

Journal of the Senate

FIFTY-EIGHTH DAY

SENATE CHAMBER, TOPEKA, KANSAS
Monday, May 23, 2022, 10:00 a.m.

The Senate was called to order by President Ty Masterson.

The roll was called with 37 senators present.

Senators Doll, Hawk and Suellentrop were excused.

Invocation by Reverend Cecil T. Washington:

“No Day Set To Resume Busyness”
2 Corinthians 5:10; 3:13

Heavenly Father, as we look back, thanks for the time You have given us here, although we'll be leaving shortly. The Latin term sine-die means we're leaving with no specific date to be called together again. And Lord, that reminds me of how things of the present tend to parallel things of the future, how issues of time unfold in eternity, how the sine-die of today mirrors the one of the future.

Lord, You have established a final sine-die for all of us, a time when each one of us will individually leave here. But we haven't been told the day or the hour we'll be gathered together again. Yet, Your Word is clear! In 2 Cor. 5:10, You say we must all appear before the judgment seat of Christ so that each of us may receive what is due us for the things done while in the body, whether good or bad.

And in 1 Corinthians 3:13-14, You said the work we do on this side will be shown for what it is. Because its quality will be revealed on the other side. And finally Lord, by faith, let the good of the Christ be counted toward the good of Your people.

I conclude this prayer as we conclude this session, in the precious Name of Jesus, Amen

The Pledge of Allegiance was led by President Masterson.

MESSAGES FROM THE GOVERNOR

H Sub SB 261; SB 366 approved on May 5, 2022.

SB 84, SB 421 approved on May 12, 2022.

SB 313 approved on May 13, 2022.

COMMUNICATIONS FROM STATE OFFICERS

The following reports were submitted to the Senate and are on file with the Secretary of the Senate.

State of Kansas Office of the Attorney General FY 2021 Annual Report of the Crime Victims Compensation Board. (May 3, 2022)

Kansas State Board of Education Statewide Longitudinal Data System (SLDS) report. (May 13, 2022)

MESSAGE FROM THE HOUSE

Announcing the House herewith transmits certificate of action by the House of Representatives on **Senate Bill 199**, AN ACT concerning insurance; relating to health insurance; providing for short-term, limited duration health plans; amending K.S.A. 40-2,193 and repealing the existing section.

The veto message from the Governor having been received, members were given the opportunity to reconsider **Senate Bill 199**. No motion being made, the bill did not pass and the veto was sustained.

Announcing the House herewith transmits certificate of action by the House of Representatives on **Senate Bill 493**, AN ACT concerning cities and counties; prohibiting the regulation of plastic and other containers designed for the consumption, transportation or protection of merchandise, food or beverages.

The veto message from the Governor having been received, members were given the opportunity to reconsider **Senate Bill 493**. No motion being made, the bill did not pass and the veto was sustained.

The Senate recessed to the sound of the gavel.

The Senate met pursuant to recess with President Masterson in the chair.

ORIGINAL MOTION

Senator Alley moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bill: **H Sub SB 19**.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2136** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

By striking all on pages 2 through 14;

On page 15, by striking all in lines 1 through 23; following line 23, by inserting:

"New Section 1. The provisions of sections 1 through 13, and amendments thereto, shall be known and may be cited as the COVID-19 retail storefront property tax relief act. The purpose of this act shall be to provide refunds to certain businesses impacted by COVID-19 related shutdowns and restrictions during tax years 2020 and 2021 based on a portion of property taxes accrued on retail storefront property.

New Sec. 2. As used in this act:

(a) "Act" means the COVID-19 retail storefront property tax relief act.

(b) (1) "Claimant" means a for-profit business, regardless of legal structure, who has filed a claim under the provisions of this act and who:

(A) Conducts a majority of its retail sales through customers' physical, on-site presence at a retail storefront property;

(B) was in operation on or prior to July 1, 2019, and filed a 2019 tax return;
(C) had at least \$10,000 in annual revenues, including gross sales and receipts, in 2019;
(D) received less gross revenue in 2020 or 2021, as applicable, compared to 2019;
(E) was in active operations as of March 1, 2020; and
(F) has not received more than a total of \$150,000 in prior COVID-19-related local, state or federal funding or any combination thereof.

(2) "Claimant" shall not include:

(A) Grocery stores and pharmacies;
(B) hardware stores and home improvement businesses;
(C) retail liquor stores;
(D) manufacturers and food processors;
(E) schools, such as pre-kindergarten, kindergarten through grade 12, post-secondary, higher education, technical education and training;

(F) hospitals and healthcare providers, including, but not limited to, physicians, surgeons, psychologists and psychoanalysts, but not including personal services providers such as massage therapists and chiropractors;

(G) property management and real estate services, including owners or operators of short-term rental properties;

(H) professional services, including, but not limited to, accounting, insurance, legal, financial services and firms, information technology, engineering and architecture;

(I) agriculture and aquaculture producers, including farms, ranches and fisheries, but not including their retail storefronts used to conduct retail sales to customers;

(J) hosts or operators of a vacation or short-term rental unit;

(K) passive businesses, investment companies and investors who file a schedule E on their individual tax returns;

(L) financial businesses primarily engaged in the business of lending, such as banks, finance companies and factoring companies;

(M) cable companies, telephone companies, utilities and other similar businesses; and

(N) energy production, generation and distribution companies.

(3) When a retail storefront is occupied by two or more businesses and more than one of the businesses is able to qualify as a claimant, the businesses may determine between them as to whom the claimant will be. If they are unable to agree, the matter shall be referred to the secretary of revenue whose decision shall be final.

(c) "Gross rent" means the rental paid at arm's length solely for the right of occupancy of a retail storefront paid to a landlord, as expressly set out in the rental agreement, exclusive of charges for any utilities, services, furniture and furnishings or personal property appliances furnished by the landlord as a part of the rental agreement, whether or not expressly set out in the rental agreement. Whenever the director of taxation finds that the landlord and tenant have not dealt with each other at arm's length and that the gross rent charge was excessive, the director may adjust the gross rent to a reasonable amount for the purpose of the claim.

(d) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on a claimant's retail storefront in 2020 or 2021, as applicable, by the state of Kansas and the political and

taxing subdivisions of the state. When a retail storefront is owned by two or more persons or entities as joint tenants or tenants in common and one or more of the persons or entities is not a part of claimant's business, "property taxes accrued" is that part of property taxes levied on the retail storefront that reflects the ownership percentage of the claimant's business. For purposes of this act, property taxes are "levied" when the tax roll is delivered to the local treasurer with the treasurer's warrant for collection. When a claimant owns its retail storefront part of a calendar year, "property taxes accrued" means only taxes levied on the retail storefront when both owned and occupied as a retail storefront by the claimant's business at the time of the levy, multiplied by the percentage of 12 months that the property was owned and occupied by the business as its retail storefront in the year. When a business owns and occupies two or more different retail storefronts in the same calendar year, property taxes accrued shall be the sum of the taxes allocable to those several properties while occupied by the business as its retail storefront during the year. Whenever a retail storefront is an integral part of a larger unit such as a multi-purpose or multi-retail storefront building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the retail storefront is of the total value. For the purpose of this act, the word "unit" refers to that parcel of property covered by a single tax statement of which the retail storefront is a part.

(e) "Rent constituting property taxes accrued" means 15% of the gross rent actually paid in cash or its equivalent in 2020 or 2021, as applicable, by a claimant solely for the right of occupancy of a retail storefront on which ad valorem property taxes were levied in full for that year. When a claimant occupies two or more different retail storefronts in the same calendar year, rent constituting property taxes accrued shall be computed by adding the rent constituting property taxes accrued for each property rented by the claimant while occupied by the claimant as its retail storefront during the year.

(f) "Retail storefront" means the real property in this state, whether owned or rented, that is occupied by the claimant's business and where the claimant conducts retail sales through customers' physical, on-site presence. "Retail storefront" may consist of a part of a multi-purpose or multi-retail storefront building. "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.

New Sec. 3. (a) For tax years 2020 and 2021, a claimant shall be eligible for a claim for refund under this act if the claimant's eligible business operated at the retail storefront was operationally shut down or restricted by a COVID-19-related order or action imposed by the state, a local unit of government or a local health officer, including, but not limited to, by an executive order issued by the governor pursuant to K.S.A. 48-925, and amendments thereto, or any action taken by a local unit of government related to a state of disaster emergency declared pursuant to K.S.A. 48-924, and amendments thereto, or a state of local disaster emergency declared pursuant to K.S.A. 48-932, and amendments thereto.

(b) The amount of refund under this act shall be equal to 33% of the COVID-19 qualifying sum. The COVID-19 qualifying sum shall be the sum of the COVID-19 ordered shutdown days gross rebate amount calculated pursuant to subsection (c) and the COVID-19 ordered restricted operations days gross rebate amount calculated pursuant to subsection (d).

(c) The COVID-19 ordered shutdown days gross rebate amount shall be the amount

of the claimant's property taxes accrued or rent constituting property taxes accrued for the tax year divided by the applicable factor set forth in the following schedule:

Number of ordered shutdown days	Divide property taxes accrued or rent constituting property taxes accrued by:
91 or more	3
61 to 90	4
31 to 60	6
1 to 30	12

(d) The COVID-19 ordered restricted operations days gross rebate amount shall be the amount of the claimant's property taxes accrued or rent constituting property taxes accrued for the tax year divided by the applicable factor set forth in the following schedule:

Number of ordered restricted operations days	Divide property taxes accrued or rent constituting property taxes accrued by:
211 or more	2
181 to 210	2.289
151 to 180	2.667
121 to 150	3.2
91 to 120	4
61 to 90	5.333
31 to 60	8
1 to 30	16

(e) For purposes of subsections (c) and (d), an eligible calendar day may be counted only once as either an ordered shutdown day or an ordered restricted operations day.

(f) A claimant with a qualifying business at a retail storefront that ceased operations after March 1, 2020, and before January 1, 2021, is eligible for a rebate only for tax year 2020.

(g) The maximum amount of a refund that may be claimed by a claimant in any single tax year pursuant to this act shall be \$5,000 per retail storefront.

New Sec. 4. A claimant may claim property tax relief under this act with respect to property taxes accrued or rent constituting property taxes accrued and, after audit by the director of taxation with respect to this act, the allowable amount of such claim shall be paid, except as otherwise provided in section 9, and amendments thereto, to the claimant from the American rescue plan-state fiscal relief-federal fund. Such payment shall be made upon warrants of the director of accounts and reports pursuant to vouchers approved by the director of taxation, but no warrant issued shall be drawn in an amount of less than \$5. No interest shall be allowed on any payment made to a claimant pursuant to this act.

New Sec. 5. Only one claimant per retail storefront per year shall be entitled to relief under this act.

New Sec. 6. For tax years 2020 and 2021, no claim shall be paid or allowed unless such claim is filed with and in the possession of the department of revenue on or before April 15, 2023, except that the director of taxation may extend the time for filing any claim or accept a claim filed after the filing deadline when good cause exists, if the

claim has been filed within four years of the deadline.

New Sec. 7. (a) In administering this act, the director of taxation shall make available suitable forms with instructions for claimants.

(b) The secretary of revenue is hereby authorized to adopt such rules and regulations as may be necessary for the administration of the provisions of this act.

New Sec. 8. (a) Every claimant under this act shall provide to the director of taxation, in support of a claim, reasonable proof of eligibility for the refund.

(b) Every claimant who is a retail storefront owner, or whose claim is based wholly or partly upon retail storefront ownership at some time during the calendar year, shall supply to the director of taxation, in support of a claim, the amount of property taxes levied upon the property claimed as a retail storefront and a statement that the property taxes accrued used for purposes of this act have been or will be paid by the claimant. Upon request by the director, such claimant shall provide a copy of the statement of property taxes levied upon the property claimed as a retail storefront.

(c) Every claimant who is a retail storefront renter, or whose claim is based wholly or partly upon retail storefront rental at some time during the calendar year, shall supply to the division, in support of a claim, a statement prescribed by the director certifying the amount of gross rent paid and that ad valorem property taxes were levied in full for that year on the property, all or a part of which was rented by the claimant.

(d) The information required to be furnished under subsection (b) or (c) shall be in addition to that required under subsection (a).

New Sec. 9. (a) The amount of any claim otherwise payable under this act may be applied by the director of taxation against any liability outstanding on the books of the department of revenue against the claimant in the year that the claim relates.

(b) If there are delinquent property taxes for tax year 2020 or 2021 on a retail storefront owned by the claimant, the refund shall be paid to the county treasurer of the county in which such retail storefront is located and applied to such delinquent property taxes.

New Sec. 10. If there are delinquent property taxes for a tax year commencing prior to January 1, 2020, on a retail storefront owned by the claimant, the claimant shall not be eligible for the refund pursuant to this act for such retail storefront.

New Sec. 11. In any case in which it is determined that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full, and, if the claim has been paid, the amount paid may be recovered by assessment as income taxes are assessed, and such assessment shall bear interest from the date of payment or credit of the claim, until recovered, at the rate of 1% per month. The claimant in such case and any person who assisted in the preparation or filing of such excessive claim or supplied information upon which such excessive claim was prepared, with fraudulent intent, shall be guilty of a class B misdemeanor. In any case in which it is determined that a claim is or was excessive and was negligently prepared, 10% of the corrected claim shall be disallowed, and, if the claim has been paid, the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate of 1% per month from the date of payment until recovered. In any case in which it is determined that a claim is or was excessive due to the fact that the claimant neglected to include certain income received during the year, the claim shall be corrected and the excess disallowed, and, if the claim has been paid, the proper portion of any amount paid shall be similarly recovered by assessment

as income taxes are assessed.

