

HOUSE BILL No. 2106

By Committee on Taxation

1-19

1 AN ACT concerning taxation; relating to sales and compensating use tax;  
2 providing for a sales tax exemption for sales of property and services  
3 used in the provision of communications services; **providing for a**  
4 **deduction for calculating tax owed when selling a motor vehicle that**  
5 **is purchased within 90 days of the sale of another vehicle;** amending  
6 **K.S.A. 12-199 and K.S.A. 2022 Supp. 79-3606 and repealing the**  
7 **existing ~~section~~ sections.**

8  
9 *Be it enacted by the Legislature of the State of Kansas:*

10 *New Section 1. (a) When a used motor vehicle is sold on or after*  
11 *January 1, 2024, by an individual instead of being traded in as partial*  
12 *payment on the sale of a new or used motor vehicle, and the individual*  
13 *purchases a new or used vehicle of greater value within 90 days before*  
14 *or after such sale, the tax imposed by the Kansas retailers' sales tax act*  
15 *pursuant to K.S.A. 79-3601 et seq., and amendments thereto, or the*  
16 *Kansas compensating tax pursuant to K.S.A. 79-3701 et seq., and*  
17 *amendments thereto, shall be paid on the amount of total consideration*  
18 *paid for the new or used vehicle purchased by such individual that*  
19 *exceeds the amount received by such individual from such sale of the*  
20 *used motor vehicle. In the event that the consideration paid for the*  
21 *purchased vehicle is equal to or less than the amount received from the*  
22 *sale of the used motor vehicle, then the individual shall not owe any*  
23 *sales or compensating use tax.*

24 *(b) For purposes of subsection (a), the individual may either:*

25 *(1) Provide to the county treasurer the completed bills of sale for*  
26 *the vehicle sold and the vehicle purchased at the time that the purchased*  
27 *vehicle is registered. The county treasurer shall collect the tax on the*  
28 *amount prescribed under subsection (a); or*

29 *(2) apply to the department of revenue if taxes have already been*  
30 *paid on the purchased vehicle for a refund of the amount of tax paid by*  
31 *the individual that exceeds the tax amount owed pursuant to subsection*  
32 *(a) by providing both the completed bills of sale for the vehicle sold and*  
33 *the vehicle purchased.*

34 *(c) (1) The deduction provided by this section shall not be allowed*

1 *unless the taxpayer claiming the deduction provides a copy of the bills of*  
2 *sale required pursuant to subsection (b), and such bills of sale are on*  
3 *department of revenue form TR-312 that, at a minimum, includes*  
4 *information necessary to tie the specific purchase transaction to the*  
5 *related sale transaction including, but not limited to, the:*

6 (A) *Seller's printed name and address;*

7 (B) *buyer's printed name and address;*

8 (C) *year, make and vehicle identification number of the vehicle;*

9 (D) *sale price and date of sale of the vehicle; and*

10 (E) *signatures of the seller and the buyer and the date signed.*

11 (2) *The sale price, date of sale and the name of at least one buyer*  
12 *and seller listed on the bill of sale must match the information entered in*  
13 *the assignment of title on the back of the certificate of title.*

14 (3) *If the taxpayer claiming such deduction fails to provide such*  
15 *signed bills of sale, the tax shall be due on the total consideration paid*  
16 *for the new or used vehicle.*

17 (d) *The department of revenue shall issue a refund pursuant to*  
18 *subsection (b)(2) from the sales tax refund fund for any valid claims*  
19 *filed within three years from the date of the purchase of the replacement*  
20 *vehicle.*

21 (e) *The director of vehicles shall prescribe forms for compliance*  
22 *with this section.*

23 (f) *As used in this section, "consideration paid" means the amount*  
24 *paid after any rebate or discount.*

25 *Sec. 2. K.S.A. 12-199 is hereby amended to read as follows: 12-199.*

26 (a) *Except as otherwise provided by section 1, and amendments thereto, a*  
27 *compensating use tax for the privilege of using or storing within a city*  
28 *or county any vehicle—~~which~~ that is required to be registered under the*  
29 *provisions of article 1 of chapter 8 of the Kansas Statutes Annotated,*  
30 *and amendments thereto, and—~~which~~ that is purchased within this state*  
31 *but without the local retailers' sales taxing jurisdiction of such city or*  
32 *county, is hereby imposed by every city or county imposing a retailers'*  
33 *sales tax. The rate of any such tax shall be equal to the difference*  
34 *between the aggregate rate of all local retailers' sales tax rates imposed*  
35 *by all local retailers sales taxing jurisdictions of the situs of such vehicle*  
36 *less the aggregate rate of all local retailers' sales tax rates imposed by all*  
37 *local retailers' sales taxing jurisdictions of the situs of the purchase of*  
38 *such vehicle. Except as otherwise provided in this section, any city or*  
39 *county imposing a compensating use tax is prohibited from*  
40 *administering such tax locally, but shall utilize the services of the state*  
41 *department of revenue to administer and enforce such tax. All laws and*  
42 *rules and regulations of the state department of revenue relating to the*  
43 *Kansas compensating tax shall apply to such local compensating use tax*

1 *insofar as the same may be made applicable. Such tax shall be collected*  
2 *by the county treasurer at the time the vehicle is registered in this state*  
3 *following a sale occurring within this state. Registration of such vehicle*  
4 *within a taxing jurisdiction shall be deemed to constitute use or storage*  
5 *thereof for compensating tax purposes and the residence or place of*  
6 *business of the applicant shall be deemed to be the situs of such use or*  
7 *storage for purposes of the collection and distribution thereof.*

8 *(b) The secretary of revenue is authorized to administer and*  
9 *enforce a city's or county's compensating use tax and to adopt such*  
10 *rules and regulations necessary for the efficient and effective*  
11 *administration, enforcement and collection thereof.*

12 *(c) All revenue received by any county treasurer from a countywide*  
13 *compensating use tax shall be apportioned among the county and each*  
14 *city located in such county in the same manner as provided in K.S.A. 12-*  
15 *192, and amendments thereto, for the apportionment of revenue received*  
16 *from a countywide retailers' sales tax, and all revenue received from a*  
17 *city compensating use tax shall be remitted at least quarterly to the*  
18 *treasurer of such city.*

19 ~~Section 3.~~ *Sec. 3.* K.S.A. 2022 Supp. 79-3606 is hereby amended to  
20 read as follows: 79-3606. The following shall be exempt from the tax  
21 imposed by this act:

22 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
23 or excise tax has been paid, not subject to refund, under the laws of this  
24 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
25 3301, and amendments thereto, including consumable material for such  
26 electronic cigarettes, cereal malt beverages and malt products as defined  
27 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
28 malt syrup and malt extract, that is not subject to taxation under the  
29 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles  
30 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
31 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
32 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
33 thereto, and gross receipts from regulated sports contests taxed pursuant to  
34 the Kansas professional regulated sports act, and amendments thereto;

35 (b) all sales of tangible personal property or service, including the  
36 renting and leasing of tangible personal property, purchased directly by the  
37 state of Kansas, a political subdivision thereof, other than a school or  
38 educational institution, or purchased by a public or private nonprofit  
39 hospital, public hospital authority, nonprofit blood, tissue or organ bank or  
40 nonprofit integrated community care organization and used exclusively for  
41 state, political subdivision, hospital, public hospital authority, nonprofit  
42 blood, tissue or organ bank or nonprofit integrated community care  
43 organization purposes, except when: (1) Such state, hospital or public

1 hospital authority is engaged or proposes to engage in any business  
2 specifically taxable under the provisions of this act and such items of  
3 tangible personal property or service are used or proposed to be used in  
4 such business; or (2) such political subdivision is engaged or proposes to  
5 engage in the business of furnishing gas, electricity or heat to others and  
6 such items of personal property or service are used or proposed to be used  
7 in such business;

