AN ACT concerning taxation; relating to sales and compensating use tax; relating to exemptions; providing an a sales tax exemption {exemptions} for reconstructing, repairing or replacing certain fencing damaged or destroyed by wildfires {natural disaster and for constructing, reconstructing, repairing or replacing certain fencing}; relating to property tax; providing for abatement or credit of property tax for buildings and improvements destroyed or substantially destroyed by natural disaster; amending K.S.A. 79-1613 and 79-3606d and repealing the existing section sections.

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

Section 1. K.S.A. 79-3606d is hereby amended to read as follows: 79-3606d. (a) The following shall be exempt from the tax imposed by the Kansas retailers' sales tax act: (1) All sales of tangible personal property and services purchased during calendar years 2017 and 2018 on and after January 1, 2021, and purchased within two years of the date of the applicable disaster declaration necessary to reconstruct, repair or replace any fence that was damaged or destroyed by wildfires {a wildfire, flood, tornado or other natural disaster} occurring during calendar years 2016 and 2017 on and after January 1, 2021, and the purpose for which is to enclose land devoted to agricultural use. {A taxpayer shall be eligible for the exemption if the affected property containing the damaged or destroyed fencing is located within an area declared to be a disaster by the federal, state or local government. As used in this section, "wildfire" means a fire that spreads rapidly over grassland, woodland or brush creating unwanted and unplanned destruction.} Sales tax paid on and after January 1, 2017 2021, upon the gross receipts received from any such sale shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this section. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers
approved by the director or the director's designee. Any person
reconstructing, repairing or replacing such property, or any person who
shall contract for the reconstruction, repair or replacement of any such
property shall obtain from the state an exemption certificate for the project
involved. The certificate shall be furnished to the person or contractor to
purchase materials and lease machinery and equipment for such project.
The person or contractor shall furnish the number of such certificate to all
suppliers from whom such purchases are made, and such suppliers shall
execute invoices covering the same bearing the number of such certificate.
Upon completion of the project the contractor shall furnish to the person
that obtained the exemption certificate, a sworn statement, on a form to be
provided by the director of taxation, that all purchases so made were
entitled to exemption under this subsection (paragraph; and
subsubsection (paragraph; and
2) on and after July 1, 2022, all sales of tangible personal property
and services necessary to construct, reconstruct, repair or replace any
fence that the purpose for which is to enclose land devoted to
agricultural use).
(b) The provisions of this section shall be deemed to be a part of and
supplemental to the Kansas retailers' sales tax act.
Sec. 2. K.S.A. 79-1613 is hereby amended to read as follows: 79-
1613. (a) As used in this section:
(1) "Destroyed or substantially destroyed" means damage of any
origin sustained by a homestead or building or improvement as the direct
result of: (A) An earthquake, flood, tornado, fire or storm; or (B) an
event or occurrence which the governor of the state of Kansas has
declared a disaster, whereby the cost of restoring the structure {damaged
as a result of subparagraph (A) or (B)} to its before-damaged condition
would equal or exceed 50% of the market value of the structure before
the damage occurred.
(2) "Homestead" means the dwelling, or any part thereof, whether
owned or rented, which is occupied as a residence by the household
and so much of the land surrounding it, as defined as a home site for ad
valorem tax purposes, and may consist of a part of a multi-dwelling or
multi-purpose building and a part of the land upon which it is built or a
manufactured home or mobile home and the land upon which it is
situated. "Owned" includes a vendee in possession under a land
contract, a life tenant, a beneficiary under a trust and one or more joint
tenants or tenants in common.
(3) "Public or private buyout" means any buyout from a local, state or
federal governmental entity or any non-governmental entity, including, but
not limited to, an individual, foundation, trust, association, corporation,
limited liability company or partnership.
(b) The owner of any building or improvement listed and assessed
for property taxation purposes as real property or any homestead listed
and assessed for property taxation purposes which that was destroyed or
substantially destroyed due to an earthquake, flood, tornado, fire, storm, or
other event or occurrence which that the governor of the state of Kansas
has declared a disaster may make application to the board of county
commissioners of the county in which such property is located for the
abatement of property taxes levied upon such homestead or building or
improvement or for a credit against property taxes payable by such
owner, as permitted by this section.

(1) If such homestead or building or improvement has been so
destroyed or substantially destroyed after January 1 of a particular year
but prior to August 15 of such year, the owner of such homestead or
building or improvement may make application to such board of county
commissioners for the abatement of property taxes levied upon such
homestead or building or improvement, or if such property taxes have
been paid or partially paid, may make application for the granting of a
credit against property taxes payable by such owner during any or all of
the next succeeding three taxable years.

(2) If such homestead or building or improvement has been so
destroyed or substantially destroyed on or after August 15 of a particular
year but prior to January 1 of the next succeeding year, the owner of
such homestead or building or improvement may make application to
such board of county commissioners for the granting of a credit against
property taxes payable by such owner during any or all of the next
succeeding three taxable years.

(c) An application for relief as permitted by subsection (b) may be
made for abatement of property taxes assessed but not yet paid, or for a
grant of a credit for assessed property taxes paid or for both, as the case
may be, and may be made on or before December 20 of the year next
succeeding the year for which such taxes have been assessed.

(d) Upon receipt of any such application, subject to budgetary
restraints of the county or taxing subdivision arising from the event or
occurrence declared a disaster by the governor, the board of county
commissioners shall inquire into and make findings regarding, among
other things, whether the property is a homestead, as defined in
subsection (a), whether the property is a building or improvement,
whether the homestead or the building or improvement was destroyed or
substantially destroyed, as defined in subsection (a) and the assessed
valuation thereof. If it is determined that an owner of such homestead or
building or improvement is entitled to an abatement of all or any portion
of the property taxes levied against such homestead or building or
improvement or is entitled to a credit against property taxes payable by
such owner in any or all of the next succeeding three years, the board
may issue an order so providing.

(e) The county clerk and county treasurer shall in each case of abatement or credit correct their records in accordance therewith and the county clerk shall notify the governing body of any taxing district affected thereby.

(f) The provisions of this section shall be applicable to all taxable years commencing after December 31, 2018, and all taxable years thereafter.

(g) Notwithstanding any provision of subsection (c) to the contrary, an application for relief as permitted by subsection (b) may be made for abatement of property taxes assessed but not yet paid, or for a grant of a credit for assessed property taxes paid, or for both, as the case may be, and may be made on or before December 20, 2022, for taxable years 2019 and 2020.

Sec. 2. K.S.A. 79-1613 and 79-3606d-4 are hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.