

## HOUSE BILL No. 2361

By Committee on Taxation

2-13

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1 AN ACT concerning sales taxation; relating to countywide retailers' sales  
2 tax, authority for Bourbon county; sales tax exemptions, concern, inc.;  
3 amending K.S.A. 2014 Supp. 12-187, 12-189, 12-192 and 79-3606 and  
4 repealing the existing sections.  
5

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

7 Section 1. K.S.A. 2014 Supp. 12-187 is hereby amended to read as  
8 follows: 12-187. (a) No city shall impose a retailers' sales tax under the  
9 provisions of this act without the governing body of such city having first  
10 submitted such proposition to and having received the approval of a  
11 majority of the electors of the city voting thereon at an election called and  
12 held therefor. The governing body of any city may submit the question of  
13 imposing a retailers' sales tax and the governing body shall be required to  
14 submit the question upon submission of a petition signed by electors of  
15 such city equal in number to not less than 10% of the electors of such city.

16 (b) (1) The board of county commissioners of any county may submit  
17 the question of imposing a countywide retailers' sales tax to the electors at  
18 an election called and held thereon, and any such board shall be required  
19 to submit the question upon submission of a petition signed by electors of  
20 such county equal in number to not less than 10% of the electors of such  
21 county who voted at the last preceding general election for the office of  
22 secretary of state, or upon receiving resolutions requesting such an election  
23 passed by not less than  $\frac{2}{3}$  of the membership of the governing body of  
24 each of one or more cities within such county which contains a population  
25 of not less than 25% of the entire population of the county, or upon  
26 receiving resolutions requesting such an election passed by  $\frac{2}{3}$  of the  
27 membership of the governing body of each of one or more taxing  
28 subdivisions within such county which levy not less than 25% of the  
29 property taxes levied by all taxing subdivisions within the county.

30 (2) The board of county commissioners of Anderson, Atchison,  
31 Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford,  
32 Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho,  
33 Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Wabaunsee, Wilson  
34 and Wyandotte counties may submit the question of imposing a  
35 countywide retailers' sales tax and pledging the revenue received  
36 therefrom for the purpose of financing the construction or remodeling of a

1 courthouse, jail, law enforcement center facility or other county  
2 administrative facility, to the electors at an election called and held  
3 thereon. The tax imposed pursuant to this paragraph shall expire when  
4 sales tax sufficient to pay all of the costs incurred in the financing of such  
5 facility has been collected by retailers as determined by the secretary of  
6 revenue. Nothing in this paragraph shall be construed to allow the rate of  
7 tax imposed by Butler, Chase, Cowley, Lyon, Montgomery, Neosho, Riley,  
8 Sumner or Wilson county pursuant to this paragraph to exceed or be  
9 imposed at any rate other than the rates prescribed in K.S.A. 12-189, and  
10 amendments thereto.

11 (3) (A) Except as otherwise provided in this paragraph, the result of  
12 the election held on November 8, 1988, on the question submitted by the  
13 board of county commissioners of Jackson county for the purpose of  
14 increasing its countywide retailers' sales tax by 1% is hereby declared  
15 valid, and the revenue received therefrom by the county shall be expended  
16 solely for the purpose of financing the Banner Creek reservoir project. The  
17 tax imposed pursuant to this paragraph shall take effect on the effective  
18 date of this act and shall expire not later than five years after such date.

19 (B) The result of the election held on November 8, 1994, on the  
20 question submitted by the board of county commissioners of Ottawa  
21 county for the purpose of increasing its countywide retailers' sales tax by  
22 1% is hereby declared valid, and the revenue received therefrom by the  
23 county shall be expended solely for the purpose of financing the erection,  
24 construction and furnishing of a law enforcement center and jail facility.

25 (C) Except as otherwise provided in this paragraph, the result of the  
26 election held on November 2, 2004, on the question submitted by the  
27 board of county commissioners of Sedgwick county for the purpose of  
28 increasing its countywide retailers' sales tax by 1% is hereby declared  
29 valid, and the revenue received therefrom by the county shall be used only  
30 to pay the costs of: (i) Acquisition of a site and constructing and equipping  
31 thereon a new regional events center, associated parking and infrastructure  
32 improvements and related appurtenances thereto, to be located in the  
33 downtown area of the city of Wichita, Kansas, (the "downtown arena");  
34 (ii) design for the Kansas coliseum complex and construction of  
35 improvements to the pavilions; and (iii) establishing an operating and  
36 maintenance reserve for the downtown arena and the Kansas coliseum  
37 complex. The tax imposed pursuant to this paragraph shall commence on  
38 July 1, 2005, and shall terminate not later than 30 months after the  
39 commencement thereof.

40 (D) Except as otherwise provided in this paragraph, the result of the  
41 election held on August 5, 2008, on the question submitted by the board of  
42 county commissioners of Lyon county for the purpose of increasing its  
43 countywide retailers' sales tax by 1% is hereby declared valid, and the

1 revenue received therefrom by the county shall be expended for the  
2 purposes of ad valorem tax reduction and capital outlay. The tax imposed  
3 pursuant to this paragraph shall terminate not later than five years after the  
4 commencement thereof.

5 (E) Except as otherwise provided in this paragraph, the result of the  
6 election held on August 5, 2008, on the question submitted by the board of  
7 county commissioners of Rawlins county for the purpose of increasing its  
8 countywide retailers' sales tax by 0.75% is hereby declared valid, and the  
9 revenue received therefrom by the county shall be expended for the  
10 purposes of financing the costs of a swimming pool. The tax imposed  
11 pursuant to this paragraph shall terminate not later than 15 years after the  
12 commencement thereof or upon payment of all costs authorized pursuant  
13 to this paragraph in the financing of such project.

14 (F) The result of the election held on December 1, 2009, on the  
15 question submitted by the board of county commissioners of Chautauqua  
16 county for the purpose of increasing its countywide retailers' sales tax by  
17 1% is hereby declared valid, and the revenue received from such tax by the  
18 county shall be expended for the purposes of financing the costs of  
19 constructing, furnishing and equipping a county jail and law enforcement  
20 center and necessary improvements appurtenant to such jail and law  
21 enforcement center. Any tax imposed pursuant to authority granted in this  
22 paragraph shall terminate upon payment of all costs authorized pursuant to  
23 this paragraph incurred in the financing of the project described in this  
24 paragraph.

25 (4) The board of county commissioners of Finney and Ford counties  
26 may submit the question of imposing a countywide retailers' sales tax at  
27 the rate of 0.25% and pledging the revenue received therefrom for the  
28 purpose of financing all or any portion of the cost to be paid by Finney or  
29 Ford county for construction of highway projects identified as system  
30 enhancements under the provisions of ~~paragraph (5) of subsection (b) of~~  
31 K.S.A. 68-2314(5)(b), and amendments thereto, to the electors at an  
32 election called and held thereon. Such election shall be called and held in  
33 the manner provided by the general bond law. The tax imposed pursuant to  
34 this paragraph shall expire upon the payment of all costs authorized  
35 pursuant to this paragraph in the financing of such highway projects.  
36 Nothing in this paragraph shall be construed to allow the rate of tax  
37 imposed by Finney or Ford county pursuant to this paragraph to exceed the  
38 maximum rate prescribed in K.S.A. 12-189, and amendments thereto. If  
39 any funds remain upon the payment of all costs authorized pursuant to this  
40 paragraph in the financing of such highway projects in Finney county, the  
41 state treasurer shall remit such funds to the treasurer of Finney county and  
42 upon receipt of such moneys shall be deposited to the credit of the county  
43 road and bridge fund. If any funds remain upon the payment of all costs

1 authorized pursuant to this paragraph in the financing of such highway  
2 projects in Ford county, the state treasurer shall remit such funds to the  
3 treasurer of Ford county and upon receipt of such moneys shall be  
4 deposited to the credit of the county road and bridge fund.

5 (5) The board of county commissioners of any county may submit the  
6 question of imposing a retailers' sales tax at the rate of 0.25%, 0.5%,  
7 0.75% or 1% and pledging the revenue received therefrom for the purpose  
8 of financing the provision of health care services, as enumerated in the  
9 question, to the electors at an election called and held thereon. Whenever  
10 any county imposes a tax pursuant to this paragraph, any tax imposed  
11 pursuant to ~~paragraph (2) of subsection (a)(2)~~ by any city located in such  
12 county shall expire upon the effective date of the imposition of the  
13 countywide tax, and thereafter the state treasurer shall remit to each such  
14 city that portion of the countywide tax revenue collected by retailers  
15 within such city as certified by the director of taxation. The tax imposed  
16 pursuant to this paragraph shall be deemed to be in addition to the rate  
17 limitations prescribed in K.S.A. 12-189, and amendments thereto. As used  
18 in this paragraph, health care services shall include, but not be limited to,  
19 the following: Local health departments, city or county hospitals, city or  
20 county nursing homes, preventive health care services including  
21 immunizations, prenatal care and the postponement of entry into nursing  
22 homes by home care services, mental health services, indigent health care,  
23 physician or health care worker recruitment, health education, emergency  
24 medical services, rural health clinics, integration of health care services,  
25 home health services and rural health networks.

26 (6) The board of county commissioners of Allen county may submit  
27 the question of imposing a countywide retailers' sales tax at the rate of  
28 0.5% and pledging the revenue received therefrom for the purpose of  
29 financing the costs of operation and construction of a solid waste disposal  
30 area or the modification of an existing landfill to comply with federal  
31 regulations to the electors at an election called and held thereon. The tax  
32 imposed pursuant to this paragraph shall expire upon the payment of all  
33 costs incurred in the financing of the project undertaken. Nothing in this  
34 paragraph shall be construed to allow the rate of tax imposed by Allen  
35 county pursuant to this paragraph to exceed or be imposed at any rate other  
36 than the rates prescribed in K.S.A. 12-189, and amendments thereto.

37 (7) The board of county commissioners of Clay, Dickinson and  
38 Miami county may submit the question of imposing a countywide retailers'  
39 sales tax at the rate of 0.50% in the case of Clay and Dickinson county and  
40 at a rate of up to 1% in the case of Miami county, and pledging the revenue  
41 received therefrom for the purpose of financing the costs of roadway  
42 construction and improvement to the electors at an election called and held  
43 thereon. Except as otherwise provided, the tax imposed pursuant to this

1 paragraph shall expire after five years from the date such tax is first  
2 collected. The result of the election held on November 2, 2004, on the  
3 question submitted by the board of county commissioners of Miami  
4 county for the purpose of extending for an additional five-year period the  
5 countywide retailers' sales tax imposed pursuant to this subsection in  
6 Miami county is hereby declared valid. The countywide retailers' sales tax  
7 imposed pursuant to this subsection in Clay and Miami county may be  
8 extended or reenacted for additional five-year periods upon the board of  
9 county commissioners of Clay and Miami county submitting such question  
10 to the electors at an election called and held thereon for each additional  
11 five-year period as provided by law.

12 (8) The board of county commissioners of Sherman county may  
13 submit the question of imposing a countywide retailers' sales tax at the rate  
14 of 1% and pledging the revenue received therefrom for the purpose of  
15 financing the costs of street and roadway improvements to the electors at  
16 an election called and held thereon. The tax imposed pursuant to this  
17 paragraph shall expire upon payment of all costs authorized pursuant to  
18 this paragraph in the financing of such project.

19 (9) The board of county commissioners of Cowley, Crawford, Russell  
20 and Woodson county may submit the question of imposing a countywide  
21 retailers' sales tax at the rate of 0.5% in the case of Crawford, Russell and  
22 Woodson county and at a rate of up to 0.25%, in the case of Cowley  
23 county and pledging the revenue received therefrom for the purpose of  
24 financing economic development initiatives or public infrastructure  
25 projects. The tax imposed pursuant to this paragraph shall expire after five  
26 years from the date such tax is first collected.

27 (10) The board of county commissioners of Franklin county may  
28 submit the question of imposing a countywide retailers' sales tax at the rate  
29 of 0.25% and pledging the revenue received therefrom for the purpose of  
30 financing recreational facilities. The tax imposed pursuant to this  
31 paragraph shall expire upon payment of all costs authorized in financing  
32 such facilities.

33 (11) The board of county commissioners of Douglas county may  
34 submit the question of imposing a countywide retailers' sales tax at the rate  
35 of 0.25% and pledging the revenue received therefrom for the purposes of  
36 conservation, access and management of open space; preservation of  
37 cultural heritage; and economic development projects and activities.

38 (12) The board of county commissioners of Shawnee county may  
39 submit the question of imposing a countywide retailers' sales tax at the rate  
40 of 0.25% and pledging the revenue received therefrom to the city of  
41 Topeka for the purpose of financing the costs of rebuilding the Topeka  
42 boulevard bridge and other public infrastructure improvements associated  
43 with such project to the electors at an election called and held thereon. The

1 tax imposed pursuant to this paragraph shall expire upon payment of all  
2 costs authorized in financing such project.

3 (13) The board of county commissioners of Jackson county may  
4 submit the question of imposing a countywide retailers' sales tax at a rate  
5 of 0.4% and pledging the revenue received therefrom as follows: 50% of  
6 such revenues for the purpose of financing for economic development  
7 initiatives; and 50% of such revenues for the purpose of financing public  
8 infrastructure projects to the electors at an election called and held thereon.  
9 The tax imposed pursuant to this paragraph shall expire after seven years  
10 from the date such tax is first collected. The board of county  
11 commissioners of Jackson county may submit the question of imposing a  
12 countywide retailers' sales tax at a rate of 0.4% which such tax shall take  
13 effect after the expiration of the tax imposed pursuant to this paragraph  
14 prior to the effective date of this act, and pledging the revenue received  
15 therefrom for the purpose of financing public infrastructure projects to the  
16 electors at an election called and held thereon. Such tax shall expire after  
17 seven years from the date such tax is first collected.

18 (14) The board of county commissioners of Neosho county may  
19 submit the question of imposing a countywide retailers' sales tax at the rate  
20 of 0.5% and pledging the revenue received therefrom for the purpose of  
21 financing the costs of roadway construction and improvement to the  
22 electors at an election called and held thereon. The tax imposed pursuant  
23 to this paragraph shall expire upon payment of all costs authorized  
24 pursuant to this paragraph in the financing of such project.

25 (15) The board of county commissioners of Saline county may  
26 submit the question of imposing a countywide retailers' sales tax at the rate  
27 of up to 0.5% and pledging the revenue received therefrom for the purpose  
28 of financing the costs of construction and operation of an expo center to  
29 the electors at an election called and held thereon. The tax imposed  
30 pursuant to this paragraph shall expire after five years from the date such  
31 tax is first collected.

32 (16) The board of county commissioners of Harvey county may  
33 submit the question of imposing a countywide retailers' sales tax at the rate  
34 of 1.0% and pledging the revenue received therefrom for the purpose of  
35 financing the costs of property tax relief, economic development initiatives  
36 and public infrastructure improvements to the electors at an election called  
37 and held thereon.

38 (17) The board of county commissioners of Atchison county may  
39 submit the question of imposing a countywide retailers' sales tax at the rate  
40 of 0.25% and pledging the revenue received therefrom for the purpose of  
41 financing the costs of construction and maintenance of sports and  
42 recreational facilities to the electors at an election called and held thereon.  
43 The tax imposed pursuant to this paragraph shall expire upon payment of

1 all costs authorized in financing such facilities.

2 (18) The board of county commissioners of Wabaunsee county may  
3 submit the question of imposing a countywide retailers' sales tax at the rate  
4 of 0.5% and pledging the revenue received therefrom for the purpose of  
5 financing the costs of bridge and roadway construction and improvement  
6 to the electors at an election called and held thereon. The tax imposed  
7 pursuant to this paragraph shall expire after 15 years from the date such  
8 tax is first collected.

