

**SENATE BILL No. 498**

By Committee on Assessment and Taxation

2-9

1 AN ACT concerning taxation; relating to income, privilege and premium  
2 tax credits; establishing a credit for contributions to eligible charitable  
3 organizations operating pregnancy centers or residential maternity  
4 facilities; establishing a child tax credit; increasing the tax credit  
5 amount for adoption expenses and making the credit refundable;  
6 relating to sales and compensating use tax; providing for a sales tax  
7 exemption for purchases by pregnancy resource centers and residential  
8 maternity facilities; amending K.S.A. 79-32,202a and K.S.A. 2023  
9 Supp. 79-3606 and repealing the existing sections.

10

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

12

New Section 1. (a) This section shall be known and may be cited as  
13 the pregnancy resource act.

14

(b) As used in this section, "eligible charitable organization" means  
15 an organization that is:

16

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

18

(2) a nonprofit organization organized under the laws of this state;  
19 and

20

(3) (A) a member of an organization whose members are pregnancy  
21 centers or residential maternity care facilities based in the state; or

22

(B) a pregnancy center or residential maternity facility that:

23

(i) Maintains a dedicated phone number for clients;

24

(ii) maintains in this state its primary physical office, clinic or  
25 residential home that is open for clients for a minimum of 20 hours a  
26 week, excluding state holidays;

27

(iii) offers services, at no cost to the client, for the express purpose of  
28 providing assistance to women in order to carry their pregnancy to term,  
29 encourage parenting or adoption, prevent abortion and promote healthy  
30 childbirth; and

31

(iv) utilizes trained and licensed medical professionals to perform any  
32 available medical procedures.

33

(c) (1) For taxable years commencing after December 31, 2023, a  
34 credit shall be allowed against the income, privilege or premium tax  
35 liability imposed upon a taxpayer pursuant to the Kansas income tax act,  
36 the privilege tax imposed upon any national banking association, state

1 bank, trust company or savings and loan association pursuant to article 11  
2 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto,  
3 or the premiums tax and privilege fees imposed upon an insurance  
4 company pursuant to K.S.A. 40-252, and amendments thereto, in an  
5 amount equal to 70% of the total amount contributed during the taxable  
6 year by a taxpayer to an eligible charitable organization.

7 (2) A contribution for which a credit is claimed must be a voluntary  
8 contribution and shall not be a payment for services rendered.

9 (3) If the amount of such tax credit exceeds the taxpayer's tax liability  
10 for such tax year, the taxpayer may carry over the amount that exceeds  
11 such tax liability for deduction from the taxpayer's liability in the next  
12 succeeding tax year or years until the total amount of the tax credit has  
13 been deducted from tax liability, except that no such tax credit shall be  
14 carried over for deduction after the fifth tax year succeeding the tax year in  
15 which the contribution was made.

16 (4) In no event shall the total amount of credits allowed under this  
17 section for contributions to a single eligible charitable organization exceed  
18 \$5,000,000 per tax year.

19 (5) The aggregate amount of credits claimed pursuant to this section  
20 shall not exceed \$10,000,000 per tax year.

21 (d) Taxpayers claiming a credit authorized by this section shall  
22 provide the name of the eligible charitable organization and the amount of  
23 the contribution to the department of revenue on forms provided by the  
24 department.

25 (e) An eligible charitable organization shall provide the department  
26 with a written certification pursuant to subsection (f) that it meets all  
27 criteria to be considered an eligible charitable organization. The  
28 organization shall also notify the department of any changes that may  
29 affect eligibility under this section.

30 (f) The eligible charitable organization's written certification must be  
31 signed by an officer of the organization under penalty of perjury. The  
32 written certification shall include the following:

33 (1) Verification of the organization's status under section 501(c)(3) of  
34 the federal internal revenue code of 1986;

35 (2) a statement that the organization does not provide, pay for, refer  
36 for or provide coverage of abortions and does not financially support,  
37 partner with or affiliate with any other entity that provides, pays for, refers  
38 for or provides coverage of abortions, including nonsurgical abortions and  
39 abortifacients;

40 (3) a statement that the organization maintains its principal office or  
41 presence in this state and that at least 50% of its clients claim to be  
42 residents of this state; and

43 (4) any other information that the department requires to administer

1 this section.

