

2023 Kansas Statutes

41-2634. Rules and regulations; criteria for class A clubs. (a) The secretary of revenue may adopt rules and regulations for the administration and enforcement of article 26 of chapter 41 of Kansas Statutes Annotated.

(b) The secretary of revenue shall adopt rules and regulations establishing criteria for determining whether an applicant or licensee is a bona fide nonprofit social, fraternal or war veterans club, based on the following standards:

(1) An applicant or licensee is a bona fide nonprofit social club if:

(A) It is organized and operated exclusively for pleasure, recreation and other non-profitable purposes; and

(B) no part of its net earnings inures to the benefit of any of its private shareholders or members.

(2) An applicant or licensee is a bona fide nonprofit fraternal club if:

(A) It is a fraternal beneficiary society, order or association which operates under the lodge system, or for the exclusive benefit of the members of a fraternity itself operating under the lodge system; and

(B) such society, order or association provides for the payment of life, sickness, accident or other benefits to its members or their dependents.

(3) An applicant or licensee is a bona fide nonprofit war veterans club if:

(A) It is a post or organization of war veterans or an auxiliary unit or society of, or a trust or foundation for, any such post or organization, organized in the United States or any of its possessions;

(B) not less than seventy-five percent (75%) of its members are war veterans and substantially all of its other members are veterans or widows or widowers of veterans; and

(C) no part of its net earnings inures to the benefit of any private shareholder or individual.

(c) Any rules and regulations adopted pursuant to subsection (d) shall be based on the same criteria and standards used to determine the right to exemption from federal income taxes pursuant to section 501(c)(7), (8) and (19) of the internal revenue code of 1954, as amended.

History: L. 1965, ch. 316, § 34; L. 1972, ch. 342, § 60; L. 1974, ch. 196, § 2; L. 1978, ch. 186, § 5; L. 1987, ch. 182, § 85; July 1.