 32,195. As used in this act, ~~the following words and phrases shall have the~~
31 ~~meanings ascribed to them herein:~~ (a) "Business firm" means any business
32 entity authorized to do business in the state of Kansas ~~which~~ that is subject
33 to the state income tax imposed by the provisions of the Kansas income
34 tax act, any individual subject to the state income tax imposed by the
35 provisions of the Kansas income tax act, any national banking association,
36 state bank, trust company or savings and loan association paying an annual
37 tax on its net income pursuant to article 11 of chapter 79 of the Kansas
38 Statutes Annotated, and amendments thereto, or any insurance company
39 paying the premium tax and privilege fees imposed pursuant to K.S.A. 40-
40 252, and amendments thereto;

41 (b) "Community services" means:

42 (1) The conduct of activities ~~which~~ that meet a demonstrated
43 community need and ~~which~~ that are designed to achieve improved

1 educational and social services for Kansas children and their families, and
2 ~~which that~~ are coordinated with communities including, but not limited to,
3 social and human services organizations that address the causes of poverty
4 through programs and services that assist low income persons in the areas
5 of employment, food, housing, emergency assistance and health care;

6 (2) crime prevention;

7 (3) health care services; and

8 (4) youth apprenticeship and technical training.

9 (c) "Crime prevention" means any nongovernmental activity ~~which~~
10 *that* aids in the prevention of crime.

11 (d) "Youth apprenticeship and technical training" means conduct of
12 activities ~~which that~~ are designed to improve the access to and quality of
13 apprenticeship and technical training ~~which that~~ support an emphasis on
14 rural construction projects as well as the necessary equipment, facilities
15 and supportive mentorship for youth apprenticeships and technical
16 training.

17 (e) "Community service organization" means any organization
18 performing community services in Kansas ~~and which that~~.

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

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

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

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

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

41 (g) "Health care services" ~~shall include, but not be includes, but is not~~
42 limited to, the following: Services provided by local health departments,
43 city, county or district hospitals, city or county nursing homes, or other

1 residential institutions, preventive health care services offered by a
2 community service organization including immunizations, prenatal care,
3 the postponement of entry into nursing homes by home health care
4 services, and community based services for persons with a disability,
5 mental health services, indigent health care, physician or health care
6 worker recruitment, health education, emergency medical services,
7 services provided by rural health clinics, integration of health care
8 services, home health services and services provided by rural health
9 networks, except that for taxable years commencing after December 31,
10 2013, "health care services ~~shall~~" *does* not include any service involving
11 the performance of any abortion, as defined in ~~K.S.A. 65-6701~~ *section 7*,
12 and amendments thereto.

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

24 Sec. 17. K.S.A. 2023 Supp. 79-32,261 is hereby amended to read as
25 follows: 79-32,261. (a) (1) ~~On and after July 1, 2008,~~ Any taxpayer who
26 contributes in the manner prescribed by this paragraph to a community
27 college located in Kansas for capital improvements, to a technical college
28 for deferred maintenance or the purchase of technology or equipment or to
29 a postsecondary educational institution located in Kansas for deferred
30 maintenance, shall be allowed a credit against the tax imposed by the
31 Kansas income tax act, the premium tax or privilege fees imposed
32 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
33 measured by net income of financial institutions imposed pursuant to
34 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments
35 thereto. The tax credit allowed by this paragraph is applicable for the tax
36 year 2008 for any contributions made on and after July 1, 2008, and for the
37 tax years 2009, 2010, 2011 and 2012 for any contributions made during
38 the entire tax year. The amount of the credit allowed by this paragraph
39 shall not exceed 60% of the total amount contributed during the taxable
40 year by the taxpayer to a community college or a technical college located
41 in Kansas for such purposes. The amount of the credit allowed by this
42 paragraph shall not exceed 50% of the total amount contributed during the
43 taxable year by the taxpayer to a postsecondary educational institution for

