

**HOUSE BILL No. 2586**

By Committee on Taxation

Requested by Representative Sawyer

1-24

1 AN ACT concerning taxation; relating to property tax; increasing extent of  
2 exemption for residential property from statewide school levy; relating  
3 to privilege tax; decreasing the normal tax rates on banks, trust  
4 companies and savings and loan associations; relating to income tax;  
5 increasing the tax credit amount for household and dependent care  
6 expenses; eliminating the income limit to qualify for the subtraction  
7 modification for social security income; increasing the Kansas standard  
8 deduction; relating to sales and compensating use tax; providing a sales  
9 tax exemption for certain sales of school supplies, computers and  
10 clothing during an annual sales tax holiday; providing sales tax  
11 exemptions for children's diapers and feminine hygiene products;  
12 reducing the state rate of tax on sales of food and food ingredients;  
13 amending K.S.A. 79-1107, 79-1108 and 79-32,111c and K.S.A. 2023  
14 Supp. 79-201x, 79-32,117, 79-32,119, 79-3603, 79-3603d, 79-3606,  
15 79-3620, 79-3703 and 79-3710 and repealing the existing sections.

16

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

18 New Section 1. (a) (1) On and after July 1, 2024, during the four-day  
19 period beginning at 12:01 a.m. on the first Thursday in August and ending  
20 at midnight on the Sunday following, all back-to-school-related sales of  
21 the following items shall be exempt from the tax imposed by the Kansas  
22 retailers' sales tax act:

23 (A) Clothing or clothing accessories or equipment with a sales price  
24 of \$300 or less per item;

25 (B) school supplies, school instructional materials or school art  
26 supplies with a sales price of \$100 or less per item;

27 (C) prewritten computer software with a sales price of \$300 or less  
28 per item; and

29 (D) computers or school computer supplies with a sales price of  
30 \$2,000 or less per item.

31 (2) Only items priced at or below the price threshold established in  
32 this subsection shall be exempt from taxation pursuant to this subsection.  
33 Notwithstanding K.S.A. 79-3609, and amendments thereto, the seller of  
34 items specified in this subsection is not required to obtain an exemption  
35 certificate from the purchaser of such items during the period of time

1 specified in this subsection. There shall be no exemption pursuant to this  
2 subsection for only a portion of the price of an individual item.

3 (b) As used in this section:

4 (1) "Clothing" means all human wearing apparel suitable for general  
5 use.

6 (A) "Clothing" includes, but is not limited to:

7 (i) Aprons, household and shop;

8 (ii) athletic supporters;

9 (iii) baby receiving blankets;

10 (iv) bathing suits and caps;

11 (v) beach capes and coats;

12 (vi) belts and suspenders;

13 (vii) boots;

14 (viii) coats and jackets;

15 (ix) costumes;

16 (x) diapers, children and adult, including disposable diapers;

17 (xi) ear muffs;

18 (xii) footlets;

19 (xiii) formal wear;

20 (xiv) garters and garter belts;

21 (xv) girdles;

22 (xvi) gloves and mittens for general use;

23 (xvii) hats and caps;

24 (xviii) hosiery;

25 (xix) insoles for shoes;

26 (xx) lab coats;

27 (xxi) neckties;

28 (xxii) overshoes;

29 (xxiii) pantyhose;

30 (xxiv) rainwear;

31 (xxv) rubber pants;

32 (xxvi) sandals;

33 (xxvii) scarves;

34 (xxviii) shoes and shoe laces;

35 (xxix) slippers;

36 (xxx) sneakers;

37 (xxxi) socks and stockings;

38 (xxxii) steel-toed shoes;

39 (xxxiii) underwear;

40 (xxxiv) uniforms, athletic and non-athletic; and

41 (xxxv) wedding apparel.

42 (B) "Clothing" does not include:

43 (i) Belt buckles sold separately;

- 1 (ii) costume masks sold separately;
- 2 (iii) patches and emblems sold separately;
- 3 (iv) sewing equipment and supplies, including, but not limited to,
- 4 knitting needles, patterns, pins, scissors, sewing machines, sewing needles,
- 5 tape measures and thimbles; and
- 6 (v) sewing materials that become part of clothing, including, but not
- 7 limited to, buttons, fabric, lace, thread, yarn and zippers.
- 8 (2) "Clothing accessories or equipment" means incidental items worn
- 9 on the person or in conjunction with clothing. "Clothing accessories or
- 10 equipment" includes, but is not limited to:
- 11 (A) Briefcases;
- 12 (B) cosmetics;
- 13 (C) hair notions, including, but not limited to, barrettes, hair bows
- 14 and hair nets;
- 15 (D) handbags;
- 16 (E) handkerchiefs;
- 17 (F) jewelry;
- 18 (G) sunglasses, nonprescription;
- 19 (H) umbrellas;
- 20 (I) wallets;
- 21 (J) watches; and
- 22 (K) wigs and hairpieces.
- 23 (3) "Computer" means a personal computer such as a laptop or
- 24 desktop computer or a tablet, but not including a phone.
- 25 (4) "Eligible property" means an item of a type, such as clothing, that
- 26 qualifies for the sales tax exemption as provided in this section.
- 27 (5) "Layaway sale" means a transaction in which property is set aside
- 28 for future delivery to a customer who makes a deposit, agrees to pay the
- 29 balance of the purchase price over a period of time and, at the end of the
- 30 payment period, receives the property. An order is accepted for layaway by
- 31 the seller when the seller removes the property from normal inventory or
- 32 clearly identifies the property as sold to the purchaser.
- 33 (6) "Prewritten computer software" means the same as defined in
- 34 K.S.A. 79-3602, and amendments thereto, except that such term only
- 35 includes software designed for a computer as defined in this section.
- 36 (7) "Rain check" means the seller allows a customer to purchase an
- 37 item at a certain price at a later time, because the particular item was out of
- 38 stock.
- 39 (8) "School art supply" means an item commonly used by a student in
- 40 a course of study for artwork. The following is an all-inclusive list:
- 41 (A) Clay and glazes;
- 42 (B) paints; acrylic, tempera and oil;
- 43 (C) paintbrushes for artwork;

1 (D) sketch and drawing pads; and

2 (E) watercolors.

3 (9) "School computer supply" means an item commonly used by a  
4 student in a course of study in which a computer is used. The following is  
5 an all-inclusive list:

6 (A) Computer storage media; diskettes, compact disks;

7 (B) handheld electronic schedulers, except devices that are cellular  
8 phones;

9 (C) personal digital assistants, except devices that are cellular phones;

10 (D) computer printers; and

11 (E) printer supplies for computers; printer paper, printer ink.

12 (10) "School instructional material" means written material  
13 commonly used by a student in a course of study as a reference and to  
14 learn the subject being taught. The following is an all-inclusive list:

15 (A) Reference books;

16 (B) reference maps and globes;

17 (C) textbooks; and

18 (D) workbooks.

19 (11) "School supply" means an item commonly used by a student in a  
20 course of study. The following is an all-inclusive list:

21 (A) Binders;

22 (B) book bags;

23 (C) calculators;

24 (D) cellophane tape;

25 (E) blackboard chalk;

26 (F) compasses;

27 (G) composition books;

28 (H) crayons;

29 (I) erasers;

30 (J) folders; expandable, pocket, plastic and manila;

31 (K) glue, paste and paste sticks;

32 (L) highlighters;

33 (M) index cards;

34 (N) index card boxes;

35 (O) legal pads;

36 (P) lunch boxes;

37 (Q) markers;

38 (R) notebooks;

39 (S) paper; loose leaf ruled notebook paper, copy paper, graph paper,  
40 tracing paper, manila paper, colored paper, poster board and construction  
41 paper;

42 (T) pencil boxes and other school supply boxes;

43 (U) pencil sharpeners;

- 1 (V) pencils;
- 2 (W) pens;
- 3 (X) protractors;
- 4 (Y) rulers;
- 5 (Z) scissors; and
- 6 (AA) writing tablets.

7 (c) The secretary of revenue shall provide notice of the exemption  
8 period to retailers at least 60 days prior to the first day of the calendar  
9 month in which the exemption period established in this section  
10 commences.

11 (d) The following procedures are to be used in administering the  
12 exemption as provided in this section:

13 (1) A sale of eligible property under a layaway sale qualifies for  
14 exemption if:

15 (A) Final payment on a layaway order is made by, and the property is  
16 given to, the purchaser during the exemption period; or

17 (B) the purchaser selects the property and the retailer accepts the  
18 order for the item during the exemption period for immediate delivery  
19 upon full payment, even if delivery is made after the exemption period.

20 (2) There shall be no change during the period of exemption for the  
21 handling of a bundled sale as treated for sales tax purposes at times other  
22 than the exemption period.

23 (3) A discount by the seller reduces the sales price of the property,  
24 and the discounted sales price determines whether the sales price is within  
25 the price threshold provided in subsection (a). A coupon that reduces the  
26 sales price is treated as a discount if the seller is not reimbursed for the  
27 coupon amount by a third party. If a discount applies to the total amount  
28 paid by a purchaser rather than to the sales price of a particular item and  
29 the purchaser has purchased both eligible property and taxable property,  
30 the seller shall allocate the discount based on the total sales prices of the  
31 taxable property compared to the total sales prices of all property sold in  
32 that same transaction.

33 (4) Articles that are normally sold as a single unit must continue to be  
34 sold in that manner. Such articles cannot be priced separately and sold as  
35 individual items in order to obtain the exemption.

36 (5) Eligible property that customers purchase during the exemption  
37 period with use of a rain check will qualify for the exemption regardless of  
38 when the rain check was issued. Issuance of a rain check during the  
39 exemption period shall not qualify eligible property for the exemption if  
40 the property is actually purchased after the exemption period.

41 (6) The procedure for an exchange in regards to an exemption is as  
42 follows:

43 (A) If a customer purchases an item of eligible property during the

1 exemption period but later exchanges the item for a similar eligible item,  
2 even if a different size, different color or other feature, no additional tax is  
3 due even if the exchange is made after the exemption period;

4 (B) if a customer purchases an item of eligible property during the  
5 exemption period, but after the exemption period has ended the customer  
6 returns the item and receives credit on the purchase of a different item, the  
7 appropriate sales tax is due on the sale of the new item; and

8 (C) if a customer purchases an item of eligible property before the  
9 exemption period, but during the exemption period the customer returns  
10 the item and receives credit on the purchase of a different item of eligible  
11 property, no sales tax is due on the sale of the new item if the new item is  
12 purchased during the exemption period.