New Sec. 12. A claim shall be disallowed if the director of taxation finds that the claimant received title to such claimant's retail storefront primarily for the purpose of receiving benefits under this act.

New Sec. 13. To the extent applicable, the provisions of K.S.A. 79-3226, and amendments thereto, shall apply to claims for refunds allowable pursuant to this act that may become in dispute.

Sec. 14. K.S.A. 2021 Supp. 12-187, as amended by section 28 of 2021 House Bill No. 2239, is hereby amended to read as follows: 12-187. (a) No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city.

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

(2) The board of county commissioners of Anderson, Atchison, Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho, Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Thomas, Wabaunsee, Wilson and Wyandotte counties may submit the question of imposing a countywide retailers' sales tax and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire when sales tax sufficient to pay all of the costs incurred in the financing of such facility has been collected by retailers as determined by the secretary of revenue. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189, and amendments thereto.

(3) (A) Except as otherwise provided in this paragraph, the result of the election held on November 8, 1988, on the question submitted by the board of county commissioners of Jackson county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing the Banner Creek reservoir

project. The tax imposed pursuant to this paragraph shall take effect on the effective date of this act and shall expire not later than five years after such date.

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

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

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

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

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

(G) The result of the election held on April 7, 2015, on the question submitted by the board of county commissioners of Bourbon county for the purpose of increasing its retailers' sales tax by 0.4% is hereby declared valid, and the revenue received therefrom

by the county shall be expended solely for the purpose of financing the costs of constructing, furnishing and operating a courthouse, law enforcement center or jail facility improvements. Any tax imposed pursuant to authority granted in this paragraph shall terminate upon payment of all costs authorized pursuant to this paragraph incurred in the financing of the project described in this paragraph.

(H) The result of the election held on November 7, 2017, on the question submitted by the board of county commissioners of Finney county for the purpose of increasing its countywide retailers' sales tax by 0.3% is hereby declared valid, and the revenues of such tax shall be used by Finney county and the city of Garden City, Kansas, as agreed in an interlocal cooperation agreement between the city and county, and as detailed in the ballot question approved by voters. The tax imposed pursuant to this subparagraph shall be levied for a period of 15 years from the date it is first levied.

(I) The result of the election held on November 3, 2020, on the question submitted by the board of county commissioners of Cherokee county for the purpose of increasing its retailers' sales tax by 0.5% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing: (i) Ambulance services within the county; (ii) renovations and maintenance of county buildings and facilities; or (iii) any other projects within the county deemed necessary by the governing body of Cherokee county. The tax imposed pursuant to this subparagraph shall terminate prior to January 1, 2033.

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

(5) The board of county commissioners of any county may submit the question of imposing a retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of financing the provision of health care services, as enumerated in the question, to the electors at an election called and held thereon. Whenever any county imposes a tax pursuant to this paragraph, any tax imposed pursuant to subsection (a)(2) by any city located in such county shall expire upon the effective date of the imposition of the countywide tax, and thereafter the state treasurer shall remit to each such city that portion of the countywide tax revenue

collected by retailers within such city as certified by the director of taxation. The tax imposed pursuant to this paragraph shall be deemed to be in addition to the rate limitations prescribed in K.S.A. 12-189, and amendments thereto. As used in this paragraph, health care services shall include, but not be limited to, the following: Local health departments, city or county hospitals, city or county nursing homes, preventive health care services including immunizations, prenatal care and the postponement of entry into nursing homes by home care services, mental health services, indigent health care, physician or health care worker recruitment, health education, emergency medical services, rural health clinics, integration of health care services, home health services and rural health networks.

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

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

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

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

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

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

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

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

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

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

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

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

(16) The board of county commissioners of Harvey county may submit the

question of imposing a countywide retailers' sales tax at the rate of 1.0% and pledging the revenue received therefrom for the purpose of financing the costs of property tax relief, economic development initiatives and public infrastructure improvements to the electors at an election called and held thereon.

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

(18) The board of county commissioners of Wabaunsee county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 15 years from the date such tax is first collected. On and after July 1, 2019, the countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for one additional period not to exceed 15 years upon the board of county commissioners of Wabaunsee county submitting such question to the electors at an election called and held thereon as provided by law. For any countywide retailers' sales tax that is extended or reenacted pursuant to this paragraph, such tax shall expire not later than 15 years from the date such tax is first collected.

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

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

(21) The board of county commissioners of Johnson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25% and pledging the revenue received therefrom for the purpose of financing the construction and operation costs of public safety projects, including, but not limited to, a jail, detention center, sheriff's resource center, crime lab or other county administrative or operational facility dedicated to public safety, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this subsection may be extended or reenacted for additional periods not exceeding 10 years

upon the board of county commissioners of Johnson county submitting such question to the electors at an election called and held thereon for each additional ten-year period as provided by law.

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

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

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

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

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

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

(28) The board of county commissioners of Edwards county may submit the

question of imposing a countywide retailers' sales tax at the rate of 0.375% and pledging the revenue therefrom for the purpose of financing the costs of economic development initiatives to the electors at an election called and held thereon.

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

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

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

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

(33) The board of county commissioners of Wilson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received therefrom for the purpose of supporting emergency medical and ambulance services in the county to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected. The countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for additional periods not exceeding 10 years per period upon the board of county commissioners of Wilson county submitting such question to the electors at an election called and held thereon for each additional period as provided by law. This paragraph shall not be construed to cause the expiration, repeal or termination of any existing city retailers' sales tax for health care services as defined in paragraph (5).

(34) The board of county commissioners of Atchison county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received for the purpose of joint law enforcement communications and solid waste disposal in Atchison county to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected.

(c) The boards of county commissioners of any two or more contiguous counties, upon adoption of a joint resolution by such boards, may submit the question of

imposing a retailers' sales tax within such counties to the electors of such counties at an election called and held thereon and such boards of any two or more contiguous counties shall be required to submit such question upon submission of a petition in each of such counties, signed by a number of electors of each of such counties where submitted equal in number to not less than 10% of the electors of each of such counties who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than $\frac{2}{3}$ of the membership of the governing body of each of one or more cities within each of such counties that contains a population of not less than 25% of the entire population of each of such counties, or upon receiving resolutions requesting such an election passed by $\frac{2}{3}$ of the membership of the governing body of each of one or more taxing subdivisions within each of such counties that levy not less than 25% of the property taxes levied by all taxing subdivisions within each of such counties.

(d) Notwithstanding any provision of law to the contrary, including subsection (b) (5), any city retailers' sales tax being levied by a city prior to July 1, 2006, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax or until repealed by the adoption of an ordinance for such repeal. Any countywide retailers' sales tax in the amount of 0.5% or 1% in effect on July 1, 1990, shall continue in effect until repealed in the manner provided herein for the adoption and approval of such tax.

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

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

(g) (1) The governing body of the city or county proposing to levy any retailers' sales tax shall specify the purpose or purposes for which the revenue would be used, and a statement generally describing such purpose or purposes shall be included as a part of the ballot proposition.

(2) In addition to the requirements set forth in paragraph (1), the governing body of the county proposing to levy a countywide retailers' sales tax shall include as a part of the ballot proposition whether:

(A) The apportionment formula provided in K.S.A. 12-192, and amendments thereto, will apply to the revenue;

(B) an interlocal agreement was entered whereby the county will retain either all or

part of the revenue; or

(C) pursuant to law, the county retains the revenue in its entirety.

Sec. 15. K.S.A. 2021 Supp. 12-189, as amended by section 29 of 2021 House Bill No. 2239, is hereby amended to read as follows: 12-189. The rate of any city retailers' sales tax shall be fixed in increments of 0.05% and in an amount not to exceed 2% for general purposes and not to exceed 1% for special purposes, which shall be determined by the governing body of the city. For any retailers' sales tax imposed by a city for special purposes, such city shall specify the purposes for which such tax is imposed. All such special purpose retailers' sales taxes imposed by a city shall expire after 10 years from the date such tax is first collected. The rate of any countywide retailers' sales tax shall be fixed in an amount not to exceed 1% and shall be fixed in increments of 0.25%, and which amount shall be determined by the board of county commissioners, except that:

(a) The board of county commissioners of Wabaunsee county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.25%; the board of county commissioners of Osage or Reno county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.25% or 1.5%; the board of county commissioners of Cherokee, Crawford, Ford, Saline, Seward or Wyandotte county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5%; the board of county commissioners of Atchison or Thomas county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5% or 1.75%; the board of county commissioners of Anderson, Barton, Jefferson or Ottawa county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2%; the board of county commissioners of Marion county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2.5%; the board of county commissioners of Franklin, Linn and Miami counties, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the respective board of county commissioners on July 1, 2007, plus up to 1.0%; and the board of county commissioners of Brown county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at up to 2%;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(z) the board of county commissioners of Pottawatomie county, for the purposes of

K.S.A. 12-187(b)(26), and amendments thereto, may fix such rate at up to 1.5%;

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

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

(cc) the board of county commissioners of Rooks county, for the purposes of K.S.A. 12-187(b)(29), and amendments thereto, may fix such rate at up to 1.5%;

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

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

(ff) the board of county commissioners of Finney county, for the purposes of K.S.A. 12-187(b)(3)(H), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.3%;

(gg) the board of county commissioners of Cherokee county, for the purposes of K.S.A. 12-187(b)(3)(I), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.5%; ~~and~~

(hh) the board of county commissioners of Wilson county, for the purposes of K.S.A. 12-187(b)(33), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.25%, 0.5%, 0.75% or 1%; ~~and~~

(ii) the board of county commissioners of Atchison county, for the purposes of K.S.A. 12-187(b)(34), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus up to 1%.

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

Upon receipt of a certified copy of an ordinance or resolution authorizing the levy of a local retailers' sales tax, the director of taxation shall cause such taxes to be collected within or without the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state retailers' sales tax. Such copy shall be submitted to the director of taxation within 30 days after adoption of any such ordinance or resolution. The director of taxation shall confirm that all provisions of law applicable to the authorization of local sales tax have been followed prior to causing the collection. If the director of taxation discovers that a city or county did not comply with any provision of law applicable to the authorization of a local sales tax after collection

has commenced, the director shall immediately notify the city or county and cease collection of such sales tax until such noncompliance is remedied. All moneys collected by the director of taxation under the provisions of this section shall be credited to a county and city retailers' sales tax fund which fund is hereby established in the state treasury, except that all moneys collected by the director of taxation pursuant to the authority granted in K.S.A. 12-187(b)(22), and amendments thereto, shall be credited to the Wilson county capital improvements fund. Any refund due on any county or city retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from collections of local retailers' sales tax revenue. Except for local retailers' sales tax revenue required to be deposited in the redevelopment bond fund established under K.S.A. 74-8927, and amendments thereto, all local retailers' sales tax revenue collected within any county or city pursuant to this act shall be apportioned and remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county or city.

Revenue that is received from the imposition of a local retailers' sales tax that exceeds the amount of revenue required to pay the costs of a special project for which such revenue was pledged shall be credited to the city or county general fund, as the case requires.

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

Sec. 16. K.S.A. 2021 Supp. 12-192, as amended by section 30 of 2021 House Bill No. 2239, is hereby amended to read as follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner:

(1) $\frac{1}{2}$ of all revenue received by the director of taxation shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year; and

(2) $\frac{1}{2}$ of all revenue received by the director of taxation from such countywide retailers' sales tax shall be apportioned among the county and each city located in such

county, first to the county that portion of the revenue equal to the proportion that the population of the county residing in the unincorporated area of the county bears to the total population of the county, and second to the cities in the proportion that the population of each city bears to the total population of the county, except that no persons residing within the Fort Riley military reservation shall be included in the determination of the population of any city located within Riley county.

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

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

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

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

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

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

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

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

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

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

applicable to all tangible property located within each such city or county.

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

(d) (1) All revenue received from a countywide retailers' sales tax imposed pursuant to K.S.A. 12-187(b)(2), (3)(C), (3)(F), (3)(G), (3)(I), (6), (7), (8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27), (28), (29), (30), (31), (32) ~~and~~, (33) ~~and~~ (34), and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

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

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

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

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

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

(h) The provisions of subsections (a) and (b) for the apportionment of countywide retailers' sales tax shall not apply to any revenues received pursuant to a county or countywide retailers' sales tax levied or collected under K.S.A. 74-8929, and amendments thereto. All such revenue collected under K.S.A. 74-8929, and amendments thereto, shall be deposited into the redevelopment bond fund established

by K.S.A. 74-8927, and amendments thereto, for the period of time set forth in K.S.A. 74-8927, and amendments thereto.

Sec. 17. K.S.A. 2021 Supp. 79-3602, as amended by section 44 of 2021 House Bill No. 2239, is hereby amended to read as follows: 79-3602. Except as otherwise provided, as used in the Kansas retailers' sales tax act:

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

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

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

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

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

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

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

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

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

(j) "Direct mail" means printed material delivered or distributed by United States mail or other delivery services to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items are not billed directly to the recipients. Direct mail includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. Direct mail does not include multiple items of printed material delivered to a single address.