9 (19) The board of county commissioners of Jefferson county may  
10 submit the question of imposing a countywide retailers' sales tax at the rate  
11 of 1% and pledging the revenue received therefrom for the purpose of  
12 financing the costs of roadway construction and improvement to the  
13 electors at an election called and held thereon. The tax imposed pursuant  
14 to this paragraph shall expire after six years from the date such tax is first  
15 collected. The countywide retailers' sales tax imposed pursuant to this  
16 paragraph may be extended or reenacted for additional six-year periods  
17 upon the board of county commissioners of Jefferson county submitting  
18 such question to the electors at an election called and held thereon for each  
19 additional six-year period as provided by law.

20 (20) The board of county commissioners of Riley county may submit  
21 the question of imposing a countywide retailers' sales tax at the rate of up  
22 to 1% and pledging the revenue received therefrom for the purpose of  
23 financing the costs of bridge and roadway construction and improvement  
24 to the electors at an election called and held thereon. The tax imposed  
25 pursuant to this paragraph shall expire after five years from the date such  
26 tax is first collected.

27 (21) The board of county commissioners of Johnson county may  
28 submit the question of imposing a countywide retailers' sales tax at the rate  
29 of 0.25% and pledging the revenue received therefrom for the purpose of  
30 financing the construction and operation costs of public safety projects,  
31 including, but not limited to, a jail, detention center, sheriff's resource  
32 center, crime lab or other county administrative or operational facility  
33 dedicated to public safety, to the electors at an election called and held  
34 thereon. The tax imposed pursuant to this paragraph shall expire after 10  
35 years from the date such tax is first collected. The countywide retailers'  
36 sales tax imposed pursuant to this subsection may be extended or  
37 reenacted for additional periods not exceeding 10 years upon the board of  
38 county commissioners of Johnson county submitting such question to the  
39 electors at an election called and held thereon for each additional ten-year  
40 period as provided by law.

41 (22) The board of county commissioners of Wilson county may  
42 submit the question of imposing a countywide retailers' sales tax at the rate  
43 of up to 1% and pledging the revenue received therefrom for the purpose

1 of financing the costs of roadway construction and improvements to  
2 federal highways, the development of a new industrial park and other  
3 public infrastructure improvements to the electors at an election called and  
4 held thereon. The tax imposed pursuant to this paragraph shall expire upon  
5 payment of all costs authorized pursuant to this paragraph in the financing  
6 of such project or projects.

7 (23) The board of county commissioners of Butler county may  
8 submit the question of imposing a countywide retailers' sales tax at the rate  
9 of either 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received  
10 therefrom for the purpose of financing the costs of public safety capital  
11 projects or bridge and roadway construction projects, or both, to the  
12 electors at an election called and held thereon. The tax imposed pursuant  
13 to this paragraph shall expire upon payment of all costs authorized in  
14 financing such projects.

15 (24) The board of county commissioners of Barton county may  
16 submit the question of imposing a countywide retailers' sales tax at the rate  
17 of up to 0.5% and pledging the revenue received therefrom for the purpose  
18 of financing the costs of roadway and bridge construction and  
19 improvement and infrastructure development and improvement to the  
20 electors at an election called and held thereon. The tax imposed pursuant  
21 to this paragraph shall expire after 10 years from the date such tax is first  
22 collected.

23 (25) The board of county commissioners of Jefferson county may  
24 submit the question of imposing a countywide retailers' sales tax at the rate  
25 of 0.25% and pledging the revenue received therefrom for the purpose of  
26 financing the costs of the county's obligation as participating employer to  
27 make employer contributions and other required contributions to the  
28 Kansas public employees retirement system for eligible employees of the  
29 county who are members of the Kansas police and firemen's retirement  
30 system, to the electors at an election called and held thereon. The tax  
31 imposed pursuant to this paragraph shall expire upon payment of all costs  
32 authorized in financing such purpose.

33 (26) The board of county commissioners of Pottawatomie county  
34 may submit the question of imposing a countywide retailers' sales tax at  
35 the rate of up to 0.5% and pledging the revenue received therefrom for the  
36 purpose of financing the costs of construction or remodeling of a  
37 courthouse, jail, law enforcement center facility or other county  
38 administrative facility, or public infrastructure improvements, or both, to  
39 the electors at an election called and held thereon. The tax imposed  
40 pursuant to this paragraph shall expire upon payment of all costs  
41 authorized in financing such project or projects.

42 (27) The board of county commissioners of Kingman county may  
43 submit the question of imposing a countywide retailers' sales tax at the rate



1 of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received  
2 therefrom for the purpose of financing the costs of constructing and  
3 furnishing a law enforcement center and jail facility and the costs of  
4 roadway and bridge improvements to the electors at an election called and  
5 held thereon. The tax imposed pursuant to this paragraph shall expire not  
6 later than 20 years from the date such tax is first collected.

7 (28) The board of county commissioners of Edwards county may  
8 submit the question of imposing a countywide retailers' sales tax at the rate  
9 of 0.375% and pledging the revenue therefrom for the purpose of  
10 financing the costs of economic development initiatives to the electors at  
11 an election called and held thereon.

12 (29) The board of county commissioners of Rooks county may  
13 submit the question of imposing a countywide retailers' sales tax at the rate  
14 of 0.5% and pledging the revenue therefrom for the purpose of financing  
15 the costs of constructing or remodeling and furnishing a jail facility to the  
16 electors at an election called and held thereon. The tax imposed pursuant  
17 to this paragraph shall expire upon the payment of all costs authorized in  
18 financing such project or projects.

19 (30) *The board of county commissioners of Bourbon county may*  
20 *submit the question of imposing a countywide retailers' sales tax at the*  
21 *rate of up to 1% and pledging the revenue received therefrom for the*  
22 *purpose of financing the costs of constructing, furnishing and operating a*  
23 *law enforcement center or jail facility or both to the electors at an election*  
24 *called and held thereon.*

25 (c) The boards of county commissioners of any two or more  
26 contiguous counties, upon adoption of a joint resolution by such boards,  
27 may submit the question of imposing a retailers' sales tax within such  
28 counties to the electors of such counties at an election called and held  
29 thereon and such boards of any two or more contiguous counties shall be  
30 required to submit such question upon submission of a petition in each of  
31 such counties, signed by a number of electors of each of such counties  
32 where submitted equal in number to not less than 10% of the electors of  
33 each of such counties who voted at the last preceding general election for  
34 the office of secretary of state, or upon receiving resolutions requesting  
35 such an election passed by not less than  $\frac{2}{3}$  of the membership of the  
36 governing body of each of one or more cities within each of such counties  
37 which contains a population of not less than 25% of the entire population  
38 of each of such counties, or upon receiving resolutions requesting such an  
39 election passed by  $\frac{2}{3}$  of the membership of the governing body of each of  
40 one or more taxing subdivisions within each of such counties which levy  
41 not less than 25% of the property taxes levied by all taxing subdivisions  
42 within each of such counties.

43 (d) Any city retailers' sales tax being levied by a city prior to July 1,

1 2006, shall continue in effect until repealed in the manner provided herein  
2 for the adoption and approval of such tax or until repealed by the adoption  
3 of an ordinance for such repeal. Any countywide retailers' sales tax in the  
4 amount of 0.5% or 1% in effect on July 1, 1990, shall continue in effect  
5 until repealed in the manner provided herein for the adoption and approval  
6 of such tax.

7 (e) Any city or county proposing to adopt a retailers' sales tax shall  
8 give notice of its intention to submit such proposition for approval by the  
9 electors in the manner required by K.S.A. 10-120, and amendments  
10 thereto. The notices shall state the time of the election and the rate and  
11 effective date of the proposed tax. If a majority of the electors voting  
12 thereon at such election fail to approve the proposition, such proposition  
13 may be resubmitted under the conditions and in the manner provided in  
14 this act for submission of the proposition. If a majority of the electors  
15 voting thereon at such election shall approve the levying of such tax, the  
16 governing body of any such city or county shall provide by ordinance or  
17 resolution, as the case may be, for the levy of the tax. Any repeal of such  
18 tax or any reduction or increase in the rate thereof, within the limits  
19 prescribed by K.S.A. 12-189, and amendments thereto, shall be  
20 accomplished in the manner provided herein for the adoption and approval  
21 of such tax except that the repeal of any such city retailers' sales tax may  
22 be accomplished by the adoption of an ordinance so providing.

23 (f) The sufficiency of the number of signers of any petition filed  
24 under this section shall be determined by the county election officer. Every  
25 election held under this act shall be conducted by the county election  
26 officer.

27 (g) The governing body of the city or county proposing to levy any  
28 retailers' sales tax shall specify the purpose or purposes for which the  
29 revenue would be used, and a statement generally describing such purpose  
30 or purposes shall be included as a part of the ballot proposition.

31 Sec. 2. K.S.A. 2014 Supp. 12-189 is hereby amended to read as  
32 follows: 12-189. The rate of any city retailers' sales tax shall be fixed in  
33 increments of 0.05% and in an amount not to exceed 2% for general  
34 purposes and not to exceed 1% for special purposes which shall be  
35 determined by the governing body of the city. For any retailers' sales tax  
36 imposed by a city for special purposes, such city shall specify the purposes  
37 for which such tax is imposed. All such special purpose retailers' sales  
38 taxes imposed by a city shall expire after 10 years from the date such tax is  
39 first collected. The rate of any countywide retailers' sales tax shall be fixed  
40 in an amount not to exceed 1% and shall be fixed in increments of 0.25%,  
41 and which amount shall be determined by the board of county  
42 commissioners, except that:

43 (a) The board of county commissioners of Wabaunsee county, for the

1 purposes of ~~paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2)~~, and  
2 amendments thereto, may fix such rate at 1.25%; the board of county  
3 commissioners of Osage or Reno county, for the purposes of ~~paragraph (2)~~  
4 ~~of subsection (b) of K.S.A. 12-187(b)(2)~~, and amendments thereto, may fix  
5 such rate at 1.25% or 1.5%; the board of county commissioners of  
6 Cherokee, Crawford, Ford, Saline, Seward or Wyandotte county, for the  
7 purposes of ~~paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2)~~, and  
8 amendments thereto, may fix such rate at 1.5%, the board of county  
9 commissioners of Atchison county, for the purposes of ~~paragraph (2) of~~  
10 ~~subsection (b) of K.S.A. 12-187(b)(2)~~, and amendments thereto, may fix  
11 such rate at 1.5% or 1.75%; the board of county commissioners of  
12 Anderson, Barton, Jefferson or Ottawa county, for the purposes of  
13 ~~paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2)~~, and amendments  
14 thereto, may fix such rate at 2%; the board of county commissioners of  
15 Marion county, for the purposes of ~~paragraph (2) of subsection (b) of~~  
16 ~~K.S.A. 12-187(b)(2)~~, and amendments thereto, may fix such rate at 2.5%;  
17 the board of county commissioners of Franklin, Linn and Miami counties,  
18 for the purposes of ~~paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2)~~,  
19 and amendments thereto, may fix such rate at a percentage which is equal  
20 to the sum of the rate allowed to be imposed by the respective board of  
21 county commissioners on July 1, 2007, plus up to 1.0%; and the board of  
22 county commissioners of Brown county, for the purposes of ~~paragraph (2)~~  
23 ~~of subsection (b) of K.S.A. 12-187(b)(2)~~, and amendments thereto, may fix  
24 such rate at up to 2%;

25 (b) the board of county commissioners of Jackson county, for the  
26 purposes of ~~paragraph (3) of subsection (b) of K.S.A. 12-187(b)(3)~~, and  
27 amendments thereto, may fix such rate at 2%;

28 (c) the boards of county commissioners of Finney and Ford counties,  
29 for the purposes of ~~paragraph (4) of subsection (b) of K.S.A. 12-187(b)(4)~~,  
30 and amendments thereto, may fix such rate at 0.25%;

31 (d) the board of county commissioners of any county for the purposes  
32 of ~~paragraph (5) of subsection (b) of K.S.A. 12-187(b)(5)~~, and  
33 amendments thereto, may fix such rate at a percentage which is equal to  
34 the sum of the rate allowed to be imposed by a board of county  
35 commissioners on the effective date of this act plus 0.25%, 0.5%, 0.75% or  
36 1%, as the case requires;

37 (e) the board of county commissioners of Dickinson county, for the  
38 purposes of ~~paragraph (7) of subsection (b) of K.S.A. 12-187(b)(7)~~, and  
39 amendments thereto, may fix such rate at 1.5%, and the board of county  
40 commissioners of Miami county, for the purposes of ~~paragraph (7) of~~  
41 ~~subsection (b) of K.S.A. 12-187(b)(7)~~, and amendments thereto, may fix  
42 such rate at 1.25%, 1.5%, 1.75% or 2%;

43 (f) the board of county commissioners of Sherman county, for the

- 1 purposes of ~~paragraph (8) of subsection (b) of K.S.A. 12-187(b)(8)~~, and  
2 amendments thereto, may fix such rate at 2.25%;
- 3 (g) the board of county commissioners of Crawford or Russell county  
4 for the purposes of ~~paragraph (9) of subsection (b) of K.S.A. 12-187(b)(9)~~,  
5 and amendments thereto, may fix such rate at 1.5%;
- 6 (h) the board of county commissioners of Franklin county, for the  
7 purposes of ~~paragraph (10) of subsection (b) of K.S.A. 12-187(b)(10)~~, and  
8 amendments thereto, may fix such rate at 1.75%;
- 9 (i) the board of county commissioners of Douglas county, for the  
10 purposes of ~~paragraph (11) of subsection (b) of K.S.A. 12-187(b)(11)~~, and  
11 amendments thereto, may fix such rate at 1.25%;
- 12 (j) the board of county commissioners of Jackson county, for the  
13 purposes of ~~subsection (b)(13) of K.S.A. 12-187(b)(13)~~, and amendments  
14 thereto, may fix such rate at 1.4%;
- 15 (k) the board of county commissioners of Sedgwick county, for the  
16 purposes of ~~paragraph (3)(C) of subsection (b) of K.S.A. 12-187(b)(3)(C)~~,  
17 and amendments thereto, may fix such rate at 2%;
- 18 (l) the board of county commissioners of Neosho county, for the  
19 purposes of ~~paragraph (14) of subsection (b) of K.S.A. 12-187(b)(14)~~, and  
20 amendments thereto, may fix such rate at 1.0% or 1.5%;
- 21 (m) the board of county commissioners of Saline county, for the  
22 purposes of ~~paragraph (15) of subsection (b) of K.S.A. 12-187(b)(15)~~, and  
23 amendments thereto, may fix such rate at up to 1.5%;
- 24 (n) the board of county commissioners of Harvey county, for the  
25 purposes of ~~paragraph (16) of subsection (b) of K.S.A. 12-187(b)(16)~~, and  
26 amendments thereto, may fix such rate at 2.0%;
- 27 (o) the board of county commissioners of Atchison county, for the  
28 purpose of ~~paragraph (17) of subsection (b) of K.S.A. 12-187(b)(17)~~, and  
29 amendments thereto, may fix such rate at a percentage which is equal to  
30 the sum of the rate allowed to be imposed by the board of county  
31 commissioners of Atchison county on the effective date of this act plus  
32 0.25%;
- 33 (p) the board of county commissioners of Wabaunsee county, for the  
34 purpose of ~~paragraph (18) of subsection (b) of K.S.A. 12-187(b)(18)~~, and  
35 amendments thereto, may fix such rate at a percentage which is equal to  
36 the sum of the rate allowed to be imposed by the board of county  
37 commissioners of Wabaunsee county on July 1, 2007, plus 0.5%;
- 38 (q) the board of county commissioners of Jefferson county, for the  
39 purpose of ~~paragraphs (19) and (25) of subsection (b) of K.S.A. 12-187(b)~~  
40 ~~(19) and (25)~~, and amendments thereto, may fix such rate at 2.25%;
- 41 (r) the board of county commissioners of Riley county, for the  
42 purpose of ~~paragraph (20) of subsection (b) of K.S.A. 12-187(b)(20)~~, and  
43 amendments thereto, may fix such rate at a percentage which is equal to