8 (c) all sales of tangible personal property or services, including the  
9 renting and leasing of tangible personal property, purchased directly by a  
10 public or private elementary or secondary school or public or private  
11 nonprofit educational institution and used primarily by such school or  
12 institution for nonsectarian programs and activities provided or sponsored  
13 by such school or institution or in the erection, repair or enlargement of  
14 buildings to be used for such purposes. The exemption herein provided  
15 shall not apply to erection, construction, repair, enlargement or equipment  
16 of buildings used primarily for human habitation, except that such  
17 exemption shall apply to the erection, construction, repair, enlargement or  
18 equipment of buildings used for human habitation by the cerebral palsy  
19 research foundation of Kansas located in Wichita, Kansas, and multi  
20 community diversified services, incorporated, located in McPherson,  
21 Kansas;

22 (d) all sales of tangible personal property or services purchased by a  
23 contractor for the purpose of constructing, equipping, reconstructing,  
24 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
25 any public or private nonprofit hospital or public hospital authority, public  
26 or private elementary or secondary school, a public or private nonprofit  
27 educational institution, state correctional institution including a privately  
28 constructed correctional institution contracted for state use and ownership,  
29 that would be exempt from taxation under the provisions of this act if  
30 purchased directly by such hospital or public hospital authority, school,  
31 educational institution or a state correctional institution; and all sales of  
32 tangible personal property or services purchased by a contractor for the  
33 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
34 enlarging, furnishing or remodeling facilities for any political subdivision  
35 of the state or district described in subsection (s), the total cost of which is  
36 paid from funds of such political subdivision or district and that would be  
37 exempt from taxation under the provisions of this act if purchased directly  
38 by such political subdivision or district. Nothing in this subsection or in  
39 the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
40 deemed to exempt the purchase of any construction machinery, equipment  
41 or tools used in the constructing, equipping, reconstructing, maintaining,  
42 repairing, enlarging, furnishing or remodeling facilities for any political  
43 subdivision of the state or any such district. As used in this subsection,

1 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
2 political subdivision" shall mean general tax revenues, the proceeds of any  
3 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the  
4 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
5 furnishing or remodeling facilities that are to be leased to the donor. When  
6 any political subdivision of the state, district described in subsection (s),  
7 public or private nonprofit hospital or public hospital authority, public or  
8 private elementary or secondary school, public or private nonprofit  
9 educational institution, state correctional institution including a privately  
10 constructed correctional institution contracted for state use and ownership  
11 shall contract for the purpose of constructing, equipping, reconstructing,  
12 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
13 shall obtain from the state and furnish to the contractor an exemption  
14 certificate for the project involved, and the contractor may purchase  
15 materials for incorporation in such project. The contractor shall furnish the  
16 number of such certificate to all suppliers from whom such purchases are  
17 made, and such suppliers shall execute invoices covering the same bearing  
18 the number of such certificate. Upon completion of the project the  
19 contractor shall furnish to the political subdivision, district described in  
20 subsection (s), hospital or public hospital authority, school, educational  
21 institution or department of corrections concerned a sworn statement, on a  
22 form to be provided by the director of taxation, that all purchases so made  
23 were entitled to exemption under this subsection. As an alternative to the  
24 foregoing procedure, any such contracting entity may apply to the  
25 secretary of revenue for agent status for the sole purpose of issuing and  
26 furnishing project exemption certificates to contractors pursuant to rules  
27 and regulations adopted by the secretary establishing conditions and  
28 standards for the granting and maintaining of such status. All invoices  
29 shall be held by the contractor for a period of five years and shall be  
30 subject to audit by the director of taxation. If any materials purchased  
31 under such a certificate are found not to have been incorporated in the  
32 building or other project or not to have been returned for credit or the sales  
33 or compensating tax otherwise imposed upon such materials that will not  
34 be so incorporated in the building or other project reported and paid by  
35 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
36 month following the close of the month in which it shall be determined  
37 that such materials will not be used for the purpose for which such  
38 certificate was issued, the political subdivision, district described in  
39 subsection (s), hospital or public hospital authority, school, educational  
40 institution or the contractor contracting with the department of corrections  
41 for a correctional institution concerned shall be liable for tax on all  
42 materials purchased for the project, and upon payment thereof it may  
43 recover the same from the contractor together with reasonable attorney

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

8 (e) all sales of tangible personal property or services purchased by a  
9 contractor for the erection, repair or enlargement of buildings or other  
10 projects for the government of the United States, its agencies or  
11 instrumentalities, that would be exempt from taxation if purchased directly  
12 by the government of the United States, its agencies or instrumentalities.  
13 When the government of the United States, its agencies or  
14 instrumentalities shall contract for the erection, repair, or enlargement of  
15 any building or other project, it shall obtain from the state and furnish to  
16 the contractor an exemption certificate for the project involved, and the  
17 contractor may purchase materials for incorporation in such project. The  
18 contractor shall furnish the number of such certificates to all suppliers  
19 from whom such purchases are made, and such suppliers shall execute  
20 invoices covering the same bearing the number of such certificate. Upon  
21 completion of the project the contractor shall furnish to the government of  
22 the United States, its agencies or instrumentalities concerned a sworn  
23 statement, on a form to be provided by the director of taxation, that all  
24 purchases so made were entitled to exemption under this subsection. As an  
25 alternative to the foregoing procedure, any such contracting entity may  
26 apply to the secretary of revenue for agent status for the sole purpose of  
27 issuing and furnishing project exemption certificates to contractors  
28 pursuant to rules and regulations adopted by the secretary establishing  
29 conditions and standards for the granting and maintaining of such status.  
30 All invoices shall be held by the contractor for a period of five years and  
31 shall be subject to audit by the director of taxation. Any contractor or any  
32 agent, employee or subcontractor thereof, who shall use or otherwise  
33 dispose of any materials purchased under such a certificate for any purpose  
34 other than that for which such a certificate is issued without the payment  
35 of the sales or compensating tax otherwise imposed upon such materials,  
36 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
37 subject to the penalties provided for in K.S.A. 79-3615(h), and  
38 amendments thereto;

39 (f) tangible personal property purchased by a railroad or public utility  
40 for consumption or movement directly and immediately in interstate  
41 commerce;

42 (g) sales of aircraft including remanufactured and modified aircraft  
43 sold to persons using directly or through an authorized agent such aircraft

1 as certified or licensed carriers of persons or property in interstate or  
2 foreign commerce under authority of the laws of the United States or any  
3 foreign government or sold to any foreign government or agency or  
4 instrumentality of such foreign government and all sales of aircraft for use  
5 outside of the United States and sales of aircraft repair, modification and  
6 replacement parts and sales of services employed in the remanufacture,  
7 modification and repair of aircraft;

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

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

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

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

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

27 (m) all sales of tangible personal property that become an ingredient  
28 or component part of tangible personal property or services produced,  
29 manufactured or compounded for ultimate sale at retail within or without  
30 the state of Kansas; and any such producer, manufacturer or compounder  
31 may obtain from the director of taxation and furnish to the supplier an  
32 exemption certificate number for tangible personal property for use as an  
33 ingredient or component part of the property or services produced,  
34 manufactured or compounded;

35 (n) all sales of tangible personal property that is consumed in the  
36 production, manufacture, processing, mining, drilling, refining or  
37 compounding of tangible personal property, the treating of by-products or  
38 wastes derived from any such production process, the providing of  
39 services or the irrigation of crops for ultimate sale at retail within or  
40 without the state of Kansas; and any purchaser of such property may  
41 obtain from the director of taxation and furnish to the supplier an  
42 exemption certificate number for tangible personal property for  
43 consumption in such production, manufacture, processing, mining,

1 drilling, refining, compounding, treating, irrigation and in providing such  
2 services;