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

(l) "Educational institution" means any nonprofit school, college and university that offers education at a level above the 12th grade, and conducts regular classes and courses of study required for accreditation by, or membership in, the higher learning commission, the state board of education, or that otherwise qualify as an "educational institution," as defined by K.S.A. 74-50,103, and amendments thereto. Such phrase shall include: (1) A group of educational institutions that operates exclusively for an educational purpose; (2) nonprofit endowment associations and foundations organized and operated exclusively to receive, hold, invest and administer moneys and property as

a permanent fund for the support and sole benefit of an educational institution; (3) nonprofit trusts, foundations and other entities organized and operated principally to hold and own receipts from intercollegiate sporting events and to disburse such receipts, as well as grants and gifts, in the interest of collegiate and intercollegiate athletic programs for the support and sole benefit of an educational institution; and (4) nonprofit trusts, foundations and other entities organized and operated for the primary purpose of encouraging, fostering and conducting scholarly investigations and industrial and other types of research for the support and sole benefit of an educational institution.

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

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

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

(p) "Ingredient or component part" means tangible personal property that is necessary or essential to, and that is actually used in and becomes an integral and material part of tangible personal property or services produced, manufactured or compounded for sale by the producer, manufacturer or compounder in its regular course of business. The following items of tangible personal property are hereby declared to be ingredients or component parts, but the listing of such property shall not be deemed to be exclusive nor shall such listing be construed to be a restriction upon, or an indication of, the type or types of property to be included within the definition of "ingredient or component part" as herein set forth:

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

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

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

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

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

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

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

(r) "Lease or rental" means any transfer of possession or control of tangible personal property for a fixed or indeterminate term for consideration. A lease or rental may include future options to purchase or extend.

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

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

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

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

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

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

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

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

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

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

(w) "Model 3 seller" means a seller that has sales in at least five member states, has total annual sales revenue of at least \$500,000,000, has a proprietary system that

calculates the amount of tax due each jurisdiction and has entered into a performance agreement with the member states that establishes a tax performance standard for the seller. As used in this subsection a seller includes an affiliated group of sellers using the same proprietary system.

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

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

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

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

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

(cc) "Prewritten computer software" means computer software, including prewritten upgrades, that is not designed and developed by the author or other creator to the specifications of a specific purchaser. The combining of two or more prewritten computer software programs or prewritten portions thereof does not cause the combination to be other than prewritten computer software. Prewritten computer software includes software designed and developed by the author or other creator to the specifications of a specific purchaser when it is sold to a person other than the purchaser. Where a person modifies or enhances computer software of which the person is not the author or creator, the person shall be deemed to be the author or creator only of such person's modifications or enhancements. Prewritten computer software or a prewritten portion thereof that is modified or enhanced to any degree, where such modification or enhancement is designed and developed to the specifications of a specific purchaser, remains prewritten computer software, except that where there is a reasonable, separately stated charge or an invoice or other statement of the price given to the purchaser for such modification or enhancement, such modification or enhancement shall not constitute prewritten computer software.

(dd) "Property which is consumed" means tangible personal property that is essential or necessary to and that is used in the actual process of and consumed, depleted or dissipated within one year in: (1) The production, manufacture, processing, mining, drilling, refining or compounding of tangible personal property; (2) the

providing of services; (3) the irrigation of crops, for sale in the regular course of business; or (4) the storage or processing of grain by a public grain warehouse or other grain storage facility, and which is not reusable for such purpose. The following is a listing of tangible personal property, included by way of illustration but not of limitation, that qualifies as property that is consumed:

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

(B) electricity, gas and water; and

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

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

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

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

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

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

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

(kk) "Sale" or "sales" means the exchange of tangible personal property, as well as the sale thereof for money, and every transaction, conditional or otherwise, for a consideration, constituting a sale, including the sale or furnishing of electrical energy, gas, water, services or entertainment taxable under the terms of this act and including, except as provided in the following provision, the sale of the use of tangible personal property by way of a lease, license to use or the rental thereof regardless of the method by which the title, possession or right to use the tangible personal property is transferred. The term "sale" or "sales" shall not mean the sale of the use of any tangible personal property used as a dwelling by way of a lease or rental thereof for a term of more than 28 consecutive days.

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

(A) The seller's cost of the property sold;

(B) the cost of materials used, labor or service cost, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller and any other expense of the seller;

(C) charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;

(D) (i) prior to July 1, 2023, delivery charges; and
(ii) on and after July 1, 2023, delivery charges that are not separately stated on the invoice, bill of sale or similar document given to the purchaser; and

(E) installation charges.

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

(A) The seller actually receives consideration from a party other than the purchaser and the consideration is directly related to a price reduction or discount on the sale;

(B) the seller has an obligation to pass the price reduction or discount through to the purchaser;

(C) the amount of the consideration attributable to the sale is fixed and determinable by the seller at the time of the sale of the item to the purchaser; and

(D) one of the following criteria is met:

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

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

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

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

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

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

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

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

(E) cash rebates granted by a manufacturer to a purchaser or lessee of a new motor vehicle if paid directly to the retailer as a result of the original sale; and

(F) commencing on July 1, 2023, delivery charges that are separately stated on the invoice, bill of sale or similar document given to the purchaser.

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

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

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

(pp) "Tangible personal property" means personal property that can be seen,

weighed, measured, felt or touched, or that is in any other manner perceptible to the senses. Tangible personal property includes electricity, water, gas, steam and prewritten computer software.

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

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

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

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

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

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

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

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

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

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

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

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

purchaser where such purchaser's primary purpose for the underlying transaction is the processed data or information;

- (2) installation or maintenance of wiring or equipment on a customer's premises;
- (3) tangible personal property;
- (4) advertising, including, but not limited to, directory advertising;
- (5) billing and collection services provided to third parties;
- (6) internet access service;
- (7) radio and television audio and video programming services, regardless of the medium, including the furnishing of transmission, conveyance and routing of such services by the programming service provider. Radio and television audio and video programming services shall include, but not be limited to, cable service as defined in 47 U.S.C. § 522(6) and audio and video programming services delivered by commercial mobile radio service providers, as defined in 47 C.F.R. § 20.3;

- (8) ancillary services; or
- (9) digital products delivered electronically, including, but not limited to, software, music, video, reading materials or ring tones.

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

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

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

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

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

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

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

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

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

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

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

Sec. 18. K.S.A. 79-3607 is hereby amended to read as follows: 79-3607. (a) Retailers shall make returns to the director at the times prescribed by this section in the manner prescribed by the director, including electronic filing, upon forms or format prescribed by the director stating: (1) The name and address of the retailer; (2) the total amount of gross sales of all tangible personal property and taxable services rendered by the retailer during the period for which the return is made; (3) the total amount received during the period for which the return is made on charge and time sales of tangible personal property made and taxable services rendered prior to the period for which the return is made; (4) deductions allowed by law from such total amount of gross sales and from total amount received during the period for which the return is made on such charge and time sales; (5) receipts during the period for which the return is made from the total amount of sales of tangible personal property and taxable services rendered during such period in the course of such business, after deductions allowed by law have been made; (6) receipts during the period for which the return is made from charge and time sales of tangible personal property made and taxable services rendered prior to such period in the course of such business, after deductions allowed by law have been made; (7) gross receipts during the period for which the return is made from sales of tangible personal property and taxable services rendered in the course of such business upon the basis of which the tax is imposed. The return shall include such other pertinent information as the director may require. In making such return, the retailer shall determine the market value of any consideration, other than money, received in connection with the sale of any tangible personal property in the course of the business and shall include such value in the return. Such value shall be subject to review and revision by the director as hereinafter provided. Refunds made by the retailer during the period for which the return is made on account of tangible personal property returned to the retailer shall be allowed as a deduction under paragraph (4) ~~of this section~~ in case the retailer has theretofore included the receipts from such sale in a return made by such retailer and paid taxes therein imposed by this act. The retailer shall, at the time of making such return, pay to the director the amount of tax herein imposed, except as otherwise provided in this section. The director may extend the time for making returns and paying the tax required by this act for any period not to exceed 60 days under such rules and regulations as the secretary of revenue may prescribe.

(b) (1) When the total tax for which any retailer is liable under this act, does not exceed the sum of \$400 in any calendar year, the retailer shall file an annual return on or before January 25 of the following year. When the total tax liability does not exceed \$4,000 in any calendar year, the retailer shall file returns quarterly on or before the 25th day of the month following the end of each calendar quarter. When the total tax liability exceeds \$4,000 in any calendar year, the retailer shall file a return for each month on or

before the 25th day of the following month. ~~When the total tax liability exceeds \$40,000 in any calendar year, the retailer shall be required to pay the sales tax liability for the first 15 days of each month to the director on or before the 25th day of that month. Any such payment shall accompany the return filed for the preceding month. A retailer will be considered to have complied with the requirements to pay the first 15 days' liability for any month if, on or before the 25th day of that month, the retailer paid 90% of the liability for that fifteen-day period, or 50% of such retailer's liability in the immediate preceding calendar year for the same month as the month in which the fifteen-day period occurs computed at the rate applicable in the month in which the fifteen-day period occurs, and, in either case, paid any underpayment with the payment required on or before the 25th day of the following month. Such retailers shall pay their sales tax liabilities for the remainder of each such month at the time of filing the return for such month. The provisions of this paragraph shall expire on December 31, 2023.~~

(2) On and after January 1, 2024, the retailer shall file:

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

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

(C) a return for each month on or before the 25th day of the following month when the total tax liability exceeds \$5,000 in any calendar year.

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

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

- (1) Upon registration, the director shall provide to the seller the returns required;
- (2) seller shall file a return anytime within one year of the month of initial registration, and future returns are required on an annual basis in succeeding years; and
- (3) in addition to the returns required in subsection ~~(b)(2)~~ (c)(2), sellers are required to submit returns in the month following any month in which they have accumulated state and local sales tax funds for this state in the amount of \$1,600 or more.

Sec. 19. K.S.A. 79-3607 and 79-3607, as amended by section 3 of chapter 83 of the 2021 Session Laws of Kansas, and K.S.A. 2021 Supp. 12-187, as amended by section 28 of 2021 House Bill No. 2239, 12-189, as amended by section 29 of 2021 House Bill No. 2239, 12-192, as amended by section 30 of 2021 House Bill No. 2239, and 79-3602, as amended by section 44 of 2021 House Bill No. 2239, are hereby repealed.";

Also on page 15, in line 25, by striking "Kansas register" and inserting "statute book";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking all in lines 2 through 13; in line 14, by striking all before the period and inserting "taxation; relating to property tax; establishing the COVID-19 retail storefront property tax relief act to provide partial refunds to certain businesses impacted by COVID-19-related shutdowns and restrictions; relating to sales and compensating use tax; increasing thresholds for timing of returns and payments; discontinuing the first 15 days of the month remittance requirements for certain retailers; providing countywide retailers' sales tax authority for Atchison county; delaying implementation of exclusion of separately stated delivery charges from sales or selling price; amending K.S.A. 79-3607 and K.S.A. 2021 Supp. 12-187, as amended by section 28 of 2021 House Bill No. 2239, 12-189, as amended by section 29 of 2021 House Bill No. 2239, 12-192, as amended by section 30 of 2021 House Bill No. 2239, and 79-3602, as amended by section 44 of 2021 House Bill No. 2239, and repealing the existing sections; also repealing K.S.A. 79-3607, as amended by section 3 of chapter 83 of the 2021 Session Laws of Kansas";

And your committee on conference recommends the adoption of this report.

CARYN TYSON

VIRGIL PECK

Conferees on part of Senate

ADAM SMITH

LES MASON

Conferees on part of House

Senator Tyson moved the Senate adopt the Conference Committee Report on **HB 2136**.

On roll call, the vote was: Yeas 35; Nays 0; Present and Passing 0; Absent or Not Voting 5.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Corson, Dietrich, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Hilderbrand, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Ryckman, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Absent or Not Voting: Doll, Hawk, McGinn, Steffen, Suellentrop.

The Conference Committee Report was adopted.

INTRODUCTION OF ORIGINAL MOTIONS AND SENATE RESOLUTIONS

Senators Alley, Steffen and Thompson introduced the following Senate resolution, which was read:

SENATE RESOLUTION No. 1734 –

A RESOLUTION disapproving the proposed amendments to the international health regulations of the World Health Organization offered by President Biden's administration.

WHEREAS, In March 2020, the World Health Organization (WHO) encouraged democratic nations to impose lockdowns, mandates, vaccine passports and digital "health" surveillance among other measures; and

WHEREAS, The WHO has openly stated that such measures like digital vaccine passports can be used for purposes other than healthcare, such as employment,

university education and international travel regulation; and

WHEREAS, On January 18, 2022, the administration of President Joe Biden proposed extensive amendments to the International Health Regulations of the WHO without any official statement or press conference; and

WHEREAS, If approved, such amendments would allow the WHO to unilaterally declare an international health emergency in a member nation, and such declaration could then be used to justify economic and financial actions against the targeted nation by other countries aligned with WHO that wish to harm or control the targeted nation; and

WHEREAS, The proposed amendments would reduce the time period for a nation to withdraw its approval of the amendments from 18 months to 6 months; and

WHEREAS, The proposed amendments were not made public until April 12, 2022; and

WHEREAS, During the week of May 22, 2022, the World Health Assembly is meeting to vote on the proposed amendments: Now, therefore,

Be it resolved by the Senate of the State of Kansas: That the amendments to the International Health Regulations of the WHO offered by the Biden administration are strongly disapproved as they will ultimately hand over the United States' national sovereignty and authority to the WHO and place our democratic nation in the control of an unelected international organization that is wholly unaccountable to the people of this country; and

Be it further resolved: That the Secretary of the Senate shall send an enrolled copy of this resolution to United States President Joe Biden, the World Health Organization, the Governor and the Secretary of the Department of Health and Environment.