1 such purposes. If the amount of the credit allowed by this paragraph for a
2 taxpayer who contributes to a community college or a technical college
3 exceeds the taxpayer's income tax liability imposed by the Kansas income
4 tax act, such excess amount shall be refunded to the taxpayer. If the
5 amount of the tax credit for a taxpayer who contributes to a postsecondary
6 educational institution exceeds the taxpayer's income tax liability for the
7 taxable year, the amount which exceeds the tax liability may be carried
8 over for deduction from the taxpayer's income tax liability in the next
9 succeeding taxable year or years until the total amount of the tax credit has
10 been deducted from tax liability, except that no such tax credit shall be
11 carried over for deduction after the third taxable year succeeding the
12 taxable year in which the contribution is made. Prior to the issuance of any
13 tax credits pursuant to this paragraph, the structure of the process in which
14 contributions received by a community college, a technical college or a
15 postsecondary educational institution qualify as tax credits allowed and
16 issued pursuant to this paragraph shall be developed by a community
17 college, a technical college and a postsecondary educational institution in
18 consultation with the secretary of revenue and the foundation or
19 endowment association of any such community college, technical college
20 or postsecondary educational institution in a manner that complies with
21 requirements specified in the federal internal revenue code of 1986, as
22 amended, so that contributions qualify as charitable contributions
23 allowable as deductions from federal adjusted gross income.

24 (2) On and after July 1, 2022, any taxpayer who contributes in the
25 manner prescribed by this paragraph to a community college or technical
26 college located in Kansas for capital improvements, deferred maintenance
27 or the purchase of technology or equipment shall be allowed a credit
28 against the tax imposed by the Kansas income tax act, the premium tax or
29 privilege fees imposed pursuant to K.S.A. 40-252, and amendments
30 thereto, or the privilege tax as measured by net income of financial
31 institutions imposed pursuant to article 11 of chapter 79 of the Kansas
32 Statutes Annotated, and amendments thereto. The tax credit allowed by
33 this paragraph is applicable for the tax year 2022 for any contributions
34 made on and after July 1, 2022, and for the tax years 2023, 2024, 2025 and
35 2026 for any contributions made during the entire tax year. The amount of
36 the credit allowed by this paragraph shall equal 60% of the total amount
37 contributed during the taxable year by the taxpayer to a community college
38 or a technical college located in Kansas for such purposes. Prior to the
39 issuance of any tax credits pursuant to this paragraph, the structure of the
40 process in which contributions received by a community college or
41 technical college qualify as tax credits allowed and issued pursuant to this
42 paragraph shall be developed by a community college and technical
43 college in consultation with the secretary of revenue and the foundation or

1 endowment association of any such community college or technical
2 college in a manner that complies with requirements specified in the
3 federal internal revenue code of 1986, as amended, so that contributions
4 qualify as charitable contributions allowable as deductions from federal
5 adjusted gross income.

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

15 (2) Upon receipt of any contributions to a technical college made
16 pursuant to the provisions of subsection (a)(1), such contributions shall be
17 deposited to the credit of a deferred maintenance fund or a technology and
18 equipment fund established by the technical college which received the
19 contribution. Expenditures from such fund shall be made only for the
20 purpose as provided in subsection (b)(1).

21 (3) Upon receipt of any such contributions to a postsecondary
22 educational institution made pursuant to the provisions of subsection (a)
23 (1), such contributions shall be deposited to the credit of the appropriate
24 deferred maintenance support fund of the postsecondary educational
25 institution that received the contribution. Expenditures from such fund
26 shall be made only for the purposes designated for such fund pursuant to
27 law.

28 (4) Upon receipt of any such contributions to a community college or
29 technical college made pursuant to the provisions of subsection (a)(2), the
30 treasurer of the community college or technical college shall deposit such
31 contributions to the credit of the capital outlay fund of such community
32 college or technical college established as provided by K.S.A. 71-501a,
33 and amendments thereto. Expenditures from such fund shall be made for
34 the purposes designated for such fund pursuant to law.