1 the sum of the rate allowed to be imposed by the board of county  
2 commissioners of Riley county on July 1, 2007, plus up to 1%;

3 (s) the board of county commissioners of Johnson county for the  
4 purposes of ~~paragraph (21) of subsection (b) of K.S.A. 12-187(b)(21)~~, and  
5 amendments thereto, may fix such rate at a percentage which is equal to  
6 the sum of the rate allowed to be imposed by the board of county  
7 commissioners of Johnson county on July 1, 2007, plus 0.25%;

8 (t) the board of county commissioners of Wilson county for the  
9 purposes of ~~paragraph (22) of subsection (b) of K.S.A. 12-187(b)(22)~~, and  
10 amendments thereto, may fix such rate at up to 2%;

11 (u) the board of county commissioners of Butler county for the  
12 purposes of ~~paragraph (23) of subsection (b) of K.S.A. 12-187(b)(23)~~, and  
13 amendments thereto, may fix such rate at a percentage which is equal to  
14 the sum of the rate otherwise allowed pursuant to this section, plus 0.25%,  
15 0.5%, 0.75% or 1%;

16 (v) the board of county commissioners of Barton county, for the  
17 purposes of ~~paragraph (24) of subsection (b) of K.S.A. 12-187(b)(24)~~, and  
18 amendments thereto, may fix such rate at up to 1.5%;

19 (w) the board of county commissioners of Lyon county, for the  
20 purposes of ~~paragraph (3)(D) of subsection (b) of K.S.A. 12-187(b)(3)(D)~~,  
21 and amendments thereto, may fix such rate at 1.5%;

22 (x) the board of county commissioners of Rawlins county, for the  
23 purposes of ~~paragraph (3)(E) of subsection (b) of K.S.A. 12-187(b)(3)(E)~~,  
24 and amendments thereto, may fix such rate at 1.75%;

25 (y) the board of county commissioners of Chautauqua county, for the  
26 purposes of ~~paragraph (3)(F) of subsection (b) of K.S.A. 12-187(b)(3)(F)~~,  
27 and amendments thereto, may fix such rate at 2.0%;

28 (z) the board of county commissioners of Pottawatomie county, for  
29 the purposes of ~~paragraph (26) of subsection (b) of K.S.A. 12-187(b)(26)~~,  
30 and amendments thereto, may fix such rate at up to 1.5%;

31 (aa) the board of county commissioners of Kingman county, for the  
32 purposes of ~~paragraph (27) of subsection (b) of K.S.A. 12-187(b)(27)~~, and  
33 amendments thereto, may fix such rate at a percentage which is equal to  
34 the sum of the rate otherwise allowed pursuant to this section, plus 0.25%,  
35 0.5%, 0.75%, or 1%;

36 (bb) the board of county commissioners of Edwards county, for the  
37 purposes of ~~paragraph (28) of subsection (b) of K.S.A. 12-187(b)(28)~~, and  
38 amendments thereto, may fix such rate at 1.375%; ~~and~~

39 (cc) the board of county commissioners of Rooks county, for the  
40 purposes of ~~paragraph (29) of subsection (b) of K.S.A. 12-187(b)(29)~~, and  
41 amendments thereto, may fix such rate at up to 1.5%; *and*

42 (dd) *the board of county commissioners of Bourbon county, for the*  
43 *purposes of K.S.A. 12-187(b)(30), and amendments thereto, may fix such*

1 *rate at up to 2%.*

2 Any county or city levying a retailers' sales tax is hereby prohibited  
3 from administering or collecting such tax locally, but shall utilize the  
4 services of the state department of revenue to administer, enforce and  
5 collect such tax. Except as otherwise specifically provided in K.S.A. 12-  
6 189a, and amendments thereto, such tax shall be identical in its  
7 application, and exemptions therefrom, to the Kansas retailers' sales tax act  
8 and all laws and administrative rules and regulations of the state  
9 department of revenue relating to the Kansas retailers' sales tax shall apply  
10 to such local sales tax insofar as such laws and rules and regulations may  
11 be made applicable. The state director of taxation is hereby authorized to  
12 administer, enforce and collect such local sales taxes and to adopt such  
13 rules and regulations as may be necessary for the efficient and effective  
14 administration and enforcement thereof.

15 Upon receipt of a certified copy of an ordinance or resolution  
16 authorizing the levy of a local retailers' sales tax, the director of taxation  
17 shall cause such taxes to be collected within or without the boundaries of  
18 such taxing subdivision at the same time and in the same manner provided  
19 for the collection of the state retailers' sales tax. Such copy shall be  
20 submitted to the director of taxation within 30 days after adoption of any  
21 such ordinance or resolution. All moneys collected by the director of  
22 taxation under the provisions of this section shall be credited to a county  
23 and city retailers' sales tax fund which fund is hereby established in the  
24 state treasury, except that all moneys collected by the director of taxation  
25 pursuant to the authority granted in ~~paragraph (22) of subsection (b) of~~  
26 K.S.A. 12-187(b)(22), and amendments thereto, shall be credited to the  
27 Wilson county capital improvements fund. Any refund due on any county  
28 or city retailers' sales tax collected pursuant to this act shall be paid out of  
29 the sales tax refund fund and reimbursed by the director of taxation from  
30 collections of local retailers' sales tax revenue. Except for local retailers'  
31 sales tax revenue required to be deposited in the redevelopment bond fund  
32 established under K.S.A. 74-8927, and amendments thereto, all local  
33 retailers' sales tax revenue collected within any county or city pursuant to  
34 this act shall be apportioned and remitted at least quarterly by the state  
35 treasurer, on instruction from the director of taxation, to the treasurer of  
36 such county or city.

37 Revenue that is received from the imposition of a local retailers' sales  
38 tax which exceeds the amount of revenue required to pay the costs of a  
39 special project for which such revenue was pledged shall be credited to the  
40 city or county general fund, as the case requires.

41 The director of taxation shall provide, upon request by a city or county  
42 clerk or treasurer or finance officer of any city or county levying a local  
43 retailers' sales tax, monthly reports identifying each retailer doing business

1 in such city or county or making taxable sales sourced to such city or  
2 county, setting forth the tax liability and the amount of such tax remitted  
3 by each retailer during the preceding month and identifying each business  
4 location maintained by the retailer and such retailer's sales or use tax  
5 registration or account number. Such report shall be made available to the  
6 clerk or treasurer or finance officer of such city or county within a  
7 reasonable time after it has been requested from the director of taxation.  
8 The director of taxation shall be allowed to assess a reasonable fee for the  
9 issuance of such report. Information received by any city or county  
10 pursuant to this section shall be confidential, and it shall be unlawful for  
11 any officer or employee of such city or county to divulge any such  
12 information in any manner. Any violation of this paragraph by a city or  
13 county officer or employee is a class A misdemeanor, and such officer or  
14 employee shall be dismissed from office. Reports of violations of this  
15 paragraph shall be investigated by the attorney general. The district  
16 attorney or county attorney and the attorney general shall have authority to  
17 prosecute violations of this paragraph.

18 Sec. 3. K.S.A. 2014 Supp. 12-192 is hereby amended to read as  
19 follows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or  
20 (h), all revenue received by the director of taxation from a countywide  
21 retailers' sales tax shall be apportioned among the county and each city  
22 located in such county in the following manner: (1) One-half of all  
23 revenue received by the director of taxation shall be apportioned among  
24 the county and each city located in such county in the proportion that the  
25 total tangible property tax levies made in such county in the preceding  
26 year for all funds of each such governmental unit bear to the total of all  
27 such levies made in the preceding year; and (2) one-half of all revenue  
28 received by the director of taxation from such countywide retailers' sales  
29 tax shall be apportioned among the county and each city located in such  
30 county, first to the county that portion of the revenue equal to the  
31 proportion that the population of the county residing in the unincorporated  
32 area of the county bears to the total population of the county, and second to  
33 the cities in the proportion that the population of each city bears to the  
34 total population of the county, except that no persons residing within the  
35 Fort Riley military reservation shall be included in the determination of the  
36 population of any city located within Riley county. All revenue  
37 apportioned to a county shall be paid to its county treasurer and shall be  
38 credited to the general fund of the county.

39 (b) (1) In lieu of the apportionment formula provided in subsection  
40 (a), all revenue received by the director of taxation from a countywide  
41 retailers' sales tax imposed within Johnson county at the rate of 0.75%, 1%  
42 or 1.25% after July 1, 2007, shall be apportioned among the county and  
43 each city located in such county in the following manner: (A) The revenue

1 received from the first 0.5% rate of tax shall be apportioned in the manner  
2 prescribed by subsection (a); and (B) the revenue received from the rate of  
3 tax exceeding 0.5% shall be apportioned as follows: (i) One-fourth shall be  
4 apportioned among the county and each city located in such county in the  
5 proportion that the total tangible property tax levies made in such county  
6 in the preceding year for all funds of each such governmental unit bear to  
7 the total of all such levies made in the preceding year; (ii) one-fourth shall  
8 be apportioned among the county and each city located in such county,  
9 first to the county that portion of the revenue equal to the proportion that  
10 the population of the county residing in the unincorporated area of the  
11 county bears to the total population of the county, and second to the cities  
12 in the proportion that the population of each city bears to the total  
13 population of the county; and (iii) one-half shall be retained by the county  
14 for its sole use and benefit.

15 (2) In lieu of the apportionment formula provided in subsection (a),  
16 all money received by the director of taxation from a countywide sales tax  
17 imposed within Montgomery county pursuant to the election held on  
18 November 8, 1994, shall be remitted to and shall be retained by the county  
19 and expended only for the purpose for which the revenue received from  
20 the tax was pledged. All revenue apportioned and paid from the imposition  
21 of such tax to the treasurer of any city prior to the effective date of this act  
22 shall be remitted to the county treasurer and expended only for the purpose  
23 for which the revenue received from the tax was pledged.

24 (3) In lieu of the apportionment formula provided in subsection (a),  
25 on and after the effective date of this act, all moneys received by the  
26 director of taxation from a countywide retailers' sales tax imposed within  
27 Phillips county pursuant to the election held on September 20, 2005, shall  
28 be remitted to and shall be retained by the county and expended only for  
29 the purpose for which the revenue received from the tax was pledged.

30 (c) (1) Except as otherwise provided by paragraph (2) of this  
31 subsection, for purposes of subsections (a) and (b), the term "total tangible  
32 property tax levies" means the aggregate dollar amount of tax revenue  
33 derived from ad valorem tax levies applicable to all tangible property  
34 located within each such city or county. The ad valorem property tax levy  
35 of any county or city district entity or subdivision shall be included within  
36 this term if the levy of any such district entity or subdivision is applicable  
37 to all tangible property located within each such city or county.

38 (2) For the purposes of subsections (a) and (b), any ad valorem  
39 property tax levied on property located in a city in Johnson county for the  
40 purpose of providing fire protection service in such city shall be included  
41 within the term "total tangible property tax levies" for such city regardless  
42 of its applicability to all tangible property located within each such city. If  
43 the tax is levied by a district which extends across city boundaries, for



1 purposes of this computation, the amount of such levy shall be apportioned  
2 among each city in which such district extends in the proportion that such  
3 tax levied within each city bears to the total tax levied by the district.

4 (d) (1) All revenue received from a countywide retailers' sales tax  
5 imposed pursuant to ~~paragraphs (2), (3)(C), (3)(F), (6), (7), (8), (9), (12),~~  
6 ~~(14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27), (28) and (29)~~  
7 ~~of subsection (b) of K.S.A. 12-187(b)(2), (3)(C), (3)(F), (6), (7), (8), (9),~~  
8 ~~(12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27), (28), (29)~~  
9 ~~and (30),~~ and amendments thereto, shall be remitted to and shall be  
10 retained by the county and expended only for the purpose for which the  
11 revenue received from the tax was pledged.

12 (2) Except as otherwise provided in ~~paragraph (5) of subsection (b) of~~  
13 ~~K.S.A. 12-187(b)(5),~~ and amendments thereto, all revenues received from  
14 a countywide retailers' sales tax imposed pursuant to ~~paragraph (5) of~~  
15 ~~subsection (b) of K.S.A. 12-187(b)(5),~~ and amendments thereto, shall be  
16 remitted to and shall be retained by the county and expended only for the  
17 purpose for which the revenue received from the tax was pledged.

18 (3) All revenue received from a countywide retailers' sales tax  
19 imposed pursuant to ~~paragraph (26) of subsection (b) of K.S.A. 12-187(b)~~  
20 ~~(26),~~ and amendments thereto, shall be remitted to and shall be retained by  
21 the county and expended only for the purpose for which the revenue  
22 received from the tax was pledged unless the question of imposing a  
23 countywide retailers' sales tax authorized by ~~paragraph (26) of subsection~~  
24 ~~(b) of K.S.A. 12-187(b)(26),~~ and amendments thereto, includes the  
25 apportionment of revenue prescribed in subsection (a).

26 (e) All revenue apportioned to the several cities of the county shall be  
27 paid to the respective treasurers thereof and deposited in the general fund  
28 of the city. Whenever the territory of any city is located in two or more  
29 counties and any one or more of such counties do not levy a countywide  
30 retailers' sales tax, or whenever such counties do not levy countywide  
31 retailers' sales taxes at a uniform rate, the revenue received by such city  
32 from the proceeds of the countywide retailers' sales tax, as an alternative to  
33 depositing the same in the general fund, may be used for the purpose of  
34 reducing the tax levies of such city upon the taxable tangible property  
35 located within the county levying such countywide retailers' sales tax.

36 (f) Prior to March 1 of each year, the secretary of revenue shall advise  
37 each county treasurer of the revenue collected in such county from the  
38 state retailers' sales tax for the preceding calendar year.

39 (g) Prior to December 31 of each year, the clerk of every county  
40 imposing a countywide retailers' sales tax shall provide such information  
41 deemed necessary by the secretary of revenue to apportion and remit  
42 revenue to the counties and cities pursuant to this section.

43 (h) The provisions of subsections (a) and (b) for the apportionment of

1 countywide retailers' sales tax shall not apply to any revenues received  
2 pursuant to a county or countywide retailers' sales tax levied or collected  
3 under K.S.A. 74-8929, and amendments thereto. All such revenue  
4 collected under K.S.A. 74-8929, and amendments thereto, shall be  
5 deposited into the redevelopment bond fund established by K.S.A. 74-  
6 8927, and amendments thereto, for the period of time set forth in K.S.A.  
7 74-8927, and amendments thereto.