13 (7) For the purpose of an exemption, eligible property qualifies for  
14 the exemption if:

15 (A) The item is both delivered to and paid for by the customer during  
16 the exemption period; or

17 (B) the customer orders and pays for the item and the seller accepts  
18 the order during the exemption period for immediate shipment, even if  
19 delivery is made after the exemption period. For purposes of this  
20 subparagraph, the seller accepts an order when the seller has taken action  
21 to fill the order for immediate shipment. Actions to fill an order include  
22 placement of an "in date" stamp on a mail order or assignment of an order  
23 number to a telephone order. For purposes of this subparagraph, an order is  
24 for immediate shipment when the customer does not request delayed  
25 shipment. An order is for immediate shipment notwithstanding that the  
26 shipment may be delayed because of a backlog of orders or because stock  
27 is currently unavailable to, or on back order by, the seller.

28 (8) For a 60-day period immediately after the exemption period,  
29 when a customer returns an item that would qualify for the exemption, no  
30 credit for or refund of sales tax shall be given unless the customer provides  
31 a receipt or invoice that shows tax was paid or the seller has sufficient  
32 documentation to show that tax was paid on the specific item. The 60-day  
33 period is set solely for the purpose of designating a time period during  
34 which the customer must provide documentation that shows that sales tax  
35 was paid on returned merchandise. The 60-day period is not intended to  
36 change a seller's policy on the time period during which the seller will  
37 accept returns.

38 (9) The time zone of the seller's location determines the authorized  
39 time period for a sales tax holiday when the purchaser is located in one  
40 time zone and a seller is located in another.

41 (e) The provisions of this section shall be a part of and supplemental  
42 to the Kansas retailers' sales tax act.

43 Sec. 2. K.S.A. 2023 Supp. 79-201x is hereby amended to read as

1 follows: 79-201x. (a) For taxable year 2022, ~~and all taxable years~~  
 2 ~~thereafter~~, the following described property, to the extent herein specified,  
 3 shall be and is hereby exempt from the property tax levied pursuant to the  
 4 provisions of K.S.A. 72-5142, and amendments thereto: Property used for  
 5 residential purposes to the extent of \$40,000 of its appraised valuation.

6 (b) For taxable year 2023, ~~and all taxable years thereafter, the dollar~~  
 7 ~~amount of the extent of appraised valuation that is exempt pursuant to~~  
 8 ~~subsection (a) shall be adjusted to reflect the average percentage change in~~  
 9 ~~statewide residential valuation of all residential real property for the~~  
 10 ~~preceding 10 years. Such average percentage change shall not be less than~~  
 11 ~~zero. The director of property valuation shall calculate the average~~  
 12 ~~percentage change for purposes of this annual adjustment and calculate the~~  
 13 ~~dollar amount of the extent of appraised valuation that is exempt pursuant~~  
 14 ~~to this section each year~~ *the following described property, to the extent*  
 15 *herein specified, shall be and is hereby exempt from the property tax levied*  
 16 *pursuant to the provisions of K.S.A. 72-5142, and amendments thereto:*  
 17 *Property used for residential purposes to the extent of \$42,049 of its*  
 18 *appraised valuation.*

19 (c) *For taxable year 2024, and all taxable years thereafter, the*  
 20 *following described property, to the extent herein specified, shall be and is*  
 21 *hereby exempt from the property tax levied pursuant to the provisions of*  
 22 *K.S.A. 72-5142, and amendments thereto: Property used for residential*  
 23 *purposes to the extent of \$100,000 of its appraised valuation.*

24 Sec. 3. K.S.A. 79-1107 is hereby amended to read as follows: 79-  
 25 1107. Every national banking association and state bank located or doing  
 26 business within the state shall pay to the state for the privilege of doing  
 27 business within the state a tax according to or measured by its net income  
 28 for the next preceding taxable year to be computed as provided in this act.  
 29 Such tax shall consist of a normal tax and a surtax and shall be computed  
 30 as follows:

31 (a) (1) *For tax year 2023, the normal tax shall be an amount equal to*  
 32 ~~2<sup>+</sup>/<sub>4</sub>%~~ *2.25% of such net income;*

33 (2) *for tax year 2024, the normal tax shall be an amount equal to*  
 34 *1.94% of such net income; and*

35 (3) *for tax year 2025, and all tax years thereafter, the normal tax*  
 36 *shall be an amount equal to 1.63% of such net income; and*

37 (b) the surtax shall be an amount equal to ~~2<sup>+</sup>/<sub>8</sub>%~~ *2.125%* of such net  
 38 income in excess of \$25,000.

39 The tax levied shall be in lieu of ad valorem taxes which might  
 40 otherwise be imposed by the state or political subdivisions thereof upon  
 41 shares of capital stock or the intangible assets of national banking  
 42 associations and state banks.

43 Sec. 4. K.S.A. 79-1108 is hereby amended to read as follows: 79-

1 1108. Every trust company and savings and loan association located or  
 2 doing business within the state shall pay to the state for the privilege of  
 3 doing business within the state a tax according to or measured by its net  
 4 income for the next preceding taxable year to be computed as provided in  
 5 this act. Such tax shall consist of a normal tax and a surtax and shall be  
 6 computed as follows:

7 (a) (1) *For tax year 2023, the normal tax on every trust company and*  
 8 *savings and loan association shall be an amount equal to ~~2.4%~~ 2.25%* of  
 9 *such net income;*

10 (2) *for tax year 2024, the normal tax shall be an amount equal to*  
 11 *1.93% of such net income; and*

12 (3) *for tax year 2025, and all tax years thereafter, the normal tax*  
 13 *shall be an amount equal to 1.61% of such net income; and*

14 (b) the surtax on every trust company and savings and loan  
 15 association shall be an amount equal to ~~2.4%~~ 2.25% of such net income in  
 16 excess of \$25,000.

17 The tax levied shall be in lieu of ad valorem taxes which might  
 18 otherwise be imposed by the state or political subdivision thereof upon  
 19 shares of capital stock or other intangible assets of trust companies and  
 20 savings and loan associations.

21 Sec. 5. K.S.A. 79-32,111c is hereby amended to read as follows: 79-  
 22 32,111c. (a) There shall be allowed as a credit against the tax liability of a  
 23 resident individual imposed under the Kansas income tax act an amount  
 24 equal to 12.5% for tax year 2018; an amount equal to 18.75% for tax year  
 25 2019; ~~and~~ an amount equal to 25% for tax ~~year~~ years 2020 through 2023;  
 26 *and an amount equal to 50% for tax year 2024, and all tax years thereafter,*  
 27 *of the amount of the credit allowed against such taxpayer's federal income*  
 28 *tax liability pursuant to 26 U.S.C. § 21 for the taxable year in which such*  
 29 *credit was claimed against the taxpayer's federal income tax liability.*

30 (b) The credit allowed by subsection (a) shall not exceed the amount  
 31 of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced  
 32 by the sum of any other credits allowable pursuant to law.

33 (c) No credit provided under this section shall be allowed to any  
 34 individual who fails to provide a valid social security number issued by the  
 35 social security administration, to such individual, the individual's spouse  
 36 and every dependent of the individual.

37 Sec. 6. K.S.A. 2023 Supp. 79-32,117 is hereby amended to read as  
 38 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual  
 39 means such individual's federal adjusted gross income for the taxable year,  
 40 with the modifications specified in this section.

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

42 (i) Interest income less any related expenses directly incurred in the  
 43 purchase of state or political subdivision obligations, to the extent that the



1 same is not included in federal adjusted gross income, on obligations of  
2 any state or political subdivision thereof, but to the extent that interest  
3 income on obligations of this state or a political subdivision thereof issued  
4 prior to January 1, 1988, is specifically exempt from income tax under the  
5 laws of this state authorizing the issuance of such obligations, it shall be  
6 excluded from computation of Kansas adjusted gross income whether or  
7 not included in federal adjusted gross income. Interest income on  
8 obligations of this state or a political subdivision thereof issued after  
9 December 31, 1987, shall be excluded from computation of Kansas  
10 adjusted gross income whether or not included in federal adjusted gross  
11 income.

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

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

22 (iv) Federal income tax refunds received by the taxpayer if the  
23 deduction of the taxes being refunded resulted in a tax benefit for Kansas  
24 income tax purposes during a prior taxable year. Such refunds shall be  
25 included in income in the year actually received regardless of the method  
26 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall  
27 be deemed to have resulted if the amount of the tax had been deducted in  
28 determining income subject to a Kansas income tax for a prior year  
29 regardless of the rate of taxation applied in such prior year to the Kansas  
30 taxable income, but only that portion of the refund shall be included as  
31 bears the same proportion to the total refund received as the federal taxes  
32 deducted in the year to which such refund is attributable bears to the total  
33 federal income taxes paid for such year. For purposes of the foregoing  
34 sentence, federal taxes shall be considered to have been deducted only to  
35 the extent such deduction does not reduce Kansas taxable income below  
36 zero.

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

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

1 and amendments thereto.

2 (vii) The amount of any charitable contribution made to the extent the  
3 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
4 32,196, and amendments thereto.

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

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

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

21 (xi) The amount of any contribution made to the same extent the  
22 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
23 50,154, and amendments thereto.

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

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

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

39 (xv) The amount of any expenditures claimed for deduction in  
40 determining federal adjusted gross income, to the extent the same is  
41 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223  
42 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
43 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-

1 32,251 through 79-32,254, and amendments thereto.

2 (xvi) The amount of any amortization deduction claimed in  
3 determining federal adjusted gross income to the extent the same is  
4 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
5 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

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

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

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

38 (xx) For taxable years beginning after December 31, 2012, and  
39 ending before January 1, 2017, the amount of any deduction for self-  
40 employment taxes under section 164(f) of the federal internal revenue  
41 code as in effect on January 1, 2012, and amendments thereto, in  
42 determining the federal adjusted gross income of an individual taxpayer, to  
43 the extent the deduction is attributable to income reported on schedule C,

1 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income  
2 tax return.

3 (xxi) For taxable years beginning after December 31, 2012, and  
4 ending before January 1, 2017, the amount of any deduction for pension,  
5 profit sharing, and annuity plans of self-employed individuals under  
6 section 62(a)(6) of the federal internal revenue code as in effect on January  
7 1, 2012, and amendments thereto, in determining the federal adjusted gross  
8 income of an individual taxpayer.

9 (xxii) For taxable years beginning after December 31, 2012, and  
10 ending before January 1, 2017, the amount of any deduction for health  
11 insurance under section 162(l) of the federal internal revenue code as in  
12 effect on January 1, 2012, and amendments thereto, in determining the  
13 federal adjusted gross income of an individual taxpayer.

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

19 (xxiv) For taxable years commencing after December 31, 2013, that  
20 portion of the amount of any expenditure deduction claimed in  
21 determining federal adjusted gross income for expenses paid for medical  
22 care of the taxpayer or the taxpayer's spouse or dependents when such  
23 expenses were paid or incurred for an abortion, or for a health benefit plan,  
24 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of  
25 an optional rider for coverage of abortion in accordance with K.S.A. 40-  
26 2,190, and amendments thereto, to the extent that such taxes and  
27 assessments are claimed as an itemized deduction for federal income tax  
28 purposes.