On emergency motion of Senator Thompson **SR 1734** was adopted by voice vote.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 19** submits the following report:

The Senate accedes to all House amendments to the bill, and your committee on conference further agrees to amend the bill as printed as House Substitute for Senate Bill No. 19, as follows:

On page 1, in line 16, by striking "Crisis-receiving and" and inserting "Crisis"; in line 17, after "services" by inserting "of up to 72 hours";

On page 2, in line 34, by striking "crisis-receiving and" and inserting "crisis";

On page 3, in line 16, by striking all after "fund"; by striking all in line 17; in line 18, by striking all before the semicolon and inserting "payment for crisis stabilization services provided to an individual in direct response to a hotline center call if such individual is uninsured or such services are not covered by such individual's insurance"; in line 31, by striking "crisis-receiving and" and inserting "crisis";

On page 4, in line 3, by striking "crisis-receiving and" and inserting "crisis";

On page 5, in line 6, after "(c)" by inserting "(1)"; in line 8, by striking "(1)" and inserting "(A)"; in line 11 by striking "(2)" and inserting "(B)"; following line 17, by inserting:

"(2) Moneys credited to the fund shall not be used to pay expenses that are attributed to persons or entities who are domiciled outside of this state.";

Also on page 5, in line 31, by striking all after the period; by striking all in line 32;

On page 6, in line 36, by striking "15" and inserting "11"; in line 38, by striking "13" and inserting "Nine"; in line 39, by striking "Two members" and inserting "One member";

On page 7, in line 6, by striking all after "(vii)"; by striking all in line 7; in line 8, by striking "(viii)"; in line 10, by striking "two members" and inserting "one member"; in line 12, by striking "two members" and inserting "one member"; in line 25, by striking all after "(D)"; in line 26, by striking "(E)"; in line 28, after the semicolon by inserting "and"; by striking all in lines 29 through 32; in line 33 by striking "(I)" and inserting "(F)"; in line 37, by striking "13" and inserting "nine"; in line 38 by striking "five" and inserting "three"; in line 39, by striking "five" and inserting "three";

On page 8, following line 30, by inserting:

"(h) The provisions of this section shall expire on July 1, 2026.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

And your committee on conference recommends the adoption of this report.

BRENDA LANDWEHR

JOHN EPLEE

SUSAN RUIZ

Conferees on part of House

RICHARD HILDERBRAND

BEVERLY GOSSAGE

PAT PETTEY

Conferees on part of Senate

Senator Hilderbrand moved the Senate adopt the Conference Committee Report on **H Sub SB 19**.

On roll call, the vote was: Yeas 25; Nays 2; Present and Passing 9; Absent or Not Voting 4.

Yeas: Baumgardner, Billinger, Bowers, Claeys, Corson, Dietrich, Fagg, Faust-Goudeau, Francisco, Haley, Hilderbrand, Holland, Holscher, Kloos, Longbine, McGinn, O'Shea, Olson, Petersen, Pettey, Pittman, Ryckman, Sykes, Ware, Wilborn.

Nays: Straub, Thompson.

Present and Passing: Alley, Erickson, Gossage, Kerschen, Masterson, Peck, Pyle, Tyson, Warren.

Absent or Not Voting: Doll, Hawk, Steffen, Suellentrop.

The Conference Committee Report was adopted.

EXPLANATION OF VOTE

Mr. President: I personally know 6 persons who have taken their lives. They have been friends, co-workers, extended family members and classmates. I understand the impact suicide can have on everyone left behind. As such, I am very sensitive to the need to address suicide prevention. However, this bill goes far beyond that goal, and creates a massive new layer of bureaucracy that is costly and unnecessary. In addition, there were no hearings on this bill in the Senate, so we did not have a chance to weigh in with amendments that would have improved the bill and allow my fellow Senators the chance to fully understand what they were being asked to vote on. Federal grant

money has already been sent to counties to entice the to establish an infrastructure for the 988 hotline in advance of approval by the legislature. So, it already sets the stage for the state to be on the hook for more costs than the fiscal note indicated as the Federal grant money is set to expire this summer. This bill is a monstrosity that should have been pared significantly. Therefore, I vote "NO."—MIKE THOMPSON

MESSAGES FROM THE HOUSE

Announcing the House here with transmits the veto message from the Governor, together with the enrolled copy of **HB 2252**, AN ACT concerning elections; prohibiting the modification of election laws by agreement except as approved by the legislature; amending K.S.A. 25-125 and repealing the existing section, which was received on May 13, 2022 and read on May 23, 2022.

“Elected officials must be able to perform their job duties effectively and efficiently. By prohibiting executive branch officers, including the Governor, Secretary of State, and Attorney General, from entering into agreements regarding the enforcement of election law, this bill prevents the executive branch from fulfilling its constitutional duties. House Bill 2252 represents an overreach by the legislative branch that defies the separation of powers – a principle fundamental to a working democracy. If passed, it would also lead to costly litigation at the expense of Kansas taxpayers.

Therefore, under Article 2, Section 14(a) of the Constitution, I hereby veto House Bill 2252.”

THE GOVERNOR’S OFFICE

BY THE GOVERNOR

LAURA KELLY

Dated: May 13, 2022

A motion was made that **HB 2252** be passed notwithstanding the Governor's veto. By vote of 84 Yeas and 37 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the House of Representatives, voting in the affirmative, the bill passed.

Announcing the House here with transmits the veto message from the Governor, together with the enrolled copy of **HB 2387**, AN ACT concerning the executive branch; relating to actions by state agencies and the governor; prohibiting the issuance of a request for proposal or entering into a new contract for the administration and provision of benefits under the medical assistance program; relating to the Kansas emergency management act; removing the authority of the governor to prohibit attending or conducting certain religious services and worship services; amending K.S.A. 2021 Supp. 48-925 and repealing the existing section., which was received on May 13, 2022 and read on May 23, 2022

“Having a transparent, competitive bidding process is key to ensuring that our state contracts provide the most value to Kansas taxpayers while using the latest technology and best practices. This is not only good for the State of Kansas, but also for our current MCOs and the people they serve.

The language included in HB 2387 regarding the current MCO contracts is a product of closed-door dealings to push legislation that did not have a single proponent. There is little question that this effort is fraught with legal issues and jeopardizes our Medicaid program. HB 2387 prohibits the state Medicaid agency from pursuing the state’s independent procurement process and, by doing so, functionally provides the current MCOs with a no-bid, multi-billion-dollar contract.

MAY 23, 2022

2615

We must favor transparency and fair competition over attempts to re-insert corruption into the state contracting process.

Therefore, under Article 2, Section 14(a) of the Constitution, I hereby veto HB 2387.”

THE GOVERNOR’S OFFICE

BY THE GOVERNOR

LAURA KELLY

Dated: May 13, 2022

A motion was made that **HB 2387** be passed notwithstanding the Governor's veto. By vote of 84 Yeas and 38 Nays, the motion having received the required two-thirds constitutional majority of the members elected or appointed to the House of Representatives, voting in the affirmative, the bill passed.

Announcing a line item veto message from the Governor, together with the enrolled copy of **HB 2510**, AN ACT making and concerning appropriations for the fiscal years ending June 30, 2022, June 30, 2023, and June 30, 2024, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2021 Supp. 76-1959 and repealing the existing section., received on May 16, 2022 and read on May 23, 2022.

House Bill 2510 represents additional progress toward fulfilling many of the priorities that I set forth in January and that have been made possible only through our bipartisan work together over the past four years. Building on House Substitute for Substitute for Senate Bill 267, this bill provides additional investments in higher education, economic development, mental health, senior services, and veterans while leaving sufficient funding to provide over \$1 billion in tax relief to Kansans through the legislation that I have signed to cut property taxes and axe the state’s sales tax on groceries.

Some of the key investments in this legislation include improved access to mental healthcare, increased funding for senior nutrition, expanded training opportunities to prevent child abuse, and measures that build on our successful work to reduce the number of children who enter the foster care system. This bill includes additional investments in our regional universities and community and technical colleges, which are critical to our efforts to expand our workforce in the state of Kansas. And this budget ensures that all state employees will receive a pay increase of at least 5% this year in recognition of their service to the state.

Finally, due to our strong economic growth and unprecedented ending balances, this budget will allow us to pay off over \$1 billion in debt over the next year.

Therefore, pursuant to Article 2, Section 14(b) of the Constitution of the State of Kansas, I hereby return House Bill 2510 with my signature, except for the item enumerated below.

State Board of Regents—Proviso Allowing Universities to Raise Tuition

Section 36(b) has been vetoed in its entirety.

In my initial budget, I recommended \$45.7 million in operating grant funding to higher education with the understanding that universities would freeze tuition. In addition to that, I allocated \$23.9 million in funding for salaries. While the original operating grant funding has been reduced to an increase of \$37.5 million in the final passed budget, overall, higher education in the state of Kansas is set to receive \$1

billion this fiscal year. This is a historic investment that I am proud to support by approving the additional higher education funding included in HB 2510.

As a result of this significant infusion of new funding, I believe that the Regents institutions will be able to continue to hold tuition flat, making college more affordable for Kansans of all backgrounds. This is especially important if we, as a state, are going to provide the workforce needed to fully actualize the benefits and opportunities of our recent economic growth.

THE GOVERNOR'S OFFICE

BY THE GOVERNOR

LAURA KELLY

Dated: May 13, 2022

ACTION ON VETO MESSAGE

Senator Olson moved **S Sub HB 2252**, AN ACT concerning elections; prohibiting the modification of election laws by agreement except as approved by the legislature; amending K.S.A. 25-125 and repealing the existing section, be passed not withstanding the Governor's veto.

On roll call, the vote was: Yeas 27; Nays 10; Present and Passing 0; Absent or Not Voting 3.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Dietrich, Erickson, Fagg, Gossage, Hilderbrand, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pyle, Ryckman, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Nays: Corson, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Pettey, Pittman, Sykes, Ware.

Absent or Not Voting: Doll, Hawk, Suellentrop.

Two-thirds constitutional majority having voted in favor of overriding the Governor's veto, the motion prevailed and the bill passed.

ACTION ON VETO MESSAGE

Senator Wilborn moved **HB 2387**, AN ACT concerning the executive branch; relating to actions by state agencies and the governor; prohibiting the issuance of a request for proposal or entering into a new contract for the administration and provision of benefits under the medical assistance program; relating to the Kansas emergency management act; removing the authority of the governor to prohibit attending or conducting certain religious services and worship services; amending K.S.A. 2021 Supp. 48-925 and repealing the existing section, be passed not withstanding the Governor's veto.

On roll call, the vote was: Yeas 27; Nays 10; Present and Passing 0; Absent or Not Voting 3.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Dietrich, Erickson, Fagg, Gossage, Hilderbrand, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pyle, Ryckman, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Nays: Corson, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Pettey, Pittman, Sykes, Ware.

Absent or Not Voting: Doll, Hawk, Suellentrop.

Two-thirds constitutional majority having voted in favor of overriding the Governor's veto, the motion prevailed and the bill passed.

EXPLANATION OF VOTE

Mr. President: I am surprised there was no mention of the thousands of Kansans that are on the wait-list during our veto override debate of CCR 2387. These are Kansans that are still waiting to receive services. Those of us that have served on our various interim and regular session meetings know that parents and individuals on the wait list have not been contacted in at least four years to verify what the specific service needs still exist for wait listed Kansans. I vote ‘yes’ – in part – because it will allow the leadership in KDADs and DCF to identify the real needs of wait listed Kansans during the time that the RFP process is delayed.—MOLLY BAUMGARDNER

Mr President: **HB 2387** has a piece I could support with regard to symbolically clarifying one of our constitutional rights to religion, especially if it was a little more thoughtful. However the very questionable aspect of this bill is the restriction of the state contracts renegotiations for our Medicaid providers. By arbitrarily limiting the current administration ability in what has been a standard cycle of renegotiations to this point and with an administration that has four years of learnings, this bill functionally provides the current MCOs with effectively an extra yearlong no-bid, multi-billion-dollar contract by restricting the ability to ask for other bids. **HB 2387** unnecessarily opens the contract process to partisan politics before a major gubernatorial election, giving at a minimum the appearance of potential corruption, major conflicts of interest and especially with the billions of dollars at stake, especially given the closed door dealings of how this legislation came to us today through a less than transparent process. I vote "NO."—JEFF PITTMAN

Senator Pettey requests the record to show she concurs with the "Explanation of Vote" offered by Senator Pittman on **HB 2387**.