2 (g) The department shall review each written certification and  
3 determine whether the organization meets all the criteria to be considered  
4 an eligible charitable organization and notify the organization of its  
5 determination. The department may also periodically request  
6 recertification from the organization. The department shall compile and  
7 make available to the public a list of eligible charitable organizations.

8 (h) Tax credits authorized by this section that are earned by a  
9 partnership, limited liability company, S corporation or other similar pass-  
10 through entity shall be allocated among all partners, members or  
11 shareholders, respectively, either in proportion to their ownership interest  
12 in such entity or as the partners, members or shareholders mutually agree  
13 as provided in an executed agreement.

14 (i) Prior to claiming any credit on a return, a taxpayer shall apply for  
15 credits with the department on forms prescribed by the department. In the  
16 application the taxpayer shall certify to the department the dollar amount  
17 of the contributions made or to be made during the calendar year. Within  
18 30 days after the receipt of an application, the department shall allocate  
19 credits based on the dollar amount of contributions as certified in the  
20 application. If the department cannot allocate the full amount of credits  
21 certified in the application due to the limit on the aggregate amount of  
22 credits that may be awarded under this section in a tax year, the  
23 department shall so notify the applicant within 30 days with the amount of  
24 credits, if any, that may be allocated to the applicant in the calendar year.  
25 Once the department has allocated credits to a taxpayer, if the contribution  
26 for which a credit is allocated has not been made as of the date of the  
27 allocation, then the contribution must be made not later than 90 days from  
28 the date of the allocation. If the contribution is not made within such time  
29 period, the allocation shall be cancelled and returned to the department for  
30 reallocation.

31 New Sec. 2. (a) (1) For tax year 2024, and all tax years thereafter,  
32 there shall be allowed a credit against the tax liability of a resident  
33 individual imposed under the Kansas income tax act. The amount of credit  
34 allowed pursuant to this section shall be in an amount equal to \$1,000 for  
35 each qualifying child of the taxpayer. An additional credit shall be allowed  
36 in an amount equal to \$1,000 for each unborn child. A taxpayer may take  
37 the additional credit in the taxable year that the unborn child is born or  
38 stillborn. Alternatively, the taxpayer may elect to take the additional credit  
39 for an unborn child that is born or stillborn prior to the date required for  
40 filing a return pursuant to K.S.A. 79-3221, and amendments thereto, of the  
41 successive taxable year if such election is made at the time of filing the  
42 return. In no instance shall the additional credit be used for more than one  
43 taxable year.

1 (2) If the amount of the credit allowed by this section exceeds the  
2 taxpayer's income tax liability imposed under the Kansas income tax act,  
3 such excess amount shall be refunded to the taxpayer.

4 (b) As used in this section:

5 (1) "Bears a relationship" means an individual that is related to the  
6 taxpayer as:

7 (A) A child of the taxpayer or a descendant of such a child; or

8 (B) a brother, sister, stepbrother or stepsister of the taxpayer or a  
9 descendant of any such relative.

10 (2) "Qualifying child" means, with respect to any taxpayer for any  
11 taxable year, an individual who:

12 (A) (i) Bears a relationship to the taxpayer;

13 (ii) has the same principal place of abode as the taxpayer:

14 (a) For more than  $\frac{1}{2}$  of such taxable year if such qualifying child was  
15 not born in that taxable year; or

16 (b) at any time during the taxable year for a child born during the  
17 taxable year;

18 (iii) has not attained 18 years of age as of the close of the calendar  
19 year in which the taxable year of the taxpayer begins;

20 (iv) has not provided over  $\frac{1}{2}$  of such individual's own support for the  
21 calendar year in which the taxable year of the taxpayer begins; and

22 (v) has not filed a joint return, other than only for a claim of refund,  
23 with the individual's spouse for the taxable year;

24 (B) is an unborn child that bears a relationship to the taxpayer; or

25 (C) is a child that is stillborn that bears a relationship to the taxpayer  
26 and a certificate of birth resulting in stillbirth is issued pursuant to K.S.A.  
27 65-2440, and amendments thereto.

28 (3) "Unborn child" means an individual of the species homo sapiens,  
29 from the beginning of the biological development of that individual,  
30 including fertilization, until the point of the earlier of being born alive or  
31 death resulting in stillbirth issued pursuant to K.S.A. 65-2440, and  
32 amendments thereto.