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

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

1 federal income tax purposes.

2 (xxvii) For all taxable years commencing after December 31, 2020,  
3 the amount deducted by reason of a carryforward of disallowed business  
4 interest pursuant to section 163(j) of the federal internal revenue code of  
5 1986, as in effect on January 1, 2018.

6 (xxviii) For all taxable years beginning after December 31, 2021, the  
7 amount of any contributions to, or earnings from, a first-time home buyer  
8 savings account if distributions from the account were not used to pay for  
9 expenses or transactions authorized pursuant to K.S.A. 2023 Supp. 58-  
10 4904, and amendments thereto, or were not held for the minimum length  
11 of time required pursuant to K.S.A. 2023 Supp. 58-4904, and amendments  
12 thereto. Contributions to, or earnings from, such account shall also include  
13 any amount resulting from the account holder not designating a surviving  
14 payable on death beneficiary pursuant to K.S.A. 2023 Supp. 58-4904(e),  
15 and amendments thereto.

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

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

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

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

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

41 (v) The amount of any refund or credit for overpayment of taxes on  
42 or measured by income or fees or payments in lieu of income taxes  
43 imposed by this state, or any taxing jurisdiction, to the extent included in

1 gross income for federal income tax purposes.

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

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

10 (viii) Amounts received by retired railroad employees as a  
11 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and  
12 228c(a)(1) et seq.

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

18 (x) For taxable years beginning after December 31, 1976, the amount  
19 of the federal tentative jobs tax credit disallowance under the provisions of  
20 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the  
21 amount of the targeted jobs tax credit and work incentive credit  
22 disallowances under 26 U.S.C. § 280C.

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

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

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

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

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

4 (xv) For all taxable years beginning after December 31, 2017, the  
5 cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple  
6 filing a joint return, for each designated beneficiary that are contributed to:  
7 (1) A family postsecondary education savings account established under  
8 the Kansas postsecondary education savings program or a qualified tuition  
9 program established and maintained by another state or agency or  
10 instrumentality thereof pursuant to section 529 of the internal revenue  
11 code of 1986, as amended, for the purpose of paying the qualified higher  
12 education expenses of a designated beneficiary; or (2) an achieving a  
13 better life experience (ABLE) account established under the Kansas ABLE  
14 savings program or a qualified ABLE program established and maintained  
15 by another state or agency or instrumentality thereof pursuant to section  
16 529A of the internal revenue code of 1986, as amended, for the purpose of  
17 saving private funds to support an individual with a disability. The terms  
18 and phrases used in this paragraph shall have the meaning respectively  
19 ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and  
20 amendments thereto, and the provisions of such sections are hereby  
21 incorporated by reference for all purposes thereof.

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

32 (xvii) For all taxable years beginning after December 31, 2004,  
33 amounts received by taxpayers who are eligible members of the Kansas  
34 army and air national guard as a reimbursement pursuant to K.S.A. 48-  
35 281, and amendments thereto, and amounts received for death benefits  
36 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that  
37 such death benefits are included in federal adjusted gross income of the  
38 taxpayer.

39 ~~(xviii) For the taxable year beginning after December 31, 2006,~~  
40 ~~amounts received as benefits under the federal social security act which~~  
41 ~~are included in federal adjusted gross income of a taxpayer with federal~~  
42 ~~adjusted gross income of \$50,000 or less, whether such taxpayer's filing~~  
43 ~~status is single, head of household, married filing separate or married filing~~

1 ~~jointly, and~~ - (1) For all taxable years beginning after December 31,  
2 2007, *and ending before January 1, 2024*, amounts received as benefits  
3 under the federal social security act ~~which~~ *that* are included in federal  
4 adjusted gross income of a taxpayer with federal adjusted gross income of  
5 \$75,000 or less, whether such taxpayer's filing status is single, head of  
6 household, married filing separate or married filing jointly.

7 (2) *For all taxable years beginning after December 31, 2023,*  
8 *amounts received as benefits under the federal social security act that are*  
9 *included in federal adjusted gross income of a taxpayer.*

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

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

32 (xxi) For all taxable years beginning after December 31, 2013,  
33 amounts equal to the unreimbursed travel, lodging and medical  
34 expenditures directly incurred by a taxpayer while living, or a dependent  
35 of the taxpayer while living, for the donation of one or more human organs  
36 of the taxpayer, or a dependent of the taxpayer, to another person for  
37 human organ transplantation. The expenses may be claimed as a  
38 subtraction modification provided for in this section to the extent the  
39 expenses are not already subtracted from the taxpayer's federal adjusted  
40 gross income. In no circumstances shall the subtraction modification  
41 provided for in this section for any individual, or a dependent, exceed  
42 \$5,000. As used in this section, "human organ" means all or part of a liver,  
43 pancreas, kidney, intestine, lung or bone marrow. The provisions of this



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

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

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

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

25 (xxv) For all taxable years commencing after December 31, 2020,  
26 100% of global intangible low-taxed income under section 951A of the  
27 federal internal revenue code of 1986, before any deductions allowed  
28 under section 250(a)(1)(B) of such code.

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

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

37 (xxviii) For all taxable years beginning after December 31, 2021: (1)  
38 The amount contributed to a first-time home buyer savings account  
39 pursuant to K.S.A. 2023 Supp. 58-4903, and amendments thereto, in an  
40 amount not to exceed \$3,000 for an individual or \$6,000 for a married  
41 couple filing a joint return; or (2) amounts received as income earned from  
42 assets in a first-time home buyer savings account.

43 (d) There shall be added to or subtracted from federal adjusted gross

1 income the taxpayer's share, as beneficiary of an estate or trust, of the  
2 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and  
3 amendments thereto.

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

9 Sec. 7. K.S.A. 2023 Supp. 79-32,119 is hereby amended to read as  
10 follows: 79-32,119. (a) The Kansas standard deduction of an individual,  
11 including a husband and wife who are either both residents or who file a  
12 joint return as if both were residents, shall be equal to the sum of the  
13 standard deduction amount allowed pursuant to this section, and the  
14 additional standard deduction amount allowed pursuant to this section for  
15 each such deduction allowable to such individual or to such husband and  
16 wife under the federal internal revenue code.

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

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

25 (2) For tax year years 2021, ~~and all tax years thereafter through 2023,~~  
26 the standard deduction amount of an individual, including husband and  
27 wife who are either both residents or who file a joint return as if both were  
28 residents, shall be as follows: Single individual filing status, \$3,500;  
29 married filing status, \$8,000; and head of household filing status, \$6,000.

30 (3) *For tax year 2024, and all tax years thereafter, the standard*  
31 *deduction amount of an individual, including husband and wife who are*  
32 *either both residents or who file a joint return as if both were residents,*  
33 *shall be as follows: Single individual filing status, \$5,000; married filing*  
34 *status, \$10,000; and head of household filing status, \$7,500.*

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

41 Sec. 8. K.S.A. 2023 Supp. 79-3603 is hereby amended to read as  
42 follows: 79-3603. For the privilege of engaging in the business of selling  
43 tangible personal property at retail in this state or rendering or furnishing

1 any of the services taxable under this act, there is hereby levied and there  
2 shall be collected and paid a tax at the rate of 6.5%. On and after January  
3 1, 2023, 17% and on and after ~~January 1, 2025~~ *April 1, 2024*, 18% of the  
4 tax rate imposed pursuant to this section and the rate provided in K.S.A.  
5 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the  
6 state highway fund, the state highway fund purposes and those purposes  
7 specified in K.S.A. 68-416, and amendments thereto, and all revenue  
8 collected and received from such tax levy shall be deposited in the state  
9 highway fund.

10 Within a redevelopment district established pursuant to K.S.A. 74-  
11 8921, and amendments thereto, there is hereby levied and there shall be  
12 collected and paid an additional tax at the rate of 2% until the earlier of the  
13 date the bonds issued to finance or refinance the redevelopment project  
14 have been paid in full or the final scheduled maturity of the first series of  
15 bonds issued to finance any part of the project.

16 Such tax shall be imposed upon:

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

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

32 (c) the gross receipts from the sale or furnishing of gas, water,  
33 electricity and heat, which sale is not otherwise exempt from taxation  
34 under the provisions of this act, and whether furnished by municipally or  
35 privately owned utilities, except that, on and after January 1, 2006, for  
36 sales of gas, electricity and heat delivered through mains, lines or pipes to  
37 residential premises for noncommercial use by the occupant of such  
38 premises, and for agricultural use and also, for such use, all sales of  
39 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
40 gas, coal, wood and other fuel sources for the production of heat or  
41 lighting for noncommercial use of an occupant of residential premises, the  
42 state rate shall be 0%, but such tax shall not be levied and collected upon  
43 the gross receipts from: (1) The sale of a rural water district benefit unit;

1 (2) a water system impact fee, system enhancement fee or similar fee  
2 collected by a water supplier as a condition for establishing service; or (3)  
3 connection or reconnection fees collected by a water supplier;

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

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

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

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

23 (h) the gross receipts from the service of renting or leasing of tangible  
24 personal property except such tax shall not apply to the renting or leasing  
25 of machinery, equipment or other personal property owned by a city and  
26 purchased from the proceeds of industrial revenue bonds issued prior to  
27 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
28 12-1749, and amendments thereto, and any city or lessee renting or leasing  
29 such machinery, equipment or other personal property purchased with the  
30 proceeds of such bonds who shall have paid a tax under the provisions of  
31 this section upon sales made prior to July 1, 1973, shall be entitled to a  
32 refund from the sales tax refund fund of all taxes paid thereon;

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

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

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

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

1 real or personal property.