8 Sec. 4. K.S.A. 2014 Supp. 79-3606 is hereby amended to read as  
9 follows: 79-3606. The following shall be exempt from the tax imposed by  
10 this act:

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

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

37 (c) all sales of tangible personal property or services, including the  
38 renting and leasing of tangible personal property, purchased directly by a  
39 public or private elementary or secondary school or public or private  
40 nonprofit educational institution and used primarily by such school or  
41 institution for nonsectarian programs and activities provided or sponsored  
42 by such school or institution or in the erection, repair or enlargement of  
43 buildings to be used for such purposes. The exemption herein provided

1 shall not apply to erection, construction, repair, enlargement or equipment  
2 of buildings used primarily for human habitation;

3 (d) all sales of tangible personal property or services purchased by a  
4 contractor for the purpose of constructing, equipping, reconstructing,  
5 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
6 any public or private nonprofit hospital or public hospital authority, public  
7 or private elementary or secondary school, a public or private nonprofit  
8 educational institution, state correctional institution including a privately  
9 constructed correctional institution contracted for state use and ownership,  
10 which would be exempt from taxation under the provisions of this act if  
11 purchased directly by such hospital or public hospital authority, school,  
12 educational institution or a state correctional institution; and all sales of  
13 tangible personal property or services purchased by a contractor for the  
14 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
15 enlarging, furnishing or remodeling facilities for any political subdivision  
16 of the state or district described in subsection (s), the total cost of which is  
17 paid from funds of such political subdivision or district and which would  
18 be exempt from taxation under the provisions of this act if purchased  
19 directly by such political subdivision or district. Nothing in this subsection  
20 or in the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
21 deemed to exempt the purchase of any construction machinery, equipment  
22 or tools used in the constructing, equipping, reconstructing, maintaining,  
23 repairing, enlarging, furnishing or remodeling facilities for any political  
24 subdivision of the state or any such district. As used in this subsection,  
25 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
26 political subdivision" shall mean general tax revenues, the proceeds of any  
27 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the  
28 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
29 furnishing or remodeling facilities which are to be leased to the donor.  
30 When any political subdivision of the state, district described in subsection  
31 (s), public or private nonprofit hospital or public hospital authority, public  
32 or private elementary or secondary school, public or private nonprofit  
33 educational institution, state correctional institution including a privately  
34 constructed correctional institution contracted for state use and ownership  
35 shall contract for the purpose of constructing, equipping, reconstructing,  
36 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
37 shall obtain from the state and furnish to the contractor an exemption  
38 certificate for the project involved, and the contractor may purchase  
39 materials for incorporation in such project. The contractor shall furnish the  
40 number of such certificate to all suppliers from whom such purchases are  
41 made, and such suppliers shall execute invoices covering the same bearing  
42 the number of such certificate. Upon completion of the project the  
43 contractor shall furnish to the political subdivision, district described in

1 subsection (s), hospital or public hospital authority, school, educational  
2 institution or department of corrections concerned a sworn statement, on a  
3 form to be provided by the director of taxation, that all purchases so made  
4 were entitled to exemption under this subsection. As an alternative to the  
5 foregoing procedure, any such contracting entity may apply to the  
6 secretary of revenue for agent status for the sole purpose of issuing and  
7 furnishing project exemption certificates to contractors pursuant to rules  
8 and regulations adopted by the secretary establishing conditions and  
9 standards for the granting and maintaining of such status. All invoices  
10 shall be held by the contractor for a period of five years and shall be  
11 subject to audit by the director of taxation. If any materials purchased  
12 under such a certificate are found not to have been incorporated in the  
13 building or other project or not to have been returned for credit or the sales  
14 or compensating tax otherwise imposed upon such materials which will  
15 not be so incorporated in the building or other project reported and paid by  
16 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
17 month following the close of the month in which it shall be determined  
18 that such materials will not be used for the purpose for which such  
19 certificate was issued, the political subdivision, district described in  
20 subsection (s), hospital or public hospital authority, school, educational  
21 institution or the contractor contracting with the department of corrections  
22 for a correctional institution concerned shall be liable for tax on all  
23 materials purchased for the project, and upon payment thereof it may  
24 recover the same from the contractor together with reasonable attorney  
25 fees. Any contractor or any agent, employee or subcontractor thereof, who  
26 shall use or otherwise dispose of any materials purchased under such a  
27 certificate for any purpose other than that for which such a certificate is  
28 issued without the payment of the sales or compensating tax otherwise  
29 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
30 conviction therefor, shall be subject to the penalties provided for in  
31 ~~subsection (g) of K.S.A. 79-3615(h)~~, and amendments thereto;

32 (e) all sales of tangible personal property or services purchased by a  
33 contractor for the erection, repair or enlargement of buildings or other  
34 projects for the government of the United States, its agencies or  
35 instrumentalities, which would be exempt from taxation if purchased  
36 directly by the government of the United States, its agencies or  
37 instrumentalities. When the government of the United States, its agencies  
38 or instrumentalities shall contract for the erection, repair, or enlargement  
39 of any building or other project, it shall obtain from the state and furnish to  
40 the contractor an exemption certificate for the project involved, and the  
41 contractor may purchase materials for incorporation in such project. The  
42 contractor shall furnish the number of such certificates to all suppliers  
43 from whom such purchases are made, and such suppliers shall execute

1 invoices covering the same bearing the number of such certificate. Upon  
2 completion of the project the contractor shall furnish to the government of  
3 the United States, its agencies or instrumentalities concerned a sworn  
4 statement, on a form to be provided by the director of taxation, that all  
5 purchases so made were entitled to exemption under this subsection. As an  
6 alternative to the foregoing procedure, any such contracting entity may  
7 apply to the secretary of revenue for agent status for the sole purpose of  
8 issuing and furnishing project exemption certificates to contractors  
9 pursuant to rules and regulations adopted by the secretary establishing  
10 conditions and standards for the granting and maintaining of such status.  
11 All invoices shall be held by the contractor for a period of five years and  
12 shall be subject to audit by the director of taxation. Any contractor or any  
13 agent, employee or subcontractor thereof, who shall use or otherwise  
14 dispose of any materials purchased under such a certificate for any purpose  
15 other than that for which such a certificate is issued without the payment  
16 of the sales or compensating tax otherwise imposed upon such materials,  
17 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
18 subject to the penalties provided for in ~~subsection (g)~~ of K.S.A. 79-  
19 3615(h), and amendments thereto;

20 (f) tangible personal property purchased by a railroad or public utility  
21 for consumption or movement directly and immediately in interstate  
22 commerce;

23 (g) sales of aircraft including remanufactured and modified aircraft  
24 sold to persons using directly or through an authorized agent such aircraft  
25 as certified or licensed carriers of persons or property in interstate or  
26 foreign commerce under authority of the laws of the United States or any  
27 foreign government or sold to any foreign government or agency or  
28 instrumentality of such foreign government and all sales of aircraft for use  
29 outside of the United States and sales of aircraft repair, modification and  
30 replacement parts and sales of services employed in the remanufacture,  
31 modification and repair of aircraft;

32 (h) all rentals of nonsectarian textbooks by public or private  
33 elementary or secondary schools;

34 (i) the lease or rental of all films, records, tapes, or any type of sound  
35 or picture transcriptions used by motion picture exhibitors;

36 (j) meals served without charge or food used in the preparation of  
37 such meals to employees of any restaurant, eating house, dining car, hotel,  
38 drugstore or other place where meals or drinks are regularly sold to the  
39 public if such employees' duties are related to the furnishing or sale of  
40 such meals or drinks;

41 (k) any motor vehicle, semitrailer or pole trailer, as such terms are  
42 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and  
43 delivered in this state to a bona fide resident of another state, which motor

1 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based  
2 in this state and which vehicle, semitrailer, pole trailer or aircraft will not  
3 remain in this state more than 10 days;

4 (l) all isolated or occasional sales of tangible personal property,  
5 services, substances or things, except isolated or occasional sale of motor  
6 vehicles specifically taxed under the provisions of ~~subsection (o)~~ of K.S.A.  
7 79-3603(o), and amendments thereto;

8 (m) all sales of tangible personal property which become an  
9 ingredient or component part of tangible personal property or services  
10 produced, manufactured or compounded for ultimate sale at retail within  
11 or without the state of Kansas; and any such producer, manufacturer or  
12 compounder may obtain from the director of taxation and furnish to the  
13 supplier an exemption certificate number for tangible personal property for  
14 use as an ingredient or component part of the property or services  
15 produced, manufactured or compounded;

16 (n) all sales of tangible personal property which is consumed in the  
17 production, manufacture, processing, mining, drilling, refining or  
18 compounding of tangible personal property, the treating of by-products or  
19 wastes derived from any such production process, the providing of  
20 services or the irrigation of crops for ultimate sale at retail within or  
21 without the state of Kansas; and any purchaser of such property may  
22 obtain from the director of taxation and furnish to the supplier an  
23 exemption certificate number for tangible personal property for  
24 consumption in such production, manufacture, processing, mining,  
25 drilling, refining, compounding, treating, irrigation and in providing such  
26 services;

27 (o) all sales of animals, fowl and aquatic plants and animals, the  
28 primary purpose of which is use in agriculture or aquaculture, as defined in  
29 K.S.A. 47-1901, and amendments thereto, the production of food for  
30 human consumption, the production of animal, dairy, poultry or aquatic  
31 plant and animal products, fiber or fur, or the production of offspring for  
32 use for any such purpose or purposes;

33 (p) all sales of drugs dispensed pursuant to a prescription order by a  
34 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
35 1626, and amendments thereto. As used in this subsection, "drug" means a  
36 compound, substance or preparation and any component of a compound,  
37 substance or preparation, other than food and food ingredients, dietary  
38 supplements or alcoholic beverages, recognized in the official United  
39 States pharmacopoeia, official homeopathic pharmacopoeia of the United  
40 States or official national formulary, and supplement to any of them,  
41 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
42 of disease or intended to affect the structure or any function of the body,  
43 except that for taxable years commencing after December 31, 2013, this

1 subsection shall not apply to any sales of drugs used in the performance or  
2 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
3 thereto;

4 (q) all sales of insulin dispensed by a person licensed by the state  
5 board of pharmacy to a person for treatment of diabetes at the direction of  
6 a person licensed to practice medicine by the board of healing arts;

7 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
8 enteral feeding systems, prosthetic devices and mobility enhancing  
9 equipment prescribed in writing by a person licensed to practice the  
10 healing arts, dentistry or optometry, and in addition to such sales, all sales  
11 of hearing aids, as defined by ~~subsection (c) of K.S.A. 74-5807(c)~~, and  
12 amendments thereto, and repair and replacement parts therefor, including  
13 batteries, by a person licensed in the practice of dispensing and fitting  
14 hearing aids pursuant to the provisions of K.S.A. 74-5808, and  
15 amendments thereto. For the purposes of this subsection: (1) "Mobility  
16 enhancing equipment" means equipment including repair and replacement  
17 parts to same, but does not include durable medical equipment, which is  
18 primarily and customarily used to provide or increase the ability to move  
19 from one place to another and which is appropriate for use either in a  
20 home or a motor vehicle; is not generally used by persons with normal  
21 mobility; and does not include any motor vehicle or equipment on a motor  
22 vehicle normally provided by a motor vehicle manufacturer; and (2)  
23 "prosthetic device" means a replacement, corrective or supportive device  
24 including repair and replacement parts for same worn on or in the body to  
25 artificially replace a missing portion of the body, prevent or correct  
26 physical deformity or malfunction or support a weak or deformed portion  
27 of the body;

28 (s) except as provided in K.S.A. 2014 Supp. 82a-2101, and  
29 amendments thereto, all sales of tangible personal property or services  
30 purchased directly or indirectly by a groundwater management district  
31 organized or operating under the authority of K.S.A. 82a-1020 et seq., and  
32 amendments thereto, by a rural water district organized or operating under  
33 the authority of K.S.A. 82a-612, and amendments thereto, or by a water  
34 supply district organized or operating under the authority of K.S.A. 19-  
35 3501 et seq., 19-3522 et seq., or 19-3545, and amendments thereto, which  
36 property or services are used in the construction activities, operation or  
37 maintenance of the district;

38 (t) all sales of farm machinery and equipment or aquaculture  
39 machinery and equipment, repair and replacement parts therefor and  
40 services performed in the repair and maintenance of such machinery and  
41 equipment. For the purposes of this subsection the term "farm machinery  
42 and equipment or aquaculture machinery and equipment" shall include a  
43 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments

1 thereto, and is equipped with a bed or cargo box for hauling materials, and  
2 shall also include machinery and equipment used in the operation of  
3 Christmas tree farming but shall not include any passenger vehicle, truck,  
4 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
5 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
6 machinery and equipment" includes precision farming equipment that is  
7 portable or is installed or purchased to be installed on farm machinery and  
8 equipment. "Precision farming equipment" includes the following items  
9 used only in computer-assisted farming, ranching or aquaculture  
10 production operations: Soil testing sensors, yield monitors, computers,  
11 monitors, software, global positioning and mapping systems, guiding  
12 systems, modems, data communications equipment and any necessary  
13 mounting hardware, wiring and antennas. Each purchaser of farm  
14 machinery and equipment or aquaculture machinery and equipment  
15 exempted herein must certify in writing on the copy of the invoice or sales  
16 ticket to be retained by the seller that the farm machinery and equipment  
17 or aquaculture machinery and equipment purchased will be used only in  
18 farming, ranching or aquaculture production. Farming or ranching shall  
19 include the operation of a feedlot and farm and ranch work for hire and the  
20 operation of a nursery;

21 (u) all leases or rentals of tangible personal property used as a  
22 dwelling if such tangible personal property is leased or rented for a period  
23 of more than 28 consecutive days;

24 (v) all sales of tangible personal property to any contractor for use in  
25 preparing meals for delivery to homebound elderly persons over 60 years  
26 of age and to homebound disabled persons or to be served at a group-  
27 sitting at a location outside of the home to otherwise homebound elderly  
28 persons over 60 years of age and to otherwise homebound disabled  
29 persons, as all or part of any food service project funded in whole or in  
30 part by government or as part of a private nonprofit food service project  
31 available to all such elderly or disabled persons residing within an area of  
32 service designated by the private nonprofit organization, and all sales of  
33 tangible personal property for use in preparing meals for consumption by  
34 indigent or homeless individuals whether or not such meals are consumed  
35 at a place designated for such purpose, and all sales of food products by or  
36 on behalf of any such contractor or organization for any such purpose;

37 (w) all sales of natural gas, electricity, heat and water delivered  
38 through mains, lines or pipes: (1) To residential premises for  
39 noncommercial use by the occupant of such premises; (2) for agricultural  
40 use and also, for such use, all sales of propane gas; (3) for use in the  
41 severing of oil; and (4) to any property which is exempt from property  
42 taxation pursuant to K.S.A. 79-201b, *Second* through *Sixth*. As used in this  
43 paragraph, "severing" shall have the meaning ascribed thereto by



1 ~~subsection (k)~~ of K.S.A. 79-4216(k), and amendments thereto. For all sales  
2 of natural gas, electricity and heat delivered through mains, lines or pipes  
3 pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions  
4 of this subsection shall expire on December 31, 2005;

5 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources  
6 for the production of heat or lighting for noncommercial use of an  
7 occupant of residential premises occurring prior to January 1, 2006;

8 (y) all sales of materials and services used in the repairing, servicing,  
9 altering, maintaining, manufacturing, remanufacturing, or modification of  
10 railroad rolling stock for use in interstate or foreign commerce under  
11 authority of the laws of the United States;

12 (z) all sales of tangible personal property and services purchased  
13 directly by a port authority or by a contractor therefor as provided by the  
14 provisions of K.S.A. 12-3418, and amendments thereto;

15 (aa) all sales of materials and services applied to equipment which is  
16 transported into the state from without the state for repair, service,  
17 alteration, maintenance, remanufacture or modification and which is  
18 subsequently transported outside the state for use in the transmission of  
19 liquids or natural gas by means of pipeline in interstate or foreign  
20 commerce under authority of the laws of the United States;

21 (bb) all sales of used mobile homes or manufactured homes. As used  
22 in this subsection: (1) "Mobile homes" and "manufactured homes" shall  
23 have the meanings ascribed thereto by K.S.A. 58-4202, and amendments  
24 thereto; and (2) "sales of used mobile homes or manufactured homes"  
25 means sales other than the original retail sale thereof;

26 (cc) all sales of tangible personal property or services purchased prior  
27 to January 1, 2012, except as otherwise provided, for the purpose of and in  
28 conjunction with constructing, reconstructing, enlarging or remodeling a  
29 business or retail business which meets the requirements established in  
30 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
31 machinery and equipment purchased for installation at any such business  
32 or retail business, and all sales of tangible personal property or services  
33 purchased on or after January 1, 2012, for the purpose of and in  
34 conjunction with constructing, reconstructing, enlarging or remodeling a  
35 business which meets the requirements established in K.S.A. 74-50,115(e),  
36 and amendments thereto, and the sale and installation of machinery and  
37 equipment purchased for installation at any such business. When a person  
38 shall contract for the construction, reconstruction, enlargement or  
39 remodeling of any such business or retail business, such person shall  
40 obtain from the state and furnish to the contractor an exemption certificate  
41 for the project involved, and the contractor may purchase materials,  
42 machinery and equipment for incorporation in such project. The contractor  
43 shall furnish the number of such certificates to all suppliers from whom