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

9 (p) all sales of drugs dispensed pursuant to a prescription order by a  
10 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
11 1626, and amendments thereto. As used in this subsection, "drug" means a  
12 compound, substance or preparation and any component of a compound,  
13 substance or preparation, other than food and food ingredients, dietary  
14 supplements or alcoholic beverages, recognized in the official United  
15 States pharmacopeia, official homeopathic pharmacopoeia of the United  
16 States or official national formulary, and supplement to any of them,  
17 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
18 of disease or intended to affect the structure or any function of the body,  
19 except that for taxable years commencing after December 31, 2013, this  
20 subsection shall not apply to any sales of drugs used in the performance or  
21 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
22 thereto;

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

26 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
27 enteral feeding systems, prosthetic devices and mobility enhancing  
28 equipment prescribed in writing by a person licensed to practice the  
29 healing arts, dentistry or optometry, and in addition to such sales, all sales  
30 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,  
31 and repair and replacement parts therefor, including batteries, by a person  
32 licensed in the practice of dispensing and fitting hearing aids pursuant to  
33 the provisions of K.S.A. 74-5808, and amendments thereto. For the  
34 purposes of this subsection: (1) "Mobility enhancing equipment" means  
35 equipment including repair and replacement parts to same, but does not  
36 include durable medical equipment, which is primarily and customarily  
37 used to provide or increase the ability to move from one place to another  
38 and which is appropriate for use either in a home or a motor vehicle; is not  
39 generally used by persons with normal mobility; and does not include any  
40 motor vehicle or equipment on a motor vehicle normally provided by a  
41 motor vehicle manufacturer; and (2) "prosthetic device" means a  
42 replacement, corrective or supportive device including repair and  
43 replacement parts for same worn on or in the body to artificially replace a

1 missing portion of the body, prevent or correct physical deformity or  
2 malfunction or support a weak or deformed portion of the body;

3 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,  
4 all sales of tangible personal property or services purchased directly or  
5 indirectly by a groundwater management district organized or operating  
6 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
7 by a rural water district organized or operating under the authority of  
8 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
9 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
10 3522 et seq. or 19-3545, and amendments thereto, which property or  
11 services are used in the construction activities, operation or maintenance of  
12 the district;

13 (t) all sales of farm machinery and equipment or aquaculture  
14 machinery and equipment, repair and replacement parts therefor and  
15 services performed in the repair and maintenance of such machinery and  
16 equipment. For the purposes of this subsection the term "farm machinery  
17 and equipment or aquaculture machinery and equipment" shall include a  
18 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
19 thereto, and is equipped with a bed or cargo box for hauling materials, and  
20 shall also include machinery and equipment used in the operation of  
21 Christmas tree farming but shall not include any passenger vehicle, truck,  
22 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
23 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
24 machinery and equipment" includes precision farming equipment that is  
25 portable or is installed or purchased to be installed on farm machinery and  
26 equipment. "Precision farming equipment" includes the following items  
27 used only in computer-assisted farming, ranching or aquaculture  
28 production operations: Soil testing sensors, yield monitors, computers,  
29 monitors, software, global positioning and mapping systems, guiding  
30 systems, modems, data communications equipment and any necessary  
31 mounting hardware, wiring and antennas. Each purchaser of farm  
32 machinery and equipment or aquaculture machinery and equipment  
33 exempted herein must certify in writing on the copy of the invoice or sales  
34 ticket to be retained by the seller that the farm machinery and equipment  
35 or aquaculture machinery and equipment purchased will be used only in  
36 farming, ranching or aquaculture production. Farming or ranching shall  
37 include the operation of a feedlot and farm and ranch work for hire and the  
38 operation of a nursery;

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

42 (v) all sales of tangible personal property to any contractor for use in  
43 preparing meals for delivery to homebound elderly persons over 60 years

1 of age and to homebound disabled persons or to be served at a group-  
2 sitting at a location outside of the home to otherwise homebound elderly  
3 persons over 60 years of age and to otherwise homebound disabled  
4 persons, as all or part of any food service project funded in whole or in  
5 part by government or as part of a private nonprofit food service project  
6 available to all such elderly or disabled persons residing within an area of  
7 service designated by the private nonprofit organization, and all sales of  
8 tangible personal property for use in preparing meals for consumption by  
9 indigent or homeless individuals whether or not such meals are consumed  
10 at a place designated for such purpose, and all sales of food products by or  
11 on behalf of any such contractor or organization for any such purpose;

12 (w) all sales of natural gas, electricity, heat and water delivered  
13 through mains, lines or pipes: (1) To residential premises for  
14 noncommercial use by the occupant of such premises; (2) for agricultural  
15 use and also, for such use, all sales of propane gas; (3) for use in the  
16 severing of oil; and (4) to any property which is exempt from property  
17 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this  
18 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
19 and amendments thereto. For all sales of natural gas, electricity and heat  
20 delivered through mains, lines or pipes pursuant to the provisions of  
21 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
22 on December 31, 2005;

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

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

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

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

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

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

1 occurs earlier;

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

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

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

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

14 (hh) all sales of medical supplies and equipment, including durable  
15 medical equipment, purchased directly by a nonprofit skilled nursing home  
16 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
17 and amendments thereto, for the purpose of providing medical services to  
18 residents thereof. This exemption shall not apply to tangible personal  
19 property customarily used for human habitation purposes. As used in this  
20 subsection, "durable medical equipment" means equipment including  
21 repair and replacement parts for such equipment, that can withstand  
22 repeated use, is primarily and customarily used to serve a medical purpose,  
23 generally is not useful to a person in the absence of illness or injury and is  
24 not worn in or on the body, but does not include mobility enhancing  
25 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
26 dialysis equipment or enteral feeding systems;

27 (ii) all sales of tangible personal property purchased directly by a  
28 nonprofit organization for nonsectarian comprehensive multidiscipline  
29 youth development programs and activities provided or sponsored by such  
30 organization, and all sales of tangible personal property by or on behalf of  
31 any such organization. This exemption shall not apply to tangible personal  
32 property customarily used for human habitation purposes;

33 (jj) all sales of tangible personal property or services, including the  
34 renting and leasing of tangible personal property, purchased directly on  
35 behalf of a community-based facility for people with intellectual disability  
36 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
37 amendments thereto, and licensed in accordance with the provisions of  
38 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible  
39 personal property or services purchased by contractors during the time  
40 period from July, 2003, through June, 2006, for the purpose of  
41 constructing, equipping, maintaining or furnishing a new facility for a  
42 community-based facility for people with intellectual disability or mental  
43 health center located in Riverton, Cherokee County, Kansas, that would

1 have been eligible for sales tax exemption pursuant to this subsection if  
2 purchased directly by such facility or center. This exemption shall not  
3 apply to tangible personal property customarily used for human habitation  
4 purposes;

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

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

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

12 (2) For purposes of this subsection:

13 (A) "Integrated production operation" means an integrated series of  
14 operations engaged in at a manufacturing or processing plant or facility to  
15 process, transform or convert tangible personal property by physical,  
16 chemical or other means into a different form, composition or character  
17 from that in which it originally existed. Integrated production operations  
18 shall include: (i) Production line operations, including packaging  
19 operations; (ii) preproduction operations to handle, store and treat raw  
20 materials; (iii) post production handling, storage, warehousing and  
21 distribution operations; and (iv) waste, pollution and environmental  
22 control operations, if any;

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

26 (C) "manufacturing or processing plant or facility" means a single,  
27 fixed location owned or controlled by a manufacturing or processing  
28 business that consists of one or more structures or buildings in a  
29 contiguous area where integrated production operations are conducted to  
30 manufacture or process tangible personal property to be ultimately sold at  
31 retail. Such term shall not include any facility primarily operated for the  
32 purpose of conveying or assisting in the conveyance of natural gas,  
33 electricity, oil or water. A business may operate one or more manufacturing  
34 or processing plants or facilities at different locations to manufacture or  
35 process a single product of tangible personal property to be ultimately sold  
36 at retail;