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

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

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

33 (o) the gross receipts received from the isolated or occasional sale of  
34 motor vehicles or trailers but not including: (1) The transfer of motor  
35 vehicles or trailers by a person to a corporation or limited liability  
36 company solely in exchange for stock securities or membership interest in  
37 such corporation or limited liability company; (2) the transfer of motor  
38 vehicles or trailers by one corporation or limited liability company to  
39 another when all of the assets of such corporation or limited liability  
40 company are transferred to such other corporation or limited liability  
41 company; or (3) the sale of motor vehicles or trailers which are subject to  
42 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
43 amendments thereto, by an immediate family member to another

1 immediate family member. For the purposes of paragraph (3), immediate  
2 family member means lineal ascendants or descendants, and their spouses.  
3 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
4 on the isolated or occasional sale of motor vehicles or trailers on and after  
5 July 1, 2004, which the base for computing the tax was the value pursuant  
6 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when  
7 such amount was higher than the amount of sales tax which would have  
8 been paid under the law as it existed on June 30, 2004, shall be refunded to  
9 the taxpayer pursuant to the procedure prescribed by this section. Such  
10 refund shall be in an amount equal to the difference between the amount of  
11 sales tax paid by the taxpayer and the amount of sales tax which would  
12 have been paid by the taxpayer under the law as it existed on June 30,  
13 2004. Each claim for a sales tax refund shall be verified and submitted not  
14 later than six months from the effective date of this act to the director of  
15 taxation upon forms furnished by the director and shall be accompanied by  
16 any additional documentation required by the director. The director shall  
17 review each claim and shall refund that amount of tax paid as provided by  
18 this act. All such refunds shall be paid from the sales tax refund fund, upon  
19 warrants of the director of accounts and reports pursuant to vouchers  
20 approved by the director of taxation or the director's designee. No refund  
21 for an amount less than \$10 shall be paid pursuant to this act. In  
22 determining the base for computing the tax on such isolated or occasional  
23 sale, the fair market value of any motor vehicle or trailer traded in by the  
24 purchaser to the seller may be deducted from the selling price;

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

35 For the purposes of this subsection:

36 (1) "Original construction" means the first or initial construction of a  
37 new building or facility. The term "original construction" shall include the  
38 addition of an entire room or floor to any existing building or facility, the  
39 completion of any unfinished portion of any existing building or facility  
40 and the restoration, reconstruction or replacement of a building, facility or  
41 utility structure damaged or destroyed by fire, flood, tornado, lightning,  
42 explosion, windstorm, ice loading and attendant winds, terrorism or  
43 earthquake, but such term, except with regard to a residence, shall not

1 include replacement, remodeling, restoration, renovation or reconstruction  
2 under any other circumstances;

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

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

13 (4) "residence" means only those enclosures within which individuals  
14 customarily live;

15 (5) "utility structure" means transmission and distribution lines  
16 owned by an independent transmission company or cooperative, the  
17 Kansas electric transmission authority or natural gas or electric public  
18 utility; and

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

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

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

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

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

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

43 (v) all sales of bingo cards, bingo faces and instant bingo tickets by

1 licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be  
 2 exempt from taxes imposed pursuant to this section;

3 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-  
 4 5171 et seq., and amendments thereto, shall be exempt from taxes imposed  
 5 pursuant to this section; and

6 (x) commencing on January 1, 2023, and thereafter, the state rate on  
 7 the gross receipts from the sale of food and food ingredients shall be as set  
 8 forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.

9 Sec. 9. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as  
 10 follows: 79-3603d. (a) There is hereby levied and there shall be collected  
 11 and paid a tax upon the gross receipts from the sale of food and food  
 12 ingredients. The rate of tax shall be as follows:

13 (1) Commencing on January 1, 2023, at the rate of 4%;

14 (2) commencing on January 1, 2024, at the rate of 2%; and

15 (3) commencing on ~~January 1, 2025~~ *April 1, 2024*, and thereafter, at  
 16 the rate of 0%.

17 (b) The provisions of this section shall not apply to prepared food  
 18 unless sold without eating utensils provided by the seller and described  
 19 below:

20 (1) Food sold by a seller whose proper primary NAICS classification  
 21 is manufacturing in sector 311, except subsector 3118 (bakeries);

22 (2) (A) food sold in an unheated state by weight or volume as a single  
 23 item; or

24 (B) only meat or seafood sold in an unheated state by weight or  
 25 volume as a single item;

26 (3) bakery items, including bread, rolls, buns, biscuits, bagels,  
 27 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,  
 28 cookies and tortillas; or

29 (4) food sold that ordinarily requires additional cooking, as opposed  
 30 to just reheating, by the consumer prior to consumption.

31 (c) The provisions of this section shall be a part of and supplemental  
 32 to the Kansas retailers' sales tax act.

33 Sec. 10. K.S.A. 2023 Supp. 79-3606 is hereby amended to read as  
 34 follows: 79-3606. The following shall be exempt from the tax imposed by  
 35 this act:

36 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
 37 or excise tax has been paid, not subject to refund, under the laws of this  
 38 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
 39 3301, and amendments thereto, including consumable material for such  
 40 electronic cigarettes, cereal malt beverages and malt products as defined  
 41 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
 42 malt syrup and malt extract, that is not subject to taxation under the  
 43 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles



1 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
2 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
3 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
4 thereto, and gross receipts from regulated sports contests taxed pursuant to  
5 the Kansas professional regulated sports act, and amendments thereto;

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

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

36 (d) all sales of tangible personal property or services purchased by a  
37 contractor for the purpose of constructing, equipping, reconstructing,  
38 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
39 any public or private nonprofit hospital or public hospital authority, public  
40 or private elementary or secondary school, a public or private nonprofit  
41 educational institution, state correctional institution including a privately  
42 constructed correctional institution contracted for state use and ownership,  
43 that would be exempt from taxation under the provisions of this act if

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

1 subject to audit by the director of taxation. If any materials purchased  
2 under such a certificate are found not to have been incorporated in the  
3 building or other project or not to have been returned for credit or the sales  
4 or compensating tax otherwise imposed upon such materials that will not  
5 be so incorporated in the building or other project reported and paid by  
6 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
7 month following the close of the month in which it shall be determined  
8 that such materials will not be used for the purpose for which such  
9 certificate was issued, the political subdivision, district described in  
10 subsection (s), hospital or public hospital authority, school, educational  
11 institution or the contractor contracting with the department of corrections  
12 for a correctional institution concerned shall be liable for tax on all  
13 materials purchased for the project, and upon payment thereof it may  
14 recover the same from the contractor together with reasonable attorney  
15 fees. Any contractor or any agent, employee or subcontractor thereof, who  
16 shall use or otherwise dispose of any materials purchased under such a  
17 certificate for any purpose other than that for which such a certificate is  
18 issued without the payment of the sales or compensating tax otherwise  
19 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
20 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
21 79-3615(h), and amendments thereto;

22 (e) all sales of tangible personal property or services purchased by a  
23 contractor for the erection, repair or enlargement of buildings or other  
24 projects for the government of the United States, its agencies or  
25 instrumentalities, that would be exempt from taxation if purchased directly  
26 by the government of the United States, its agencies or instrumentalities.  
27 When the government of the United States, its agencies or  
28 instrumentalities shall contract for the erection, repair, or enlargement of  
29 any building or other project, it shall obtain from the state and furnish to  
30 the contractor an exemption certificate for the project involved, and the  
31 contractor may purchase materials for incorporation in such project. The  
32 contractor shall furnish the number of such certificates to all suppliers  
33 from whom such purchases are made, and such suppliers shall execute  
34 invoices covering the same bearing the number of such certificate. Upon  
35 completion of the project the contractor shall furnish to the government of  
36 the United States, its agencies or instrumentalities concerned a sworn  
37 statement, on a form to be provided by the director of taxation, that all  
38 purchases so made were entitled to exemption under this subsection. As an  
39 alternative to the foregoing procedure, any such contracting entity may  
40 apply to the secretary of revenue for agent status for the sole purpose of  
41 issuing and furnishing project exemption certificates to contractors  
42 pursuant to rules and regulations adopted by the secretary establishing  
43 conditions and standards for the granting and maintaining of such status.

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

10 (f) tangible personal property purchased by a railroad or public utility  
11 for consumption or movement directly and immediately in interstate  
12 commerce;

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

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

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

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

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

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

41 (m) all sales of tangible personal property that become an ingredient  
42 or component part of tangible personal property or services produced,  
43 manufactured or compounded for ultimate sale at retail within or without

1 the state of Kansas; and any such producer, manufacturer or compounder  
2 may obtain from the director of taxation and furnish to the supplier an  
3 exemption certificate number for tangible personal property for use as an  
4 ingredient or component part of the property or services produced,  
5 manufactured or compounded;

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

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

23 (p) all sales of drugs dispensed pursuant to a prescription order by a  
24 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
25 1626, and amendments thereto. As used in this subsection, "drug" means a  
26 compound, substance or preparation and any component of a compound,  
27 substance or preparation, other than food and food ingredients, dietary  
28 supplements or alcoholic beverages, recognized in the official United  
29 States pharmacopeia, official homeopathic pharmacopoeia of the United  
30 States or official national formulary, and supplement to any of them,  
31 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
32 of disease or intended to affect the structure or any function of the body,  
33 except that for taxable years commencing after December 31, 2013, this  
34 subsection shall not apply to any sales of drugs used in the performance or  
35 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
36 thereto;

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

40 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
41 enteral feeding systems, prosthetic devices and mobility enhancing  
42 equipment prescribed in writing by a person licensed to practice the  
43 healing arts, dentistry or optometry, and in addition to such sales, all sales

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

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

27 (t) all sales of farm machinery and equipment or aquaculture  
28 machinery and equipment, repair and replacement parts therefor and  
29 services performed in the repair and maintenance of such machinery and  
30 equipment. For the purposes of this subsection the term "farm machinery  
31 and equipment or aquaculture machinery and equipment" shall include a  
32 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
33 thereto, and is equipped with a bed or cargo box for hauling materials, and  
34 shall also include machinery and equipment used in the operation of  
35 Christmas tree farming but shall not include any passenger vehicle, truck,  
36 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
37 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
38 machinery and equipment" includes precision farming equipment that is  
39 portable or is installed or purchased to be installed on farm machinery and  
40 equipment. "Precision farming equipment" includes the following items  
41 used only in computer-assisted farming, ranching or aquaculture  
42 production operations: Soil testing sensors, yield monitors, computers,  
43 monitors, software, global positioning and mapping systems, guiding

1 systems, modems, data communications equipment and any necessary  
2 mounting hardware, wiring and antennas. Each purchaser of farm  
3 machinery and equipment or aquaculture machinery and equipment  
4 exempted herein must certify in writing on the copy of the invoice or sales  
5 ticket to be retained by the seller that the farm machinery and equipment  
6 or aquaculture machinery and equipment purchased will be used only in  
7 farming, ranching or aquaculture production. Farming or ranching shall  
8 include the operation of a feedlot and farm and ranch work for hire and the  
9 operation of a nursery;

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

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

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

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

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

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

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

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

15 (cc) all sales of tangible personal property or services purchased prior  
16 to January 1, 2012, except as otherwise provided, for the purpose of and in  
17 conjunction with constructing, reconstructing, enlarging or remodeling a  
18 business or retail business that meets the requirements established in  
19 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
20 machinery and equipment purchased for installation at any such business  
21 or retail business, and all sales of tangible personal property or services  
22 purchased on or after January 1, 2012, for the purpose of and in  
23 conjunction with constructing, reconstructing, enlarging or remodeling a  
24 business that meets the requirements established in K.S.A. 74-50,115(e),  
25 and amendments thereto, and the sale and installation of machinery and  
26 equipment purchased for installation at any such business. When a person  
27 shall contract for the construction, reconstruction, enlargement or  
28 remodeling of any such business or retail business, such person shall  
29 obtain from the state and furnish to the contractor an exemption certificate  
30 for the project involved, and the contractor may purchase materials,  
31 machinery and equipment for incorporation in such project. The contractor  
32 shall furnish the number of such certificates to all suppliers from whom  
33 such purchases are made, and such suppliers shall execute invoices  
34 covering the same bearing the number of such certificate. Upon  
35 completion of the project the contractor shall furnish to the owner of the  
36 business or retail business a sworn statement, on a form to be provided by  
37 the director of taxation, that all purchases so made were entitled to  
38 exemption under this subsection. All invoices shall be held by the  
39 contractor for a period of five years and shall be subject to audit by the  
40 director of taxation. Any contractor or any agent, employee or  
41 subcontractor thereof, who shall use or otherwise dispose of any materials,  
42 machinery or equipment purchased under such a certificate for any  
43 purpose other than that for which such a certificate is issued without the



