

SENATE BILL No. 318

By Senators Bowers, Billinger and Tyson

1-5

1 AN ACT concerning **taxation; relating to** sales and compensating use tax;
2 ~~relating to exemptions~~; providing ~~an~~ **a sales tax** exemption for
3 reconstructing, repairing or replacing certain fencing damaged or
4 destroyed by wildfires; **relating to property tax; providing for**
5 **abatement or credit of property tax for buildings and improvements**
6 **destroyed or substantially destroyed by natural disaster**; amending
7 K.S.A. ~~79-1613 and~~ 79-3606d and repealing the existing ~~section~~
8 **sections**.
9

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

11 Section 1. K.S.A. 79-3606d is hereby amended to read as follows: 79-
12 3606d. (a) The following shall be exempt from the tax imposed by the
13 Kansas retailers' sales tax act: All sales of tangible personal property and
14 services purchased ~~during calendar years 2017 and 2018~~ *on and after*
15 *January 1, 2021*, necessary to reconstruct, repair or replace any fence that
16 was damaged or destroyed by wildfires occurring ~~during calendar years~~
17 ~~2016 and 2017~~ *on and after January 1, 2021*, and the purpose for which is
18 to enclose land devoted to agricultural use. Sales tax paid on and after
19 January 1, ~~2017~~ *2021*, upon the gross receipts received from any such sale
20 shall be refunded. Each claim for a sales tax refund shall be verified and
21 submitted to the director of taxation upon forms furnished by the director
22 and shall be accompanied by any additional documentation required by the
23 director. The director shall review each claim and shall refund that amount
24 of sales tax paid as determined under the provisions of this section. All
25 refunds shall be paid from the sales tax refund fund upon warrants of the
26 director of accounts and reports pursuant to vouchers approved by the
27 director or the director's designee. Any person reconstructing, repairing or
28 replacing such property, or any person who shall contract for the
29 reconstruction, repair or replacement of any such property shall obtain
30 from the state an exemption certificate for the project involved. The
31 certificate shall be furnished to the person or contractor to purchase
32 materials and lease machinery and equipment for such project. The person
33 or contractor shall furnish the number of such certificate to all suppliers
34 from whom such purchases are made, and such suppliers shall execute
35 invoices covering the same bearing the number of such certificate. Upon
36 completion of the project the contractor shall furnish to the person that

1 obtained the exemption certificate, a sworn statement, on a form to be
2 provided by the director of taxation, that all purchases so made were
3 entitled to exemption under this subsection.

4 (b) The provisions of this section shall be ~~deemed to be a part of and~~
5 supplemental to the Kansas retailers' sales tax act.

6 **Sec. 2. K.S.A. 79-1613 is hereby amended to read as follows: 79-**
7 **1613. (a) As used in this section:**

8 (1) **"Destroyed or substantially destroyed" means damage of any**
9 **origin sustained by a homestead or building or improvement as the direct**
10 **result of: (A) An earthquake, flood, tornado, fire or storm; or (B) an**
11 **event or occurrence ~~which that the governor of the state of Kansas has~~**
12 **declared a disaster, whereby the cost of restoring the structure to its**
13 **before-damaged condition would equal or exceed 50% of the market**
14 **value of the structure before the damage occurred.**

15 (2) **"Homestead" means the dwelling, or any part thereof, whether**
16 **owned or rented, ~~which that is occupied as a residence by the household~~**
17 **and so much of the land surrounding it, as defined as a home site for ad**
18 **valorem tax purposes, and may consist of a part of a multi-dwelling or**
19 **multi-purpose building and a part of the land upon which it is built or a**
20 **manufactured home or mobile home and the land upon which it is**
21 **situated. "Owned" includes a vendee in possession under a land**
22 **contract, a life tenant, a beneficiary under a trust and one or more joint**
23 **tenants or tenants in common.**

24 (3) **"Public or private buyout" means any buyout from a local, state or**
25 **federal governmental entity or any non-governmental entity, including, but**
26 **not limited to, an individual, foundation, trust, association, corporation,**
27 **limited liability company or partnership.**

28 (b) **The owner of any building or improvement listed and assessed**
29 **for property taxation purposes as real property or any homestead listed**
30 **and assessed for property taxation purposes ~~which that was destroyed or~~**
31 **substantially destroyed due to an earthquake, flood, tornado, fire, storm,**
32 **or other event or occurrence ~~which that the governor of the state of~~**
33 **Kansas has declared a disaster may make application to the board of**
34 **county commissioners of the county in which such property is located**
35 **for the abatement of property taxes levied upon such homestead or**
36 **building or improvement or for a credit against property taxes payable by**
37 **such owner, as permitted by this section.**

38 (1) **If such homestead or building or improvement has been so**
39 **destroyed or substantially destroyed after January 1 of a particular year**
40 **but prior to August 15 of such year, the owner of such homestead or**
41 **building or improvement may make application to such board of county**
42 **commissioners for the abatement of property taxes levied upon such**
43 **homestead or building or improvement, or if such property taxes have**

1 *been paid or partially paid, may make application for the granting of a*
2 *credit against property taxes payable by such owner during any or all of*
3 *the next succeeding three taxable years.*

4 *(2) If such homestead or building or improvement has been so*
5 *destroyed or substantially destroyed on or after August 15 of a particular*
6 *year but prior to January 1 of the next succeeding year, the owner of*
7 *such homestead or building or improvement may make application to*
8 *such board of county commissioners for the granting of a credit against*
9 *property taxes payable by such owner during any or all of the next*
10 *succeeding three taxable years.*

11 *(c) An application for relief as permitted by subsection (b) may be*
12 *made for abatement of property taxes assessed but not yet paid, or for a*
13 *grant of a credit for assessed property taxes paid or for both, as the case*
14 *may be, and may be made on or before December 20 of the year next*
15 *succeeding the year for which such taxes have been assessed.*

16 *(d) Upon receipt of any such application, subject to budgetary*
17 *restraints of the county or taxing subdivision arising from the event or*
18 *occurrence declared a disaster by the governor, the board of county*
19 *commissioners shall inquire into and make findings regarding, among*
20 *other things, whether the property is a homestead, as defined in*
21 *subsection (a), whether the property is a building or improvement,*
22 *whether the homestead or the building or improvement was destroyed or*
23 *substantially destroyed, as defined in subsection (a) and the assessed*
24 *valuation thereof. If it is determined that an owner of such homestead or*
25 *building or improvement is entitled to an abatement of all or any portion*
26 *of the property taxes levied against such homestead or building or*
27 *improvement or is entitled to a credit against property taxes payable by*
28 *such owner in any or all of the next succeeding three years, the board*
29 *may issue an order so providing.*

30 *(e) The county clerk and county treasurer shall in each case of*
31 *abatement or credit correct their records in accordance therewith and*
32 *the county clerk shall notify the governing body of any taxing district*
33 *affected thereby.*

34 *(f) The provisions of this section shall be applicable to all taxable*
35 *years commencing after December 31, 2011, 2018, and all taxable years*
36 *thereafter.*

37 *(g) Notwithstanding any provision of subsection (c) to the contrary,*
38 *an application for relief as permitted by subsection (b) may be made for*
39 *abatement of property taxes assessed but not yet paid, or for a grant of a*
40 *credit for assessed property taxes paid, or for both, as the case may be,*
41 *and may be made on or before December 20, 2022, for taxable years 2019*
42 *and 2020.*

43 **Sec. 2. 3. K.S.A. 79-1613 and 79-3606d is hereby repealed.**

1 Sec.~~3~~ 4. This act shall take effect and be in force from and after its
2 publication in the Kansas register.