33 (c) A qualifying child shall not be used to qualify for the tax credit  
34 pursuant to this section for more than one taxpayer in a single tax year. No  
35 credit provided under this section shall be allowed to any taxpayer who  
36 fails to provide a valid social security number issued by the social security  
37 administration to such taxpayer, the taxpayer's spouse and every qualifying  
38 child unless a certificate of birth resulting in stillbirth issued pursuant to  
39 K.S.A. 65-2440, and amendments thereto, is provided.

40 Sec. 3. K.S.A. 79-32,202a is hereby amended to read as follows: 79-  
41 32,202a. (a) ~~(1) Commencing in~~ For tax year years 2014, and all tax years  
42 ~~thereafter~~ through 2023, and in addition to the credit provided in  
43 subsection (b), there shall be allowed as a credit against the tax liability of

1 a resident individual imposed under the Kansas income tax act an amount  
 2 equal to: ~~(1)(A)~~ 25% of the amount of the credit allowed against such  
 3 taxpayer's federal income tax liability pursuant to section 23 of the federal  
 4 internal revenue code determined without regard to subsection (c) of such  
 5 section; ~~(2)~~ (B) in addition to subsection (a)(1)(A), 25% of the amount of  
 6 such federal income tax credit, if the child adopted by the taxpayer was a  
 7 resident of Kansas prior to such lawful adoption; and ~~(3)~~ (C) in addition to  
 8 subsections (a)(1)(A) and ~~(a)(2)~~ (a)(1)(B), 25% of the amount of such  
 9 federal income tax credit, if the child adopted by the taxpayer is a child  
 10 with special needs, as defined in section 23 of the federal internal revenue  
 11 code, and the child was a resident of Kansas prior to such lawful adoption,  
 12 for the taxable year in which such credit was claimed against the  
 13 taxpayer's federal income tax liability.

14 (2) *For tax year 2024, and all tax years thereafter, and in addition to*  
 15 *the credit provided in subsection (b), there shall be allowed as a credit*  
 16 *against the tax liability of a resident individual imposed under the Kansas*  
 17 *income tax act an amount equal to 100% of the amount of the credit*  
 18 *allowed against such taxpayer's federal income tax liability pursuant to*  
 19 *section 23 of the federal internal revenue code determined without regard*  
 20 *to subsection (c) of such section for the taxable year in which such credit*  
 21 *was claimed against the taxpayer's federal income tax liability.*

22 (b) ~~Commencing in~~ *For tax year 2014, and all tax years thereafter,*  
 23 *there shall be allowed as a credit against the tax liability of a resident*  
 24 *individual imposed under the Kansas income tax act an amount equal to*  
 25 *\$1,500 for the taxable year in which occurs the lawful adoption of a child*  
 26 *in the custody of the secretary for children and families or a child with*  
 27 *special needs, whether or not such individual is reimbursed for all or part*  
 28 *of qualified adoption expenses or has received a public or private grant*  
 29 *therefor. As used in this subsection, terms and phrases shall have the*  
 30 *meanings ascribed thereto by the provisions of section 23 of the federal*  
 31 *internal revenue code.*

32 (c) *The credit allowed by subsections (a)(1) and (b) for tax years*  
 33 *2014 through 2023 shall not exceed the amount of the tax imposed by*  
 34 *K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any*  
 35 *other credits allowable pursuant to law. If the amount of such tax credit*  
 36 *exceeds the taxpayer's income tax liability for such taxable year, the*  
 37 *amount thereof—*~~which~~ *that exceeds such tax liability may be carried over*  
 38 *for deduction from the taxpayer's income tax liability in the next*  
 39 *succeeding taxable year or years until the total amount of the tax credits*  
 40 *has been deducted from tax liability.*

41 (d) *For tax year 2024, and all tax years thereafter, if the amount of*  
 42 *the credit allowed by subsections (a)(2) and (b) exceeds the taxpayer's*  
 43 *income tax liability for such taxable year, the amount thereof that exceeds*

1 *such tax liability shall be refunded to the taxpayer.*

2 Sec. 4. K.S.A. 2023 Supp. 79-3606 is hereby amended to read as  
3 follows: 79-3606. The following shall be exempt from the tax imposed by  
4 this act:

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

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

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

1 equipment of buildings used for human habitation by the cerebral palsy  
2 research foundation of Kansas located in Wichita, Kansas, and multi  
3 community diversified services, incorporated, located in McPherson,  
4 Kansas;

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

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

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



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

22 (f) tangible personal property purchased by a railroad or public utility  
23 for consumption or movement directly and immediately in interstate  
24 commerce;