1 payment of the sales or compensating tax otherwise imposed thereon, shall  
2 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
3 to the penalties provided for in K.S.A. 79-3615(h), and amendments  
4 thereto. As used in this subsection, "business" and "retail business" mean  
5 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project  
6 exemption certificates that have been previously issued under this  
7 subsection by the department of revenue pursuant to K.S.A. 74-50,115,  
8 and amendments thereto, but not including K.S.A. 74-50,115(e), and  
9 amendments thereto, prior to January 1, 2012, and have not expired will be  
10 effective for the term of the project or two years from the effective date of  
11 the certificate, whichever occurs earlier. Project exemption certificates that  
12 are submitted to the department of revenue prior to January 1, 2012, and  
13 are found to qualify will be issued a project exemption certificate that will  
14 be effective for a two-year period or for the term of the project, whichever  
15 occurs earlier;

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

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

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

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

28 (hh) all sales of medical supplies and equipment, including durable  
29 medical equipment, purchased directly by a nonprofit skilled nursing home  
30 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
31 and amendments thereto, for the purpose of providing medical services to  
32 residents thereof. This exemption shall not apply to tangible personal  
33 property customarily used for human habitation purposes. As used in this  
34 subsection, "durable medical equipment" means equipment including  
35 repair and replacement parts for such equipment, that can withstand  
36 repeated use, is primarily and customarily used to serve a medical purpose,  
37 generally is not useful to a person in the absence of illness or injury and is  
38 not worn in or on the body, but does not include mobility enhancing  
39 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
40 dialysis equipment or enteral feeding systems;

41 (ii) all sales of tangible personal property purchased directly by a  
42 nonprofit organization for nonsectarian comprehensive multidiscipline  
43 youth development programs and activities provided or sponsored by such

1 organization, and all sales of tangible personal property by or on behalf of  
2 any such organization. This exemption shall not apply to tangible personal  
3 property customarily used for human habitation purposes;

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

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

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

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

26 (2) For purposes of this subsection:

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

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

40 (C) "manufacturing or processing plant or facility" means a single,  
41 fixed location owned or controlled by a manufacturing or processing  
42 business that consists of one or more structures or buildings in a  
43 contiguous area where integrated production operations are conducted to

1 manufacture or process tangible personal property to be ultimately sold at  
2 retail. Such term shall not include any facility primarily operated for the  
3 purpose of conveying or assisting in the conveyance of natural gas,  
4 electricity, oil or water. A business may operate one or more manufacturing  
5 or processing plants or facilities at different locations to manufacture or  
6 process a single product of tangible personal property to be ultimately sold  
7 at retail;

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

41 (E) "repair and replacement parts and accessories" means all parts  
42 and accessories for exempt machinery and equipment, including, but not  
43 limited to, dies, jigs, molds, patterns and safety devices that are attached to

1 exempt machinery or that are otherwise used in production, and parts and  
2 accessories that require periodic replacement such as belts, drill bits,  
3 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
4 other refractory items for exempt kiln equipment used in production  
5 operations;

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

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

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

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

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

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

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

23 (F) plan, manage, control or record the receipt and flow of inventories  
24 of raw materials, consumables and component parts, the flow of the  
25 property undergoing manufacturing or processing and the management of  
26 inventories of the finished product;

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

30 (H) package the property being manufactured or processed in a  
31 container or wrapping in which such property is normally sold or  
32 transported;

33 (I) transmit or transport electricity, coke, gas, water, steam or similar  
34 substances used in production operations from the point of generation, if  
35 produced by the manufacturer or processor at the plant site, to that  
36 manufacturer's production operation; or, if purchased or delivered from  
37 off-site, from the point where the substance enters the site of the plant or  
38 facility to that manufacturer's production operations;

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

41 (K) provide and control an environment required to maintain certain  
42 levels of air quality, humidity or temperature in special and limited areas  
43 of the plant or facility, where such regulation of temperature or humidity is

1 part of and essential to the production process;

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

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

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

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

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

38 (B) machinery, equipment and tools used primarily in maintaining  
39 and repairing any type of machinery and equipment or the building and  
40 plant;

41 (C) transportation, transmission and distribution equipment not  
42 primarily used in a production, warehousing or material handling  
43 operation at the plant or facility, including the means of conveyance of

1 natural gas, electricity, oil or water, and equipment related thereto, located  
2 outside the plant or facility;

3 (D) office machines and equipment including computers and related  
4 peripheral equipment not used directly and primarily to control or measure  
5 the manufacturing process;

6 (E) furniture and other furnishings;

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

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

13 (H) machinery and equipment used for general plant heating, cooling  
14 and lighting;

15 (I) motor vehicles that are registered for operation on public  
16 highways; or

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

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

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

30 (ll) all sales of educational materials purchased for distribution to the  
31 public at no charge by a nonprofit corporation organized for the purpose of  
32 encouraging, fostering and conducting programs for the improvement of  
33 public health, except that for taxable years commencing after December  
34 31, 2013, this subsection shall not apply to any sales of such materials  
35 purchased by a nonprofit corporation which performs any abortion, as  
36 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

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

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

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

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

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

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

4 (4) the American diabetes association Kansas affiliate, inc. for the  
5 purpose of eliminating diabetes through medical research, public education  
6 focusing on disease prevention and education, patient education including  
7 information on coping with diabetes, and professional education and  
8 training;

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

14 (6) the Kansas chapters of the Alzheimer's disease and related  
15 disorders association, inc. for the purpose of providing assistance and  
16 support to persons in Kansas with Alzheimer's disease, and their families  
17 and caregivers;

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

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

24 (9) the heartstrings community foundation for the purpose of  
25 providing training, employment and activities for adults with  
26 developmental disabilities;

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

30 (11) the spina bifida association of Kansas for the purpose of  
31 providing financial, educational and practical aid to families and  
32 individuals with spina bifida. Such aid includes, but is not limited to,  
33 funding for medical devices, counseling and medical educational  
34 opportunities;

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

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

41 (14) the dreams work, inc., for the purpose of providing young adult  
42 day services to individuals with developmental disabilities and assisting  
43 families in avoiding institutional or nursing home care for a



1 developmentally disabled member of their family;

2 (15) the KSDS, Inc., for the purpose of promoting the independence  
3 and inclusion of people with disabilities as fully participating and  
4 contributing members of their communities and society through the  
5 training and providing of guide and service dogs to people with  
6 disabilities, and providing disability education and awareness to the  
7 general public;

8 (16) the Lyme Association of Greater Kansas City, Inc., for the purpose  
9 of providing support to persons with Lyme disease and public education  
10 relating to the prevention, treatment and cure of Lyme disease;

11 (17) the Dream Factory, Inc., for the purpose of granting the dreams of  
12 children with critical and chronic illnesses;

13 (18) the Ottawa Suzuki Strings, Inc., for the purpose of providing  
14 students and families with education and resources necessary to enable  
15 each child to develop fine character and musical ability to the fullest  
16 potential;

17 (19) the International Association of Lions Clubs for the purpose of  
18 creating and fostering a spirit of understanding among all people for  
19 humanitarian needs by providing voluntary services through community  
20 involvement and international cooperation;

21 (20) the Johnson County Young Matrons, Inc., for the purpose of  
22 promoting a positive future for members of the community through  
23 volunteerism, financial support and education through the efforts of an all  
24 volunteer organization;

25 (21) the American Cancer Society, Inc., for the purpose of eliminating  
26 cancer as a major health problem by preventing cancer, saving lives and  
27 diminishing suffering from cancer, through research, education, advocacy  
28 and service;

29 (22) the Community Services of Shawnee, Inc., for the purpose of  
30 providing food and clothing to those in need;

31 (23) the Angel Babies Association, for the purpose of providing  
32 assistance, support and items of necessity to teenage mothers and their  
33 babies; and

34 (24) the Kansas Fairgrounds Foundation for the purpose of the  
35 preservation, renovation and beautification of the Kansas State Fairgrounds;

36 (ww) all sales of tangible personal property purchased by the Habitat  
37 for Humanity for the exclusive use of being incorporated within a housing  
38 project constructed by such organization;

39 (xx) all sales of tangible personal property and services purchased by  
40 a nonprofit zoo that is exempt from federal income taxation pursuant to  
41 section 501(c)(3) of the Federal Internal Revenue Code of 1986, or on behalf  
42 of such zoo by an entity itself exempt from federal income taxation  
43 pursuant to section 501(c)(3) of the Federal Internal Revenue Code of 1986

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

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

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

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

1 thereof it may recover the same from the contractor together with  
2 reasonable attorney fees. Any contractor or any agent, employee or  
3 subcontractor thereof, who shall use or otherwise dispose of any materials  
4 purchased under such a certificate for any purpose other than that for  
5 which such a certificate is issued without the payment of the sales or  
6 compensating tax otherwise imposed upon such materials, shall be guilty  
7 of a misdemeanor and, upon conviction therefor, shall be subject to the  
8 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
9 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
10 this act upon the gross receipts received from any sale exempted by the  
11 amendatory provisions of this subsection shall be refunded. Each claim for  
12 a sales tax refund shall be verified and submitted to the director of taxation  
13 upon forms furnished by the director and shall be accompanied by any  
14 additional documentation required by the director. The director shall  
15 review each claim and shall refund that amount of sales tax paid as  
16 determined under the provisions of this subsection. All refunds shall be  
17 paid from the sales tax refund fund upon warrants of the director of  
18 accounts and reports pursuant to vouchers approved by the director or the  
19 director's designee;

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

25 (ccc) on and after July 1, 1999, all sales of tangible personal property  
26 and services purchased by a primary care clinic or health center the  
27 primary purpose of which is to provide services to medically underserved  
28 individuals and families, and that is exempt from federal income taxation  
29 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
30 sales of tangible personal property or services purchased by a contractor  
31 for the purpose of constructing, equipping, reconstructing, maintaining,  
32 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
33 or center that would be exempt from taxation under the provisions of this  
34 section if purchased directly by such clinic or center, except that for  
35 taxable years commencing after December 31, 2013, this subsection shall  
36 not apply to any sales of such tangible personal property and services  
37 purchased by a primary care clinic or health center which performs any  
38 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
39 in this subsection shall be deemed to exempt the purchase of any  
40 construction machinery, equipment or tools used in the constructing,  
41 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
42 remodeling facilities for any such clinic or center. When any such clinic or  
43 center shall contract for the purpose of constructing, equipping,