37 (D) "manufacturing or processing business" means a business that  
38 utilizes an integrated production operation to manufacture, process,  
39 fabricate, finish or assemble items for wholesale and retail distribution as  
40 part of what is commonly regarded by the general public as an industrial  
41 manufacturing or processing operation or an agricultural commodity  
42 processing operation. (i) Industrial manufacturing or processing operations  
43 include, by way of illustration but not of limitation, the fabrication of

1 automobiles, airplanes, machinery or transportation equipment, the  
2 fabrication of metal, plastic, wood or paper products, electricity power  
3 generation, water treatment, petroleum refining, chemical production,  
4 wholesale bottling, newspaper printing, ready mixed concrete production,  
5 and the remanufacturing of used parts for wholesale or retail sale. Such  
6 processing operations shall include operations at an oil well, gas well,  
7 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
8 sand or gravel that has been extracted from the earth is cleaned, separated,  
9 crushed, ground, milled, screened, washed or otherwise treated or prepared  
10 before its transmission to a refinery or before any other wholesale or retail  
11 distribution. (ii) Agricultural commodity processing operations include, by  
12 way of illustration but not of limitation, meat packing, poultry slaughtering  
13 and dressing, processing and packaging farm and dairy products in sealed  
14 containers for wholesale and retail distribution, feed grinding, grain  
15 milling, frozen food processing, and grain handling, cleaning, blending,  
16 fumigation, drying and aeration operations engaged in by grain elevators  
17 or other grain storage facilities. (iii) Manufacturing or processing  
18 businesses do not include, by way of illustration but not of limitation,  
19 nonindustrial businesses whose operations are primarily retail and that  
20 produce or process tangible personal property as an incidental part of  
21 conducting the retail business, such as retailers who bake, cook or prepare  
22 food products in the regular course of their retail trade, grocery stores,  
23 meat lockers and meat markets that butcher or dress livestock or poultry in  
24 the regular course of their retail trade, contractors who alter, service, repair  
25 or improve real property, and retail businesses that clean, service or  
26 refurbish and repair tangible personal property for its owner;

27 (E) "repair and replacement parts and accessories" means all parts  
28 and accessories for exempt machinery and equipment, including, but not  
29 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
30 exempt machinery or that are otherwise used in production, and parts and  
31 accessories that require periodic replacement such as belts, drill bits,  
32 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
33 other refractory items for exempt kiln equipment used in production  
34 operations;

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

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

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

41 (B) transport, convey, handle or store the property undergoing  
42 manufacturing or processing at any point from the beginning of the  
43 production line through any warehousing or distribution operation of the

1 final product that occurs at the plant or facility;

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

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

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

9 (F) plan, manage, control or record the receipt and flow of inventories  
10 of raw materials, consumables and component parts, the flow of the  
11 property undergoing manufacturing or processing and the management of  
12 inventories of the finished product;

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

16 (H) package the property being manufactured or processed in a  
17 container or wrapping in which such property is normally sold or  
18 transported;

19 (I) transmit or transport electricity, coke, gas, water, steam or similar  
20 substances used in production operations from the point of generation, if  
21 produced by the manufacturer or processor at the plant site, to that  
22 manufacturer's production operation; or, if purchased or delivered from  
23 off-site, from the point where the substance enters the site of the plant or  
24 facility to that manufacturer's production operations;

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

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

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

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

35 (4) The following machinery, equipment and materials shall be  
36 deemed to be exempt even though it may not otherwise qualify as  
37 machinery and equipment used as an integral or essential part of an  
38 integrated production operation: (A) Computers and related peripheral  
39 equipment that are utilized by a manufacturing or processing business for  
40 engineering of the finished product or for research and development or  
41 product design; (B) machinery and equipment that is utilized by a  
42 manufacturing or processing business to manufacture or rebuild tangible  
43 personal property that is used in manufacturing or processing operations,

1 including tools, dies, molds, forms and other parts of qualifying machinery  
2 and equipment; (C) portable plants for aggregate concrete, bulk cement  
3 and asphalt including cement mixing drums to be attached to a motor  
4 vehicle; (D) industrial fixtures, devices, support facilities and special  
5 foundations necessary for manufacturing and production operations, and  
6 materials and other tangible personal property sold for the purpose of  
7 fabricating such fixtures, devices, facilities and foundations. An exemption  
8 certificate for such purchases shall be signed by the manufacturer or  
9 processor. If the fabricator purchases such material, the fabricator shall  
10 also sign the exemption certificate; (E) a manufacturing or processing  
11 business' laboratory equipment that is not located at the plant or facility,  
12 but that would otherwise qualify for exemption under subsection (3)(E);  
13 (F) all machinery and equipment used in surface mining activities as  
14 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
15 from the time a reclamation plan is filed to the acceptance of the  
16 completed final site reclamation.

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

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

24 (B) machinery, equipment and tools used primarily in maintaining  
25 and repairing any type of machinery and equipment or the building and  
26 plant;

27 (C) transportation, transmission and distribution equipment not  
28 primarily used in a production, warehousing or material handling  
29 operation at the plant or facility, including the means of conveyance of  
30 natural gas, electricity, oil or water, and equipment related thereto, located  
31 outside the plant or facility;

32 (D) office machines and equipment including computers and related  
33 peripheral equipment not used directly and primarily to control or measure  
34 the manufacturing process;

35 (E) furniture and other furnishings;

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

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

42 (H) machinery and equipment used for general plant heating, cooling  
43 and lighting;

1 (I) motor vehicles that are registered for operation on public  
2 highways; or

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

6 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings  
7 of the machinery and equipment that qualify or do not qualify as an  
8 integral or essential part of an integrated production operation. When  
9 machinery or equipment is used as an integral or essential part of  
10 production operations part of the time and for nonproduction purposes at  
11 other times, the primary use of the machinery or equipment shall  
12 determine whether or not such machinery or equipment qualifies for  
13 exemption.

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

16 (II) all sales of educational materials purchased for distribution to the  
17 public at no charge by a nonprofit corporation organized for the purpose of  
18 encouraging, fostering and conducting programs for the improvement of  
19 public health, except that for taxable years commencing after December  
20 31, 2013, this subsection shall not apply to any sales of such materials  
21 purchased by a nonprofit corporation which performs any abortion, as  
22 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

42 (rr) all sales of tangible personal property that will admit the  
43 purchaser thereof to any annual event sponsored by a nonprofit

1 organization that is exempt from federal income taxation pursuant to  
2 section 501(c)(3) of the federal internal revenue code of 1986, except that  
3 for taxable years commencing after December 31, 2013, this subsection  
4 shall not apply to any sales of such tangible personal property purchased  
5 by a nonprofit organization which performs any abortion, as defined in  
6 K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

33 (4) the American diabetes association Kansas affiliate, inc. for the  
34 purpose of eliminating diabetes through medical research, public education  
35 focusing on disease prevention and education, patient education including  
36 information on coping with diabetes, and professional education and  
37 training;

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

43 (6) the Kansas chapters of the Alzheimer's disease and related

1 disorders association, inc. for the purpose of providing assistance and  
2 support to persons in Kansas with Alzheimer's disease, and their families  
3 and caregivers;

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

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

10 (9) the heartstrings community foundation for the purpose of  
11 providing training, employment and activities for adults with  
12 developmental disabilities;

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

16 (11) the spina bifida association of Kansas for the purpose of  
17 providing financial, educational and practical aid to families and  
18 individuals with spina bifida. Such aid includes, but is not limited to,  
19 funding for medical devices, counseling and medical educational  
20 opportunities;