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

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

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

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

43 (k) any motor vehicle, semitrailer or pole trailer, as such terms are

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

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

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

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

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

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

1 of disease or intended to affect the structure or any function of the body,  
2 except that for taxable years commencing after December 31, 2013, this  
3 subsection shall not apply to any sales of drugs used in the performance or  
4 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
5 thereto;

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

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

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

39 (t) all sales of farm machinery and equipment or aquaculture  
40 machinery and equipment, repair and replacement parts therefor and  
41 services performed in the repair and maintenance of such machinery and  
42 equipment. For the purposes of this subsection the term "farm machinery  
43 and equipment or aquaculture machinery and equipment" shall include a

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

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

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

38 (w) all sales of natural gas, electricity, heat and water delivered  
39 through mains, lines or pipes: (1) To residential premises for  
40 noncommercial use by the occupant of such premises; (2) for agricultural  
41 use and also, for such use, all sales of propane gas; (3) for use in the  
42 severing of oil; and (4) to any property which is exempt from property  
43 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this

1 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
2 and amendments thereto. For all sales of natural gas, electricity and heat  
3 delivered through mains, lines or pipes pursuant to the provisions of  
4 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
5 on December 31, 2005;

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

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

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

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

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

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

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

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

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

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

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

40 (hh) all sales of medical supplies and equipment, including durable  
41 medical equipment, purchased directly by a nonprofit skilled nursing home  
42 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
43 and amendments thereto, for the purpose of providing medical services to

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

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

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

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

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

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

38 (2) For purposes of this subsection:

39 (A) "Integrated production operation" means an integrated series of  
40 operations engaged in at a manufacturing or processing plant or facility to  
41 process, transform or convert tangible personal property by physical,  
42 chemical or other means into a different form, composition or character  
43 from that in which it originally existed. Integrated production operations

1 shall include: (i) Production line operations, including packaging  
2 operations; (ii) preproduction operations to handle, store and treat raw  
3 materials; (iii) post production handling, storage, warehousing and  
4 distribution operations; and (iv) waste, pollution and environmental  
5 control operations, if any;

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

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

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



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

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

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

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

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

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

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

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

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

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

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

42 (H) package the property being manufactured or processed in a  
43 container or wrapping in which such property is normally sold or

1 transported;

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

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

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

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

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

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

43 (5) "Machinery and equipment used as an integral or essential part of

1 an integrated production operation" shall not include:

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

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

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

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

18 (E) furniture and other furnishings;

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

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

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

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

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

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

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

42 (II) all sales of educational materials purchased for distribution to the  
43 public at no charge by a nonprofit corporation organized for the purpose of

1 encouraging, fostering and conducting programs for the improvement of  
2 public health, except that for taxable years commencing after December  
3 31, 2013, this subsection shall not apply to any sales of such materials  
4 purchased by a nonprofit corporation which performs any abortion, as  
5 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (11) the spina bifida association of Kansas for the purpose of  
43 providing financial, educational and practical aid to families and

1 individuals with spina bifida. Such aid includes, but is not limited to,  
2 funding for medical devices, counseling and medical educational  
3 opportunities;

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

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

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

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

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

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

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

29 (19) the international association of lions clubs for the purpose of  
30 creating and fostering a spirit of understanding among all people for  
31 humanitarian needs by providing voluntary services through community  
32 involvement and international cooperation;

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

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

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

43 (23) the angel babies association, for the purpose of providing

1 assistance, support and items of necessity to teenage mothers and their  
2 babies; and

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

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

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

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

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

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

22 (aaa) all sales of tangible personal property and services purchased by  
23 a religious organization that is exempt from federal income taxation  
24 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
25 exclusively for religious purposes, and all sales of tangible personal  
26 property or services purchased by a contractor for the purpose of  
27 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
28 furnishing or remodeling facilities for any such organization that would be  
29 exempt from taxation under the provisions of this section if purchased  
30 directly by such organization. Nothing in this subsection shall be deemed  
31 to exempt the purchase of any construction machinery, equipment or tools  
32 used in the constructing, equipping, reconstructing, maintaining, repairing,  
33 enlarging, furnishing or remodeling facilities for any such organization.  
34 When any such organization shall contract for the purpose of constructing,  
35 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
36 remodeling facilities, it shall obtain from the state and furnish to the  
37 contractor an exemption certificate for the project involved, and the  
38 contractor may purchase materials for incorporation in such project. 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 such organization  
43 concerned 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 20<sup>th</sup> 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, such organization concerned 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 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
22 this act upon the gross receipts received from any sale exempted by the  
23 amendatory provisions of this subsection shall be refunded. Each claim for  
24 a sales tax refund shall be verified and submitted to the director of taxation  
25 upon forms furnished by the director and shall be accompanied by any  
26 additional documentation required by the director. The director shall  
27 review each claim and shall refund that amount of sales tax paid as  
28 determined under the provisions of this subsection. All refunds shall be  
29 paid from the sales tax refund fund upon warrants of the director of  
30 accounts and reports pursuant to vouchers approved by the director or the  
31 director's designee;