Mr. President: We heard from people all across Kansas who were concerned about the loss of their First Amendment rights due to government overreach and the imposition of COVID-19 mandates. We must stand against any further government overreach and restrictions on First Amendment rights, particularly the free exercise of religion. I vote Yes. —KELLIE WARREN

ORIGINAL MOTION

Senator Tyson moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bills: **S Sub HB 2597**. On roll call the motion was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2597** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed as Senate Substitute for House Bill No. 2597, as follows:

On page 1, by striking all in lines 17 through 36;

By striking all on pages 2 through 9;

On page 10, by striking all in lines 1 through 17; following line 17, by inserting:

"New Section 1. The provisions of sections 1 through 13, and amendments thereto,

shall be known and may be cited as the COVID-19 retail storefront property tax relief act. The purpose of this act shall be to provide refunds to certain businesses impacted by COVID-19 related shutdowns and restrictions during tax years 2020 and 2021 based on a portion of property taxes accrued on retail storefront property.

New Sec. 2. As used in this act:

- (a) "Act" means the COVID-19 retail storefront property tax relief act.
- (b) (1) "Claimant" means a for-profit business, regardless of legal structure, who has filed a claim under the provisions of this act and who:
 - (A) Conducts a majority of its retail sales through customers' physical, on-site presence at a retail storefront property;
 - (B) was in operation on or prior to July 1, 2019, and filed a 2019 tax return;
 - (C) had at least \$10,000 in annual revenues, including gross sales and receipts, in 2019;
 - (D) received less gross revenue in 2020 or 2021, as applicable, compared to 2019;
 - (E) was in active operations as of March 1, 2020; and
 - (F) has not received more than a total of \$150,000 in prior COVID-19-related local, state or federal funding or any combination thereof.
- (2) "Claimant" shall not include:
 - (A) Grocery stores and pharmacies;
 - (B) hardware stores and home improvement businesses;
 - (C) retail liquor stores;
 - (D) manufacturers and food processors;
 - (E) schools, such as pre-kindergarten, kindergarten through grade 12, post-secondary, higher education, technical education and training;
 - (F) hospitals and healthcare providers, including, but not limited to, physicians, surgeons, psychologists and psychoanalysts, but not including personal services providers such as massage therapists and chiropractors;
 - (G) property management and real estate services, including owners or operators of short-term rental properties;
 - (H) professional services, including, but not limited to, accounting, insurance, legal, financial services and firms, information technology, engineering and architecture;
 - (I) agriculture and aquaculture producers, including farms, ranches and fisheries, but not including their retail storefronts used to conduct retail sales to customers;
 - (J) hosts or operators of a vacation or short-term rental unit;
 - (K) passive businesses, investment companies and investors who file a schedule E on their individual tax returns;
 - (L) financial businesses primarily engaged in the business of lending, such as banks, finance companies and factoring companies;
 - (M) cable companies, telephone companies, utilities and other similar businesses; and
 - (N) energy production, generation and distribution companies.
- (3) When a retail storefront is occupied by two or more businesses and more than one of the businesses is able to qualify as a claimant, the businesses may determine between them as to whom the claimant will be. If they are unable to agree, the matter shall be referred to the secretary of revenue whose decision shall be final.
- (c) "Gross rent" means the rental paid at arm's length solely for the right of

occupancy of a retail storefront paid to a landlord, as expressly set out in the rental agreement, exclusive of charges for any utilities, services, furniture and furnishings or personal property appliances furnished by the landlord as a part of the rental agreement, whether or not expressly set out in the rental agreement. Whenever the director of taxation finds that the landlord and tenant have not dealt with each other at arm's length and that the gross rent charge was excessive, the director may adjust the gross rent to a reasonable amount for the purpose of the claim.

(d) "Property taxes accrued" means property taxes, exclusive of special assessments, delinquent interest and charges for service, levied on a claimant's retail storefront in 2020 or 2021, as applicable, by the state of Kansas and the political and taxing subdivisions of the state. When a retail storefront is owned by two or more persons or entities as joint tenants or tenants in common and one or more of the persons or entities is not a part of claimant's business, "property taxes accrued" is that part of property taxes levied on the retail storefront that reflects the ownership percentage of the claimant's business. For purposes of this act, property taxes are "levied" when the tax roll is delivered to the local treasurer with the treasurer's warrant for collection. When a claimant owns its retail storefront part of a calendar year, "property taxes accrued" means only taxes levied on the retail storefront when both owned and occupied as a retail storefront by the claimant's business at the time of the levy, multiplied by the percentage of 12 months that the property was owned and occupied by the business as its retail storefront in the year. When a business owns and occupies two or more different retail storefronts in the same calendar year, property taxes accrued shall be the sum of the taxes allocable to those several properties while occupied by the business as its retail storefront during the year. Whenever a retail storefront is an integral part of a larger unit such as a multi-purpose or multi-retail storefront building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the retail storefront is of the total value. For the purpose of this act, the word "unit" refers to that parcel of property covered by a single tax statement of which the retail storefront is a part.

(e) "Rent constituting property taxes accrued" means 15% of the gross rent actually paid in cash or its equivalent in 2020 or 2021, as applicable, by a claimant solely for the right of occupancy of a retail storefront on which ad valorem property taxes were levied in full for that year. When a claimant occupies two or more different retail storefronts in the same calendar year, rent constituting property taxes accrued shall be computed by adding the rent constituting property taxes accrued for each property rented by the claimant while occupied by the claimant as its retail storefront during the year.

(f) "Retail storefront" means the real property in this state, whether owned or rented, that is occupied by the claimant's business and where the claimant conducts retail sales through customers' physical, on-site presence. "Retail storefront" may consist of a part of a multi-purpose or multi-retail storefront building. "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.

New Sec. 3. (a) For tax years 2020 and 2021, a claimant shall be eligible for a claim for refund under this act if the claimant's eligible business operated at the retail storefront was operationally shut down or restricted by a COVID-19-related order or action imposed by the state, a local unit of government or a local health officer, including, but not limited to, by an executive order issued by the governor pursuant to

K.S.A. 48-925, and amendments thereto, or any action taken by a local unit of government related to a state of disaster emergency declared pursuant to K.S.A. 48-924, and amendments thereto, or a state of local disaster emergency declared pursuant to K.S.A. 48-932, and amendments thereto.

(b) The amount of refund under this act shall be equal to 33% of the COVID-19 qualifying sum. The COVID-19 qualifying sum shall be the sum of the COVID-19 ordered shutdown days gross rebate amount calculated pursuant to subsection (c) and the COVID-19 ordered restricted operations days gross rebate amount calculated pursuant to subsection (d).

(c) The COVID-19 ordered shutdown days gross rebate amount shall be the amount of the claimant's property taxes accrued or rent constituting property taxes accrued for the tax year divided by the applicable factor set forth in the following schedule:

Number of ordered shutdown days	Divide property taxes accrued or rent constituting property taxes accrued by:
91 or more	3
61 to 90	4
31 to 60	6
1 to 30	12

(d) The COVID-19 ordered restricted operations days gross rebate amount shall be the amount of the claimant's property taxes accrued or rent constituting property taxes accrued for the tax year divided by the applicable factor set forth in the following schedule:

Number of ordered restricted operations days	Divide property taxes accrued or rent constituting property taxes accrued by:
211 or more	2
181 to 210	2.289
151 to 180	2.667
121 to 150	3.2
91 to 120	4
61 to 90	5.333
31 to 60	8
1 to 30	16

(e) For purposes of subsections (c) and (d), an eligible calendar day may be counted only once as either an ordered shutdown day or an ordered restricted operations day.

(f) A claimant with a qualifying business at a retail storefront that ceased operations after March 1, 2020, and before January 1, 2021, is eligible for a rebate only for tax year 2020.

(g) The maximum amount of a refund that may be claimed by a claimant in any single tax year pursuant to this act shall be \$5,000 per retail storefront.

New Sec. 4. A claimant may claim property tax relief under this act with respect to property taxes accrued or rent constituting property taxes accrued and, after audit by the director of taxation with respect to this act, the allowable amount of such claim shall be paid, except as otherwise provided in section 9, and amendments thereto, to the claimant from the American rescue plan-state fiscal relief-federal fund. Such payment

shall be made upon warrants of the director of accounts and reports pursuant to vouchers approved by the director of taxation, but no warrant issued shall be drawn in an amount of less than \$5. No interest shall be allowed on any payment made to a claimant pursuant to this act.

New Sec. 5. Only one claimant per retail storefront per year shall be entitled to relief under this act.

New Sec. 6. For tax years 2020 and 2021, no claim shall be paid or allowed unless such claim is filed with and in the possession of the department of revenue on or before April 15, 2023, except that the director of taxation may extend the time for filing any claim or accept a claim filed after the filing deadline when good cause exists, if the claim has been filed within four years of the deadline.

New Sec. 7. (a) In administering this act, the director of taxation shall make available suitable forms with instructions for claimants.

(b) The secretary of revenue is hereby authorized to adopt such rules and regulations as may be necessary for the administration of the provisions of this act.

New Sec. 8. (a) Every claimant under this act shall provide to the director of taxation, in support of a claim, reasonable proof of eligibility for the refund.

(b) Every claimant who is a retail storefront owner, or whose claim is based wholly or partly upon retail storefront ownership at some time during the calendar year, shall supply to the director of taxation, in support of a claim, the amount of property taxes levied upon the property claimed as a retail storefront and a statement that the property taxes accrued used for purposes of this act have been or will be paid by the claimant. Upon request by the director, such claimant shall provide a copy of the statement of property taxes levied upon the property claimed as a retail storefront.

(c) Every claimant who is a retail storefront renter, or whose claim is based wholly or partly upon retail storefront rental at some time during the calendar year, shall supply to the division, in support of a claim, a statement prescribed by the director certifying the amount of gross rent paid and that ad valorem property taxes were levied in full for that year on the property, all or a part of which was rented by the claimant.

(d) The information required to be furnished under subsection (b) or (c) shall be in addition to that required under subsection (a).

New Sec. 9. (a) The amount of any claim otherwise payable under this act may be applied by the director of taxation against any liability outstanding on the books of the department of revenue against the claimant in the year that the claim relates.

(b) If there are delinquent property taxes for tax year 2020 or 2021 on a retail storefront owned by the claimant, the refund shall be paid to the county treasurer of the county in which such retail storefront is located and applied to such delinquent property taxes.

New Sec. 10. If there are delinquent property taxes for a tax year commencing prior to January 1, 2020, on a retail storefront owned by the claimant, the claimant shall not be eligible for the refund pursuant to this act for such retail storefront.

New Sec. 11. In any case in which it is determined that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full, and, if the claim has been paid, the amount paid may be recovered by assessment as income taxes are assessed, and such assessment shall bear interest from the date of payment or credit of the claim, until recovered, at the rate of 1% per month. The claimant in such case and any person who assisted in the preparation or filing of such excessive claim or supplied

information upon which such excessive claim was prepared, with fraudulent intent, shall be guilty of a class B misdemeanor. In any case in which it is determined that a claim is or was excessive and was negligently prepared, 10% of the corrected claim shall be disallowed, and, if the claim has been paid, the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate of 1% per month from the date of payment until recovered. In any case in which it is determined that a claim is or was excessive due to the fact that the claimant neglected to include certain income received during the year, the claim shall be corrected and the excess disallowed, and, if the claim has been paid, the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed.

New Sec. 12. A claim shall be disallowed if the director of taxation finds that the claimant received title to such claimant's retail storefront primarily for the purpose of receiving benefits under this act.

New Sec. 13. To the extent applicable, the provisions of K.S.A. 79-3226, and amendments thereto, shall apply to claims for refunds allowable pursuant to this act that may become in dispute.

Sec. 14. K.S.A. 2021 Supp. 12-187 is hereby amended to read as follows: 12-187.

(a) No city shall impose a retailers' sales tax under the provisions of this act without the governing body of such city having first submitted such proposition to and having received the approval of a majority of the electors of the city voting thereon at an election called and held therefor. The governing body of any city may submit the question of imposing a retailers' sales tax and the governing body shall be required to submit the question upon submission of a petition signed by electors of such city equal in number to not less than 10% of the electors of such city.

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

(2) The board of county commissioners of Anderson, Atchison, Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford, Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho, Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Thomas, Wabaunsee, Wilson and Wyandotte counties may submit the question of imposing a countywide retailers' sales tax and pledging the revenue received therefrom for the purpose of financing the construction or remodeling of a courthouse, jail, law enforcement center facility or other county administrative facility, to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire when sales tax sufficient to pay all of the costs incurred in the financing of such facility has been collected by retailers as determined by the secretary

of revenue. Nothing in this paragraph shall be construed to allow the rate of tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson county pursuant to this paragraph to exceed or be imposed at any rate other than the rates prescribed in K.S.A. 12-189, and amendments thereto.

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

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

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

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

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

(F) The result of the election held on December 1, 2009, on the question submitted by the board of county commissioners of Chautauqua county for the purpose of increasing its countywide retailers' sales tax by 1% is hereby declared valid, and the

revenue received from such tax by the county shall be expended for the purposes of financing the costs of constructing, furnishing and equipping a county jail and law enforcement center and necessary improvements appurtenant to such jail and law enforcement center. Any tax imposed pursuant to authority granted in this paragraph shall terminate upon payment of all costs authorized pursuant to this paragraph incurred in the financing of the project described in this paragraph.

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

(H) The result of the election held on November 7, 2017, on the question submitted by the board of county commissioners of Finney county for the purpose of increasing its countywide retailers' sales tax by 0.3% is hereby declared valid, and the revenues of such tax shall be used by Finney county and the city of Garden City, Kansas, as agreed in an interlocal cooperation agreement between the city and county, and as detailed in the ballot question approved by voters. The tax imposed pursuant to this subparagraph shall be levied for a period of 15 years from the date it is first levied.