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

30 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
31 sales of materials and services purchased by any class II or III railroad as  
32 classified by the federal surface transportation board for the construction,  
33 renovation, repair or replacement of class II or III railroad track and  
34 facilities used directly in interstate commerce. In the event any such track  
35 or facility for which materials and services were purchased sales tax  
36 exempt is not operational for five years succeeding the allowance of such  
37 exemption, the total amount of sales tax that would have been payable  
38 except for the operation of this subsection shall be recouped in accordance  
39 with rules and regulations adopted for such purpose by the secretary of  
40 revenue;

41 (eee) on and after January 1, 1999, and before January 1, 2001, all  
42 sales of materials and services purchased for the original construction,  
43 reconstruction, repair or replacement of grain storage facilities, including

1 railroad sidings providing access thereto;

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

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

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

26 (iii) all sales of personal property and services purchased by an  
27 organization that is exempt from federal income taxation pursuant to  
28 section 501(c)(3) of the federal internal revenue code of 1986, and such  
29 personal property and services are used by any such organization in the  
30 collection, storage and distribution of food products to nonprofit  
31 organizations that distribute such food products to persons pursuant to a  
32 food distribution program on a charitable basis without fee or charge, and  
33 all sales of tangible personal property or services purchased by a  
34 contractor for the purpose of constructing, equipping, reconstructing,  
35 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
36 for the collection and storage of such food products for any such  
37 organization which is exempt from federal income taxation pursuant to  
38 section 501(c)(3) of the federal internal revenue code of 1986, that would  
39 be exempt from taxation under the provisions of this section if purchased  
40 directly by such organization. Nothing in this subsection shall be deemed  
41 to exempt the purchase of any construction machinery, equipment or tools  
42 used in the constructing, equipping, reconstructing, maintaining, repairing,  
43 enlarging, furnishing or remodeling facilities for any such organization.

1 When any such organization shall contract for the purpose of constructing,  
2 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
3 remodeling facilities, it shall obtain from the state and furnish to the  
4 contractor an exemption certificate for the project involved, and the  
5 contractor may purchase materials for incorporation in such project. The  
6 contractor shall furnish the number of such certificate to all suppliers from  
7 whom such purchases are made, and such suppliers shall execute invoices  
8 covering the same bearing the number of such certificate. Upon  
9 completion of the project the contractor shall furnish to such organization  
10 concerned a sworn statement, on a form to be provided by the director of  
11 taxation, that all purchases so made were entitled to exemption under this  
12 subsection. All invoices shall be held by the contractor for a period of five  
13 years and shall be subject to audit by the director of taxation. If any  
14 materials purchased under such a certificate are found not to have been  
15 incorporated in such facilities or not to have been returned for credit or the  
16 sales or compensating tax otherwise imposed upon such materials that will  
17 not be so incorporated in such facilities reported and paid by such  
18 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
19 month following the close of the month in which it shall be determined  
20 that such materials will not be used for the purpose for which such  
21 certificate was issued, such organization concerned shall be liable for tax  
22 on all materials purchased for the project, and upon payment thereof it  
23 may recover the same from the contractor together with reasonable  
24 attorney fees. Any contractor or any agent, employee or subcontractor  
25 thereof, who shall use or otherwise dispose of any materials purchased  
26 under such a certificate for any purpose other than that for which such a  
27 certificate is issued without the payment of the sales or compensating tax  
28 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
29 and, upon conviction therefor, shall be subject to the penalties provided for  
30 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
31 July 1, 2005, but prior to the effective date of this act upon the gross  
32 receipts received from any sale exempted by the amendatory provisions of  
33 this subsection shall be refunded. Each claim for a sales tax refund shall be  
34 verified and submitted to the director of taxation upon forms furnished by  
35 the director and shall be accompanied by any additional documentation  
36 required by the director. The director shall review each claim and shall  
37 refund that amount of sales tax paid as determined under the provisions of  
38 this subsection. All refunds shall be paid from the sales tax refund fund  
39 upon warrants of the director of accounts and reports pursuant to vouchers  
40 approved by the director or the director's designee;

41 (jjj) all sales of dietary supplements dispensed pursuant to a  
42 prescription order by a licensed practitioner or a mid-level practitioner as  
43 defined by K.S.A. 65-1626, and amendments thereto. As used in this

1 subsection, "dietary supplement" means any product, other than tobacco,  
2 intended to supplement the diet that: (1) Contains one or more of the  
3 following dietary ingredients: A vitamin, a mineral, an herb or other  
4 botanical, an amino acid, a dietary substance for use by humans to  
5 supplement the diet by increasing the total dietary intake or a concentrate,  
6 metabolite, constituent, extract or combination of any such ingredient; (2)  
7 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or  
8 liquid form, or if not intended for ingestion, in such a form, is not  
9 represented as conventional food and is not represented for use as a sole  
10 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
11 supplement, identifiable by the supplemental facts box found on the label  
12 and as required pursuant to 21 C.F.R. § 101.36;

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

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

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

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

37 (ppp) all sales of tangible personal property and services purchased  
38 by or on behalf of a homeless shelter that is exempt from federal income  
39 taxation pursuant to section 501(c)(3) of the federal income tax code of  
40 1986, and used by any such homeless shelter to provide emergency and  
41 transitional housing for individuals and families experiencing  
42 homelessness, and all sales of any such property by or on behalf of any  
43 such homeless shelter for any such purpose;



1 (qqq) all sales of tangible personal property and services purchased  
2 by TLC for children and families, inc., hereinafter referred to as TLC,  
3 which is exempt from federal income taxation pursuant to section 501(c)  
4 (3) of the federal internal revenue code of 1986, and such property and  
5 services are used for the purpose of providing emergency shelter and  
6 treatment for abused and neglected children as well as meeting additional  
7 critical needs for children, juveniles and family, and all sales of any such  
8 property by or on behalf of TLC for any such purpose; and all sales of  
9 tangible personal property or services purchased by a contractor for the  
10 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
11 remodeling facilities for the operation of services for TLC for any such  
12 purpose that would be exempt from taxation under the provisions of this  
13 section if purchased directly by TLC. Nothing in this subsection shall be  
14 deemed to exempt the purchase of any construction machinery, equipment  
15 or tools used in the constructing, maintaining, repairing, enlarging,  
16 furnishing or remodeling such facilities for TLC. When TLC contracts for  
17 the purpose of constructing, maintaining, repairing, enlarging, furnishing  
18 or remodeling such facilities, it shall obtain from the state and furnish to  
19 the 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 certificate to all suppliers from  
22 whom such purchases are made, and such suppliers shall execute invoices  
23 covering the same bearing the number of such certificate. Upon  
24 completion of the project the contractor shall furnish to TLC a sworn  
25 statement, on a form to be provided by the director of taxation, that all  
26 purchases so made were entitled to exemption under this subsection. All  
27 invoices shall be held by the contractor for a period of five years and shall  
28 be subject to audit by the director of taxation. If any materials purchased  
29 under such a certificate are found not to have been incorporated in the  
30 building or other project or not to have been returned for credit or the sales  
31 or compensating tax otherwise imposed upon such materials that will not  
32 be so incorporated in the building or other project reported and paid by  
33 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
34 month following the close of the month in which it shall be determined  
35 that such materials will not be used for the purpose for which such  
36 certificate was issued, TLC shall be liable for tax on all materials  
37 purchased for the project, and upon payment thereof it may recover the  
38 same from the contractor together with reasonable attorney fees. Any  
39 contractor or any agent, employee or subcontractor thereof, who shall use  
40 or otherwise dispose of any materials purchased under such a certificate  
41 for any purpose other than that for which such a certificate is issued  
42 without the payment of the sales or compensating tax otherwise imposed  
43 upon such materials, shall be guilty of a misdemeanor and, upon

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

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

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

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

15 (ttt) all sales of tangible personal property or services purchased by a  
16 contractor for a project for the purpose of restoring, constructing,  
17 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
18 remodeling a home or facility owned by a nonprofit museum that has been  
19 granted an exemption pursuant to subsection (qq), which such home or  
20 facility is located in a city that has been designated as a qualified  
21 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
22 amendments thereto, and which such project is related to the purposes of  
23 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
24 exempt from taxation under the provisions of this section if purchased  
25 directly by such nonprofit museum. Nothing in this subsection shall be  
26 deemed to exempt the purchase of any construction machinery, equipment  
27 or tools used in the restoring, constructing, equipping, reconstructing,  
28 maintaining, repairing, enlarging, furnishing or remodeling a home or  
29 facility for any such nonprofit museum. When any such nonprofit museum  
30 shall contract for the purpose of restoring, constructing, equipping,  
31 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
32 a home or facility, 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 certificates to all suppliers  
36 from whom such purchases are made, and such suppliers shall execute  
37 invoices covering the same bearing the number of such certificate. Upon  
38 completion of the project, the contractor shall furnish to such nonprofit  
39 museum a sworn statement on a form to be provided by the director of  
40 taxation that all purchases so made were entitled to exemption under this  
41 subsection. All invoices shall be held by the contractor for a period of five  
42 years and shall be subject to audit by the director of taxation. If any  
43 materials purchased under such a certificate are found not to have been

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

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

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

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

27 (www) all sales of tangible personal property purchased by or on  
28 behalf of the Frontenac education foundation, which is exempt from  
29 federal income taxation pursuant to section 501(c)(3) of the federal  
30 internal revenue code, for the purpose of providing education support for  
31 students, and all sales of any such property by or on behalf of such  
32 organization for such purpose;

33 (xxx) all sales of personal property and services purchased by the  
34 booth theatre foundation, inc., an organization, which is exempt from  
35 federal income taxation pursuant to section 501(c)(3) of the federal  
36 internal revenue code of 1986, and which such personal property and  
37 services are used by any such organization in the constructing, equipping,  
38 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
39 of the booth theatre, and all sales of tangible personal property or services  
40 purchased by a contractor for the purpose of constructing, equipping,  
41 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
42 the booth theatre for such organization, that would be exempt from  
43 taxation under the provisions of this section if purchased directly by such

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

1 of accounts and reports pursuant to vouchers approved by the director or  
2 the director's designee;