35 (c) (1) In no event shall the total amount of credits allowed under
36 subsection (a)(1) for taxpayers who contribute to any one such community
37 college or technical college exceed the following amounts: For the tax year
38 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount
39 not to exceed \$156,250; and for the tax years 2010, 2011 and 2012, an
40 amount not to exceed \$208,233.33.

41 (2) In no event shall the total of credits allowed under subsection (a)
42 (1) for taxpayers who contribute to postsecondary educational institutions
43 exceed the following amounts: For the tax year 2008, an amount not to

1 exceed \$5,625,000; for the tax year 2009, an amount not to exceed
2 \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to
3 exceed \$15,000,000. Except as otherwise provided, the allocation of such
4 tax credits for each individual state educational institution shall be
5 determined by the state board of regents in consultation with the secretary
6 of revenue and the university foundation or endowment association of
7 each postsecondary educational institution, and such determination shall
8 be completed prior to the issuance of any tax credits pursuant to subsection
9 (a)(1). Not more than 40% of the total of credits allowed under subsection
10 (a)(1) shall be allocated to any one postsecondary educational institution
11 unless all such postsecondary educational institutions approve an
12 allocation to any one such postsecondary educational institution which
13 exceeds 40% of the total of such credits allowed under subsection (a)(1).

14 (3) For the tax years 2022 through 2026, the amount of such credit
15 awarded under subsection (a)(2) for each taxpayer shall not exceed
16 \$250,000 per tax year.

17 (4) In no event shall the total of credits allowed under subsection (a)
18 (2) for contributions to any one community college or technical college
19 exceed \$500,000 per tax year.

20 (5) In no event shall the total of credits allowed under subsection (a)
21 (2) exceed \$5,000,000 for each tax year that the credit remains in effect.

22 (d) As used in this section:

23 (1) "Community college" means a community college established
24 under the provisions of the community college act;

25 (2) "deferred maintenance" means the maintenance, repair,
26 reconstruction or rehabilitation of a building located at a technical college
27 or a postsecondary educational institution which has been deferred, any
28 utility systems relating to such building, any life-safety upgrades to such
29 building and any improvements necessary to be made to such building in
30 order to comply with the requirements of the Americans with disabilities
31 act or other federal or state law, except that for taxable years commencing
32 after December 31, 2013, deferred maintenance shall not include any
33 maintenance, repair, reconstruction or rehabilitation of any building in
34 which any abortion, as defined in ~~K.S.A. 65-6701~~ section 7, and
35 amendments thereto, is performed;

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

40 (4) "technical college" means a technical college as designated
41 pursuant to K.S.A. 74-32,458, 74-32,460, 74-32,461, 74-32,462, 74-
42 32,464 and 74-32,465, and amendments thereto, and the institute of
43 technology at Washburn university.

1 (e) (1) Any taxpayer not subject to Kansas income, privilege or
2 premiums tax who contributes to a community college, technical college
3 or postsecondary educational institution, hereinafter designated the
4 transferor, may sell, assign, convey or otherwise transfer tax credits
5 allowed and earned pursuant to this section. The sale price of a tax credit
6 shall be at least 50% of the full value of the credit. Such credit shall be
7 deemed to be allowed and earned by any such taxpayer which is only
8 disqualified therefrom by reason of not being subject to such Kansas taxes.
9 The taxpayer acquiring earned credits, hereinafter designated the
10 transferee, may use the amount of the acquired credits to offset up to 100%
11 of the taxpayer's income, privilege or premiums tax liability for the taxable
12 year in which such acquisition was made. Such credits may be sold or
13 transferred only one time and, if sold or transferred, shall be transferred in
14 the tax year such credit is earned or the two successive tax years. A
15 transferred credit shall be claimed in the year purchased. The transferor
16 shall enter into a written agreement with the transferee establishing the
17 terms and conditions of the sale or transfer and shall perfect such transfer
18 by notifying the secretary of revenue in writing within 30 calendar days
19 following the effective date of the transfer, subject to the review and
20 approval or denial of such transfer by the secretary of revenue. The
21 transferor and transferee shall provide any information pertaining to the
22 sale or transfer as may be required by the secretary of revenue to
23 administer and carry out the provisions of this section. The amount
24 received by the transferor of such tax credit shall be taxable as income of
25 the transferor, and the excess of the value of such credit over the amount
26 paid by the transferee for such credit shall be taxable as income of the
27 transferee.