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

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

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

31 (15) the KSDS, Inc., for the purpose of promoting the independence  
32 and inclusion of people with disabilities as fully participating and  
33 contributing members of their communities and society through the  
34 training and providing of guide and service dogs to people with  
35 disabilities, and providing disability education and awareness to the  
36 general public;

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

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

42 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
43 students and families with education and resources necessary to enable

1 each child to develop fine character and musical ability to the fullest  
2 potential;

3 (19) the international association of lions clubs for the purpose of  
4 creating and fostering a spirit of understanding among all people for  
5 humanitarian needs by providing voluntary services through community  
6 involvement and international cooperation;

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

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

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

17 (23) the angel babies association, for the purpose of providing  
18 assistance, support and items of necessity to teenage mothers and their  
19 babies; and

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

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

25 (xx) all sales of tangible personal property and services purchased by  
26 a nonprofit zoo that is exempt from federal income taxation pursuant to  
27 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
28 of such zoo by an entity itself exempt from federal income taxation  
29 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
30 contracted with to operate such zoo and all sales of tangible personal  
31 property or services purchased by a contractor for the purpose of  
32 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
33 furnishing or remodeling facilities for any nonprofit zoo that would be  
34 exempt from taxation under the provisions of this section if purchased  
35 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
36 this subsection shall be deemed to exempt the purchase of any construction  
37 machinery, equipment or tools used in the constructing, equipping,  
38 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
39 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
40 the purpose of constructing, equipping, reconstructing, maintaining,  
41 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
42 from the state and furnish to the contractor an exemption certificate for the  
43 project involved, and the contractor may purchase materials for

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

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

30 (zz) all sales of machinery and equipment purchased by over-the-air,  
31 free access radio or television station that is used directly and primarily for  
32 the purpose of producing a broadcast signal or is such that the failure of  
33 the machinery or equipment to operate would cause broadcasting to cease.  
34 For purposes of this subsection, machinery and equipment shall include,  
35 but not be limited to, that required by rules and regulations of the federal  
36 communications commission, and all sales of electricity which are  
37 essential or necessary for the purpose of producing a broadcast signal or is  
38 such that the failure of the electricity would cause broadcasting to cease;

39 (aaa) all sales of tangible personal property and services purchased by  
40 a religious organization that is exempt from federal income taxation  
41 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
42 exclusively for religious purposes, and all sales of tangible personal  
43 property or services purchased by a contractor for the purpose of

1 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
2 furnishing or remodeling facilities for any such organization that would be  
3 exempt from taxation under the provisions of this section if purchased  
4 directly by such organization. Nothing in this subsection shall be deemed  
5 to exempt the purchase of any construction machinery, equipment or tools  
6 used in the constructing, equipping, reconstructing, maintaining, repairing,  
7 enlarging, furnishing or remodeling facilities for any such organization.  
8 When any such organization shall contract for the purpose of constructing,  
9 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
10 remodeling facilities, it shall obtain from the state and furnish to the  
11 contractor an exemption certificate for the project involved, and the  
12 contractor may purchase materials for incorporation in such project. The  
13 contractor shall furnish the number of such certificate to all suppliers from  
14 whom such purchases are made, and such suppliers shall execute invoices  
15 covering the same bearing the number of such certificate. Upon  
16 completion of the project the contractor shall furnish to such organization  
17 concerned a sworn statement, on a form to be provided by the director of  
18 taxation, that all purchases so made were entitled to exemption under this  
19 subsection. All invoices shall be held by the contractor for a period of five  
20 years and shall be subject to audit by the director of taxation. If any  
21 materials purchased under such a certificate are found not to have been  
22 incorporated in the building or other project or not to have been returned  
23 for credit or the sales or compensating tax otherwise imposed upon such  
24 materials that will not be so incorporated in the building or other project  
25 reported and paid by such contractor to the director of taxation not later  
26 than the 20<sup>th</sup> day of the month following the close of the month in which it  
27 shall be determined that such materials will not be used for the purpose for  
28 which such certificate was issued, such organization concerned shall be  
29 liable for tax on all materials purchased for the project, and upon payment  
30 thereof it may recover the same from the contractor together with  
31 reasonable attorney fees. Any contractor or any agent, employee or  
32 subcontractor thereof, who shall use or otherwise dispose of any materials  
33 purchased under such a certificate for any purpose other than that for  
34 which such a certificate is issued without the payment of the sales or  
35 compensating tax otherwise imposed upon such materials, shall be guilty  
36 of a misdemeanor and, upon conviction therefor, shall be subject to the  
37 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
38 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
39 this act upon the gross receipts received from any sale exempted by the  
40 amendatory provisions of this subsection shall be refunded. Each claim for  
41 a sales tax refund shall be verified and submitted to the director of taxation  
42 upon forms furnished by the director and shall be accompanied by any  
43 additional documentation required by the director. The director shall

1 review each claim and shall refund that amount of sales tax paid as  
2 determined under the provisions of this subsection. All refunds shall be  
3 paid from the sales tax refund fund upon warrants of the director of  
4 accounts and reports pursuant to vouchers approved by the director or the  
5 director's designee;

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

11 (ccc) on and after July 1, 1999, all sales of tangible personal property  
12 and services purchased by a primary care clinic or health center the  
13 primary purpose of which is to provide services to medically underserved  
14 individuals and families, and that is exempt from federal income taxation  
15 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
16 sales of tangible personal property or services purchased by a contractor  
17 for the purpose of constructing, equipping, reconstructing, maintaining,  
18 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
19 or center that would be exempt from taxation under the provisions of this  
20 section if purchased directly by such clinic or center, except that for  
21 taxable years commencing after December 31, 2013, this subsection shall  
22 not apply to any sales of such tangible personal property and services  
23 purchased by a primary care clinic or health center which performs any  
24 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
25 in this subsection shall be deemed to exempt the purchase of any  
26 construction machinery, equipment or tools used in the constructing,  
27 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
28 remodeling facilities for any such clinic or center. When any such clinic or  
29 center shall contract for the purpose of constructing, equipping,  
30 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
31 facilities, it shall obtain from the state and furnish to the contractor an  
32 exemption certificate for the project involved, and the contractor may  
33 purchase materials for incorporation in such project. The contractor shall  
34 furnish the number of such certificate to all suppliers from whom such  
35 purchases are made, and such suppliers shall execute invoices covering the  
36 same bearing the number of such certificate. Upon completion of the  
37 project the contractor shall furnish to such clinic or center concerned a  
38 sworn statement, on a form to be provided by the director of taxation, that  
39 all purchases so made were entitled to exemption under this subsection.  
40 All invoices shall be held by the contractor for a period of five years and  
41 shall be subject to audit by the director of taxation. If any materials  
42 purchased under such a certificate are found not to have been incorporated  
43 in the building or other project or not to have been returned for credit or

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

16 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
17 sales of materials and services purchased by any class II or III railroad as  
18 classified by the federal surface transportation board for the construction,  
19 renovation, repair or replacement of class II or III railroad track and  
20 facilities used directly in interstate commerce. In the event any such track  
21 or facility for which materials and services were purchased sales tax  
22 exempt is not operational for five years succeeding the allowance of such  
23 exemption, the total amount of sales tax that would have been payable  
24 except for the operation of this subsection shall be recouped in accordance  
25 with rules and regulations adopted for such purpose by the secretary of  
26 revenue;

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

31 (fff) all sales of material handling equipment, racking systems and  
32 other related machinery and equipment that is used for the handling,  
33 movement or storage of tangible personal property in a warehouse or  
34 distribution facility in this state; all sales of installation, repair and  
35 maintenance services performed on such machinery and equipment; and  
36 all sales of repair and replacement parts for such machinery and  
37 equipment. For purposes of this subsection, a warehouse or distribution  
38 facility means a single, fixed location that consists of buildings or  
39 structures in a contiguous area where storage or distribution operations are  
40 conducted that are separate and apart from the business' retail operations,  
41 if any, and that do not otherwise qualify for exemption as occurring at a  
42 manufacturing or processing plant or facility. Material handling and  
43 storage equipment shall include aeration, dust control, cleaning, handling