3 (yyy) all sales of tangible personal property and services purchased  
4 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
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 encouraging private philanthropy  
8 to further the vision, values, and goals of TLC for children and families,  
9 inc.; and all sales of such property and services by or on behalf of TLC  
10 charities for any such purpose and all sales of tangible personal property or  
11 services purchased by a contractor for the purpose of constructing,  
12 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
13 the operation of services for TLC charities for any such purpose that would  
14 be exempt from taxation under the provisions of this section if purchased  
15 directly by TLC charities. Nothing in this subsection shall be deemed to  
16 exempt the purchase of any construction machinery, equipment or tools  
17 used in the constructing, maintaining, repairing, enlarging, furnishing or  
18 remodeling such facilities for TLC charities. When TLC charities 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 TLC  
27 charities a sworn statement, on a form to be provided by the director of  
28 taxation, that all purchases so made were entitled to exemption under this  
29 subsection. All invoices shall be held by the contractor for a period of five  
30 years and shall be subject to audit by the director of taxation. If any  
31 materials purchased under such a certificate are found not to have been  
32 incorporated in the building or other project or not to have been returned  
33 for credit or the sales or compensating tax otherwise imposed upon such  
34 materials that will not be incorporated into the building or other project  
35 reported and paid by such contractor to the director of taxation not later  
36 than the 20<sup>th</sup> day of the month following the close of the month in which it  
37 shall be determined that such materials will not be used for the purpose for  
38 which such certificate was issued, TLC charities shall be liable for tax on  
39 all materials purchased for the project, and upon payment thereof it may  
40 recover the same from the contractor together with reasonable attorney  
41 fees. Any contractor or any agent, employee or subcontractor thereof, who  
42 shall use or otherwise dispose of any materials purchased under such a  
43 certificate for any purpose other than that for which such a certificate is

1 issued without the payment of the sales or compensating tax otherwise  
2 imposed 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 (zzz) all sales of tangible personal property purchased by the rotary  
6 club of shawnee foundation, which is exempt from federal income taxation  
7 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
8 as amended, used for the purpose of providing contributions to community  
9 service organizations and scholarships;

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

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

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

30 (dddd) all sales of tangible personal property or services purchased  
31 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
32 of which are exempt from federal income taxation pursuant to section  
33 501(c)(3) of the federal internal revenue code, for the purpose of providing  
34 education, training and employment opportunities for people with  
35 disabilities and other barriers to employment;

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

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



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

1 subject to the penalties provided for in K.S.A. 79-3615(h), and  
2 amendments thereto;

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

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

33 (iiii) all sales of tangible personal property or services purchased by a  
34 contractor for the purpose of constructing, maintaining, repairing,  
35 enlarging, furnishing or remodeling facilities for the operation of services  
36 for Wichita children's home for any such purpose that would be exempt  
37 from taxation under the provisions of this section if purchased directly by  
38 Wichita children's home. Nothing in this subsection shall be deemed to  
39 exempt the purchase of any construction machinery, equipment or tools  
40 used in the constructing, maintaining, repairing, enlarging, furnishing or  
41 remodeling such facilities for Wichita children's home. When Wichita  
42 children's home contracts for the purpose of constructing, maintaining,  
43 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain

1 from the state and furnish to the contractor an exemption certificate for the  
2 project involved, and the contractor may purchase materials for  
3 incorporation in such project. The contractor shall furnish the number of  
4 such certificate 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 Wichita children's home a sworn statement, on a form to be  
8 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. If any materials purchased under such a certificate are  
12 found not to have been incorporated in the building or other project or not  
13 to have been returned for credit or the sales or compensating tax otherwise  
14 imposed upon such materials that will not be so incorporated in the  
15 building or other project reported and paid by such contractor to the  
16 director of taxation not later than the 20<sup>th</sup> day of the month following the  
17 close of the month in which it shall be determined that such materials will  
18 not be used for the purpose for which such certificate was issued, Wichita  
19 children's home shall be liable for the tax on all materials purchased for the  
20 project, and upon payment, it may recover the same from the contractor  
21 together with reasonable attorney fees. Any contractor or any agent,  
22 employee or subcontractor, who shall use or otherwise dispose of any  
23 materials purchased under such a certificate for any purpose other than that  
24 for which such a certificate is issued without the payment of the sales or  
25 compensating tax otherwise imposed upon such materials, shall be guilty  
26 of a misdemeanor and, upon conviction, shall be subject to the penalties  
27 provided for in K.S.A. 79-3615(h), and amendments thereto;

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

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

40 (llll) all sales of tangible personal property and services purchased by  
41 Gove county healthcare endowment foundation, inc., which is exempt  
42 from federal income taxation pursuant to section 501(c)(3) of the federal  
43 internal revenue code of 1986, and which such property and services are

1 used for the purpose of constructing and equipping an airport in Quinter,  
2 Kansas, and all sales of tangible personal property or services purchased  
3 by a contractor for the purpose of constructing and equipping an airport in  
4 Quinter, Kansas, for such organization, that would be exempt from  
5 taxation under the provisions of this section if purchased directly by such  
6 organization. Nothing in this subsection shall be deemed to exempt the  
7 purchase of any construction machinery, equipment or tools used in the  
8 constructing or equipping of facilities for such organization. When such  
9 organization shall contract for the purpose of constructing or equipping an  
10 airport in Quinter, Kansas, 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 such facilities or not to have been returned for credit or the  
23 sales or compensating tax otherwise imposed upon such materials that will  
24 not be so incorporated in such facilities reported and paid by such  
25 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
26 following the close of the month in which it shall be determined that such  
27 materials will not be used for the purpose for which such certificate was  
28 issued, such organization concerned shall be liable for tax on all materials  
29 purchased for the project, and upon payment thereof it may recover the  
30 same from the contractor together with reasonable attorney fees. Any  
31 contractor or any agent, employee or subcontractor thereof, who purchased  
32 under such a certificate for any purpose other than that for which such a  
33 certificate is issued without the payment of the sales or compensating tax  
34 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
35 and, upon conviction therefor, shall be subject to the penalties provided for  
36 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
37 subsection shall expire and have no effect on and after July 1, 2019;

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

43 (nnnn) all sales of tangible personal property or services purchased

1 by friends of hospice of Jefferson county, an organization that is exempt  
2 from federal income taxation pursuant to section 501(c)(3) of the federal  
3 internal revenue code of 1986, for the purpose of providing support to the  
4 Jefferson county hospice agency in end-of-life care of Jefferson county  
5 families, friends and neighbors, and all sales of entry or participation fees,  
6 charges or tickets by friends of hospice of Jefferson county for such  
7 organization's fundraising event for such purpose;

8 (oooo) all sales of tangible personal property or services purchased  
9 for the purpose of and in conjunction with constructing, reconstructing,  
10 enlarging or remodeling a qualified business facility by a qualified firm or  
11 qualified supplier that meets the requirements established in K.S.A. 2023  
12 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
13 been approved for a project exemption certificate by the secretary of  
14 commerce, and the sale and installation of machinery and equipment  
15 purchased by such qualified firm or qualified supplier for installation at  
16 any such qualified business facility. When a person shall contract for the  
17 construction, reconstruction, enlargement or remodeling of any such  
18 qualified business facility, such person shall obtain from the state and  
19 furnish to the contractor an exemption certificate for the project involved,  
20 and the contractor may purchase materials, machinery and equipment for  
21 incorporation in such project. The contractor shall furnish the number of  
22 such certificates to all suppliers from whom such purchases are made, and  
23 such suppliers shall execute invoices covering the same bearing the  
24 number of such certificate. Upon completion of the project, the contractor  
25 shall furnish to the owner of the qualified firm or qualified supplier a  
26 sworn statement, on a form to be provided by the director of taxation, that  
27 all purchases so made were entitled to exemption under this subsection.  
28 All invoices shall be held by the contractor for a period of five years and  
29 shall be subject to audit by the director of taxation. Any contractor or any  
30 agent, employee or subcontractor thereof who shall use or otherwise  
31 dispose of any materials, machinery or equipment purchased under such a  
32 certificate for any purpose other than that for which such a certificate is  
33 issued without the payment of the sales or compensating tax otherwise  
34 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
35 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
36 3615(h), and amendments thereto. As used in this subsection, "qualified  
37 business facility," "qualified firm" and "qualified supplier" mean the same  
38 as defined in K.S.A. 2023 Supp. 74-50,311, and amendments thereto;

39 (pppp) (1) all sales of tangible personal property or services  
40 purchased by a not-for-profit corporation that is designated as an area  
41 agency on aging by the secretary for aging and disabilities services and is  
42 exempt from federal income taxation pursuant to section 501(c)(3) of the  
43 federal internal revenue code for the purpose of coordinating and

1 providing seniors and those living with disabilities with services that  
2 promote person-centered care, including home-delivered meals,  
3 congregate meal settings, long-term case management, transportation,  
4 information, assistance and other preventative and intervention services to  
5 help service recipients remain in their homes and communities or for the  
6 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
7 enlarging, furnishing or remodeling facilities for such area agency on  
8 aging; and

9 (2) all sales of tangible personal property or services purchased by a  
10 contractor for the purpose of constructing, equipping, reconstructing,  
11 maintaining, repairing, enlarging, furnishing or remodeling facilities for an  
12 area agency on aging that would be exempt from taxation under the  
13 provisions of this section if purchased directly by such area agency on  
14 aging. Nothing in this paragraph shall be deemed to exempt the purchase  
15 of any construction machinery, equipment or tools used in the  
16 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
17 furnishing or remodeling facilities for an area agency on aging. When an  
18 area agency on aging contracts for the purpose of constructing, equipping,  
19 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
20 facilities, it shall obtain from the state and furnish to the contractor an  
21 exemption certificate for the project involved, and such contractor may  
22 purchase materials for incorporation in such project. The contractor shall  
23 furnish the number of such certificate to all suppliers from whom such  
24 purchases are made, and such suppliers shall execute invoices covering the  
25 same bearing the number of such certificate. Upon completion of the  
26 project, the contractor shall furnish to such area agency on aging a sworn  
27 statement, on a form to be provided by the director of taxation, that all  
28 purchases so made were entitled to exemption under this subsection. All  
29 invoices shall be held by the contractor for a period of five years and shall  
30 be 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 area agency on aging concerned shall be liable  
39 for tax on all materials purchased for the project, and upon payment  
40 thereof, the area agency on aging may recover the same from the  
41 contractor together with reasonable attorney fees. Any contractor or any  
42 agent, employee or subcontractor thereof who shall use or otherwise  
43 dispose of any materials purchased under such a certificate for any purpose

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

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

11 (rrrr) *on and after April 1, 2024, all sales of children's diapers. For*  
12 *purposes of this subsection:*

13 (1) *"Children's diapers" means diapers marketed to be worn by*  
14 *children; and*

15 (2) *"diaper" means an absorbent garment worn by humans who are*  
16 *incapable of, or have difficulty, controlling their bladder or bowel*  
17 *movements; and*

18 (ssss) *on and after April 1, 2024, all sales of feminine hygiene*  
19 *products. For purposes of this subsection, "feminine hygiene products"*  
20 *means tampons, panty liners, menstrual cups, sanitary napkins and other*  
21 *similar tangible personal property designed for feminine hygiene in*  
22 *connection with the human menstrual cycle.*

23 Sec. 11. K.S.A. 2023 Supp. 79-3620 is hereby amended to read as  
24 follows: 79-3620. (a) All revenue collected or received by the director of  
25 taxation from the taxes imposed by this act shall be remitted to the state  
26 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
27 amendments thereto. Upon receipt of each such remittance, the state  
28 treasurer shall deposit the entire amount in the state treasury, less amounts  
29 withheld as provided in subsection (b) and amounts credited as provided in  
30 subsections (c), (d) and (e), to the credit of the state general fund.