28 (2) The provisions of this subsection shall not apply to tax credits
29 earned pursuant to subsection (a)(2).

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

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

39 Sec. 18. K.S.A. 2023 Supp. 79-3606 is hereby amended to read as
40 follows: 79-3606. The following shall be exempt from the tax imposed by
41 this act:

42 (a) All sales of motor-vehicle fuel or other articles upon which a sales
43 or excise tax has been paid, not subject to refund, under the laws of this

1 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-
2 3301, and amendments thereto, including consumable material for such
3 electronic cigarettes, cereal malt beverages and malt products as defined
4 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,
5 malt syrup and malt extract, that is not subject to taxation under the
6 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles
7 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed
8 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and
9 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments
10 thereto, and gross receipts from regulated sports contests taxed pursuant to
11 the Kansas professional regulated sports act, and amendments thereto;

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

28 (c) all sales of tangible personal property or services, including the
29 renting and leasing of tangible personal property, purchased directly by a
30 public or private elementary or secondary school or public or private
31 nonprofit educational institution and used primarily by such school or
32 institution for nonsectarian programs and activities provided or sponsored
33 by such school or institution or in the erection, repair or enlargement of
34 buildings to be used for such purposes. The exemption herein provided
35 shall not apply to erection, construction, repair, enlargement or equipment
36 of buildings used primarily for human habitation, except that such
37 exemption shall apply to the erection, construction, repair, enlargement or
38 equipment of buildings used for human habitation by the cerebral palsy
39 research foundation of Kansas located in Wichita, Kansas, and multi
40 community diversified services, incorporated, located in McPherson,
41 Kansas;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (p) all sales of drugs dispensed pursuant to a prescription order by a
30 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
31 1626, and amendments thereto. As used in this subsection, "drug" means a
32 compound, substance or preparation and any component of a compound,
33 substance or preparation, other than food and food ingredients, dietary
34 supplements or alcoholic beverages, recognized in the official United
35 States pharmacopeia, official homeopathic pharmacopoeia of the United
36 States or official national formulary, and supplement to any of them,
37 intended for use in the diagnosis, cure, mitigation, treatment or prevention
38 of disease or intended to affect the structure or any function of the body,
39 except that for taxable years commencing after December 31, 2013, this
40 subsection shall not apply to any sales of drugs used in the performance or
41 induction of an abortion, as defined in ~~K.S.A. 65-6701~~ section 7, and
42 amendments thereto;

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

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

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

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

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

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

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

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

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

43 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources

1 for the production of heat or lighting for noncommercial use of an
2 occupant of residential premises occurring prior to January 1, 2006;

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

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

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

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

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

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

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

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

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

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

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

1 not worn in or on the body, but does not include mobility enhancing
2 equipment as defined in subsection (r), oxygen delivery equipment, kidney
3 dialysis equipment or enteral feeding systems;

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

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

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

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

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

32 (2) For purposes of this subsection:

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

43 (B) "production line" means the assemblage of machinery and

1 equipment at a manufacturing or processing plant or facility where the
2 actual transformation or processing of tangible personal property occurs;

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

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

1 the regular course of their retail trade, contractors who alter, service, repair
2 or improve real property, and retail businesses that clean, service or
3 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

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

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

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

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

1 facility to that manufacturer's production operations;

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

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

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

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

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

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

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

1 (B) machinery, equipment and tools used primarily in maintaining
2 and repairing any type of machinery and equipment or the building and
3 plant;

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

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

12 (E) furniture and other furnishings;

