

HOUSE BILL No. 2048

By Committee on Taxation

1-22

Proposed Balloon Amendment
HB2048
Prepared by Scott Wells
Revisor of Statutes Office

1 AN ACT concerning sales taxation; relating to exemptions; Jackson
2 county fair association; amending K.S.A. 2012 Supp. 79-3606 and
3 repealing the existing section.
4

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

6 Section 1. K.S.A. 2012 Supp. 79-3606 is hereby amended to read as
7 follows: 79-3606. The following shall be exempt from the tax imposed by
8 this act:

9 (a) All sales of motor-vehicle fuel or other articles upon which a sales
10 or excise tax has been paid, not subject to refund, under the laws of this
11 state except cigarettes as defined by K.S.A. 79-3301, and amendments
12 thereto, cereal malt beverages and malt products as defined by K.S.A. 79-
13 3817, and amendments thereto, including wort, liquid malt, malt syrup and
14 malt extract, which is not subject to taxation under the provisions of
15 K.S.A. 79-41a02, and amendments thereto, motor vehicles taxed pursuant
16 to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A.
17 65-3424d, and amendments thereto, drycleaning and laundry services
18 taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and gross
19 receipts from regulated sports contests taxed pursuant to the Kansas
20 professional regulated sports act, and amendments thereto;

21 (b) all sales of tangible personal property or service, including the
22 renting and leasing of tangible personal property, purchased directly by the
23 state of Kansas, a political subdivision thereof, other than a school or
24 educational institution, or purchased by a public or private nonprofit
25 hospital or public hospital authority or nonprofit blood, tissue or organ
26 bank and used exclusively for state, political subdivision, hospital or
27 public hospital authority or nonprofit blood, tissue or organ bank purposes,
28 except when: (1) Such state, hospital or public hospital authority is
29 engaged or proposes to engage in any business specifically taxable under
30 the provisions of this act and such items of tangible personal property or
31 service are used or proposed to be used in such business, or (2) such
32 political subdivision is engaged or proposes to engage in the business of
33 furnishing gas, electricity or heat to others and such items of personal
34 property or service are used or proposed to be used in such business;
35 (c) all sales of tangible personal property or services, including the
36 renting and leasing of tangible personal property, purchased directly by a

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 subsection (a)(7) of K.S.A. 79-
 5 3615, and amendments thereto; ~~and~~
 6 (gggg) all sales of game birds for which the primary purpose is use in
 7 hunting; and

before July 1, 2023,

8 (hhhh) all sales of tangible personal property and services purchased
 9 by Jackson county fair association which is exempt from federal income
 10 taxation pursuant to section 501(c)(3) of the federal internal revenue code
 11 of 1986, and which such property and services are used for the purpose of
 12 construction, preservation, renovation and beautification of the Jackson
 13 county fair association fairgrounds; and all sales of tangible personal
 14 property or services purchased by a contractor for the purpose of
 15 rehabilitating, constructing, maintaining, repairing, enlarging, furnishing
 16 or remodeling of the Jackson county fair association fairgrounds for any
 17 such purpose which would be exempt from taxation under the provisions
 18 of this section if purchased directly by Jackson county fair association.
 19 Nothing in this subsection shall be deemed to exempt the purchase of any
 20 construction machinery, equipment or tools used in the constructing,
 21 maintaining, repairing, enlarging, furnishing or remodeling such facilities
 22 for Jackson county fair association. When Jackson county fair association
 23 contracts for the purpose of rehabilitating, constructing, maintaining,
 24 repairing, enlarging, furnishing or remodeling such facilities, it shall
 25 obtain from the state and furnish to the contractor an exemption certificate
 26 for the project involved, and the contractor may purchase materials for
 27 incorporation in such project. The contractor shall furnish the number of
 28 such certificate to all suppliers from whom such purchases are made, and
 29 such suppliers shall execute invoices covering the same bearing the
 30 number of such certificate. Upon completion of the project the contractor
 31 shall furnish to Jackson county fair association a sworn statement, on a
 32 form to be provided by the director of taxation, that all purchases so made
 33 were entitled to exemption under this subsection. All invoices shall be held
 34 by the contractor for a period of five years and shall be subject to audit by
 35 the director of taxation. If any materials purchased under such a
 36 certificate are found not to have been incorporated in the building or
 37 other project or not to have been returned for credit or the sales or
 38 compensating tax otherwise imposed upon such materials which will not
 39 be so incorporated in the building or other project reported and paid by
 40 such contractor to the director of taxation not later than the 20th day of the
 41 month following the close of the month in which it shall be determined that
 42 such materials will not be used for the purpose for which such certificate
 43 was issued, Jackson county fair association shall be liable for tax on all

1 materials purchased for the project, and upon payment thereof it may
2 recover the same from the contractor together with reasonable attorney
3 fees. Any contractor or any agent, employee or subcontractor thereof, who
4 shall use or otherwise dispose of any materials purchased under such a
5 certificate for any purpose other than that for which such a certificate is
6 issued without the payment of the sales or compensating tax otherwise
7 imposed upon such materials, shall be guilty of a misdemeanor and, upon
8 conviction therefor, shall be subject to the penalties provided for in
9 subsection (b) of K.S.A. 79-3615, and amendments thereto.
10 Sec. 2. K.S.A. 2012 Supp. 79-3606 is hereby repealed.
11 Sec. 3. This act shall take effect and be in force from and after its
12 publication in the statute book.

The provisions of this subsection shall expire on
July 1, 2023.