1 such purchases are made, and such suppliers shall execute invoices  
2 covering the same bearing the number of such certificate. Upon  
3 completion of the project the contractor shall furnish to the owner of the  
4 business or retail business a sworn statement, on a form to be provided by  
5 the director of taxation, that all purchases so made were entitled to  
6 exemption under this subsection. All invoices shall be held by the  
7 contractor for a period of five years and shall be subject to audit by the  
8 director of taxation. Any contractor or any agent, employee or  
9 subcontractor thereof, who shall use or otherwise dispose of any materials,  
10 machinery or equipment purchased under such a certificate for any  
11 purpose other than that for which such a certificate is issued without the  
12 payment of the sales or compensating tax otherwise imposed thereon, shall  
13 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
14 to the penalties provided for in ~~subsection (g)~~ of K.S.A. 79-3615(h), and  
15 amendments thereto. As used in this subsection, "business" and "retail  
16 business" have the meanings respectively ascribed thereto by K.S.A. 74-  
17 50,114, and amendments thereto. Project exemption certificates that have  
18 been previously issued under this subsection by the department of revenue  
19 pursuant to K.S.A. 74-50,115, and amendments thereto, but not including  
20 K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012,  
21 and have not expired will be effective for the term of the project or two  
22 years from the effective date of the certificate, whichever occurs earlier.  
23 Project exemption certificates that are submitted to the department of  
24 revenue prior to January 1, 2012, and are found to qualify will be issued a  
25 project exemption certificate that will be effective for a two-year period or  
26 for the term of the project, whichever occurs earlier;

27 (dd) all sales of tangible personal property purchased with food  
28 stamps issued by the United States department of agriculture;

29 (ee) all sales of lottery tickets and shares made as part of a lottery  
30 operated by the state of Kansas;

31 (ff) on and after July 1, 1988, all sales of new mobile homes or  
32 manufactured homes to the extent of 40% of the gross receipts, determined  
33 without regard to any trade-in allowance, received from such sale. As used  
34 in this subsection, "mobile homes" and "manufactured homes" shall have  
35 the meanings ascribed thereto by K.S.A. 58-4202, and amendments  
36 thereto;

37 (gg) all sales of tangible personal property purchased in accordance  
38 with vouchers issued pursuant to the federal special supplemental food  
39 program for women, infants and children;

40 (hh) all sales of medical supplies and equipment, including durable  
41 medical equipment, purchased directly by a nonprofit skilled nursing home  
42 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
43 and amendments thereto, for the purpose of providing medical services to

1 residents thereof. This exemption shall not apply to tangible personal  
2 property customarily used for human habitation purposes. As used in this  
3 subsection, "durable medical equipment" means equipment including  
4 repair and replacement parts for such equipment, which can withstand  
5 repeated use, is primarily and customarily used to serve a medical purpose,  
6 generally is not useful to a person in the absence of illness or injury and is  
7 not worn in or on the body, but does not include mobility enhancing  
8 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
9 dialysis equipment or enteral feeding systems;

10 (ii) all sales of tangible personal property purchased directly by a  
11 nonprofit organization for nonsectarian comprehensive multidiscipline  
12 youth development programs and activities provided or sponsored by such  
13 organization, and all sales of tangible personal property by or on behalf of  
14 any such organization. This exemption shall not apply to tangible personal  
15 property customarily used for human habitation purposes;

16 (jj) all sales of tangible personal property or services, including the  
17 renting and leasing of tangible personal property, purchased directly on  
18 behalf of a community-based facility for people with intellectual disability  
19 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
20 amendments thereto, and licensed in accordance with the provisions of  
21 K.S.A. 75-3307b, and amendments thereto, and all sales of tangible  
22 personal property or services purchased by contractors during the time  
23 period from July, 2003, through June, 2006, for the purpose of  
24 constructing, equipping, maintaining or furnishing a new facility for a  
25 community-based facility for people with intellectual disability or mental  
26 health center located in Riverton, Cherokee County, Kansas, which would  
27 have been eligible for sales tax exemption pursuant to this subsection if  
28 purchased directly by such facility or center. This exemption shall not  
29 apply to tangible personal property customarily used for human habitation  
30 purposes;

31 (kk) (1) (A) all sales of machinery and equipment which are used in  
32 this state as an integral or essential part of an integrated production  
33 operation by a manufacturing or processing plant or facility;

34 (B) all sales of installation, repair and maintenance services  
35 performed on such machinery and equipment; and

36 (C) all sales of repair and replacement parts and accessories  
37 purchased for such machinery and equipment.

38 (2) For purposes of this subsection:

39 (A) "Integrated production operation" means an integrated series of  
40 operations engaged in at a manufacturing or processing plant or facility to  
41 process, transform or convert tangible personal property by physical,  
42 chemical or other means into a different form, composition or character  
43 from that in which it originally existed. Integrated production operations

1 shall include: (i) Production line operations, including packaging  
2 operations; (ii) preproduction operations to handle, store and treat raw  
3 materials; (iii) post production handling, storage, warehousing and  
4 distribution operations; and (iv) waste, pollution and environmental  
5 control operations, if any;

6 (B) "production line" means the assemblage of machinery and  
7 equipment at a manufacturing or processing plant or facility where the  
8 actual transformation or processing of tangible personal property occurs;

9 (C) "manufacturing or processing plant or facility" means a single,  
10 fixed location owned or controlled by a manufacturing or processing  
11 business that consists of one or more structures or buildings in a  
12 contiguous area where integrated production operations are conducted to  
13 manufacture or process tangible personal property to be ultimately sold at  
14 retail. Such term shall not include any facility primarily operated for the  
15 purpose of conveying or assisting in the conveyance of natural gas,  
16 electricity, oil or water. A business may operate one or more manufacturing  
17 or processing plants or facilities at different locations to manufacture or  
18 process a single product of tangible personal property to be ultimately sold  
19 at retail;

20 (D) "manufacturing or processing business" means a business that  
21 utilizes an integrated production operation to manufacture, process,  
22 fabricate, finish, or assemble items for wholesale and retail distribution as  
23 part of what is commonly regarded by the general public as an industrial  
24 manufacturing or processing operation or an agricultural commodity  
25 processing operation. (i) Industrial manufacturing or processing operations  
26 include, by way of illustration but not of limitation, the fabrication of  
27 automobiles, airplanes, machinery or transportation equipment, the  
28 fabrication of metal, plastic, wood, or paper products, electricity power  
29 generation, water treatment, petroleum refining, chemical production,  
30 wholesale bottling, newspaper printing, ready mixed concrete production,  
31 and the remanufacturing of used parts for wholesale or retail sale. Such  
32 processing operations shall include operations at an oil well, gas well,  
33 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
34 sand or gravel that has been extracted from the earth is cleaned, separated,  
35 crushed, ground, milled, screened, washed, or otherwise treated or  
36 prepared before its transmission to a refinery or before any other wholesale  
37 or retail distribution. (ii) Agricultural commodity processing operations  
38 include, by way of illustration but not of limitation, meat packing, poultry  
39 slaughtering and dressing, processing and packaging farm and dairy  
40 products in sealed containers for wholesale and retail distribution, feed  
41 grinding, grain milling, frozen food processing, and grain handling,  
42 cleaning, blending, fumigation, drying and aeration operations engaged in  
43 by grain elevators or other grain storage facilities. (iii) Manufacturing or

1 processing businesses do not include, by way of illustration but not of  
2 limitation, nonindustrial businesses whose operations are primarily retail  
3 and that produce or process tangible personal property as an incidental part  
4 of conducting the retail business, such as retailers who bake, cook or  
5 prepare food products in the regular course of their retail trade, grocery  
6 stores, meat lockers and meat markets that butcher or dress livestock or  
7 poultry in the regular course of their retail trade, contractors who alter,  
8 service, repair or improve real property, and retail businesses that clean,  
9 service or refurbish and repair tangible personal property for its owner;

10 (E) "repair and replacement parts and accessories" means all parts  
11 and accessories for exempt machinery and equipment, including, but not  
12 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
13 exempt machinery or that are otherwise used in production, and parts and  
14 accessories that require periodic replacement such as belts, drill bits,  
15 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
16 other refractory items for exempt kiln equipment used in production  
17 operations;

18 (F) "primary" or "primarily" mean more than 50% of the time.

19 (3) For purposes of this subsection, machinery and equipment shall  
20 be deemed to be used as an integral or essential part of an integrated  
21 production operation when used:

22 (A) To receive, transport, convey, handle, treat or store raw materials  
23 in preparation of its placement on the production line;

24 (B) to transport, convey, handle or store the property undergoing  
25 manufacturing or processing at any point from the beginning of the  
26 production line through any warehousing or distribution operation of the  
27 final product that occurs at the plant or facility;

28 (C) to act upon, effect, promote or otherwise facilitate a physical  
29 change to the property undergoing manufacturing or processing;

30 (D) to guide, control or direct the movement of property undergoing  
31 manufacturing or processing;

32 (E) to test or measure raw materials, the property undergoing  
33 manufacturing or processing or the finished product, as a necessary part of  
34 the manufacturer's integrated production operations;

35 (F) to plan, manage, control or record the receipt and flow of  
36 inventories of raw materials, consumables and component parts, the flow  
37 of the property undergoing manufacturing or processing and the  
38 management of inventories of the finished product;

39 (G) to produce energy for, lubricate, control the operating of or  
40 otherwise enable the functioning of other production machinery and  
41 equipment and the continuation of production operations;

42 (H) to package the property being manufactured or processed in a  
43 container or wrapping in which such property is normally sold or

1 transported;

2 (I) to transmit or transport electricity, coke, gas, water, steam or  
3 similar substances used in production operations from the point of  
4 generation, if produced by the manufacturer or processor at the plant site,  
5 to that manufacturer's production operation; or, if purchased or delivered  
6 from off-site, from the point where the substance enters the site of the  
7 plant or facility to that manufacturer's production operations;

8 (J) to cool, heat, filter, refine or otherwise treat water, steam, acid, oil,  
9 solvents or other substances that are used in production operations;

10 (K) to provide and control an environment required to maintain  
11 certain levels of air quality, humidity or temperature in special and limited  
12 areas of the plant or facility, where such regulation of temperature or  
13 humidity is part of and essential to the production process;

14 (L) to treat, transport or store waste or other byproducts of production  
15 operations at the plant or facility; or

16 (M) to control pollution at the plant or facility where the pollution is  
17 produced by the manufacturing or processing operation.

18 (4) The following machinery, equipment and materials shall be  
19 deemed to be exempt even though it may not otherwise qualify as  
20 machinery and equipment used as an integral or essential part of an  
21 integrated production operation: (A) Computers and related peripheral  
22 equipment that are utilized by a manufacturing or processing business for  
23 engineering of the finished product or for research and development or  
24 product design; (B) machinery and equipment that is utilized by a  
25 manufacturing or processing business to manufacture or rebuild tangible  
26 personal property that is used in manufacturing or processing operations,  
27 including tools, dies, molds, forms and other parts of qualifying machinery  
28 and equipment; (C) portable plants for aggregate concrete, bulk cement  
29 and asphalt including cement mixing drums to be attached to a motor  
30 vehicle; (D) industrial fixtures, devices, support facilities and special  
31 foundations necessary for manufacturing and production operations, and  
32 materials and other tangible personal property sold for the purpose of  
33 fabricating such fixtures, devices, facilities and foundations. An exemption  
34 certificate for such purchases shall be signed by the manufacturer or  
35 processor. If the fabricator purchases such material, the fabricator shall  
36 also sign the exemption certificate; (E) a manufacturing or processing  
37 business' laboratory equipment that is not located at the plant or facility,  
38 but that would otherwise qualify for exemption under subsection (3)(E);  
39 and (F) all machinery and equipment used in surface mining activities as  
40 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
41 from the time a reclamation plan is filed to the acceptance of the  
42 completed final site reclamation.

43 (5) "Machinery and equipment used as an integral or essential part of

1 an integrated production operation" shall not include:

2 (A) Machinery and equipment used for nonproduction purposes,  
3 including, but not limited to, machinery and equipment used for plant  
4 security, fire prevention, first aid, accounting, administration, record  
5 keeping, advertising, marketing, sales or other related activities, plant  
6 cleaning, plant communications, and employee work scheduling;

7 (B) machinery, equipment and tools used primarily in maintaining  
8 and repairing any type of machinery and equipment or the building and  
9 plant;

10 (C) transportation, transmission and distribution equipment not  
11 primarily used in a production, warehousing or material handling  
12 operation at the plant or facility, including the means of conveyance of  
13 natural gas, electricity, oil or water, and equipment related thereto, located  
14 outside the plant or facility;

15 (D) office machines and equipment including computers and related  
16 peripheral equipment not used directly and primarily to control or measure  
17 the manufacturing process;

18 (E) furniture and other furnishings;

19 (F) buildings, other than exempt machinery and equipment that is  
20 permanently affixed to or becomes a physical part of the building, and any  
21 other part of real estate that is not otherwise exempt;

22 (G) building fixtures that are not integral to the manufacturing  
23 operation, such as utility systems for heating, ventilation, air conditioning,  
24 communications, plumbing or electrical;

25 (H) machinery and equipment used for general plant heating, cooling  
26 and lighting;

27 (I) motor vehicles that are registered for operation on public  
28 highways; or

29 (J) employee apparel, except safety and protective apparel that is  
30 purchased by an employer and furnished gratuitously to employees who  
31 are involved in production or research activities.

32 (6) Subsections (3) and (5) shall not be construed as exclusive listings  
33 of the machinery and equipment that qualify or do not qualify as an  
34 integral or essential part of an integrated production operation. When  
35 machinery or equipment is used as an integral or essential part of  
36 production operations part of the time and for nonproduction purposes at  
37 other times, the primary use of the machinery or equipment shall  
38 determine whether or not such machinery or equipment qualifies for  
39 exemption.