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

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

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

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

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

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

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

36 (ll) all sales of educational materials purchased for distribution to the
37 public at no charge by a nonprofit corporation organized for the purpose of
38 encouraging, fostering and conducting programs for the improvement of
39 public health, except that for taxable years commencing after December
40 31, 2013, this subsection shall not apply to any sales of such materials
41 purchased by a nonprofit corporation which performs any abortion, as
42 defined in ~~K.S.A. 65-6701~~ *section 7*, and amendments thereto;

43 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,

1 herbicides, germicides, pesticides and fungicides; and services, purchased
2 and used for the purpose of producing plants in order to prevent soil
3 erosion on land devoted to agricultural use;

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

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

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

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

19 (rr) all sales of tangible personal property that will admit the
20 purchaser thereof to any annual event sponsored by a nonprofit
21 organization that is exempt from federal income taxation pursuant to
22 section 501(c)(3) of the federal internal revenue code of 1986, except that
23 for taxable years commencing after December 31, 2013, this subsection
24 shall not apply to any sales of such tangible personal property purchased
25 by a nonprofit organization which performs any abortion, as defined in
26 ~~K.S.A. 65-6701~~ *section 7*, and amendments thereto;

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

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

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

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

43 (1) The American heart association, Kansas affiliate, inc. for the

1 purposes of providing education, training, certification in emergency
2 cardiac care, research and other related services to reduce disability and
3 death from cardiovascular diseases and stroke;

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

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

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

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

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

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

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

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

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

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

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

1 economic development in such neighborhoods;

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

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

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

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

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

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

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

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

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

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

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

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

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

1 project constructed by such organization;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (qqq) all sales of tangible personal property and services purchased
8 by TLC for children and families, inc., hereinafter referred to as TLC,
9 which is exempt from federal income taxation pursuant to section 501(c)
10 (3) of the federal internal revenue code of 1986, and such property and
11 services are used for the purpose of providing emergency shelter and
12 treatment for abused and neglected children as well as meeting additional
13 critical needs for children, juveniles and family, and all sales of any such
14 property by or on behalf of TLC for any such purpose; and all sales of
15 tangible personal property or services purchased by a contractor for the
16 purpose of constructing, maintaining, repairing, enlarging, furnishing or
17 remodeling facilities for the operation of services for TLC for any such
18 purpose that would be exempt from taxation under the provisions of this
19 section if purchased directly by TLC. Nothing in this subsection shall be
20 deemed to exempt the purchase of any construction machinery, equipment
21 or tools used in the constructing, maintaining, repairing, enlarging,
22 furnishing or remodeling such facilities for TLC. When TLC contracts for
23 the purpose of constructing, maintaining, repairing, enlarging, furnishing
24 or remodeling such facilities, it shall obtain from the state and furnish to
25 the 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 TLC a sworn
31 statement, on a form to be provided by the director of taxation, that all
32 purchases so made were entitled to exemption under this subsection. All
33 invoices shall be held by the contractor for a period of five years and shall
34 be subject to audit by the director of taxation. If any materials purchased
35 under such a certificate are found not to have been incorporated in the
36 building or other project or not to have been returned for credit or the sales
37 or compensating tax otherwise imposed upon such materials that will not
38 be so incorporated in the building or other project reported and paid by
39 such contractor to the director of taxation not later than the 20th day of the
40 month following the close of the month in which it shall be determined
41 that such materials will not be used for the purpose for which such
42 certificate was issued, TLC 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 shall use
3 or otherwise dispose of any materials purchased under such a certificate
4 for any purpose other than that for which such a certificate is issued
5 without the payment of the sales or compensating tax otherwise imposed
6 upon such materials, shall be guilty of a misdemeanor and, upon
7 conviction therefor, shall be subject to the penalties provided for in K.S.A.
8 79-3615(h), and amendments thereto;