1 and other such equipment that is used in a public grain warehouse or other  
2 commercial grain storage facility, whether used for grain handling, grain  
3 storage, grain refining or processing, or other grain treatment operation;

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

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

12 (iii) all sales of personal property and services purchased by an  
13 organization that is exempt from federal income taxation pursuant to  
14 section 501(c)(3) of the federal internal revenue code of 1986, and such  
15 personal property and services are used by any such organization in the  
16 collection, storage and distribution of food products to nonprofit  
17 organizations that distribute such food products to persons pursuant to a  
18 food distribution program on a charitable basis without fee or charge, and  
19 all sales of tangible personal property or services purchased by a  
20 contractor for the purpose of constructing, equipping, reconstructing,  
21 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
22 for the collection and storage of such food products for any such  
23 organization which is exempt from federal income taxation pursuant to  
24 section 501(c)(3) of the federal internal revenue code of 1986, that would  
25 be exempt from taxation under the provisions of this section if purchased  
26 directly by such organization. Nothing in this subsection shall be deemed  
27 to exempt the purchase of any construction machinery, equipment or tools  
28 used in the constructing, equipping, reconstructing, maintaining, repairing,  
29 enlarging, furnishing or remodeling facilities for any such organization.  
30 When any such organization shall contract for the purpose of constructing,  
31 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
32 remodeling facilities, it shall obtain from the state and furnish to the  
33 contractor an exemption certificate for the project involved, and the  
34 contractor may purchase materials for incorporation in such project. The  
35 contractor shall furnish the number of such certificate to all suppliers from  
36 whom such purchases are made, and such suppliers shall execute invoices  
37 covering the same bearing the number of such certificate. Upon  
38 completion of the project the contractor shall furnish to such organization  
39 concerned a sworn statement, on a form to be provided by the director of  
40 taxation, that all purchases so made were entitled to exemption under this  
41 subsection. All invoices shall be held by the contractor for a period of five  
42 years and shall be subject to audit by the director of taxation. If any  
43 materials purchased under such a certificate are found not to have been

1 incorporated in such facilities or not to have been returned for credit or the  
2 sales or compensating tax otherwise imposed upon such materials that will  
3 not be so incorporated in such facilities reported and paid by such  
4 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
5 month following the close of the month in which it shall be determined  
6 that such materials will not be used for the purpose for which such  
7 certificate was issued, such organization concerned shall be liable for tax  
8 on all materials purchased for the project, and upon payment thereof it  
9 may recover the same from the contractor together with reasonable  
10 attorney fees. Any contractor or any agent, employee or subcontractor  
11 thereof, who shall use or otherwise dispose of any materials purchased  
12 under such a certificate for any purpose other than that for which such a  
13 certificate is issued without the payment of the sales or compensating tax  
14 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
15 and, upon conviction therefor, shall be subject to the penalties provided for  
16 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
17 July 1, 2005, but prior to the effective date of this act upon the gross  
18 receipts received from any sale exempted by the amendatory provisions of  
19 this subsection shall be refunded. Each claim for a sales tax refund shall be  
20 verified and submitted to the director of taxation upon forms furnished by  
21 the director and shall be accompanied by any additional documentation  
22 required by the director. The director shall review each claim and shall  
23 refund that amount of sales tax paid as determined under the provisions of  
24 this subsection. All refunds shall be paid from the sales tax refund fund  
25 upon warrants of the director of accounts and reports pursuant to vouchers  
26 approved by the director or the director's designee;

27 (jjj) all sales of dietary supplements dispensed pursuant to a  
28 prescription order by a licensed practitioner or a mid-level practitioner as  
29 defined by K.S.A. 65-1626, and amendments thereto. As used in this  
30 subsection, "dietary supplement" means any product, other than tobacco,  
31 intended to supplement the diet that: (1) Contains one or more of the  
32 following dietary ingredients: A vitamin, a mineral, an herb or other  
33 botanical, an amino acid, a dietary substance for use by humans to  
34 supplement the diet by increasing the total dietary intake or a concentrate,  
35 metabolite, constituent, extract or combination of any such ingredient; (2)  
36 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or  
37 liquid form, or if not intended for ingestion, in such a form, is not  
38 represented as conventional food and is not represented for use as a sole  
39 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
40 supplement, identifiable by the supplemental facts box found on the label  
41 and as required pursuant to 21 C.F.R. § 101.36;

42 (lll) all sales of tangible personal property and services purchased by  
43 special olympics Kansas, inc. for the purpose of providing year-round

1 sports training and athletic competition in a variety of olympic-type sports  
2 for individuals with intellectual disabilities by giving them continuing  
3 opportunities to develop physical fitness, demonstrate courage, experience  
4 joy and participate in a sharing of gifts, skills and friendship with their  
5 families, other special olympics athletes and the community, and activities  
6 provided or sponsored by such organization, and all sales of tangible  
7 personal property by or on behalf of any such organization;

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

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

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

23 (ppp) all sales of tangible personal property and services purchased  
24 by or on behalf of a homeless shelter that is exempt from federal income  
25 taxation pursuant to section 501(c)(3) of the federal income tax code of  
26 1986, and used by any such homeless shelter to provide emergency and  
27 transitional housing for individuals and families experiencing  
28 homelessness, and all sales of any such property by or on behalf of any  
29 such homeless shelter for any such purpose;

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

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

32 (rrr) all sales of tangible personal property and services purchased by  
33 any county law library maintained pursuant to law and sales of tangible  
34 personal property and services purchased by an organization that would  
35 have been exempt from taxation under the provisions of this subsection if  
36 purchased directly by the county law library for the purpose of providing  
37 legal resources to attorneys, judges, students and the general public, and  
38 all sales of any such property by or on behalf of any such county law  
39 library;

40 (sss) all sales of tangible personal property and services purchased by  
41 catholic charities or youthville, hereinafter referred to as charitable family  
42 providers, which is exempt from federal income taxation pursuant to  
43 section 501(c)(3) of the federal internal revenue code of 1986, and which

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

1 (ttt) all sales of tangible personal property or services purchased by a  
2 contractor for a project for the purpose of restoring, constructing,  
3 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
4 remodeling a home or facility owned by a nonprofit museum that has been  
5 granted an exemption pursuant to subsection (qq), which such home or  
6 facility is located in a city that has been designated as a qualified  
7 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
8 amendments thereto, and which such project is related to the purposes of  
9 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
10 exempt from taxation under the provisions of this section if purchased  
11 directly by such nonprofit museum. Nothing in this subsection shall be  
12 deemed to exempt the purchase of any construction machinery, equipment  
13 or tools used in the restoring, constructing, equipping, reconstructing,  
14 maintaining, repairing, enlarging, furnishing or remodeling a home or  
15 facility for any such nonprofit museum. When any such nonprofit museum  
16 shall contract for the purpose of restoring, constructing, equipping,  
17 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
18 a home or facility, it shall obtain from the state and furnish to the  
19 contractor an exemption certificate for the project involved, and the  
20 contractor may purchase materials for incorporation in such project. The  
21 contractor shall furnish the number of such certificates to all suppliers  
22 from whom such purchases are made, and such suppliers shall execute  
23 invoices covering the same bearing the number of such certificate. Upon  
24 completion of the project, the contractor shall furnish to such nonprofit  
25 museum a sworn statement on a form to be provided by the director of  
26 taxation that all purchases so made were entitled to exemption under this  
27 subsection. All invoices shall be held by the contractor for a period of five  
28 years and shall be subject to audit by the director of taxation. If any  
29 materials purchased under such a certificate are found not to have been  
30 incorporated in the building or other project or not to have been returned  
31 for credit or the sales or compensating tax otherwise imposed upon such  
32 materials that will not be so incorporated in a home or facility or other  
33 project reported and paid by such contractor to the director of taxation not  
34 later than the 20<sup>th</sup> day of the month following the close of the month in  
35 which it shall be determined that such materials will not be used for the  
36 purpose for which such certificate was issued, such nonprofit museum  
37 shall be liable for tax on all materials purchased for the project, and upon  
38 payment thereof it may recover the same from the contractor together with  
39 reasonable attorney fees. Any contractor or any agent, employee or  
40 subcontractor thereof, who shall use or otherwise dispose of any materials  
41 purchased under such a certificate for any purpose other than that for  
42 which such a certificate is issued without the payment of the sales or  
43 compensating tax otherwise imposed upon such materials, shall be guilty