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

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

1 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
2 or center that would be exempt from taxation under the provisions of this  
3 section if purchased directly by such clinic or center, except that for  
4 taxable years commencing after December 31, 2013, this subsection shall  
5 not apply to any sales of such tangible personal property and services  
6 purchased by a primary care clinic or health center which performs any  
7 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
8 in this subsection shall be deemed to exempt the purchase of any  
9 construction machinery, equipment or tools used in the constructing,  
10 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
11 remodeling facilities for any such clinic or center. When any such clinic or  
12 center shall contract for the purpose of constructing, equipping,  
13 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
14 facilities, it shall obtain from the state and furnish to the contractor an  
15 exemption certificate for the project involved, and the contractor may  
16 purchase materials for incorporation in such project. The contractor shall  
17 furnish the number of such certificate to all suppliers from whom such  
18 purchases are made, and such suppliers shall execute invoices covering the  
19 same bearing the number of such certificate. Upon completion of the  
20 project the contractor shall furnish to such clinic or center concerned a  
21 sworn statement, on a form to be provided by the director of taxation, that  
22 all purchases so made were entitled to exemption under this subsection.  
23 All invoices shall be held by the contractor for a period of five years and  
24 shall be subject to audit by the director of taxation. If any materials  
25 purchased under such a certificate are found not to have been incorporated  
26 in the building or other project or not to have been returned for credit or  
27 the sales or compensating tax otherwise imposed upon such materials that  
28 will not be so incorporated in the building or other project reported and  
29 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
30 day of the month following the close of the month in which it shall be  
31 determined that such materials will not be used for the purpose for which  
32 such certificate was issued, such clinic or center concerned shall be liable  
33 for tax on all materials purchased for the project, and upon payment  
34 thereof it may recover the same from the contractor together with  
35 reasonable attorney fees. Any contractor or any agent, employee or  
36 subcontractor thereof, who shall use or otherwise dispose of any materials  
37 purchased under such a certificate for any purpose other than that for  
38 which such a certificate is issued without the payment of the sales or  
39 compensating tax otherwise imposed upon such materials, shall be guilty  
40 of a misdemeanor and, upon conviction therefor, shall be subject to the  
41 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;  
42 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
43 sales of materials and services purchased by any class II or III railroad as

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

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

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

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

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

38 (iii) all sales of personal property and services purchased by an  
39 organization that is exempt from federal income taxation pursuant to  
40 section 501(c)(3) of the federal internal revenue code of 1986, and such  
41 personal property and services are used by any such organization in the  
42 collection, storage and distribution of food products to nonprofit  
43 organizations that distribute such food products to persons pursuant to a