(I) The result of the election held on November 3, 2020, on the question submitted by the board of county commissioners of Cherokee county for the purpose of increasing its retailers' sales tax by 0.5% is hereby declared valid, and the revenue received therefrom by the county shall be expended solely for the purpose of financing: (i) Ambulance services within the county; (ii) renovations and maintenance of county buildings and facilities; or (iii) any other projects within the county deemed necessary by the governing body of Cherokee county. The tax imposed pursuant to this subparagraph shall terminate prior to January 1, 2033.

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

such moneys shall be deposited to the credit of the county road and bridge fund.

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

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

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

(B) The board of county commissioners of Dickinson county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway

construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this subparagraph shall expire after 10 years from the date such tax is first collected.

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

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

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

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

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

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

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

(14) The board of county commissioners of Neosho county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of roadway construction and improvement to the electors at an election called and held thereon. The

tax imposed pursuant to this paragraph shall expire upon payment of all costs authorized pursuant to this paragraph in the financing of such project.

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

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

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

(18) The board of county commissioners of Wabaunsee county may submit the question of imposing a countywide retailers' sales tax at the rate of 0.5% and pledging the revenue received therefrom for the purpose of financing the costs of bridge and roadway construction and improvement to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 15 years from the date such tax is first collected. On and after July 1, 2019, the countywide retailers' sales tax imposed pursuant to this paragraph may be extended or reenacted for one additional period not to exceed 15 years upon the board of county commissioners of Wabaunsee county submitting such question to the electors at an election called and held thereon as provided by law. For any countywide retailers' sales tax that is extended or reenacted pursuant to this paragraph, such tax shall expire not later than 15 years from the date such tax is first collected.

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

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

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

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

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

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

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

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

projects.

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

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

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

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

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

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

(33) The board of county commissioners of Atchison county may submit the question of imposing a countywide retailers' sales tax at the rate of up to 1% and pledging the revenue received for the purpose of joint law enforcement communications and solid waste disposal in Atchison county to the electors at an election called and held thereon. The tax imposed pursuant to this paragraph shall expire after 10 years from the date such tax is first collected.

(c) The boards of county commissioners of any two or more contiguous counties, upon adoption of a joint resolution by such boards, may submit the question of imposing a retailers' sales tax within such counties to the electors of such counties at an election called and held thereon and such boards of any two or more contiguous counties shall be required to submit such question upon submission of a petition in each

of such counties, signed by a number of electors of each of such counties where submitted equal in number to not less than 10% of the electors of each of such counties who voted at the last preceding general election for the office of secretary of state, or upon receiving resolutions requesting such an election passed by not less than $\frac{2}{3}$ of the membership of the governing body of each of one or more cities within each of such counties that contains a population of not less than 25% of the entire population of each of such counties, or upon receiving resolutions requesting such an election passed by $\frac{2}{3}$ of the membership of the governing body of each of one or more taxing subdivisions within each of such counties that levy not less than 25% of the property taxes levied by all taxing subdivisions within each of such counties.

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

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

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

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

Sec. 15. K.S.A. 2021 Supp. 12-189 is hereby amended to read as follows: 12-189. The rate of any city retailers' sales tax shall be fixed in increments of 0.05% and in an amount not to exceed 2% for general purposes and not to exceed 1% for special purposes, which shall be determined by the governing body of the city. For any retailers' sales tax imposed by a city for special purposes, such city shall specify the purposes for which such tax is imposed. All such special purpose retailers' sales taxes imposed by a city shall expire after 10 years from the date such tax is first collected. The rate of any countywide retailers' sales tax shall be fixed in an amount not to exceed 1% and shall be fixed in increments of 0.25%, and which amount shall be determined by the board of county commissioners, except that:

(a) The board of county commissioners of Wabaunsee county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.25%; the board of county commissioners of Osage or Reno county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.25% or 1.5%; the board of county commissioners of Cherokee, Crawford, Ford, Saline, Seward or Wyandotte county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5%; the board of county commissioners of Atchison or Thomas county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 1.5% or 1.75%; the board of county commissioners of Anderson, Barton, Jefferson or Ottawa county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2%; the board of county commissioners of Marion county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at 2.5%; the board of county commissioners of Franklin, Linn and Miami counties, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate allowed to be imposed by the respective board of county commissioners on July 1, 2007, plus up to 1.0%; and the board of county commissioners of Brown county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at up to 2%;

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

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

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

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

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

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

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

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

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

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

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

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

(n) the board of county commissioners of Harvey county, for the purposes of

K.S.A. 12-187(b)(16), and amendments thereto, may fix such rate at 2.0%;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(cc) the board of county commissioners of Rooks county, for the purposes of K.S.A. 12-187(b)(29), and amendments thereto, may fix such rate at up to 1.5%;

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

(ee) the board of county commissioners of Marion county, for the purposes of

K.S.A. 12-187(b)(32), and amendments thereto, may fix such rate at 2.5%;

(ff) the board of county commissioners of Finney county, for the purposes of K.S.A. 12-187(b)(3)(H), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.3%; ~~and~~

(gg) the board of county commissioners of Cherokee county, for the purposes of K.S.A. 12-187(b)(3)(I), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus 0.5%; and

(hh) the board of county commissioners of Atchison county, for the purposes of K.S.A. 12-187(b)(33), and amendments thereto, may fix such rate at a percentage that is equal to the sum of the rate otherwise allowed pursuant to this section, plus up to 1%.

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

Upon receipt of a certified copy of an ordinance or resolution authorizing the levy of a local retailers' sales tax, the director of taxation shall cause such taxes to be collected within or without the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state retailers' sales tax. Such copy shall be submitted to the director of taxation within 30 days after adoption of any such ordinance or resolution. The director of taxation shall confirm that all provisions of law applicable to the authorization of local sales tax have been followed prior to causing the collection. If the director of taxation discovers that a city or county did not comply with any provision of law applicable to the authorization of a local sales tax after collection has commenced, the director shall immediately notify the city or county and cease collection of such sales tax until such noncompliance is remedied. All moneys collected by the director of taxation under the provisions of this section shall be credited to a county and city retailers' sales tax fund which fund is hereby established in the state treasury, except that all moneys collected by the director of taxation pursuant to the authority granted in K.S.A. 12-187(b)(22), and amendments thereto, shall be credited to the Wilson county capital improvements fund. Any refund due on any county or city retailers' sales tax collected pursuant to this act shall be paid out of the sales tax refund fund and reimbursed by the director of taxation from collections of local retailers' sales tax revenue. Except for local retailers' sales tax revenue required to be deposited in the redevelopment bond fund established under K.S.A. 74-8927, and amendments thereto, all local retailers' sales tax revenue collected within any county or city pursuant to this act shall be apportioned and remitted at least quarterly by the state treasurer, on instruction from the director of taxation, to the treasurer of such county or city.

Revenue that is received from the imposition of a local retailers' sales tax that exceeds the amount of revenue required to pay the costs of a special project for which such revenue was pledged shall be credited to the city or county general fund, as the

case requires.

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

Sec. 16. K.S.A. 2021 Supp. 12-189a is hereby amended to read as follows: 12-189a. The following sales shall be subject to the taxes levied and collected by all cities and counties under the provisions of K.S.A. 12-187 et seq., and amendments thereto:

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

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

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

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

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

Sec. 17. K.S.A. 2021 Supp. 12-192 is hereby amended to read as follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or (h), all revenue received by the director of taxation from a countywide retailers' sales tax shall be apportioned among the county and each city located in such county in the following manner:

(1) $\frac{1}{2}$ of all revenue received by the director of taxation shall be apportioned among the county and each city located in such county in the proportion that the total tangible property tax levies made in such county in the preceding year for all funds of each such governmental unit bear to the total of all such levies made in the preceding year; and

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

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

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

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

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

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

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

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

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

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

(c) (1) Except as otherwise provided by paragraph (2) of this subsection, for purposes of subsections (a) and (b), the term "total tangible property tax levies" means the aggregate dollar amount of tax revenue derived from ad valorem tax levies applicable to all tangible property located within each such city or county. The ad

valorem property tax levy of any county or city district entity or subdivision shall be included within this term if the levy of any such district entity or subdivision is applicable to all tangible property located within each such city or county.

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

(d) (1) All revenue received from a countywide retailers' sales tax imposed pursuant to K.S.A. 12-187(b)(2), (3)(C), (3)(F), (3)(G), (3)(I), (6), (7), (8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27), (28), (29), (30), (31) ~~and~~ (32) ~~and~~ (33), and amendments thereto, shall be remitted to and shall be retained by the county and expended only for the purpose for which the revenue received from the tax was pledged.

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

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

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

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

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

(h) The provisions of subsections (a) and (b) for the apportionment of countywide retailers' sales tax shall not apply to any revenues received pursuant to a county or countywide retailers' sales tax levied or collected under K.S.A. 74-8929, and

amendments thereto. All such revenue collected under K.S.A. 74-8929, and amendments thereto, shall be deposited into the redevelopment bond fund established by K.S.A. 74-8927, and amendments thereto, for the period of time set forth in K.S.A. 74-8927, and amendments thereto.

Sec. 18. K.S.A. 13-13a39 is hereby amended to read as follows: 13-13a39. ~~The following Sales subject to the countywide and city retailers' sales tax pursuant to K.S.A. 12-189a, and amendments thereto, shall also~~ be subject to the taxes levied by Washburn University of Topeka under the provisions of K.S.A. 13-13a38, and amendments thereto:

~~(a) All sales of natural gas, electricity, heat and water delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises and all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes for agricultural use;~~

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

~~(c) all sales of intrastate telephone and telegraph services for noncommercial use.~~

Sec. 19. K.S.A. 2021 Supp. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the purchase of state or political subdivision obligations, to the extent that the same is not included in federal adjusted gross income, on obligations of any state or political subdivision thereof, but to the extent that interest income on obligations of this state or a political subdivision thereof issued prior to January 1, 1988, is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations, it shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income. Interest income on obligations of this state or a political subdivision thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction, except that the federal net operating loss deduction shall not be added to an individual's federal adjusted gross income for tax years beginning after December 31, 2016.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been

deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below zero.

(v) The amount of any depreciation deduction or business expense deduction claimed on the taxpayer's federal income tax return for any capital expenditure in making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965, and amendments thereto.

(vii) The amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

(ix) The amount of any ad valorem taxes and assessments paid and the amount of any costs incurred for habitat management or construction and maintenance of improvements on real property, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203, and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to K.S.A. 79-32,117(c)(xv), and amendments thereto, or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xiii), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal

adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,256, and amendments thereto.

(xviii) For taxable years commencing after December 31, 2006, the amount of any ad valorem or property taxes and assessments paid to a state other than Kansas or local government located in a state other than Kansas by a taxpayer who resides in a state other than Kansas, when the law of such state does not allow a resident of Kansas who earns income in such other state to claim a deduction for ad valorem or property taxes or assessments paid to a political subdivision of the state of Kansas in determining taxable income for income tax purposes in such other state, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xix) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Loss from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) loss from rental real estate, royalties, partnerships, S corporations, except those with wholly owned subsidiaries subject to the Kansas privilege tax, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) farm loss as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal individual income tax return; all to the extent deducted or subtracted in determining the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011, and as revised thereafter by the internal revenue service.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for self-employment taxes under section 164(f) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer, to the extent the deduction is attributable to income reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income tax return.

(xxi) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for pension, profit sharing, and annuity plans of self-employed individuals under section 62(a)(6) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for health insurance under section 162(l)

of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for domestic production activities under section 199 of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid for medical care of the taxpayer or the taxpayer's spouse or dependents when such expenses were paid or incurred for an abortion, or for a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid by a taxpayer for health care when such expenses were paid or incurred for abortion coverage, a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, when such expenses were paid or incurred for abortion coverage or amounts contributed to health savings accounts for such taxpayer's employees for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as a deduction for federal income tax purposes.

(xxvi) For all taxable years beginning after December 31, 2016, the amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and amendments thereto, and is also claimed as an itemized deduction for federal income tax purposes.

(xxvii) For all taxable years commencing after December 31, 2020, the amount deducted by reason of a carry-forward of disallowed business interest pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

(c) There shall be subtracted from federal adjusted gross income:

(i) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States and its possessions less any related expenses directly incurred in the purchase of such obligations or securities, to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(ii) Any amounts received which are included in federal adjusted gross income but which are specifically exempt from Kansas income taxation under the laws of the state of Kansas.

(iii) The portion of any gain or loss from the sale or other disposition of property having a higher adjusted basis for Kansas income tax purposes than for federal income tax purposes on the date such property was sold or disposed of in a transaction in which gain or loss was recognized for purposes of federal income tax that does not exceed such difference in basis, but if a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to that portion of such gain

which is included in federal adjusted gross income.

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

(v) The amount of any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in gross income for federal income tax purposes.

(vi) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income.

(vii) Amounts received as annuities under the federal civil service retirement system from the civil service retirement and disability fund and other amounts received as retirement benefits in whatever form which were earned for being employed by the federal government or for service in the armed forces of the United States.

(viii) Amounts received by retired railroad employees as a supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and 228c(a)(1) et seq.