1 of a misdemeanor and, upon conviction therefor, shall be subject to the  
2 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

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

1 without the payment of the sales or compensating tax otherwise imposed  
2 upon such materials, shall be guilty of a misdemeanor and, upon  
3 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
4 79-3615(h), and amendments thereto;

5 (vvv) all sales of tangible personal property or services, including the  
6 renting and leasing of tangible personal property or services, purchased by  
7 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
8 income taxation pursuant to section 501(c)(3) of the federal internal  
9 revenue code, for the purpose of providing jazz in the woods, an event  
10 benefiting children-in-need and other nonprofit charities assisting such  
11 children, and all sales of any such property by or on behalf of such  
12 organization for such purpose;

13 (www) all sales of tangible personal property purchased by or on  
14 behalf of the Frontenac education foundation, which is exempt from  
15 federal income taxation pursuant to section 501(c)(3) of the federal  
16 internal revenue code, for the purpose of providing education support for  
17 students, and all sales of any such property by or on behalf of such  
18 organization for such purpose;

19 (xxx) all sales of personal property and services purchased by the  
20 booth theatre foundation, inc., an organization, which is exempt from  
21 federal income taxation pursuant to section 501(c)(3) of the federal  
22 internal revenue code of 1986, and which such personal property and  
23 services are used by any such organization in the constructing, equipping,  
24 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
25 of the booth theatre, and all sales of tangible personal property or services  
26 purchased by a contractor for the purpose of constructing, equipping,  
27 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
28 the booth theatre for such organization, that would be exempt from  
29 taxation under the provisions of this section if purchased directly by such  
30 organization. Nothing in this subsection shall be deemed to exempt the  
31 purchase of any construction machinery, equipment or tools used in the  
32 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
33 furnishing or remodeling facilities for any such organization. When any  
34 such organization shall contract for the purpose of constructing, equipping,  
35 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
36 facilities, it shall obtain from the state and furnish to the contractor an  
37 exemption certificate for the project involved, and the contractor may  
38 purchase materials for incorporation in such project. The contractor shall  
39 furnish the number of such certificate to all suppliers from whom such  
40 purchases are made, and such suppliers shall execute invoices covering the  
41 same bearing the number of such certificate. Upon completion of the  
42 project the contractor shall furnish to such organization concerned a sworn  
43 statement, on a form to be provided by the director of taxation, that all

1 purchases so made were entitled to exemption under this subsection. All  
2 invoices shall be held by the contractor for a period of five years and shall  
3 be subject to audit by the director of taxation. If any materials purchased  
4 under such a certificate are found not to have been incorporated in such  
5 facilities or not to have been returned for credit or the sales or  
6 compensating tax otherwise imposed upon such materials that will not be  
7 so incorporated in such facilities reported and paid by such contractor to  
8 the director of taxation not later than the 20<sup>th</sup> day of the month following  
9 the close of the month in which it shall be determined that such materials  
10 will not be used for the purpose for which such certificate was issued, such  
11 organization concerned shall be liable for tax on all materials purchased  
12 for the project, and upon payment thereof it may recover the same from  
13 the contractor together with reasonable attorney fees. Any contractor or  
14 any agent, employee or subcontractor thereof, who shall use or otherwise  
15 dispose of any materials purchased under such a certificate for any purpose  
16 other than that for which such a certificate is issued without the payment  
17 of the sales or compensating tax otherwise imposed upon such materials,  
18 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
19 subject to the penalties provided for in K.S.A. 79-3615(h), and  
20 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
21 to the effective date of this act upon the gross receipts received from any  
22 sale which would have been exempted by the provisions of this subsection  
23 had such sale occurred after the effective date of this act shall be refunded.  
24 Each claim for a sales tax refund shall be verified and submitted to the  
25 director of taxation upon forms furnished by the director and shall be  
26 accompanied by any additional documentation required by the director.  
27 The director shall review each claim and shall refund that amount of sales  
28 tax paid as determined under the provisions of this subsection. All refunds  
29 shall be paid from the sales tax refund fund upon warrants of the director  
30 of accounts and reports pursuant to vouchers approved by the director or  
31 the director's designee;

32 (yyy) all sales of tangible personal property and services purchased  
33 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
34 which is exempt from federal income taxation pursuant to section 501(c)  
35 (3) of the federal internal revenue code of 1986, and which such property  
36 and services are used for the purpose of encouraging private philanthropy  
37 to further the vision, values, and goals of TLC for children and families,  
38 inc.; and all sales of such property and services by or on behalf of TLC  
39 charities for any such purpose and all sales of tangible personal property or  
40 services purchased by a contractor for the purpose of constructing,  
41 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
42 the operation of services for TLC charities for any such purpose that would  
43 be exempt from taxation under the provisions of this section if purchased

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

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

39 (aaaa) all sales of personal property and services purchased by or on  
40 behalf of victory in the valley, inc., which is exempt from federal income  
41 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
42 for the purpose of providing a cancer support group and services for  
43 persons with cancer, and all sales of any such property by or on behalf of

1 any such organization for any such purpose;

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

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

16 (dddd) all sales of tangible personal property or services purchased  
17 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
18 of which are exempt from federal income taxation pursuant to section  
19 501(c)(3) of the federal internal revenue code, for the purpose of providing  
20 education, training and employment opportunities for people with  
21 disabilities and other barriers to employment;

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

29 (ffff) all sales of tangible personal property and services purchased by  
30 sheltered living, inc., which is exempt from federal income taxation  
31 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
32 and which such property and services are used for the purpose of  
33 providing residential and day services for people with developmental  
34 disabilities or intellectual disability, or both, and all sales of any such  
35 property by or on behalf of sheltered living, inc., for any such purpose; and  
36 all sales of tangible personal property or services purchased by a  
37 contractor for the purpose of rehabilitating, constructing, maintaining,  
38 repairing, enlarging, furnishing or remodeling homes and facilities for  
39 sheltered living, inc., for any such purpose that would be exempt from  
40 taxation under the provisions of this section if purchased directly by  
41 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
42 the purchase of any construction machinery, equipment or tools used in the  
43 constructing, maintaining, repairing, enlarging, furnishing or remodeling

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

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

34 (hhhh) all sales of tangible personal property or services purchased  
35 on or after July 1, 2014, for the purpose of and in conjunction with  
36 constructing, reconstructing, enlarging or remodeling a business identified  
37 under the North American industry classification system (NAICS)  
38 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
39 installation of machinery and equipment purchased for installation at any  
40 such business. The exemption provided in this subsection shall not apply  
41 to projects that have actual total costs less than \$50,000. When a person  
42 contracts for the construction, reconstruction, enlargement or remodeling  
43 of any such business, such person shall obtain from the state and furnish to