40 (7) The secretary of revenue shall adopt rules and regulations  
41 necessary to administer the provisions of this subsection;

42 (II) all sales of educational materials purchased for distribution to the  
43 public at no charge by a nonprofit corporation organized for the purpose of

1 encouraging, fostering and conducting programs for the improvement of  
2 public health, except that for taxable years commencing after December  
3 31, 2013, this subsection shall not apply to any sales of such materials  
4 purchased by a nonprofit corporation which performs any abortion, as  
5 defined in K.S.A. 65-6701, and amendments thereto;

6 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,  
7 herbicides, germicides, pesticides and fungicides; and services, purchased  
8 and used for the purpose of producing plants in order to prevent soil  
9 erosion on land devoted to agricultural use;

10 (nn) except as otherwise provided in this act, all sales of services  
11 rendered by an advertising agency or licensed broadcast station or any  
12 member, agent or employee thereof;

13 (oo) all sales of tangible personal property purchased by a community  
14 action group or agency for the exclusive purpose of repairing or  
15 weatherizing housing occupied by low income individuals;

16 (pp) all sales of drill bits and explosives actually utilized in the  
17 exploration and production of oil or gas;

18 (qq) all sales of tangible personal property and services purchased by  
19 a nonprofit museum or historical society or any combination thereof,  
20 including a nonprofit organization which is organized for the purpose of  
21 stimulating public interest in the exploration of space by providing  
22 educational information, exhibits and experiences, which is exempt from  
23 federal income taxation pursuant to section 501(c)(3) of the federal  
24 internal revenue code of 1986;

25 (rr) all sales of tangible personal property which will admit the  
26 purchaser thereof to any annual event sponsored by a nonprofit  
27 organization which is exempt from federal income taxation pursuant to  
28 section 501(c)(3) of the federal internal revenue code of 1986, except that  
29 for taxable years commencing after December 31, 2013, this subsection  
30 shall not apply to any sales of such tangible personal property purchased  
31 by a nonprofit organization which performs any abortion, as defined in  
32 K.S.A. 65-6701, and amendments thereto;

33 (ss) all sales of tangible personal property and services purchased by  
34 a public broadcasting station licensed by the federal communications  
35 commission as a noncommercial educational television or radio station;

36 (tt) all sales of tangible personal property and services purchased by  
37 or on behalf of a not-for-profit corporation which is exempt from federal  
38 income taxation pursuant to section 501(c)(3) of the federal internal  
39 revenue code of 1986, for the sole purpose of constructing a Kansas  
40 Korean War memorial;

41 (uu) all sales of tangible personal property and services purchased by  
42 or on behalf of any rural volunteer fire-fighting organization for use  
43 exclusively in the performance of its duties and functions;



1 (vv) all sales of tangible personal property purchased by any of the  
2 following organizations which are exempt from federal income taxation  
3 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
4 for the following purposes, and all sales of any such property by or on  
5 behalf of any such organization for any such purpose:

6 (1) The American heart association, Kansas affiliate, inc. for the  
7 purposes of providing education, training, certification in emergency  
8 cardiac care, research and other related services to reduce disability and  
9 death from cardiovascular diseases and stroke;

10 (2) the Kansas alliance for the mentally ill, inc. for the purpose of  
11 advocacy for persons with mental illness and to education, research and  
12 support for their families;

13 (3) the Kansas mental illness awareness council for the purposes of  
14 advocacy for persons who are mentally ill and for education, research and  
15 support for them and their families;

16 (4) the American diabetes association Kansas affiliate, inc. for the  
17 purpose of eliminating diabetes through medical research, public education  
18 focusing on disease prevention and education, patient education including  
19 information on coping with diabetes, and professional education and  
20 training;

21 (5) the American lung association of Kansas, inc. for the purpose of  
22 eliminating all lung diseases through medical research, public education  
23 including information on coping with lung diseases, professional education  
24 and training related to lung disease and other related services to reduce the  
25 incidence of disability and death due to lung disease;

26 (6) the Kansas chapters of the Alzheimer's disease and related  
27 disorders association, inc. for the purpose of providing assistance and  
28 support to persons in Kansas with Alzheimer's disease, and their families  
29 and caregivers;

30 (7) the Kansas chapters of the Parkinson's disease association for the  
31 purpose of eliminating Parkinson's disease through medical research and  
32 public and professional education related to such disease;

33 (8) the national kidney foundation of Kansas and western Missouri  
34 for the purpose of eliminating kidney disease through medical research  
35 and public and private education related to such disease;

36 (9) the heartstrings community foundation for the purpose of  
37 providing training, employment and activities for adults with  
38 developmental disabilities;

39 (10) the cystic fibrosis foundation, heart of America chapter, for the  
40 purposes of assuring the development of the means to cure and control  
41 cystic fibrosis and improving the quality of life for those with the disease;

42 (11) the spina bifida association of Kansas for the purpose of  
43 providing financial, educational and practical aid to families and

1 individuals with spina bifida. Such aid includes, but is not limited to,  
2 funding for medical devices, counseling and medical educational  
3 opportunities;

4 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
5 neighborhoods through the construction of new homes, acquiring and  
6 renovating existing homes and other related activities, and promoting  
7 economic development in such neighborhoods;

8 (13) the cross-lines cooperative council for the purpose of providing  
9 social services to low income individuals and families;

10 (14) the dreams work, inc., for the purpose of providing young adult  
11 day services to individuals with developmental disabilities and assisting  
12 families in avoiding institutional or nursing home care for a  
13 developmentally disabled member of their family;

14 (15) the KSDS, Inc., for the purpose of promoting the independence  
15 and inclusion of people with disabilities as fully participating and  
16 contributing members of their communities and society through the  
17 training and providing of guide and service dogs to people with  
18 disabilities, and providing disability education and awareness to the  
19 general public;

20 (16) the lyme association of greater Kansas City, Inc., for the purpose  
21 of providing support to persons with lyme disease and public education  
22 relating to the prevention, treatment and cure of lyme disease;

23 (17) the dream factory, inc., for the purpose of granting the dreams of  
24 children with critical and chronic illnesses;

25 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
26 students and families with education and resources necessary to enable  
27 each child to develop fine character and musical ability to the fullest  
28 potential;

29 (19) the international association of lions clubs for the purpose of  
30 creating and fostering a spirit of understanding among all people for  
31 humanitarian needs by providing voluntary services through community  
32 involvement and international cooperation;

33 (20) the Johnson county young matrons, inc., for the purpose of  
34 promoting a positive future for members of the community through  
35 volunteerism, financial support and education through the efforts of an all  
36 volunteer organization;

37 (21) the American cancer society, inc., for the purpose of eliminating  
38 cancer as a major health problem by preventing cancer, saving lives and  
39 diminishing suffering from cancer, through research, education, advocacy  
40 and service;

41 (22) the community services of Shawnee, inc., for the purpose of  
42 providing food and clothing to those in need;

43 (23) the angel babies association, for the purpose of providing

1 assistance, support and items of necessity to teenage mothers and their  
2 babies; and

3 (24) the Kansas fairgrounds foundation for the purpose of the  
4 preservation, renovation and beautification of the Kansas state fairgrounds;

5 (ww) all sales of tangible personal property purchased by the habitat  
6 for humanity for the exclusive use of being incorporated within a housing  
7 project constructed by such organization;

8 (xx) all sales of tangible personal property and services purchased by  
9 a nonprofit zoo which is exempt from federal income taxation pursuant to  
10 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
11 of such zoo by an entity itself exempt from federal income taxation  
12 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
13 contracted with to operate such zoo and all sales of tangible personal  
14 property or services purchased by a contractor for the purpose of  
15 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
16 furnishing or remodeling facilities for any nonprofit zoo which would be  
17 exempt from taxation under the provisions of this section if purchased  
18 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
19 this subsection shall be deemed to exempt the purchase of any construction  
20 machinery, equipment or tools used in the constructing, equipping,  
21 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
22 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
23 the purpose of constructing, equipping, reconstructing, maintaining,  
24 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
25 from the state and furnish to the contractor an exemption certificate for the  
26 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 the nonprofit zoo concerned a sworn statement, on a form  
32 to be provided by the director of taxation, that all purchases so made were  
33 entitled to exemption under this subsection. All invoices shall be held by  
34 the contractor for a period of five years and shall be subject to audit by the  
35 director of taxation. If any materials purchased under such a certificate are  
36 found not to have been incorporated in the building or other project or not  
37 to have been returned for credit or the sales or compensating tax otherwise  
38 imposed upon such materials which will not be so incorporated in the  
39 building or other project reported and paid by such contractor to the  
40 director of taxation not later than the 20<sup>th</sup> day of the month following the  
41 close of the month in which it shall be determined that such materials will  
42 not be used for the purpose for which such certificate was issued, the  
43 nonprofit zoo concerned shall be liable for tax on all materials purchased

1 for the project, and upon payment thereof it may recover the same from  
2 the contractor together with reasonable attorney fees. Any contractor or  
3 any agent, employee or subcontractor thereof, who shall use or otherwise  
4 dispose of any materials purchased under such a certificate for any purpose  
5 other than that for which such a certificate is issued without the payment  
6 of the sales or compensating tax otherwise imposed upon such materials,  
7 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
8 subject to the penalties provided for in ~~subsection (g)~~ of K.S.A. 79-  
9 3615(h), and amendments thereto;

10 (yy) all sales of tangible personal property and services purchased by  
11 a parent-teacher association or organization, and all sales of tangible  
12 personal property by or on behalf of such association or organization;

13 (zz) all sales of machinery and equipment purchased by over-the-air,  
14 free access radio or television station which is used directly and primarily  
15 for the purpose of producing a broadcast signal or is such that the failure  
16 of the machinery or equipment to operate would cause broadcasting to  
17 cease. For purposes of this subsection, machinery and equipment shall  
18 include, but not be limited to, that required by rules and regulations of the  
19 federal communications commission, and all sales of electricity which are  
20 essential or necessary for the purpose of producing a broadcast signal or is  
21 such that the failure of the electricity would cause broadcasting to cease;

22 (aaa) all sales of tangible personal property and services purchased by  
23 a religious organization which is exempt from federal income taxation  
24 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
25 exclusively for religious purposes, and all sales of tangible personal  
26 property or services purchased by a contractor for the purpose of  
27 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
28 furnishing or remodeling facilities for any such organization which would  
29 be exempt from taxation under the provisions of this section if purchased  
30 directly by such organization. Nothing in this subsection shall be deemed  
31 to exempt the purchase of any construction machinery, equipment or tools  
32 used in the constructing, equipping, reconstructing, maintaining, repairing,  
33 enlarging, furnishing or remodeling facilities for any such organization.  
34 When any such organization shall contract for the purpose of constructing,  
35 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
36 remodeling facilities, it shall obtain from the state and furnish to the  
37 contractor an exemption certificate for the project involved, and the  
38 contractor may purchase materials for incorporation in such project. The  
39 contractor shall furnish the number of such certificate to all suppliers from  
40 whom such purchases are made, and such suppliers shall execute invoices  
41 covering the same bearing the number of such certificate. Upon  
42 completion of the project the contractor shall furnish to such organization  
43 concerned a sworn statement, on a form to be provided by the director of

1 taxation, that all purchases so made were entitled to exemption under this  
2 subsection. All invoices shall be held by the contractor for a period of five  
3 years and shall be subject to audit by the director of taxation. If any  
4 materials purchased under such a certificate are found not to have been  
5 incorporated in the building or other project or not to have been returned  
6 for credit or the sales or compensating tax otherwise imposed upon such  
7 materials which will not be so incorporated in the building or other project  
8 reported and paid by such contractor to the director of taxation not later  
9 than the 20<sup>th</sup> day of the month following the close of the month in which it  
10 shall be determined that such materials will not be used for the purpose for  
11 which such certificate was issued, such organization concerned shall be  
12 liable for tax on all materials purchased for the project, and upon payment  
13 thereof it may recover the same from the contractor together with  
14 reasonable attorney fees. Any contractor or any agent, employee or  
15 subcontractor thereof, who shall use or otherwise dispose of any materials  
16 purchased under such a certificate for any purpose other than that for  
17 which such a certificate is issued without the payment of the sales or  
18 compensating tax otherwise imposed upon such materials, shall be guilty  
19 of a misdemeanor and, upon conviction therefor, shall be subject to the  
20 penalties provided for in ~~subsection (g) of~~ K.S.A. 79-3615(h), and  
21 amendments thereto. Sales tax paid on and after July 1, 1998, but prior to  
22 the effective date of this act upon the gross receipts received from any sale  
23 exempted by the amendatory provisions of this subsection shall be  
24 refunded. Each claim for a sales tax refund shall be verified and submitted  
25 to the director of taxation upon forms furnished by the director and shall  
26 be accompanied by any additional documentation required by the director.  
27 The director shall review each claim and shall refund that amount of sales  
28 tax paid as determined under the provisions of this subsection. All refunds  
29 shall be paid from the sales tax refund fund upon warrants of the director  
30 of accounts and reports pursuant to vouchers approved by the director or  
31 the director's designee;

32 (bbb) all sales of food for human consumption by an organization  
33 which is exempt from federal income taxation pursuant to section 501(c)  
34 (3) of the federal internal revenue code of 1986, pursuant to a food  
35 distribution program which offers such food at a price below cost in  
36 exchange for the performance of community service by the purchaser  
37 thereof;

38 (ccc) on and after July 1, 1999, all sales of tangible personal property  
39 and services purchased by a primary care clinic or health center the  
40 primary purpose of which is to provide services to medically underserved  
41 individuals and families, and which is exempt from federal income  
42 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
43 and all sales of tangible personal property or services purchased by a

1 contractor for the purpose of constructing, equipping, reconstructing,  
2 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
3 any such clinic or center which would be exempt from taxation under the  
4 provisions of this section if purchased directly by such clinic or center,  
5 except that for taxable years commencing after December 31, 2013, this  
6 subsection shall not apply to any sales of such tangible personal property  
7 and services purchased by a primary care clinic or health center which  
8 performs any abortion, as defined in K.S.A. 65-6701, and amendments  
9 thereto. Nothing in this subsection shall be deemed to exempt the purchase  
10 of any construction machinery, equipment or tools used in the  
11 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
12 furnishing or remodeling facilities for any such clinic or center. When any  
13 such clinic or center shall contract for the purpose of constructing,  
14 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
15 remodeling facilities, it shall obtain from the state and furnish to the  
16 contractor an exemption certificate for the project involved, and the  
17 contractor may purchase materials for incorporation in such project. The  
18 contractor shall furnish the number of such certificate to all suppliers from  
19 whom such purchases are made, and such suppliers shall execute invoices  
20 covering the same bearing the number of such certificate. Upon  
21 completion of the project the contractor shall furnish to such clinic or  
22 center concerned a sworn statement, on a form to be provided by the  
23 director of taxation, that all purchases so made were entitled to exemption  
24 under this subsection. All invoices shall be held by the contractor for a  
25 period of five years and shall be subject to audit by the director of taxation.  
26 If any materials purchased under such a certificate are found not to have  
27 been incorporated in the building or other project or not to have been  
28 returned for credit or the sales or compensating tax otherwise imposed  
29 upon such materials which will not be so incorporated in the building or  
30 other project reported and paid by such contractor to the director of  
31 taxation not later than the 20<sup>th</sup> day of the month following the close of the  
32 month in which it shall be determined that such materials will not be used  
33 for the purpose for which such certificate was issued, such clinic or center  
34 concerned shall be liable for tax on all materials purchased for the project,  
35 and upon payment thereof it may recover the same from the contractor  
36 together with reasonable attorney fees. Any contractor or any agent,  
37 employee or subcontractor thereof, who shall use or otherwise dispose of  
38 any materials purchased under such a certificate for any purpose other than  
39 that for which such a certificate is issued without the payment of the sales  
40 or compensating tax otherwise imposed upon such materials, shall be  
41 guilty of a misdemeanor and, upon conviction therefor, shall be subject to  
42 the penalties provided for in ~~subsection (g) of~~ K.S.A. 79-3615(h), and  
43 amendments thereto;

1 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
2 sales of materials and services purchased by any class II or III railroad as  
3 classified by the federal surface transportation board for the construction,  
4 renovation, repair or replacement of class II or III railroad track and  
5 facilities used directly in interstate commerce. In the event any such track  
6 or facility for which materials and services were purchased sales tax  
7 exempt is not operational for five years succeeding the allowance of such  
8 exemption, the total amount of sales tax which would have been payable  
9 except for the operation of this subsection shall be recouped in accordance  
10 with rules and regulations adopted for such purpose by the secretary of  
11 revenue;

12 (eee) on and after January 1, 1999, and before January 1, 2001, all  
13 sales of materials and services purchased for the original construction,  
14 reconstruction, repair or replacement of grain storage facilities, including  
15 railroad sidings providing access thereto;

16 (fff) all sales of material handling equipment, racking systems and  
17 other related machinery and equipment that is used for the handling,  
18 movement or storage of tangible personal property in a warehouse or  
19 distribution facility in this state; all sales of installation, repair and  
20 maintenance services performed on such machinery and equipment; and  
21 all sales of repair and replacement parts for such machinery and  
22 equipment. For purposes of this subsection, a warehouse or distribution  
23 facility means a single, fixed location that consists of buildings or  
24 structures in a contiguous area where storage or distribution operations are  
25 conducted that are separate and apart from the business' retail operations,  
26 if any, and which do not otherwise qualify for exemption as occurring at a  
27 manufacturing or processing plant or facility. Material handling and  
28 storage equipment shall include aeration, dust control, cleaning, handling  
29 and other such equipment that is used in a public grain warehouse or other  
30 commercial grain storage facility, whether used for grain handling, grain  
31 storage, grain refining or processing, or other grain treatment operation;