31 (b) A refund fund, designated as "sales tax refund fund" not to exceed  
32 \$100,000 shall be set apart and maintained by the director from sales tax  
33 collections and estimated tax collections and held by the state treasurer for  
34 prompt payment of all sales tax refunds. Such fund shall be in such  
35 amount, within the limit set by this section, as the director shall determine  
36 is necessary to meet current refunding requirements under this act. In the  
37 event such fund as established by this section is, at any time, insufficient to  
38 provide for the payment of refunds due claimants thereof, the director shall  
39 certify the amount of additional funds required to the director of accounts  
40 and reports who shall promptly transfer the required amount from the state  
41 general fund to the sales tax refund fund, and notify the state treasurer,  
42 who shall make proper entry in the records.

43 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the

1 revenue collected and received from the tax imposed by K.S.A. 79-3603,  
2 and amendments thereto, at the rates provided in K.S.A. 79-3603, and  
3 amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments  
4 thereto, and deposited as provided by subsection (a), exclusive of amounts  
5 credited pursuant to subsection (d), in the state highway fund.

6 (2) On ~~January 1, 2025~~ *April 1, 2024*, and thereafter, the state  
7 treasurer shall credit 18% of the revenue collected and received from the  
8 tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates  
9 provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023  
10 Supp. 79-3603d, and amendments thereto, and deposited as provided by  
11 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
12 the state highway fund.

13 (d) The state treasurer shall credit all revenue collected or received  
14 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as  
15 certified by the director, from taxpayers doing business within that portion  
16 of a STAR bond project district occupied by a STAR bond project or  
17 taxpayers doing business with such entity financed by a STAR bond  
18 project as defined in K.S.A. 12-17,162, and amendments thereto, that was  
19 determined by the secretary of commerce to be of statewide as well as  
20 local importance or will create a major tourism area for the state or the  
21 project was designated as a STAR bond project as defined in K.S.A. 12-  
22 17,162, and amendments thereto, to the city bond finance fund, which fund  
23 is hereby created. The provisions of this subsection shall expire when the  
24 total of all amounts credited hereunder and under K.S.A. 79-3710(d), and  
25 amendments thereto, is sufficient to retire the special obligation bonds  
26 issued for the purpose of financing all or a portion of the costs of such  
27 STAR bond project.

28 (e) All revenue certified by the director of taxation as having been  
29 collected or received from the tax imposed by K.S.A. 79-3603(c), and  
30 amendments thereto, on the sale or furnishing of gas, water, electricity and  
31 heat for use or consumption within the intermodal facility district  
32 described in this subsection, shall be credited by the state treasurer to the  
33 state highway fund. Such revenue may be transferred by the secretary of  
34 transportation to the rail service improvement fund pursuant to law. The  
35 provisions of this subsection shall take effect upon certification by the  
36 secretary of transportation that a notice to proceed has been received for  
37 the construction of the improvements within the intermodal facility  
38 district, but not later than December 31, 2010, and shall expire when the  
39 secretary of revenue determines that the total of all amounts credited  
40 hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is  
41 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all  
42 revenues shall be collected and distributed in accordance with applicable  
43 law. For all tax reporting periods during which the provisions of this



1 subsection are in effect, none of the exemptions contained in K.S.A. 79-  
2 3601 et seq., and amendments thereto, shall apply to the sale or furnishing  
3 of any gas, water, electricity and heat for use or consumption within the  
4 intermodal facility district. As used in this subsection, "intermodal facility  
5 district" shall consist of an intermodal transportation area as defined by  
6 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county  
7 within the polygonal-shaped area having Waverly Road as the eastern  
8 boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the  
9 western boundary, and Highway 56 as the northern boundary, and the  
10 polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>  
11 Street as the southern boundary, Waverly Road as the western boundary,  
12 and the BNSF mainline track as the northern boundary, that includes  
13 capital investment in an amount exceeding \$150 million for the  
14 construction of an intermodal facility to handle the transfer, storage and  
15 distribution of freight through railway and trucking operations.

16 Sec. 12. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as  
17 follows: 79-3703. (a) There is hereby levied and there shall be collected  
18 from every person in this state a tax or excise for the privilege of using,  
19 storing, or consuming within this state any article of tangible personal  
20 property. Such tax shall be levied and collected in an amount equal to the  
21 consideration paid by the taxpayer multiplied by the rate of 6.5%.

22 (b) Commencing on January 1, 2023, and thereafter, the state rate on  
23 the amount equal to the consideration paid by the taxpayer from the sale of  
24 food and food ingredients as provided in K.S.A. 79-3603, and amendments  
25 thereto, shall be as set forth in K.S.A. 2023 Supp. 79-3603d, and  
26 amendments thereto.

27 (c) On and after January 1, 2023, 17% and on and after ~~January 1,~~  
28 ~~2025 April 1, 2024~~, 18% of the tax rate imposed pursuant to this section  
29 and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments  
30 thereto, shall be levied for the state highway fund, the state highway fund  
31 purposes and those purposes specified in K.S.A. 68-416, and amendments  
32 thereto, and all revenue collected and received from such tax levy shall be  
33 deposited in the state highway fund.

34 (d) Within a redevelopment district established pursuant to K.S.A.  
35 74-8921, and amendments thereto, there is hereby levied and there shall be  
36 collected and paid an additional tax of 2% until the earlier of: (1) The date  
37 the bonds issued to finance or refinance the redevelopment project  
38 undertaken in the district have been paid in full; or (2) the final scheduled  
39 maturity of the first series of bonds issued to finance the redevelopment  
40 project.

41 (e) All property purchased or leased within or without this state and  
42 subsequently used, stored or consumed in this state shall be subject to the  
43 compensating tax if the same property or transaction would have been

1 subject to the Kansas retailers' sales tax had the transaction been wholly  
2 within this state.

3 Sec. 13. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as  
4 follows: 79-3710. (a) All revenue collected or received by the director  
5 under the provisions of this act shall be remitted to the state treasurer in  
6 accordance with the provisions of K.S.A. 75-4215, and amendments  
7 thereto. Upon receipt of each such remittance, the state treasurer shall  
8 deposit the entire amount in the state treasury, less amounts set apart as  
9 provided in subsection (b) and amounts credited as provided in subsection  
10 (c), (d) and (e), to the credit of the state general fund.

11 (b) A revolving fund, designated as "compensating tax refund fund"  
12 not to exceed \$10,000 shall be set apart and maintained by the director  
13 from compensating tax collections and estimated tax collections and held  
14 by the state treasurer for prompt payment of all compensating tax refunds.  
15 Such fund shall be in such amount, within the limit set by this section, as  
16 the director shall determine is necessary to meet current refunding  
17 requirements under this act.

18 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the  
19 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
20 and amendments thereto, at the rates provided in K.S.A. 79-3703, and  
21 amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments  
22 thereto, and deposited as provided by subsection (a), exclusive of amounts  
23 credited pursuant to subsection (d), in the state highway fund.

24 (2) ~~On January 1, 2025~~ *April 1, 2024*, and thereafter, the state  
25 treasurer shall credit 18% of the revenue collected and received from the  
26 tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates  
27 provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023  
28 Supp. 79-3603d, and amendments thereto, and deposited as provided by  
29 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
30 the state highway fund.

31 (d) The state treasurer shall credit all revenue collected or received  
32 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as  
33 certified by the director, from taxpayers doing business within that portion  
34 of a redevelopment district occupied by a redevelopment project that was  
35 determined by the secretary of commerce to be of statewide as well as  
36 local importance or will create a major tourism area for the state as defined  
37 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance  
38 fund created by K.S.A. 79-3620(d), and amendments thereto. The  
39 provisions of this subsection shall expire when the total of all amounts  
40 credited hereunder and under K.S.A. 79-3620(d), and amendments thereto,  
41 is sufficient to retire the special obligation bonds issued for the purpose of  
42 financing all or a portion of the costs of such redevelopment project.

43 This subsection shall not apply to a project designated as a special bond

1 project as defined in K.S.A. 12-1770a(z), and amendments thereto.

2 (e) All revenue certified by the director of taxation as having been  
3 collected or received from the tax imposed by K.S.A. 79-3603(c), and  
4 amendments thereto, on the sale or furnishing of gas, water, electricity and  
5 heat for use or consumption within the intermodal facility district  
6 described in this subsection, shall be credited by the state treasurer to the  
7 state highway fund. Such revenue may be transferred by the secretary of  
8 transportation to the rail service improvement fund pursuant to law. The  
9 provisions of this subsection shall take effect upon certification by the  
10 secretary of transportation that a notice to proceed has been received for  
11 the construction of the improvements within the intermodal facility  
12 district, but not later than December 31, 2010, and shall expire when the  
13 secretary of revenue determines that the total of all amounts credited  
14 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is  
15 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all  
16 revenues shall be collected and distributed in accordance with applicable  
17 law. For all tax reporting periods during which the provisions of this  
18 subsection are in effect, none of the exemptions contained in K.S.A. 79-  
19 3601 et seq., and amendments thereto, shall apply to the sale or furnishing  
20 of any gas, water, electricity and heat for use or consumption within the  
21 intermodal facility district. As used in this subsection, "intermodal facility  
22 district" shall consist of an intermodal transportation area as defined by  
23 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county  
24 within the polygonal-shaped area having Waverly Road as the eastern  
25 boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the  
26 western boundary, and Highway 56 as the northern boundary, and the  
27 polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>  
28 Street as the southern boundary, Waverly Road as the western boundary,  
29 and the BNSF mainline track as the northern boundary, that includes  
30 capital investment in an amount exceeding \$150 million for the  
31 construction of an intermodal facility to handle the transfer, storage and  
32 distribution of freight through railway and trucking operations.

33 Sec. 14. K.S.A. 79-1107, 79-1108 and 79-32,111c and K.S.A. 2023  
34 Supp. 79-201x, 79-32,117, 79-32,119, 79-3603, 79-3603d, 79-3606, 79-  
35 3620, 79-3703 and 79-3710 are hereby repealed.

36 Sec. 15. This act shall take effect and be in force from and after its  
37 publication in the Kansas register.