1 the contractor an exemption certificate for the project involved, and the  
2 contractor may purchase materials, machinery and equipment for  
3 incorporation in such project. The contractor shall furnish the number of  
4 such certificates to all suppliers from whom such purchases are made, and  
5 such suppliers shall execute invoices covering the same bearing the  
6 number of such certificate. Upon completion of the project, the contractor  
7 shall furnish to the owner of the business a sworn statement, on a form to  
8 be provided by the director of taxation, that all purchases so made were  
9 entitled to exemption under this subsection. All invoices shall be held by  
10 the contractor for a period of five years and shall be subject to audit by the  
11 director of taxation. Any contractor or any agent, employee or  
12 subcontractor of the contractor, who shall use or otherwise dispose of any  
13 materials, machinery or equipment purchased under such a certificate for  
14 any purpose other than that for which such a certificate is issued without  
15 the payment of the sales or compensating tax otherwise imposed thereon,  
16 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
17 subject to the penalties provided for in K.S.A. 79-3615(h), and  
18 amendments thereto;

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

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

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

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

26 (llll) all sales of tangible personal property and services purchased by  
27 Gove county healthcare endowment foundation, inc., which is exempt  
28 from federal income taxation pursuant to section 501(c)(3) of the federal  
29 internal revenue code of 1986, and which such property and services are  
30 used for the purpose of constructing and equipping an airport in Quinter,  
31 Kansas, and all sales of tangible personal property or services purchased  
32 by a contractor for the purpose of constructing and equipping an airport in  
33 Quinter, Kansas, for such organization, that would be exempt from  
34 taxation under the provisions of this section if purchased directly by such  
35 organization. Nothing in this subsection shall be deemed to exempt the  
36 purchase of any construction machinery, equipment or tools used in the  
37 constructing or equipping of facilities for such organization. When such  
38 organization shall contract for the purpose of constructing or equipping an  
39 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
40 contractor an exemption certificate for the project involved, and the  
41 contractor may purchase materials for incorporation in such project. The  
42 contractor shall furnish the number of such certificate to all suppliers from  
43 whom such purchases are made, and such suppliers shall execute invoices

1 covering the same bearing the number of such certificate. Upon  
2 completion of the project, the contractor shall furnish to such organization  
3 concerned a sworn statement, on a form to be provided by the director of  
4 taxation, that all purchases so made were entitled to exemption under this  
5 subsection. All invoices shall be held by the contractor for a period of five  
6 years and shall be subject to audit by the director of taxation. If any  
7 materials purchased under such a certificate are found not to have been  
8 incorporated in such facilities or not to have been returned for credit or the  
9 sales or compensating tax otherwise imposed upon such materials that will  
10 not be so incorporated in such facilities reported and paid by such  
11 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
12 following the close of the month in which it shall be determined that such  
13 materials will not be used for the purpose for which such certificate was  
14 issued, such organization concerned shall be liable for tax on all materials  
15 purchased for the project, and upon payment thereof it may recover the  
16 same from the contractor together with reasonable attorney fees. Any  
17 contractor or any agent, employee or subcontractor thereof, who purchased  
18 under such a certificate for any purpose other than that for which such a  
19 certificate is issued without the payment of the sales or compensating tax  
20 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
21 and, upon conviction therefor, shall be subject to the penalties provided for  
22 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
23 subsection shall expire and have no effect on and after July 1, 2019;

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

29 (nnnn) all sales of tangible personal property or services purchased  
30 by friends of hospice of Jefferson county, an organization that is exempt  
31 from federal income taxation pursuant to section 501(c)(3) of the federal  
32 internal revenue code of 1986, for the purpose of providing support to the  
33 Jefferson county hospice agency in end-of-life care of Jefferson county  
34 families, friends and neighbors, and all sales of entry or participation fees,  
35 charges or tickets by friends of hospice of Jefferson county for such  
36 organization's fundraising event for such purpose; ~~and~~

37 (oooo) all sales of tangible personal property or services purchased  
38 for the purpose of and in conjunction with constructing, reconstructing,  
39 enlarging or remodeling a qualified business facility by a qualified firm or  
40 qualified supplier that meets the requirements established in K.S.A. 2022  
41 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
42 been approved for a project exemption certificate by the secretary of  
43 commerce, and the sale and installation of machinery and equipment

1 purchased by such qualified firm or qualified supplier for installation at  
2 any such qualified business facility. When a person shall contract for the  
3 construction, reconstruction, enlargement or remodeling of any such  
4 qualified business facility, such person shall obtain from the state and  
5 furnish to the contractor an exemption certificate for the project involved,  
6 and the contractor may purchase materials, machinery and equipment for  
7 incorporation in such project. The contractor shall furnish the number of  
8 such certificates to all suppliers from whom such purchases are made, and  
9 such suppliers shall execute invoices covering the same bearing the  
10 number of such certificate. Upon completion of the project, the contractor  
11 shall furnish to the owner of the qualified firm or qualified supplier a  
12 sworn statement, on a form to be provided by the director of taxation, that  
13 all purchases so made were entitled to exemption under this subsection.  
14 All invoices shall be held by the contractor for a period of five years and  
15 shall be subject to audit by the director of taxation. Any contractor or any  
16 agent, employee or subcontractor thereof who shall use or otherwise  
17 dispose of any materials, machinery or equipment purchased under such a  
18 certificate for any purpose other than that for which such a certificate is  
19 issued without the payment of the sales or compensating tax otherwise  
20 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
21 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
22 3615(h), and amendments thereto. As used in this subsection, "qualified  
23 business facility," "qualified firm" and "qualified supplier" mean the same  
24 as defined in K.S.A. 2022 Supp. 74-50,311, and amendments thereto; *and*  
25 *(pppp) (1) (A) all sales of equipment, machinery, software, ancillary*  
26 *components, appurtenances, accessories or other infrastructure purchased*  
27 *for use in the provision of communications services; and*  
28 *(B) all services purchased by a provider in the provision of the*  
29 *communications service used in the repair, maintenance or installation in*  
30 *such communications service.*  
31 *(2) As used in this section:*  
32 *(A) "Communications service" means internet access service,*  
33 *telecommunications service, video service or any combination thereof.*  
34 *(B) "Equipment, machinery, software, ancillary components,*  
35 *appurtenances, accessories or other infrastructure" includes, but is not*  
36 *limited to:*  
37 *(i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,*  
38 *amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,*  
39 *transmitters, circuit cards, insulating and protective materials and cases,*  
40 *power equipment, backup power equipment, diagnostic equipment,*  
41 *storage devices, modems, cable modem termination systems and servers;*  
42 *(ii) other general central office or headend equipment, such as*  
43 *channel cards, frames and cabinets;*

1 (iii) *equipment used in successor technologies, including items used*  
2 *to monitor, test, maintain, enable or facilitate qualifying equipment,*  
3 *machinery, software, ancillary components, appurtenances and*  
4 *accessories; and*

5 (iv) *other infrastructure that is used in whole or in part to provide*  
6 *communications services, including broadcasting, distributing, sending,*  
7 *receiving, storing, transmitting, retransmitting, amplifying, switching,*  
8 *providing connectivity for or routing communications services.*

9 (C) *"Internet access service" means the same as internet access as*  
10 *defined in section 1105 of the internet tax freedom act amendments of*  
11 *2007, public law 110-108.*

12 (D) *"Provider" means a person or entity that sells communications*  
13 *service, including an affiliate or subsidiary.*

14 (E) *"Telecommunications service" means the same as defined in*  
15 *K.S.A. 79-3602, and amendments thereto.*

16 (F) *"Video service" means the same as defined in K.S.A. 12-2022,*  
17 *and amendments thereto.*

18 **{(3) The provisions of this subsection shall expire and have no**  
19 **effect on and after July 1, 2028.}**

20 Sec. ~~2~~. 4. *K.S.A. 12-199 and K.S.A. 2022 Supp. 79-3606* ~~is~~ *are*  
21 hereby repealed.

22 Sec. ~~3~~. 5. This act shall take effect and be in force from and after its  
23 publication in the statute book.