

HOUSE BILL No. 2384

By Committee on Taxation

3-9

1 AN ACT concerning the Kansas retailers' sales tax act, relating to the
2 imposition of tax upon certain services; amending K.S.A. 2016 Supp.
3 79-3603 and repealing the existing section.
4

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

6 Section 1. K.S.A. 2016 Supp. 79-3603 is hereby amended to read as
7 follows: 79-3603. For the privilege of engaging in the business of selling
8 tangible personal property at retail in this state or rendering or furnishing
9 any of the services taxable under this act, there is hereby levied and there
10 shall be collected and paid a tax at the rate of 6.15%, and commencing
11 July 1, 2015, at the rate of 6.5%. Within a redevelopment district
12 established pursuant to K.S.A. 74-8921, and amendments thereto, there is
13 hereby levied and there shall be collected and paid an additional tax at the
14 rate of 2% until the earlier of the date the bonds issued to finance or
15 refinance the redevelopment project have been paid in full or the final
16 scheduled maturity of the first series of bonds issued to finance any part of
17 the project. *Such tax shall be levied upon:*

18 (a) The gross receipts received from the sale of tangible personal
19 property at retail within this state, *and commencing January 1, 2018, the*
20 *rendering or furnishing of any services within this state specifically named*
21 *by law prior to January 1, 2018, and services as described in subsectors*
22 *488410, 561611, 561612, 561621, non-residential cleaning services*
23 *described in 561720, 812111, 812112, 812113, 812199, 812910, 812930*
24 *and dating services described in 812990 of the North American industry*
25 *classification system, 2017 edition;*

26 (b) the gross receipts from intrastate, interstate or international
27 telecommunications services and any ancillary services sourced to this
28 state in accordance with K.S.A. 2016 Supp. 79-3673, and amendments
29 thereto, except that telecommunications service does not include: (1) Any
30 interstate or international 800 or 900 service; (2) any interstate or
31 international private communications service as defined in K.S.A. 2016
32 Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice
33 data service; (4) any telecommunication service to a provider of
34 telecommunication services which will be used to render
35 telecommunication services, including carrier access services; or (5) any
36 service or transaction defined in this section among entities classified as

Correction to House Bill 2384
House Committee on Taxation
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Office of Revisor of Statute
Correcting provisions to tax non-profit
gym memberships

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

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

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

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

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

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

23 (m) the gross receipts received from fees and charges by public and
24 private clubs, drinking establishments, organizations and businesses for
25 participation in sports, games and other recreational activities, but such tax
26 shall not be levied and collected upon the gross receipts received from: (1)

27 Fees and charges by any political subdivision; by any organization exempt
28 from property taxation pursuant to K.S.A. 79-201 ~~With~~ and amendments
29 thereto; or by any youth recreation organization exclusively providing
30 services to persons 18 years of age or younger which is exempt from
31 federal income taxation pursuant to section 501(c)(3) of the federal
32 internal revenue code of 1986; for participation in sports, games and other
33 recreational activities; and (2) entry fees and charges for participation in a
34 special event or tournament sanctioned by a national sporting association
35 to which spectators are charged an admission which is taxable pursuant to
36 subsection (e);

37 (n) the gross receipts received from dues charged by public and
38 private clubs, drinking establishments, organizations and businesses,
39 payment of which entitles a member to the use of facilities for recreation
40 or entertainment, but such tax shall not be levied and collected upon the
41 gross receipts received from: (1) Dues charged by any organization exempt
42 from property taxation pursuant to K.S.A. 79-201 ~~Eight~~ and ~~With~~, and
43 amendments thereto; and (2) sales of memberships in a nonprofit

or by any youth recreation organization exclusively providing services to persons under 18 years of age or younger which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, for participation in sports, games and other recreational activities

including sales of memberships to government-operated facilities that charge a fee for dues or memberships,