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

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

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

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

1 completion of the project, the contractor shall furnish to such nonprofit
2 museum 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 a home or facility or other
10 project reported and paid by such contractor to the director of taxation not
11 later than the 20th day of the month following the close of the month in
12 which it shall be determined that such materials will not be used for the
13 purpose for which such certificate was issued, such nonprofit museum
14 shall be liable for tax on all materials purchased for the project, and upon
15 payment 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 (uuu) all sales of tangible personal property and services purchased
24 by Kansas children's service league, hereinafter referred to as KCSL,
25 which is exempt from federal income taxation pursuant to section 501(c)
26 (3) of the federal internal revenue code of 1986, and which such property
27 and services are used for the purpose of providing for the prevention and
28 treatment of child abuse and maltreatment as well as meeting additional
29 critical needs for children, juveniles and family, and all sales of any such
30 property by or on behalf of KCSL for any such purpose; and all sales of
31 tangible personal property or services purchased by a contractor for the
32 purpose of constructing, maintaining, repairing, enlarging, furnishing or
33 remodeling facilities for the operation of services for KCSL for any such
34 purpose that would be exempt from taxation under the provisions of this
35 section if purchased directly by KCSL. Nothing in this subsection shall be
36 deemed to exempt the purchase of any construction machinery, equipment
37 or tools used in the constructing, maintaining, repairing, enlarging,
38 furnishing or remodeling such facilities for KCSL. When KCSL contracts
39 for the purpose of constructing, maintaining, repairing, enlarging,
40 furnishing or remodeling such facilities, it shall obtain from the state and
41 furnish to the contractor an exemption certificate for the project involved,
42 and the contractor may purchase materials for incorporation in such
43 project. The contractor shall furnish the number of such certificate to all

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

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

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

39 (xxx) all sales of personal property and services purchased by the
40 booth theatre foundation, inc., an organization, which is exempt from
41 federal income taxation pursuant to section 501(c)(3) of the federal
42 internal revenue code of 1986, and which such personal property and
43 services are used by any such organization in the constructing, equipping,

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

1 Each claim for a sales tax refund shall be verified and submitted to the
2 director of taxation upon forms furnished by the director and shall be
3 accompanied by any additional documentation required by the director.
4 The director shall review each claim and shall refund that amount of sales
5 tax paid as determined under the provisions of this subsection. All refunds
6 shall be paid from the sales tax refund fund upon warrants of the director
7 of accounts and reports pursuant to vouchers approved by the director or
8 the director's designee;

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

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

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

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

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

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

36 (dddd) all sales of tangible personal property or services purchased
37 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
38 of which are exempt from federal income taxation pursuant to section
39 501(c)(3) of the federal internal revenue code, for the purpose of providing
40 education, training and employment opportunities for people with
41 disabilities and other barriers to employment;

42 (eeee) all sales of tangible personal property or services purchased by
43 or on behalf of all American beef battalion, inc., which is exempt from

1 federal income taxation pursuant to section 501(c)(3) of the federal
2 internal revenue code, for the purpose of educating, promoting and
3 participating as a contact group through the beef cattle industry in order to
4 carry out such projects that provide support and morale to members of the
5 United States armed forces and military services;

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

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

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

11 (hhhh) all sales of tangible personal property or services purchased
12 on or after July 1, 2014, for the purpose of and in conjunction with
13 constructing, reconstructing, enlarging or remodeling a business identified
14 under the North American industry classification system (NAICS)
15 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
16 installation of machinery and equipment purchased for installation at any
17 such business. The exemption provided in this subsection shall not apply
18 to projects that have actual total costs less than \$50,000. When a person
19 contracts for the construction, reconstruction, enlargement or remodeling
20 of any such business, such person shall obtain from the state and furnish to
21 the contractor an exemption certificate for the project involved, and the
22 contractor may purchase materials, machinery and equipment for
23 incorporation in such project. The contractor shall furnish the number of
24 such certificates to all suppliers from whom such purchases are made, and
25 such suppliers shall execute invoices covering the same bearing the
26 number of such certificate. Upon completion of the project, the contractor
27 shall furnish to the owner of the business a sworn statement, on a form to
28 be provided by the director of taxation, that all purchases so made were
29 entitled to exemption under this subsection. All invoices shall be held by
30 the contractor for a period of five years and shall be subject to audit by the
31 director of taxation. Any contractor or any agent, employee or
32 subcontractor of the contractor, who shall use or otherwise dispose of any
33 materials, machinery or equipment purchased under such a certificate for
34 any purpose other than that for which such a certificate is issued without
35 the payment of the sales or compensating tax otherwise imposed thereon,
36 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
37 subject to the penalties provided for in K.S.A. 79-3615(h), and
38 amendments thereto;