32 (ggg) all sales of tangible personal property and services purchased  
33 by or on behalf of the Kansas academy of science which is exempt from  
34 federal income taxation pursuant to section 501(c)(3) of the federal  
35 internal revenue code of 1986, and used solely by such academy for the  
36 preparation, publication and dissemination of education materials;

37 (hhh) all sales of tangible personal property and services purchased  
38 by or on behalf of all domestic violence shelters that are member agencies  
39 of the Kansas coalition against sexual and domestic violence;

40 (iii) all sales of personal property and services purchased by an  
41 organization which is exempt from federal income taxation pursuant to  
42 section 501(c)(3) of the federal internal revenue code of 1986, and which  
43 such personal property and services are used by any such organization in

1 the collection, storage and distribution of food products to nonprofit  
2 organizations which distribute such food products to persons pursuant to a  
3 food distribution program on a charitable basis without fee or charge, and  
4 all sales of tangible personal property or services purchased by a  
5 contractor for the purpose of constructing, equipping, reconstructing,  
6 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
7 for the collection and storage of such food products for any such  
8 organization which is exempt from federal income taxation pursuant to  
9 section 501(c)(3) of the federal internal revenue code of 1986, which  
10 would be exempt from taxation under the provisions of this section if  
11 purchased directly by such organization. Nothing in this subsection shall  
12 be deemed to exempt the purchase of any construction machinery,  
13 equipment or tools used in the constructing, equipping, reconstructing,  
14 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
15 any such organization. When any such organization shall contract for the  
16 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
17 enlarging, furnishing or remodeling facilities, it shall obtain from the state  
18 and furnish to the contractor an exemption certificate for the project  
19 involved, and the contractor may purchase materials for incorporation in  
20 such project. The contractor shall furnish the number of such certificate to  
21 all suppliers from whom such purchases are made, and such suppliers shall  
22 execute invoices covering the same bearing the number of such certificate.  
23 Upon completion of the project the contractor shall furnish to such  
24 organization concerned a sworn statement, on a form to be provided by the  
25 director of taxation, that all purchases so made were entitled to exemption  
26 under this subsection. All invoices shall be held by the contractor for a  
27 period of five years and shall be subject to audit by the director of taxation.  
28 If any materials purchased under such a certificate are found not to have  
29 been incorporated in such facilities or not to have been returned for credit  
30 or the sales or compensating tax otherwise imposed upon such materials  
31 which will not be so incorporated in such facilities reported and paid by  
32 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
33 month following the close of the month in which it shall be determined  
34 that such materials will not be used for the purpose for which such  
35 certificate was issued, such organization concerned shall be liable for tax  
36 on all materials purchased for the project, and upon payment thereof it  
37 may recover the same from the contractor together with reasonable  
38 attorney fees. Any contractor or any agent, employee or subcontractor  
39 thereof, who shall use or otherwise dispose of any materials purchased  
40 under such a certificate for any purpose other than that for which such a  
41 certificate is issued without the payment of the sales or compensating tax  
42 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
43 and, upon conviction therefor, shall be subject to the penalties provided for



1 in subsection ~~(g)~~ of K.S.A. 79-3615(h), and amendments thereto. Sales tax  
2 paid on and after July 1, 2005, but prior to the effective date of this act  
3 upon the gross receipts received from any sale exempted by the  
4 amendatory provisions of this subsection shall be refunded. Each claim for  
5 a sales tax refund shall be verified and submitted to the director of taxation  
6 upon forms furnished by the director and shall be accompanied by any  
7 additional documentation required by the director. The director shall  
8 review each claim and shall refund that amount of sales tax paid as  
9 determined under the provisions of this subsection. All refunds shall be  
10 paid from the sales tax refund fund upon warrants of the director of  
11 accounts and reports pursuant to vouchers approved by the director or the  
12 director's designee;

13 (jjj) all sales of dietary supplements dispensed pursuant to a  
14 prescription order by a licensed practitioner or a mid-level practitioner as  
15 defined by K.S.A. 65-1626, and amendments thereto. As used in this  
16 subsection, "dietary supplement" means any product, other than tobacco,  
17 intended to supplement the diet that: (1) Contains one or more of the  
18 following dietary ingredients: A vitamin, a mineral, an herb or other  
19 botanical, an amino acid, a dietary substance for use by humans to  
20 supplement the diet by increasing the total dietary intake or a concentrate,  
21 metabolite, constituent, extract or combination of any such ingredient; (2)  
22 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or  
23 liquid form, or if not intended for ingestion, in such a form, is not  
24 represented as conventional food and is not represented for use as a sole  
25 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
26 supplement, identifiable by the supplemental facts box found on the label  
27 and as required pursuant to 21 C.F.R. § 101.36;

28 (lll) all sales of tangible personal property and services purchased by  
29 special olympics Kansas, inc. for the purpose of providing year-round  
30 sports training and athletic competition in a variety of olympic-type sports  
31 for individuals with intellectual disabilities by giving them continuing  
32 opportunities to develop physical fitness, demonstrate courage, experience  
33 joy and participate in a sharing of gifts, skills and friendship with their  
34 families, other special olympics athletes and the community, and activities  
35 provided or sponsored by such organization, and all sales of tangible  
36 personal property by or on behalf of any such organization;

37 (mmm) all sales of tangible personal property purchased by or on  
38 behalf of the Marillac center, inc., which is exempt from federal income  
39 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
40 for the purpose of providing psycho-social-biological and special  
41 education services to children, and all sales of any such property by or on  
42 behalf of such organization for such purpose;

43 (nnn) all sales of tangible personal property and services purchased

1 by the west Sedgwick county-sunrise rotary club and sunrise charitable  
2 fund for the purpose of constructing a boundless playground which is an  
3 integrated, barrier free and developmentally advantageous play  
4 environment for children of all abilities and disabilities;

5 (ooo) all sales of tangible personal property by or on behalf of a  
6 public library serving the general public and supported in whole or in part  
7 with tax money or a not-for-profit organization whose purpose is to raise  
8 funds for or provide services or other benefits to any such public library;

9 (ppp) all sales of tangible personal property and services purchased  
10 by or on behalf of a homeless shelter which is exempt from federal income  
11 taxation pursuant to section 501(c)(3) of the federal income tax code of  
12 1986, and used by any such homeless shelter to provide emergency and  
13 transitional housing for individuals and families experiencing  
14 homelessness, and all sales of any such property by or on behalf of any  
15 such homeless shelter for any such purpose;

16 (qqq) all sales of tangible personal property and services purchased  
17 by TLC for children and families, inc., hereinafter referred to as TLC,  
18 which is exempt from federal income taxation pursuant to section 501(c)  
19 (3) of the federal internal revenue code of 1986, and which such property  
20 and services are used for the purpose of providing emergency shelter and  
21 treatment for abused and neglected children as well as meeting additional  
22 critical needs for children, juveniles and family, and all sales of any such  
23 property by or on behalf of TLC for any such purpose; and all sales of  
24 tangible personal property or services purchased by a contractor for the  
25 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
26 remodeling facilities for the operation of services for TLC for any such  
27 purpose which would be exempt from taxation under the provisions of this  
28 section if purchased directly by TLC. Nothing in this subsection shall be  
29 deemed to exempt the purchase of any construction machinery, equipment  
30 or tools used in the constructing, maintaining, repairing, enlarging,  
31 furnishing or remodeling such facilities for TLC. When TLC contracts for  
32 the purpose of constructing, maintaining, repairing, enlarging, furnishing  
33 or remodeling such facilities, it shall obtain from the state and furnish to  
34 the contractor an exemption certificate for the project involved, and the  
35 contractor may purchase materials for incorporation in such project. The  
36 contractor shall furnish the number of such certificate to all suppliers from  
37 whom such purchases are made, and such suppliers shall execute invoices  
38 covering the same bearing the number of such certificate. Upon  
39 completion of the project the contractor shall furnish to TLC a sworn  
40 statement, on a form to be provided by the director of taxation, that all  
41 purchases so made were entitled to exemption under this subsection. All  
42 invoices shall be held by the contractor for a period of five years and shall  
43 be subject to audit by the director of taxation. If any materials purchased

1 under such a certificate are found not to have been incorporated in the  
2 building or other project or not to have been returned for credit or the sales  
3 or compensating tax otherwise imposed upon such materials which will  
4 not be so incorporated in the building or other project reported and paid by  
5 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
6 month following the close of the month in which it shall be determined  
7 that such materials will not be used for the purpose for which such  
8 certificate was issued, TLC shall be liable for tax on all materials  
9 purchased for the project, and upon payment thereof it may recover the  
10 same from the contractor together with reasonable attorney fees. Any  
11 contractor or any agent, employee or subcontractor thereof, who shall use  
12 or otherwise dispose of any materials purchased under such a certificate  
13 for any purpose other than that for which such a certificate is issued  
14 without the payment of the sales or compensating tax otherwise imposed  
15 upon such materials, shall be guilty of a misdemeanor and, upon  
16 conviction therefor, shall be subject to the penalties provided for in  
17 subsection (g) of K.S.A. 79-3615(h), and amendments thereto;

18 (rrr) all sales of tangible personal property and services purchased by  
19 any county law library maintained pursuant to law and sales of tangible  
20 personal property and services purchased by an organization which would  
21 have been exempt from taxation under the provisions of this subsection if  
22 purchased directly by the county law library for the purpose of providing  
23 legal resources to attorneys, judges, students and the general public, and  
24 all sales of any such property by or on behalf of any such county law  
25 library;

26 (sss) all sales of tangible personal property and services purchased by  
27 catholic charities or youthville, hereinafter referred to as charitable family  
28 providers, which is exempt from federal income taxation pursuant to  
29 section 501(c)(3) of the federal internal revenue code of 1986, and which  
30 such property and services are used for the purpose of providing  
31 emergency shelter and treatment for abused and neglected children as well  
32 as meeting additional critical needs for children, juveniles and family, and  
33 all sales of any such property by or on behalf of charitable family  
34 providers for any such purpose; and all sales of tangible personal property  
35 or services purchased by a contractor for the purpose of constructing,  
36 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
37 the operation of services for charitable family providers for any such  
38 purpose which would be exempt from taxation under the provisions of this  
39 section if purchased directly by charitable family providers. Nothing in  
40 this subsection shall be deemed to exempt the purchase of any construction  
41 machinery, equipment or tools used in the constructing, maintaining,  
42 repairing, enlarging, furnishing or remodeling such facilities for charitable  
43 family providers. When charitable family providers contracts for the

1 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
2 remodeling such facilities, it shall obtain from the state and furnish to the  
3 contractor an exemption certificate for the project involved, and the  
4 contractor may purchase materials for incorporation in such project. The  
5 contractor shall furnish the number of such certificate to all suppliers from  
6 whom such purchases are made, and such suppliers shall execute invoices  
7 covering the same bearing the number of such certificate. Upon  
8 completion of the project the contractor shall furnish to charitable family  
9 providers a sworn statement, on a form to be provided by the director of  
10 taxation, that all purchases so made were entitled to exemption under this  
11 subsection. All invoices shall be held by the contractor for a period of five  
12 years and shall be subject to audit by the director of taxation. If any  
13 materials purchased under such a certificate are found not to have been  
14 incorporated in the building or other project or not to have been returned  
15 for credit or the sales or compensating tax otherwise imposed upon such  
16 materials which will not be so incorporated in the building or other project  
17 reported and paid by such contractor to the director of taxation not later  
18 than the 20<sup>th</sup> day of the month following the close of the month in which it  
19 shall be determined that such materials will not be used for the purpose for  
20 which such certificate was issued, charitable family providers shall be  
21 liable for tax on all materials purchased for the project, and upon payment  
22 thereof it may recover the same from the contractor together with  
23 reasonable attorney fees. Any contractor or any agent, employee or  
24 subcontractor thereof, who shall use or otherwise dispose of any materials  
25 purchased under such a certificate for any purpose other than that for  
26 which such a certificate is issued without the payment of the sales or  
27 compensating tax otherwise imposed upon such materials, shall be guilty  
28 of a misdemeanor and, upon conviction therefor, shall be subject to the  
29 penalties provided for in ~~subsection (g) of~~ K.S.A. 79-3615(h), and  
30 amendments thereto;

31 (ttt) all sales of tangible personal property or services purchased by a  
32 contractor for a project for the purpose of restoring, constructing,  
33 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
34 remodeling a home or facility owned by a nonprofit museum which has  
35 been granted an exemption pursuant to subsection (qq), which such home  
36 or facility is located in a city which has been designated as a qualified  
37 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
38 amendments thereto, and which such project is related to the purposes of  
39 K.S.A. 75-5071 et seq., and amendments thereto, and which would be  
40 exempt from taxation under the provisions of this section if purchased  
41 directly by such nonprofit museum. Nothing in this subsection shall be  
42 deemed to exempt the purchase of any construction machinery, equipment  
43 or tools used in the restoring, constructing, equipping, reconstructing,

1 maintaining, repairing, enlarging, furnishing or remodeling a home or  
2 facility for any such nonprofit museum. When any such nonprofit museum  
3 shall contract for the purpose of restoring, constructing, equipping,  
4 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
5 a home or facility, it shall obtain from the state and furnish to the  
6 contractor an exemption certificate for the project involved, and the  
7 contractor may purchase materials for incorporation in such project. The  
8 contractor shall furnish the number of such certificates to all suppliers  
9 from whom such purchases are made, and such suppliers shall execute  
10 invoices covering the same bearing the number of such certificate. Upon  
11 completion of the project, the contractor shall furnish to such nonprofit  
12 museum a sworn statement on a form to be provided by the director of  
13 taxation that all purchases so made were entitled to exemption under this  
14 subsection. All invoices shall be held by the contractor for a period of five  
15 years and shall be subject to audit by the director of taxation. If any  
16 materials purchased under such a certificate are found not to have been  
17 incorporated in the building or other project or not to have been returned  
18 for credit or the sales or compensating tax otherwise imposed upon such  
19 materials which will not be so incorporated in a home or facility or other  
20 project reported and paid by such contractor to the director of taxation not  
21 later than the 20<sup>th</sup> day of the month following the close of the month in  
22 which it shall be determined that such materials will not be used for the  
23 purpose for which such certificate was issued, such nonprofit museum  
24 shall be liable for tax on all materials purchased for the project, and upon  
25 payment thereof it may recover the same from the contractor together with  
26 reasonable attorney fees. Any contractor or any agent, employee or  
27 subcontractor thereof, who shall use or otherwise dispose of any materials  
28 purchased under such a certificate for any purpose other than that for  
29 which such a certificate is issued without the payment of the sales or  
30 compensating tax otherwise imposed upon such materials, shall be guilty  
31 of a misdemeanor and, upon conviction therefor, shall be subject to the  
32 penalties provided for in ~~subsection (g) of~~ K.S.A. 79-3615(h), and  
33 amendments thereto;

34 (uuu) all sales of tangible personal property and services purchased  
35 by Kansas children's service league, hereinafter referred to as KCSL,  
36 which is exempt from federal income taxation pursuant to section 501(c)  
37 (3) of the federal internal revenue code of 1986, and which such property  
38 and services are used for the purpose of providing for the prevention and  
39 treatment of child abuse and maltreatment as well as meeting additional  
40 critical needs for children, juveniles and family, and all sales of any such  
41 property by or on behalf of KCSL for any such purpose; and all sales of  
42 tangible personal property or services purchased by a contractor for the  
43 purpose of constructing, maintaining, repairing, enlarging, furnishing or