(ix) Amounts received by retired employees of a city and by retired employees of any board of such city as retirement allowances pursuant to K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter ordinance exempting a city from the provisions of K.S.A. 13-14,106, and amendments thereto.

(x) For taxable years beginning after December 31, 1976, the amount of the federal tentative jobs tax credit disallowance under the provisions of 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the amount of the targeted jobs tax credit and work incentive credit, work opportunity tax credit and similar disallowances under 26 U.S.C. § 280C. For taxable years beginning after December 31, 2019, the provisions of this paragraph shall also apply to the employee retention credit. The subtraction modifications provided by this paragraph for the work opportunity tax credit and the employee retention credit shall be limited to 25% of the amount of such disallowances.

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas venture capital, inc.

(xii) For taxable years beginning after December 31, 1989, amounts received by retired employees of a board of public utilities as pension and retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249, and amendments thereto.

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 74-50,201 et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such corporation and which is not distributed to the stockholders as dividends of the corporation. For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of

modification under this subsection shall exclude the portion of income or loss reported on schedule E and included on line 17 of the taxpayer's form 1040 federal individual income tax return.

(xv) For all taxable years beginning after December 31, 2017, the cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple filing a joint return, for each designated beneficiary that are contributed to: (1) A family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary; or (2) an achieving a better life experience (ABLE) account established under the Kansas ABLE savings program or a qualified ABLE program established and maintained by another state or agency or instrumentality thereof pursuant to section 529A of the internal revenue code of 1986, as amended, for the purpose of saving private funds to support an individual with a disability. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and amendments thereto, and the provisions of such sections are hereby incorporated by reference for all purposes thereof.

(xvi) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are or were members of the armed forces of the United States, including service in the Kansas army and air national guard, as a recruitment, sign up or retention bonus received by such taxpayer as an incentive to join, enlist or remain in the armed services of the United States, including service in the Kansas army and air national guard, and amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and received by such taxpayer as a result of such taxpayer's service in the armed forces of the United States, including service in the Kansas army and air national guard.

(xvii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for death benefits pursuant to K.S.A. 48-282, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

~~(xviii) For the taxable year beginning after December 31, 2006, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$50,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly; and (A) For all taxable years beginning after December 31, 2007, and ending before January 1, 2023, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly.~~

(B) For all taxable years beginning after December 31, 2022, amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer whether a taxpayer's filing status is single, head of household,

married filing separate or married filing jointly, and the amount of the subtraction modification provided by this paragraph shall be calculated as follows:

Subtraction modification = social security income x social security taxable rate.

For purposes of this subparagraph:

(1) Social security income is the amount of benefits received under the social security act; and

(2) social security taxable rate shall be determined as follows:

(a) For taxpayers with federal adjusted gross income of \$75,000 or less, then the social security taxable rate is 1;

(b) for taxpayers with federal adjusted gross income greater than \$75,000 and less than the threshold, then the social security taxable rate shall be calculated as: 1 - ((federal adjusted gross income - 75,000) / denominator); and

(c) for taxpayers with federal adjusted gross income equal to or greater than the threshold, then the social security taxable rate is 0.

(d) (i) "Denominator" is equal to 10,000 for tax year 2023 and increases by 5,000 for each tax year thereafter.

(ii) "Threshold" is equal to \$85,000 for tax year 2023 and increases by \$5,000 for each tax year thereafter.

(xix) Amounts received by retired employees of Washburn university as retirement and pension benefits under the university's retirement plan.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Net profit from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) net income, not including guaranteed payments as defined in section 707(c) of the federal internal revenue code and as reported to the taxpayer from federal schedule K-1, (form 1065-B), in box 9, code F or as reported to the taxpayer from federal schedule K-1, (form 1065) in box 4, from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) net farm profit as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent included in the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011 and as revised thereafter by the internal revenue service.

(xxi) For all taxable years beginning after December 31, 2013, amounts equal to the unreimbursed travel, lodging and medical expenditures directly incurred by a taxpayer while living, or a dependent of the taxpayer while living, for the donation of one or more human organs of the taxpayer, or a dependent of the taxpayer, to another person for human organ transplantation. The expenses may be claimed as a subtraction modification provided for in this section to the extent the expenses are not already subtracted from the taxpayer's federal adjusted gross income. In no circumstances shall the subtraction modification provided for in this section for any individual, or a dependent, exceed \$5,000. As used in this section, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung or bone marrow. The provisions of this paragraph

shall take effect on the day the secretary of revenue certifies to the director of the budget that the cost for the department of revenue of modifications to the automated tax system for the purpose of implementing this paragraph will not exceed \$20,000.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of net gain from the sale of: (1) Cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 24 months or more from the date of acquisition; and (2) other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 12 months or more from the date of acquisition. The subtraction from federal adjusted gross income shall be limited to the amount of the additions recognized under the provisions of subsection (b)(xix) attributable to the business in which the livestock sold had been used. As used in this paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012, amounts received under either the Overland Park, Kansas police department retirement plan or the Overland Park, Kansas fire department retirement plan, both as established by the city of Overland Park, pursuant to the city's home rule authority.

(xxiv) For taxable years beginning after December 31, 2013, and ending before January 1, 2017, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.

(xxv) For all taxable years commencing after December 31, 2020, 100% of global intangible low-taxed income under section 951A of the federal internal revenue code of 1986, before any deductions allowed under section 250(a)(1)(B) of such code.

(xxvi) For all taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

(xxvii) For taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 274 of the federal internal revenue code of 1986 for meal expenditures shall be allowed to the extent such expense was deductible for determining federal income tax and was allowed and in effect on December 31, 2017.

(xxviii) (A) For all taxable years beginning after December 31, 2022, the amounts received by retired individuals under all retirement plans to the extent included in federal adjusted gross income not to exceed \$2,000, or \$4,000 for a married couple filing a joint return.

(B) In the case of all tax years commencing after December 31, 2023, the amounts prescribed in this paragraph shall be increased by an amount equal to such amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

(xxix) For taxable years beginning after December 31, 2017, for an individual taxpayer who carried back federal net operating losses arising in a taxable year beginning after December 31, 2017, and before January 1, 2021, pursuant to section 172(b)(1) of the federal internal revenue code as amended by the coronavirus aid, relief, and economic security act (CARES act), the amount of such federal net operating loss carryback for each applicable year. If the amount of such federal net operating loss carryback exceeds the taxpayer's Kansas adjusted gross income for such taxable year,

the amount thereof that exceeds such Kansas adjusted gross income may be carried forward as a subtraction modification in the following taxable year or years until the total amount of such federal net operating loss carryback has been deducted, except that no such unused amount shall be carried forward for deduction as a subtraction modification after the 20th taxable year following the taxable year of the net operating loss.

(d) There shall be added to or subtracted from federal adjusted gross income the taxpayer's share, as beneficiary of an estate or trust, of the Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and amendments thereto.

(e) The amount of modifications required to be made under this section by a partner which relates to items of income, gain, loss, deduction or credit of a partnership shall be determined under K.S.A. 79-32,131, and amendments thereto, to the extent that such items affect federal adjusted gross income of the partner.

(f) No taxpayer shall be assessed penalties and interest from the underpayment of taxes due to changes to this section that became law on July 1, 2017, so long as such underpayment is rectified on or before April 17, 2018.

Sec. 20. K.S.A. 2021 Supp. 79-32,119 is hereby amended to read as follows: 79-32,119. (a) The Kansas standard deduction of an individual, including a husband and wife who are either both residents or who file a joint return as if both were residents, shall be equal to the sum of the standard deduction amount allowed pursuant to this section, and the additional standard deduction amount allowed pursuant to this section for each such deduction allowable to such individual or to such husband and wife under the federal internal revenue code.

(b) For tax year 1998, and all tax years thereafter, the additional standard deduction amount shall be as follows: Single individual and head of household filing status, \$850; and married filing status, \$700.

(c) (1) For tax year 2013 through tax year 2020, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, \$3,000; married filing status, \$7,500; and head of household filing status, \$5,500.

(2) (A) For tax year 2021, and all tax years thereafter, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, \$3,500; married filing status, \$8,000; and head of household filing status, \$6,000.

(B) In the case of all tax years commencing after December 31, 2022, the amounts prescribed in this paragraph shall be increased by an amount equal to such amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

(d) For purposes of this section, the federal standard deduction allowable to a husband and wife filing separate Kansas income tax returns shall be determined on the basis that separate federal returns were filed, and the federal standard deduction of a husband and wife filing a joint Kansas income tax return shall be determined on the basis that a joint federal income tax return was filed.

Sec. 21. K.S.A. 79-32,190 is hereby amended to read as follows: 79-32,190. (a) Any taxpayer that pays for or provides child day care services, including the provision

of the service of locating such services, to its employees or that provides facilities and necessary equipment for child day care services shall be allowed a credit against the privilege or income tax imposed by articles 11 and 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, as follows:

(1) Thirty percent (A) For the taxable years commencing before January 1, 2022, 30% of the total amount expended in the state during the taxable year by a taxpayer for child day care services purchased to provide care for the dependent children of the taxpayer's employees or for the provision of the service of locating such services for such children;

(B) for all taxable years commencing after December 31, 2021, 50% of the total amount expended in the state during the taxable year by a taxpayer for child day care services purchased to provide care for the dependent children of the taxpayer's employees or for the provision of the service of locating such services for such children.

(2) (A) in the taxable year in which a facility providing child day care services in the state for use primarily by the dependent children of the taxpayer's employees is established, 50% of the total amount expended during such year by a taxpayer in the establishment and operation of such facility;

(B) (i) for the taxable years commencing before January 1, 2022, in the taxable years other than the taxable year to which paragraph (2)(A) applies, 30% of the amount equal to the total amount expended during the taxable year by a taxpayer for the operation of a facility described in paragraph (2)(A) less the amount of moneys received by the taxpayer for use of such facility for child day care services; and

(ii) for all taxable years commencing after December 31, 2021, in the taxable years other than the taxable year to which paragraph (2)(A) applies, 50% of the amount equal to the total amount expended during the taxable year by a taxpayer for the operation of a facility described in paragraph (2)(A) less the amount of moneys received by the taxpayer for use of such facility for child day care services;

(3) (A) in the taxable year in which a facility providing child day care services in the state for use primarily by the dependent children of the taxpayers' employees is established in conjunction with one or more other taxpayers, 50% of the total amount expended during such year by a taxpayer in the establishment and operation of such facility;

(B) (i) for the taxable years commencing before January 1, 2022, in the taxable years other than the taxable year to which paragraph (3)(A) applies, 30% of the amount equal to the total amount expended during the taxable year by a taxpayer for the operation of a facility described in paragraph (3)(A) less the amount of moneys received by the taxpayer for use of such facility for child day care services; and

(ii) for all taxable years commencing after December 31, 2021, in the taxable years other than the taxable year to which paragraph (3)(A) applies, 50% of the amount equal to the total amount expended during the taxable year by a taxpayer for the operation of a facility described in paragraph (3)(A) less the amount of moneys received by the taxpayer for use of such facility for child day care services; and

(4) for all taxable years commencing after December 31, 2021, 50% of the amount equal to the total amount expended during the taxable year by a taxpayer as payments to an organization providing access to available child day care services for the taxpayer's employees.

(b) No credit shall be allowed under this section unless the child day care facility or

provider is licensed or registered pursuant to Kansas law.

(c) The credit allowed by ~~paragraphs (1), (2)(B) and (3)(B)~~ of subsection (a)(1), ~~(2)(B) and (3)(B)~~ shall not exceed \$30,000 for any taxpayer during any taxable year. The credit allowed by ~~paragraphs (2)(A) and (3)(A)~~ of subsection (a)(2)(A), ~~(3)(A) and (4)~~ shall not exceed \$45,000 for any taxpayer during any taxable year. The amount of the credit which exceeds the tax liability for a taxable year shall be refunded to the taxpayer. If the taxpayer is a corporation having an election in effect under subchapter S of the federal internal revenue code or a partnership, the credit provided by this section shall be claimed by the shareholders of such corporation or the partners of such partnership in the same manner as such shareholders or partners account for their proportionate shares of the income or loss of the corporation or partnership.

(d) The aggregate amount of credits claimed under this act for any fiscal year shall not exceed \$3,000,000.

(e) For tax ~~year years~~ 2013 ~~and all tax years thereafter through 2021~~, the income tax credit provided by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to ~~subsection (e)~~ of K.S.A. 79-32,110(c), and amendments thereto, and shall be applied only against such taxpayer's corporate income tax liability.