1 food distribution program on a charitable basis without fee or charge, and  
2 all sales of tangible personal property or services purchased by a  
3 contractor for the purpose of constructing, equipping, reconstructing,  
4 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
5 for the collection and storage of such food products for any such  
6 organization which is exempt from federal income taxation pursuant to  
7 section 501(c)(3) of the federal internal revenue code of 1986, that would  
8 be exempt from taxation under the provisions of this section if purchased  
9 directly by such organization. Nothing in this subsection shall be deemed  
10 to exempt the purchase of any construction machinery, equipment or tools  
11 used in the constructing, equipping, reconstructing, maintaining, repairing,  
12 enlarging, furnishing or remodeling facilities for any such organization.  
13 When any such organization shall contract for the purpose of constructing,  
14 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
15 remodeling facilities, it shall obtain from the state and furnish to the  
16 contractor an exemption certificate for the project involved, and the  
17 contractor may purchase materials for incorporation in such project. The  
18 contractor shall furnish the number of such certificate to all suppliers from  
19 whom such purchases are made, and such suppliers shall execute invoices  
20 covering the same bearing the number of such certificate. Upon  
21 completion of the project the contractor shall furnish to such organization  
22 concerned a sworn statement, on a form to be provided by the director of  
23 taxation, that all purchases so made were entitled to exemption under this  
24 subsection. All invoices shall be held by the contractor for a period of five  
25 years and shall be subject to audit by the director of taxation. If any  
26 materials purchased under such a certificate are found not to have been  
27 incorporated in such facilities or not to have been returned for credit or the  
28 sales or compensating tax otherwise imposed upon such materials that will  
29 not be so incorporated in such facilities reported and paid by such  
30 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
31 month following the close of the month in which it shall be determined  
32 that such materials will not be used for the purpose for which such  
33 certificate was issued, such organization concerned shall be liable for tax  
34 on all materials purchased for the project, and upon payment thereof it  
35 may recover the same from the contractor together with reasonable  
36 attorney fees. Any contractor or any agent, employee or subcontractor  
37 thereof, who shall use or otherwise dispose of any materials 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. Sales tax paid on and after  
43 July 1, 2005, but prior to the effective date of this act upon the gross

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

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

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

34 (mmm) all sales of tangible personal property purchased by or on  
35 behalf of the Marillac center, inc., which 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 psycho-social-biological and special  
38 education services to children, and all sales of any such property by or on  
39 behalf of such organization for such purpose;

40 (nnn) all sales of tangible personal property and services purchased  
41 by the west Sedgwick county-sunrise rotary club and sunrise charitable  
42 fund for the purpose of constructing a boundless playground which is an  
43 integrated, barrier free and developmentally advantageous play

1 environment for children of all abilities and disabilities;

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

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

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

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

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

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

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

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



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

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

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

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

39 (www) all sales of tangible personal property purchased by or on  
40 behalf of the Frontenac education foundation, 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 providing education support for  
43 students, and all sales of any such property by or on behalf of such

1 organization for such purpose;

2 (xxx) all sales of personal property and services purchased by the  
3 booth theatre foundation, inc., an organization, which is exempt from  
4 federal income taxation pursuant to section 501(c)(3) of the federal  
5 internal revenue code of 1986, and which such personal property and  
6 services are used by any such organization in the constructing, equipping,  
7 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
8 of the booth theatre, and all sales of tangible personal property or services  
9 purchased by a contractor for the purpose of constructing, equipping,  
10 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
11 the booth theatre for such organization, that would be exempt from  
12 taxation under the provisions of this section if purchased directly by such  
13 organization. Nothing in this subsection shall be deemed to exempt the  
14 purchase of any construction machinery, equipment or tools used in the  
15 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
16 furnishing or remodeling facilities for any such organization. When any  
17 such organization shall contract for the purpose of constructing, equipping,  
18 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
19 facilities, it shall obtain from the state and furnish to the contractor an  
20 exemption certificate for the project involved, and the contractor may  
21 purchase materials for incorporation in such project. The contractor shall  
22 furnish the number of such certificate to all suppliers from whom such  
23 purchases are made, and such suppliers shall execute invoices covering the  
24 same bearing the number of such certificate. Upon completion of the  
25 project the contractor shall furnish to such organization concerned a sworn  
26 statement, on a form to be provided by the director of taxation, that all  
27 purchases so made were entitled to exemption under this subsection. All  
28 invoices shall be held by the contractor for a period of five years and shall  
29 be subject to audit by the director of taxation. If any materials purchased  
30 under such a certificate are found not to have been incorporated in such  
31 facilities or not to have been returned for credit or the sales or  
32 compensating tax otherwise imposed upon such materials that will not be  
33 so incorporated in such facilities reported and paid by such contractor to  
34 the director of taxation not later than the 20<sup>th</sup> day of the month following  
35 the close of the month in which it shall be determined that such materials  
36 will not be used for the purpose for which such certificate was issued, such  
37 organization 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. Sales tax paid on and after January 1, 2007, but prior  
4 to the effective date of this act upon the gross receipts received from any  
5 sale which would have been exempted by the provisions of this subsection  
6 had such sale occurred after the effective date of this act shall be refunded.  
7 Each claim for a sales tax refund shall be verified and submitted to the  
8 director of taxation upon forms furnished by the director and shall be  
9 accompanied by any additional documentation required by the director.  
10 The director shall review each claim and shall refund that amount of sales  
11 tax paid as determined under the provisions of this subsection. All refunds  
12 shall be paid from the sales tax refund fund upon warrants of the director  
13 of accounts and reports pursuant to vouchers approved by the director or  
14 the director's designee;