1 remodeling facilities for the operation of services for KCSL for any such  
2 purpose which would be exempt from taxation under the provisions of this  
3 section if purchased directly by KCSL. Nothing in this subsection shall be  
4 deemed to exempt the purchase of any construction machinery, equipment  
5 or tools used in the constructing, maintaining, repairing, enlarging,  
6 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
7 for the purpose of constructing, maintaining, repairing, enlarging,  
8 furnishing or remodeling such facilities, it shall obtain from the state and  
9 furnish to the contractor an exemption certificate for the project involved,  
10 and the contractor may purchase materials for incorporation in such  
11 project. The contractor shall furnish the number of such certificate to all  
12 suppliers from whom such purchases are made, and such suppliers shall  
13 execute invoices covering the same bearing the number of such certificate.  
14 Upon completion of the project the contractor shall furnish to KCSL a  
15 sworn statement, on a form to be provided by the director of taxation, that  
16 all purchases so made were entitled to exemption under this subsection.  
17 All invoices shall be held by the contractor for a period of five years and  
18 shall be subject to audit by the director of taxation. If any materials  
19 purchased under such a certificate are found not to have been incorporated  
20 in the building or other project or not to have been returned for credit or  
21 the sales or compensating tax otherwise imposed upon such materials  
22 which will not be so incorporated in the building or other project reported  
23 and paid by such contractor to the director of taxation not later than the  
24 20<sup>th</sup> day of the month following the close of the month in which it shall be  
25 determined that such materials will not be used for the purpose for which  
26 such certificate was issued, KCSL shall be liable for tax on all materials  
27 purchased for the project, and upon payment thereof it may recover the  
28 same from the contractor together with reasonable attorney fees. Any  
29 contractor or any agent, employee or subcontractor thereof, who shall use  
30 or otherwise dispose of any materials purchased under such a certificate  
31 for any purpose other than that for which such a certificate is issued  
32 without the payment of the sales or compensating tax otherwise imposed  
33 upon such materials, shall be guilty of a misdemeanor and, upon  
34 conviction therefor, shall be subject to the penalties provided for in  
35 subsection (g) of K.S.A. 79-3615(h), and amendments thereto;

36 (vvv) all sales of tangible personal property or services, including the  
37 renting and leasing of tangible personal property or services, purchased by  
38 jazz in the woods, inc., a Kansas corporation which is exempt from federal  
39 income taxation pursuant to section 501(c)(3) of the federal internal  
40 revenue code, for the purpose of providing jazz in the woods, an event  
41 benefiting children-in-need and other nonprofit charities assisting such  
42 children, and all sales of any such property by or on behalf of such  
43 organization for such purpose;

1 (www) all sales of tangible personal property purchased by or on  
2 behalf of the Frontenac education foundation, which is exempt from  
3 federal income taxation pursuant to section 501(c)(3) of the federal  
4 internal revenue code, for the purpose of providing education support for  
5 students, and all sales of any such property by or on behalf of such  
6 organization for such purpose;

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

1 the contractor together with reasonable attorney fees. Any contractor or  
2 any agent, employee or subcontractor thereof, who shall use or otherwise  
3 dispose of any materials purchased under such a certificate for any purpose  
4 other than that for which such a certificate is issued without the payment  
5 of the sales or compensating tax otherwise imposed upon such materials,  
6 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
7 subject to the penalties provided for in ~~subsection (g)~~ of K.S.A. 79-  
8 3615(h), and amendments thereto. Sales tax paid on and after January 1,  
9 2007, but prior to the effective date of this act upon the gross receipts  
10 received from any sale which would have been exempted by the provisions  
11 of this subsection had such sale occurred after the effective date of this act  
12 shall be refunded. Each claim for a sales tax refund shall be verified and  
13 submitted to the director of taxation upon forms furnished by the director  
14 and shall be accompanied by any additional documentation required by the  
15 director. The director shall review each claim and shall refund that amount  
16 of sales tax paid as determined under the provisions of this subsection. All  
17 refunds shall be paid from the sales tax refund fund upon warrants of the  
18 director of accounts and reports pursuant to vouchers approved by the  
19 director or the director's designee;

20 (yyy) all sales of tangible personal property and services purchased  
21 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
22 which is exempt from federal income taxation pursuant to section 501(c)  
23 (3) of the federal internal revenue code of 1986, and which such property  
24 and services are used for the purpose of encouraging private philanthropy  
25 to further the vision, values, and goals of TLC for children and families,  
26 inc.; and all sales of such property and services by or on behalf of TLC  
27 charities for any such purpose and all sales of tangible personal property or  
28 services purchased by a contractor for the purpose of constructing,  
29 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
30 the operation of services for TLC charities for any such purpose which  
31 would be exempt from taxation under the provisions of this section if  
32 purchased directly by TLC charities. Nothing in this subsection shall be  
33 deemed to exempt the purchase of any construction machinery, equipment  
34 or tools used in the constructing, maintaining, repairing, enlarging,  
35 furnishing or remodeling such facilities for TLC charities. When TLC  
36 charities contracts for the purpose of constructing, maintaining, repairing,  
37 enlarging, furnishing or remodeling such facilities, it shall obtain from the  
38 state and furnish to the contractor an exemption certificate for the project  
39 involved, and the contractor may purchase materials for incorporation in  
40 such project. The contractor shall furnish the number of such certificate to  
41 all suppliers from whom such purchases are made, and such suppliers shall  
42 execute invoices covering the same bearing the number of such certificate.  
43 Upon completion of the project the contractor shall furnish to TLC



1 charities a sworn statement, on a form to be provided by the director of  
2 taxation, that all purchases so made were entitled to exemption under this  
3 subsection. All invoices shall be held by the contractor for a period of five  
4 years and shall be subject to audit by the director of taxation. If any  
5 materials purchased under such a certificate are found not to have been  
6 incorporated in the building or other project or not to have been returned  
7 for credit or the sales or compensating tax otherwise imposed upon such  
8 materials which will not be incorporated into the building or other project  
9 reported and paid by such contractor to the director of taxation not later  
10 than the 20<sup>th</sup> day of the month following the close of the month in which it  
11 shall be determined that such materials will not be used for the purpose for  
12 which such certificate was issued, TLC charities shall be liable for tax on  
13 all materials purchased for the project, and upon payment thereof it may  
14 recover the same from the contractor together with reasonable attorney  
15 fees. Any contractor or any agent, employee or subcontractor thereof, who  
16 shall use or otherwise dispose of any materials purchased under such a  
17 certificate for any purpose other than that for which such a certificate is  
18 issued without the payment of the sales or compensating tax otherwise  
19 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
20 conviction therefor, shall be subject to the penalties provided for in  
21 ~~subsection (g)~~ of K.S.A. 79-3615(h), and amendments thereto;

22 (zzz) all sales of tangible personal property purchased by the rotary  
23 club of shawnee foundation which is exempt from federal income taxation  
24 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
25 as amended, used for the purpose of providing contributions to community  
26 service organizations and scholarships;

27 (aaaa) all sales of personal property and services purchased by or on  
28 behalf of victory in the valley, inc., which is exempt from federal income  
29 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
30 for the purpose of providing a cancer support group and services for  
31 persons with cancer, and all sales of any such property by or on behalf of  
32 any such organization for any such purpose;

33 (bbbb) all sales of entry or participation fees, charges or tickets by  
34 Guadalupe health foundation, which is exempt from federal income  
35 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
36 for such organization's annual fundraising event which purpose is to  
37 provide health care services for uninsured workers;

38 (cccc) all sales of tangible personal property or services purchased by  
39 or on behalf of wayside waifs, inc., which is exempt from federal income  
40 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
41 for the purpose of providing such organization's annual fundraiser, an  
42 event whose purpose is to support the care of homeless and abandoned  
43 animals, animal adoption efforts, education programs for children and

1 efforts to reduce animal over-population and animal welfare services, and  
2 all sales of any such property, including entry or participation fees or  
3 charges, by or on behalf of such organization for such purpose;

4 (dddd) all sales of tangible personal property or services purchased  
5 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
6 of which are exempt from federal income taxation pursuant to section  
7 501(c)(3) of the federal internal revenue code, for the purpose of providing  
8 education, training and employment opportunities for people with  
9 disabilities and other barriers to employment;

10 (eeee) all sales of tangible personal property or services purchased by  
11 or on behalf of All American beef battalion, inc., which is exempt from  
12 federal income taxation pursuant to section 501(c)(3) of the federal  
13 internal revenue code, for the purpose of educating, promoting and  
14 participating as a contact group through the beef cattle industry in order to  
15 carry out such projects that provide support and morale to members of the  
16 United States armed forces and military services;

17 (ffff) all sales of tangible personal property and services purchased by  
18 sheltered living, inc., which is exempt from federal income taxation  
19 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
20 and which such property and services are used for the purpose of  
21 providing residential and day services for people with developmental  
22 disabilities or intellectual disability, or both, and all sales of any such  
23 property by or on behalf of sheltered living, inc., for any such purpose; and  
24 all sales of tangible personal property or services purchased by a  
25 contractor for the purpose of rehabilitating, constructing, maintaining,  
26 repairing, enlarging, furnishing or remodeling homes and facilities for  
27 sheltered living, inc., for any such purpose which would be exempt from  
28 taxation under the provisions of this section if purchased directly by  
29 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
30 the purchase of any construction machinery, equipment or tools used in the  
31 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
32 such homes and facilities for sheltered living, inc. When sheltered living,  
33 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
34 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
35 shall obtain from the state and furnish to the contractor an exemption  
36 certificate for the project involved, and the contractor may purchase  
37 materials for incorporation in such project. The contractor shall furnish the  
38 number of such certificate to all suppliers from whom such purchases are  
39 made, and such suppliers shall execute invoices covering the same bearing  
40 the number of such certificate. Upon completion of the project the  
41 contractor shall furnish to sheltered living, inc., a sworn statement, on a  
42 form to be provided by the director of taxation, that all purchases so made  
43 were entitled to exemption under this subsection. All invoices shall be held

1 by the contractor for a period of five years and shall be subject to audit by  
2 the director of taxation. If any materials purchased under such a certificate  
3 are found not to have been incorporated in the building or other project or  
4 not to have been returned for credit or the sales or compensating tax  
5 otherwise imposed upon such materials which will not be so incorporated  
6 in the building or other project reported and paid by such contractor to the  
7 director of taxation not later than the 20<sup>th</sup> day of the month following the  
8 close of the month in which it shall be determined that such materials will  
9 not be used for the purpose for which such certificate was issued, sheltered  
10 living, inc., shall be liable for tax on all materials purchased for the  
11 project, and upon payment thereof it may recover the same from the  
12 contractor together with reasonable attorney fees. Any contractor or any  
13 agent, employee or subcontractor thereof, who shall use or otherwise  
14 dispose of any materials purchased under such a certificate for any purpose  
15 other than that for which such a certificate is issued without the payment  
16 of the sales or compensating tax otherwise imposed upon such materials,  
17 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
18 subject to the penalties provided for in ~~subsection (g)~~ of K.S.A. 79-  
19 3615(h), and amendments thereto;

20 (gggg) all sales of game birds for which the primary purpose is use in  
21 hunting;

22 (hhhh) all sales of tangible personal property or services purchased  
23 on or after July 1, 2014, for the purpose of and in conjunction with  
24 constructing, reconstructing, enlarging or remodeling a business identified  
25 under the North American industry classification system (NAICS)  
26 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
27 installation of machinery and equipment purchased for installation at any  
28 such business. The exemption provided in this subsection shall not apply  
29 to projects that have actual total costs less than \$50,000. When a person  
30 contracts for the construction, reconstruction, enlargement or remodeling  
31 of any such business, such person shall obtain from the state and furnish to  
32 the contractor an exemption certificate for the project involved, and the  
33 contractor may purchase materials, machinery and equipment for  
34 incorporation in such project. The contractor shall furnish the number of  
35 such certificates to all suppliers from whom such purchases are made, and  
36 such suppliers shall execute invoices covering the same bearing the  
37 number of such certificate. Upon completion of the project, the contractor  
38 shall furnish to the owner of the business a sworn statement, on a form to  
39 be provided by the director of taxation, that all purchases so made were  
40 entitled to exemption under this subsection. All invoices shall be held by  
41 the contractor for a period of five years and shall be subject to audit by the  
42 director of taxation. Any contractor or any agent, employee or  
43 subcontractor of the contractor, who shall use or otherwise dispose of any

1 materials, machinery or equipment purchased under such a certificate for  
2 any purpose other than that for which such a certificate is issued without  
3 the payment of the sales or compensating tax otherwise imposed thereon,  
4 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
5 subject to the penalties provided for in ~~subsection (g)~~ of K.S.A. 79-  
6 3615(h), and amendments thereto;

7 (iii) all sales of tangible personal property or services purchased by a  
8 contractor for the purpose of constructing, maintaining, repairing,  
9 enlarging, furnishing or remodeling facilities for the operation of services  
10 for Wichita children's home for any such purpose which would be exempt  
11 from taxation under the provisions of this section if purchased directly by  
12 Wichita children's home. Nothing in this subsection shall be deemed to  
13 exempt the purchase of any construction machinery, equipment or tools  
14 used in the constructing, maintaining, repairing, enlarging, furnishing or  
15 remodeling such facilities for Wichita children's home. When Wichita  
16 children's home contracts for the purpose of constructing, maintaining,  
17 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain  
18 from the state and furnish to the contractor an exemption certificate for the  
19 project involved, and the contractor may purchase materials for  
20 incorporation in such project. The contractor shall furnish the number of  
21 such certificate to all suppliers from whom such purchases are made, and  
22 such suppliers shall execute invoices covering the same bearing the  
23 number of such certificate. Upon completion of the project, the contractor  
24 shall furnish to Wichita children's home a sworn statement, on a form to be  
25 provided by the director of taxation, that all purchases so made were  
26 entitled to exemption under this subsection. All invoices shall be held by  
27 the contractor for a period of five years and shall be subject to audit by the  
28 director of taxation. If any materials purchased under such a certificate are  
29 found not to have been incorporated in the building or other project or not  
30 to have been returned for credit or the sales or compensating tax otherwise  
31 imposed upon such materials which will not be so incorporated in the  
32 building or other project reported and paid by such contractor to the  
33 director of taxation not later than the 20<sup>th</sup> day of the month following the  
34 close of the month in which it shall be determined that such materials will  
35 not be used for the purpose for which such certificate was issued, Wichita  
36 children's home shall be liable for the tax on all materials purchased for the  
37 project, and upon payment, it may recover the same from the contractor  
38 together with reasonable attorney fees. Any contractor or any agent,  
39 employee or subcontractor, who shall use or otherwise dispose of any  
40 materials purchased under such a certificate for any purpose other than that  
41 for which such a certificate is issued without the payment of the sales or  
42 compensating tax otherwise imposed upon such materials, shall be guilty  
43 of a misdemeanor and, upon conviction, shall be subject to the penalties

1 provided for in ~~subsection (h)~~ of K.S.A. 79-3615(h), and amendments  
2 thereto;

3 (jjj) all sales of tangible personal property or services purchased by  
4 or on behalf of the beacon, inc., which is exempt from federal income  
5 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
6 for the purpose of providing those desiring help with food, shelter, clothing  
7 and other necessities of life during times of special need; ~~and~~

8 (kkkk) all sales of tangible personal property and services purchased  
9 by or on behalf of reaching out from within, inc., which is exempt from  
10 federal income taxation pursuant to section 501(c)(3) of the federal  
11 internal revenue code, for the purpose of sponsoring self-help programs for  
12 incarcerated persons that will enable such incarcerated persons to become  
13 role models for non-violence while in correctional facilities and productive  
14 family members and citizens upon return to the community; *and*

15 *(lll) all sales of tangible personal property and services purchased*  
16 *by or on behalf of concern, inc., for the purpose of operating a food pantry*  
17 *for families in need.*

18 Sec. 5. K.S.A. 2014 Supp. 12-187, 12-189, 12-192 and 79-3606 are  
19 hereby repealed.

20 Sec. 6. This act shall take effect and be in force from and after its  
21 publication in the statute book.