Sec. 22. K.S.A. 2021 Supp. 79-3603 is hereby amended to read as follows: 79-3603. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 6.5%. On and after July 1, 2021, 16.154% of the 6.5% rate imposed shall be levied for the state highway fund, the state highway fund purposes and those purposes specified in K.S.A. 68-416, and amendments thereto, and all revenue collected and received from such tax levy shall be deposited in the state highway fund. Within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax at the rate of 2% until the earlier of the date the bonds issued to finance or refinance the redevelopment project have been paid in full or the final scheduled maturity of the first series of bonds issued to finance any part of the project. Such tax shall be imposed upon:

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

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

(c) (1) the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities, except that, on and

after January 1, 2006, for sales of gas, electricity and heat delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises, and for agricultural use and also, for such use, all sales of propane gas, the state rate shall be 0%; and for all sales of propane gas, LP gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises, the state rate shall be 0%, but such tax shall not be levied and collected upon the gross receipts from: ~~(1) (A)~~ The sale of a rural water district benefit unit; ~~(2) (B)~~ a water system impact fee, system enhancement fee or similar fee collected by a water supplier as a condition for establishing service; or ~~(3) (C)~~ connection or reconnection fees collected by a water supplier. The provisions of this paragraph shall expire on June 30, 2023; and

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

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

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

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

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

(h) the gross receipts from the service of renting or leasing of tangible personal property except such tax shall not apply to the renting or leasing of machinery, equipment or other personal property owned by a city and purchased from the proceeds of industrial revenue bonds issued prior to July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through 12-1749, and amendments thereto, and any city or lessee renting or leasing such machinery, equipment or other personal property

purchased with the proceeds of such bonds who shall have paid a tax under the provisions of this section upon sales made prior to July 1, 1973, shall be entitled to a refund from the sales tax refund fund of all taxes paid thereon;

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

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

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

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

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

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

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

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are

transferred to such other corporation or limited liability company; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and amendments thereto, by an immediate family member to another immediate family member. For the purposes of paragraph (3), immediate family member means lineal ascendants or descendants, and their spouses. Any amount of sales tax paid pursuant to the Kansas retailers sales tax act on the isolated or occasional sale of motor vehicles or trailers on and after July 1, 2004, which the base for computing the tax was the value pursuant to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when such amount was higher than the amount of sales tax which would have been paid under the law as it existed on June 30, 2004, shall be refunded to the taxpayer pursuant to the procedure prescribed by this section. Such refund shall be in an amount equal to the difference between the amount of sales tax paid by the taxpayer and the amount of sales tax which would have been paid by the taxpayer under the law as it existed on June 30, 2004. Each claim for a sales tax refund shall be verified and submitted not later than six months from the effective date of this act 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 tax paid as provided by this act. All such 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 of taxation or the director's designee. No refund for an amount less than \$10 shall be paid pursuant to this act. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

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

For the purposes of this subsection:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 23. K.S.A. 79-3607 is hereby amended to read as follows: 79-3607. (a) Retailers shall make returns to the director at the times prescribed by this section in the manner prescribed by the director, including electronic filing, upon forms or format prescribed by the director stating: (1) The name and address of the retailer; (2) the total amount of gross sales of all tangible personal property and taxable services rendered by the retailer during the period for which the return is made; (3) the total amount received during the period for which the return is made on charge and time sales of tangible personal property made and taxable services rendered prior to the period for which the return is made; (4) deductions allowed by law from such total amount of gross sales and from total amount received during the period for which the return is made on such charge and time sales; (5) receipts during the period for which the return is made from the total amount of sales of tangible personal property and taxable services rendered

during such period in the course of such business, after deductions allowed by law have been made; (6) receipts during the period for which the return is made from charge and time sales of tangible personal property made and taxable services rendered prior to such period in the course of such business, after deductions allowed by law have been made; (7) gross receipts during the period for which the return is made from sales of tangible personal property and taxable services rendered in the course of such business upon the basis of which the tax is imposed. The return shall include such other pertinent information as the director may require. In making such return, the retailer shall determine the market value of any consideration, other than money, received in connection with the sale of any tangible personal property in the course of the business and shall include such value in the return. Such value shall be subject to review and revision by the director as hereinafter provided. Refunds made by the retailer during the period for which the return is made on account of tangible personal property returned to the retailer shall be allowed as a deduction under paragraph (4) ~~of this section~~ in case the retailer has theretofore included the receipts from such sale in a return made by such retailer and paid taxes therein imposed by this act. The retailer shall, at the time of making such return, pay to the director the amount of tax herein imposed, except as otherwise provided in this section. The director may extend the time for making returns and paying the tax required by this act for any period not to exceed 60 days under such rules and regulations as the secretary of revenue may prescribe.

(b) (1) ~~When the total tax for which any retailer is liable under this act, does not exceed the sum of \$400 in any calendar year, the retailer shall file an annual return on or before January 25 of the following year. When the total tax liability does not exceed \$4,000 in any calendar year, the retailer shall file returns quarterly on or before the 25th day of the month following the end of each calendar quarter. When the total tax liability exceeds \$4,000 in any calendar year, the retailer shall file a return for each month on or before the 25th day of the following month. When the total tax liability exceeds \$40,000 in any calendar year, the retailer shall be required to pay the sales tax liability for the first 15 days of each month to the director on or before the 25th day of that month. Any such payment shall accompany the return filed for the preceding month. A retailer will be considered to have complied with the requirements to pay the first 15 days' liability for any month if, on or before the 25th day of that month, the retailer paid 90% of the liability for that fifteen-day period, or 50% of such retailer's liability in the immediate preceding calendar year for the same month as the month in which the fifteen-day period occurs computed at the rate applicable in the month in which the fifteen-day period occurs, and, in either case, paid any underpayment with the payment required on or before the 25th day of the following month. Such retailers shall pay their sales tax liabilities for the remainder of each such month at the time of filing the return for such month. The provisions of this paragraph shall expire on December 31, 2023.~~

(2) On and after January 1, 2024, the retailer shall file:

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

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

(C) a return for each month on or before the 25th day of the following month when

the total tax liability exceeds \$5,000 in any calendar year.

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

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

- (1) Upon registration, the director shall provide to the seller the returns required;
- (2) seller shall file a return anytime within one year of the month of initial registration, and future returns are required on an annual basis in succeeding years; and
- (3) in addition to the returns required in subsection ~~(b)(2)(c)(2)~~, sellers are required to submit returns in the month following any month in which they have accumulated state and local sales tax funds for this state in the amount of \$1,600 or more.

Sec. 24. K.S.A. 13-13a39, 79-32,190, 79-3607 and 79-3607, as amended by section 3 of chapter 83 of the 2021 Session Laws of Kansas, and K.S.A. 2021 Supp. 12-187, 12-189, 12-189a, 12-192, 79-32,117, 79-32,119 and 79-3603 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "concerning"; by striking lines 2 through 13; in line 14, by striking all before the period and inserting "taxation; relating to income taxation; increasing the income limit to qualify for the subtraction modification for social security income; providing subtraction modifications for certain amounts received from retirement plans, for certain amounts of the federal work opportunity tax credit and the employee retention credit disallowances and to allow the carryforward of certain net operating losses for individuals; increasing the amount of certain child day care services assistance tax credits; providing a credit for employer payments to an organization providing access to employees for child day care services and expanding eligible taxpayers; increasing the Kansas standard deduction; relating to property taxation; establishing the COVID-19 retail storefront property tax relief act to provide partial refunds to certain businesses impacted by COVID-19-related shutdowns and restrictions; relating to sales and compensating use taxation; expanding the eligible uses for the 0% state rate for sales of certain utilities and providing for the levying of such tax by cities, counties and Washburn university of Topeka; increasing thresholds for timing of returns and payment; discontinuing the first 15 days of the month remittance requirements for certain retailers; providing countywide retailers' sales tax authority for Atchison county; amending K.S.A. 13-13a39, 79-32,190 and 79-3607 and K.S.A. 2021 Supp. 12-187, 12-189, 12-189a, 12-192, 79-32,117, 79-32,119 and 79-3603 and repealing the existing sections; also repealing K.S.A. 79-3607, as amended by section 3 of chapter 83 of the 2021 Session Laws of Kansas";

And your committee on conference recommends the adoption of this report.

CARYN TYSON
VIRGIL PECK

TOM HOLLAND

Conferees on part of Senate

ADAM SMITH

LES MASON

JIM GARTNER

Conferees on part of House

Senator Tyson moved the Senate adopt the Conference Committee Report on **S Sub HB 2597**.

Senator Tyson moved to call the question. Upon the showing of 10 hands the motion carried.

On roll call, the vote was: Yeas 27; Nays 0; Present and Passing 8; Absent or Not Voting 5.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Corson, Dietrich, Erickson, Fagg, Gossage, Hilderbrand, Kerschen, Kloos, Longbine, Masterson, O'Shea, Olson, Peck, Petersen, Pittman, Pyle, Ryckman, Straub, Thompson, Tyson, Warren, Wilborn.

Present and Passing: Faust-Goudeau, Francisco, Haley, Holland, Holscher, Pettey, Sykes, Ware.

Absent or Not Voting: Doll, Hawk, McGinn, Steffen, Suellentrop.

The Conference Committee Report was adopted.

POINT OF PERSONAL PRIVILEGE

Senator Tyson rose on a point of personal privilege and submitted the following comments: Congratulations to Mark Simoneau for being named ABCA National Assistant Coach of the Year, 2021. Mark was selected for High School Division I Assistant Coach of the Year because of his coaching expertise, loyalty to the program, and respect for players and the game. These are just some of the criteria that ABCA examines when reviewing candidates for the award. Mark has been with the Topeka Seaman baseball team since he graduated from Washburn University. He was instrumental and a main contributor to one of the most winning records in Kansas baseball history. The Seaman Vikings have won regional tournaments for 18 consecutive years, qualifying for state tournaments. To quote a post from Seaman Baseball, "Mark is a huge part of why our program has been successful on the field and off the field. Mark goes above and beyond for all. If you know Mark, you are better for it." Mark is an amazing person. He is a committed teacher and a great example for students follow. Congratulations Mark for a well-deserved national recognition of your efforts on and off the field.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was introduced and read by title:

SB 581, AN ACT concerning the state board of regents; enacting the Kansas campus restoration act; relating to deferred maintenance of facilities at state educational institutions; providing rules and regulations authority; establishing the Kansas campus restoration fund in the state treasury; authorizing certain transfers from the state general fund to the Kansas campus restoration fund; requiring annual reports to certain committees of the legislature, by Committee on Ways and Means.

MESSAGE FROM THE HOUSE

The House adopts the Conference Committee report on **HB 2136**.

The House adopts the Conference Committee report on **HB 2540**.

Announcing adoption of **HCR 5038**

HCR 5038 A CONCURRENT RESOLUTION relating to the adjournment sine die of the Senate and House of Representative during the 2022 regular session of the legislature.

On emergency motion of Senator Alley, **HCR 5038** was adopted by voice vote.

VETO SUSTAINED

President Masterson announced the time had arrived for reconsideration of the veto on **Sub SB 34**, AN ACT concerning public health; prohibiting a governmental entity or public official from ordering or otherwise requiring any individual to wear a face mask as a response to a contagious or infectious disease; prohibiting a governmental entity or public official from issuing or requiring use of a COVID-19 vaccination passport or discriminating against any individual based upon COVID-19 vaccination status; limiting powers of the governor and other governmental entities under the Kansas emergency management act related to face masks; modifying judicial review provisions related to certain executive orders issued during a state of disaster emergency and certain actions taken by a local unit of government during a state of local disaster emergency; requiring court petitions challenging orders and similar actions by public officials relating to gathering limitations, business restrictions and religious gathering limitations to be ruled on without unreasonable delay; restricting the power of the secretary of health and environment and local health officers to order law enforcement to assist in execution or enforcement of orders related to isolation or quarantine; prohibiting the secretary of health and environment from requiring a test or inoculation for admission to and attendance at a school that has not received full approval by the federal food and drug administration for the student to whom the requirement applies; amending K.S.A. 65-129b and 72-6262 and K.S.A. 2021 Supp. 48-925, 48-932 and 65-201 and repealing the existing sections.

No motion having been offered to reconsider, President Masterson announced the Governor's veto on **Sub SB 34** was sustained.

REPORT ON ENROLLED BILLS

Sub SB 34; SB 84, SB 313, SB 421 reported correctly enrolled, properly signed and presented to the Governor on May 6, 2022.

As provided by **HCR 5038**, Senator Alley moved the Senate adjourn Sine Die. The motion prevailed.

President Masterson thereupon announced: "By virtue of the authority vested in me as the president of the Senate, I now declare the 2022 Session of the Kansas Senate adjourned Sine Die."

MESSAGE FROM THE HOUSE

The House announces the following bills and concurrent resolutions are hereby transmitted to the Senate with final disposition:

Senate Bills that died in House Committees: **SB 1, SB 20, SB 22, SB 23, SB 32, SB 51, SB 61, SB 68, SB 70, SB 72, SB 83, SB 85, Sub SB 100, SB 104, SB 116, SB 131, SB 145, SB 146, SB 155, SB 181, SB 185, SB 208, SB 265, SB 282, SB 290, SB 304, SB 327, SB 329, SB 340, SB 351, SB 362, SB 368, SB 373, SB 389, SB 390, SB 395, SB 403, SB 418, SB 425, SB 438, SB 439, SB 441, SB 443, Sub SB 444, SB 455, SB 457, SB 484, SB 489, SB 494, SB 496, SB 507, SB 523, SB 529, SB 541, SB 546, SB 577.**

Senate Concurrent Resolutions that died in House Committees: **SCR 1619.**

Senate Bills that died on House Calendar: **H Sub SB 49, SB 53, SB 71, H Sub SB 98, SB 119, SB 126, SB 147, SB 276, H Sub SB 318, SB 326, SB 382.**

Senate Concurrent Resolutions that died on House Calendar: **SCR 1623.**

Senate bills that died in conference: **SB 12.**

MESSAGE FROM THE GOVERNOR

H Sub SB 19 approved on June 2, 2022.

CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*

COREY CARNAHAN, *Secretary of the Senate.*