39 (iiii) all sales of tangible personal property or services purchased by a
40 contractor for the purpose of constructing, maintaining, repairing,
41 enlarging, furnishing or remodeling facilities for the operation of services
42 for Wichita children's home for any such purpose that would be exempt
43 from taxation under the provisions of this section if purchased directly by

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

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

39 (kkkk) all sales of tangible personal property and services purchased
40 by or on behalf of reaching out from within, inc., which is exempt from
41 federal income taxation pursuant to section 501(c)(3) of the federal
42 internal revenue code, for the purpose of sponsoring self-help programs for
43 incarcerated persons that will enable such incarcerated persons to become

1 role models for non-violence while in correctional facilities and productive
2 family members and citizens upon return to the community;

3 (III) all sales of tangible personal property and services purchased by
4 Gove county healthcare endowment foundation, inc., which is exempt
5 from federal income taxation pursuant to section 501(c)(3) of the federal
6 internal revenue code of 1986, and which such property and services are
7 used for the purpose of constructing and equipping an airport in Quinter,
8 Kansas, and all sales of tangible personal property or services purchased
9 by a contractor for the purpose of constructing and equipping an airport in
10 Quinter, Kansas, for such organization, that would be exempt from
11 taxation under the provisions of this section if purchased directly by such
12 organization. Nothing in this subsection shall be deemed to exempt the
13 purchase of any construction machinery, equipment or tools used in the
14 constructing or equipping of facilities for such organization. When such
15 organization shall contract for the purpose of constructing or equipping an
16 airport in Quinter, Kansas, it shall obtain from the state and furnish to the
17 contractor an exemption certificate for the project involved, and the
18 contractor may purchase materials for incorporation in such project. The
19 contractor shall furnish the number of such certificate to all suppliers from
20 whom such purchases are made, and such suppliers shall execute invoices
21 covering the same bearing the number of such certificate. Upon
22 completion of the project, the contractor shall furnish to such organization
23 concerned a sworn statement, on a form to be provided by the director of
24 taxation, that all purchases so made were entitled to exemption under this
25 subsection. All invoices shall be held by the contractor for a period of five
26 years and shall be subject to audit by the director of taxation. If any
27 materials purchased under such a certificate are found not to have been
28 incorporated in such facilities or not to have been returned for credit or the
29 sales or compensating tax otherwise imposed upon such materials that will
30 not be so incorporated in such facilities reported and paid by such
31 contractor to the director of taxation no later than the 20th day of the month
32 following the close of the month in which it shall be determined that such
33 materials will not be used for the purpose for which such certificate was
34 issued, such organization concerned shall be liable for tax on all materials
35 purchased for the project, and upon payment thereof it may recover the
36 same from the contractor together with reasonable attorney fees. Any
37 contractor or any agent, employee or subcontractor thereof, who purchased
38 under such a certificate for any purpose other than that for which such a
39 certificate is issued without the payment of the sales or compensating tax
40 otherwise imposed upon such materials, shall be guilty of a misdemeanor
41 and, upon conviction therefor, shall be subject to the penalties provided for
42 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
43 subsection shall expire and have no effect on and after July 1, 2019;

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

6 (nnnn) all sales of tangible personal property or services purchased
7 by friends of hospice of Jefferson county, an organization that is exempt
8 from federal income taxation pursuant to section 501(c)(3) of the federal
9 internal revenue code of 1986, for the purpose of providing support to the
10 Jefferson county hospice agency in end-of-life care of Jefferson county
11 families, friends and neighbors, and all sales of entry or participation fees,
12 charges or tickets by friends of hospice of Jefferson county for such
13 organization's fundraising event for such purpose;

