

**74-50,114. Same; definitions.** As used in K.S.A. 74-50,113 through 74-50,117 and amendments thereto:

(a) "Ancillary support" means a facility which is operated by a business and whose function is to provide services in support of the business, but is not directly engaged in the business' primary function.

(b) "Business" means any manufacturing business or nonmanufacturing business.

(c) "Business headquarters" means a facility where principal officers of the business are housed and from which direction, management or administrative support for transactions is provided for a business or division of a business or regional division of a business.

(d) "Full-time employee" means a person who is required to file a Kansas income tax return and who is employed by a business or retail business to perform duties in connection with the operation of the business or retail business on:

(1) A regular, full-time basis;

(2) a part-time basis, provided such person is customarily performing such duties at least 20 hours per week throughout the taxable year; or

(3) a seasonal basis, provided such person performs such duties for substantially all of the season customary for the position in which such person is employed. The number of full-time employees during any taxable year shall be determined by dividing by 12 the sum of the number of full-time employees on the last business day of each month of such taxable year. If the business or retail business is in operation for less than the entire taxable year, the number of full-time employees shall be determined by dividing the sum of the number of full-time employees on the last business day of each full calendar month during the portion of such taxable year during which the business was in operation by the number of full calendar months during such period.

(e) "Manufacturing business" means all commercial enterprises identified under the manufacturing NAICS subsectors 311 to 339.

(f) "Metropolitan county" means the county of Douglas, Johnson, Leavenworth, Sedgwick, Shawnee or Wyandotte.

(g) "NAICS" means the North American industry classification system, as developed under the authority of the office of management and budget of the office of the president of the United States.

(h) "Nonmanufacturing business" means any commercial enterprise other than a manufacturing business or a retail business. Nonmanufacturing business shall also include the business headquarters of an enterprise, ancillary support of an enterprise, and an enterprise designated under NAICS industry groups 4541, 5112 and 7112 regardless of the firm's classification as a retail business if that facility for which the sales tax exemption certificate is issued facilitates the creation of at least 20 new full-time positions. In addition, with respect to enterprises in NAICS industry group 7112, such enterprises must operate an auto racetrack in the state involving capital improvements costing not less than \$100,000,000.

For taxable years commencing after December 31, 1997, any ancillary support business which would otherwise be eligible for a sales tax exemption or an income, premium or privilege tax credit pursuant to this subsection shall incorporate in its tax filing for the exemption or credit a statement from the secretary of commerce which includes a finding by the secretary that the job expansion incident to the exemption or credit claimed would not have occurred in the absence of the credit or exemption.

(i) "Nonmetropolitan region" means a region established under K.S.A. 74-50,116, and amendments thereto and is comprised of any county or counties which are not metropolitan counties.

(j) "Retail business" means: (1) Any commercial enterprise primarily engaged in the sale at retail of goods or services taxable under the Kansas retailers' sales tax act; (2) any service provider set forth in K.S.A. 17-2707, and amendments thereto; (3) any bank, savings and loan or other lending institution; (4) any commercial enterprise whose primary business activity includes the sale of insurance; and (5) any commercial enterprise deriving its revenues directly from noncommercial customers in exchange for personal services such as, but not limited to, barber shops, beauty shops, photographic studios and funeral services.

(k) "Secretary" means the secretary of the Kansas department of commerce.

**History:** L. 1992, ch. 202, § 2; L. 1994, ch. 268, § 3; L. 1996, ch. 207, § 1; L. 1997, ch. 159, § 1; L. 1998, ch. 136, § 2; L. 2003, ch. 154, § 52; L. 2010, ch. 97, § 1; July 1.