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

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

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

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

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

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

42 (dddd) all sales of tangible personal property or services purchased  
43 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both

1 of which are exempt from federal income taxation pursuant to section  
2 501(c)(3) of the federal internal revenue code, for the purpose of providing  
3 education, training and employment opportunities for people with  
4 disabilities and other barriers to employment;

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

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

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

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

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

1 amendments thereto;

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

40 (jjj) all sales of tangible personal property or services purchased by  
41 or on behalf of the beacon, inc., that is exempt from federal income  
42 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
43 for the purpose of providing those desiring help with food, shelter, clothing



1 and other necessities of life during times of special need;

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

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

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

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

12 (nnnn) all sales of tangible personal property or services purchased  
13 by friends of hospice of Jefferson county, 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 providing support to the  
16 Jefferson county hospice agency in end-of-life care of Jefferson county  
17 families, friends and neighbors, and all sales of entry or participation fees,  
18 charges or tickets by friends of hospice of Jefferson county for such  
19 organization's fundraising event for such purpose;

20 (oooo) all sales of tangible personal property or services purchased  
21 for the purpose of and in conjunction with constructing, reconstructing,  
22 enlarging or remodeling a qualified business facility by a qualified firm or  
23 qualified supplier that meets the requirements established in K.S.A. 2023  
24 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
25 been approved for a project exemption certificate by the secretary of  
26 commerce, and the sale and installation of machinery and equipment  
27 purchased by such qualified firm or qualified supplier for installation at  
28 any such qualified business facility. When a person shall contract for the  
29 construction, reconstruction, enlargement or remodeling of any such  
30 qualified business facility, such person shall obtain from the state and  
31 furnish to the contractor an exemption certificate for the project involved,  
32 and the contractor may purchase materials, machinery and equipment for  
33 incorporation in such project. The contractor shall furnish the number of  
34 such certificates to all suppliers from whom such purchases are made, and  
35 such suppliers shall execute invoices covering the same bearing the  
36 number of such certificate. Upon completion of the project, the contractor  
37 shall furnish to the owner of the qualified firm or qualified supplier a  
38 sworn statement, on a form to be provided by the director of taxation, that  
39 all purchases so made were entitled to exemption under this subsection.  
40 All invoices shall be held by the contractor for a period of five years and  
41 shall be subject to audit by the director of taxation. Any contractor or any  
42 agent, employee or subcontractor thereof who shall use or otherwise  
43 dispose of any materials, machinery or equipment purchased under such a

1 certificate for any purpose other than that for which such a certificate is  
2 issued without the payment of the sales or compensating tax otherwise  
3 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
4 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
5 3615(h), and amendments thereto. As used in this subsection, "qualified  
6 business facility," "qualified firm" and "qualified supplier" mean the same  
7 as defined in K.S.A. 2023 Supp. 74-50,311, and amendments thereto;

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

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

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

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

23 (rrrr) *(1) All sales of tangible personal property or services*  
24 *purchased by a pregnancy resource center or residential maternity facility.*

25 *(2) As used in this subsection, "pregnancy resource center" or*  
26 *"residential maternity facility" means an organization that is:*

27 *(A) Exempt from federal income taxation pursuant to section 501(c)*  
28 *(3) of the federal internal revenue code of 1986;*

29 *(B) a nonprofit organization organized under the laws of this state;*  
30 *and*

31 *(C) a pregnancy resource center or residential maternity facility that:*

32 *(i) Maintains a dedicated phone number for clients;*

33 *(ii) maintains in this state its primary physical office, clinic or*  
34 *residential home that is open for clients for a minimum of 20 hours per*  
35 *week, excluding state holidays;*

36 *(iii) offers services, at no cost to the client, for the express purpose of*  
37 *providing assistance to women in order to carry their pregnancy to term,*  
38 *encourage parenting or adoption, prevent abortion and promote healthy*  
39 *childbirth; and*

40 *(iv) utilizes trained and licensed medical professionals to perform*  
41 *any available medical procedures.*

42 Sec. 5. K.S.A. 79-32,202a and K.S.A. 2023 Supp. 79-3606 are hereby  
43 repealed.

1       Sec. 6. This act shall take effect and be in force from and after its  
2       publication in the statute book.