14 (oooo) all sales of tangible personal property or services purchased
15 for the purpose of and in conjunction with constructing, reconstructing,
16 enlarging or remodeling a qualified business facility by a qualified firm or
17 qualified supplier that meets the requirements established in K.S.A. 2023
18 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has
19 been approved for a project exemption certificate by the secretary of
20 commerce, and the sale and installation of machinery and equipment
21 purchased by such qualified firm or qualified supplier for installation at
22 any such qualified business facility. When a person shall contract for the
23 construction, reconstruction, enlargement or remodeling of any such
24 qualified business facility, such person shall obtain from the state and
25 furnish to the contractor an exemption certificate for the project involved,
26 and the contractor may purchase materials, machinery and equipment for
27 incorporation in such project. The contractor shall furnish the number of
28 such certificates to all suppliers from whom such purchases are made, and
29 such suppliers shall execute invoices covering the same bearing the
30 number of such certificate. Upon completion of the project, the contractor
31 shall furnish to the owner of the qualified firm or qualified supplier a
32 sworn statement, on a form to be provided by the director of taxation, that
33 all purchases so made were entitled to exemption under this subsection.
34 All invoices shall be held by the contractor for a period of five years and
35 shall be subject to audit by the director of taxation. Any contractor or any
36 agent, employee or subcontractor thereof who shall use or otherwise
37 dispose of any materials, machinery or equipment purchased under such a
38 certificate for any purpose other than that for which such a certificate is
39 issued without the payment of the sales or compensating tax otherwise
40 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
41 therefor, shall be subject to the penalties provided for in K.S.A. 79-
42 3615(h), and amendments thereto. As used in this subsection, "qualified
43 business facility," "qualified firm" and "qualified supplier" mean the same

1 as defined in K.S.A. 2023 Supp. 74-50,311, and amendments thereto;
2 (pppp) (1) all sales of tangible personal property or services
3 purchased by a not-for-profit corporation that is designated as an area
4 agency on aging by the secretary for aging and disabilities services and is
5 exempt from federal income taxation pursuant to section 501(c)(3) of the
6 federal internal revenue code for the purpose of coordinating and
7 providing seniors and those living with disabilities with services that
8 promote person-centered care, including home-delivered meals,
9 congregate meal settings, long-term case management, transportation,
10 information, assistance and other preventative and intervention services to
11 help service recipients remain in their homes and communities or for the
12 purpose of constructing, equipping, reconstructing, maintaining, repairing,
13 enlarging, furnishing or remodeling facilities for such area agency on
14 aging; and

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

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

12 (qqqq) all sales of tangible personal property or services purchased
13 by Kansas suicide prevention HQ, inc., an organization that is exempt
14 from federal income taxation pursuant to section 501(c)(3) of the federal
15 internal revenue code of 1986, for the purpose of bringing suicide
16 prevention training and awareness to communities across the state.

17 Sec. 19. K.S.A. 65-4a02, 65-4a03, 65-4a04, 65-4a05, 65-4a06, 65-
18 4a07, 65-4a08, 65-4a09, 65-4a10, 65-4a11, 65-4a12, 65-2401, 65-2837,
19 65-6702, 65-6703, 65-6704, 65-6705, 65-6707, 65-6709, 65-6710, 65-
20 6711, 65-6712, 65-6714, 65-6715, 65-6721, 65-6722, 65-6724, 65-6725,
21 65-6726, 65-6731, 65-6741, 65-6743, 65-6744, 65-6745, 65-6746, 65-
22 6747, 65-6748, 65-6749, 65-67a01, 76-3308 and 79-32,195 and K.S.A.
23 2023 Supp. 60-1906, 65-4a01, 65-6701, 65-6708, 65-6716, 65-6723, 65-
24 6742, 79-32,182b, 79-32,261 and 79-3606 are hereby repealed.

25 Sec. 20. This act shall take effect and be in force from and after its
26 publication in the statute book.