

**HOUSE BILL No. 2746**

By Committee on Federal and State Affairs

3-29

1 AN ACT concerning abortion; prohibiting abortion except in certain  
2 circumstances; creating the crimes of unlawful performance of an  
3 abortion and unlawful destruction of a fertilized embryo and  
4 establishing penalties therefor; restricting the use of fetal tissue;  
5 relating to exclusions from sales and use tax exemptions for certain  
6 abortion providers; amending K.S.A. 65-445, 65-2401, 65-2837, 65-  
7 6731, 65-6732, 65-67a01, 65-67a02, 65-67a04, 65-67a07, 65-67a09,  
8 76-3308, 79-32,182b, 79-32,195 and 79-32,261 and K.S.A. 2021 Supp.  
9 21-5301, 21-5302, 21-5303, 60-1901, 60-1906 and 79-3606 and  
10 repealing the existing sections; also repealing K.S.A. 38-2003, 65-  
11 4a01, 65-4a02, 65-4a03, 65-4a04, 65-4a05, 65-4a06, 65-4a07, 65-4a08,  
12 65-4a09, 65-4a10, 65-4a11, 65-4a12, 65-6701, 65-6702, 65-6703, 65-  
13 6704, 65-6705, 65-6707, 65-6708, 65-6709, 65-6710, 65-6711, 65-  
14 6712, 65-6714, 65-6715, 65-6721, 65-6722, 65-6723, 65-6724, 65-  
15 6725, 65-6726, 65-6741, 65-6742, 65-6743, 65-6744, 65-6745, 65-  
16 6746, 65-6747, 65-6748 and 65-6749.

17

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

19 New Section 1. (a) Unlawful performance of an abortion is  
20 knowingly performing an abortion, regardless of the gestational age of the  
21 unborn child.

22 (b) Unlawful destruction of a fertilized embryo is the act of  
23 performing an unlawful abortion as part of the process of artificial  
24 insemination.

25 (c) (1) Unlawful performance of an abortion or attempt, conspiracy or  
26 criminal solicitation to commit unlawful performance of an abortion is a  
27 severity level 1, person felony.

28 (2) Unlawful destruction of a fertilized embryo or attempt, conspiracy  
29 or criminal solicitation to commit unlawful destruction of a fertilized  
30 embryo is a severity level 1, person felony.

31 (d) The provisions of K.S.A. 2021 Supp. 21-5301(c), and  
32 amendments thereto, shall not apply to a violation of attempting to commit  
33 the crime of unlawful performance of an abortion or unlawful destruction  
34 of a fertilized embryo pursuant to this section. The provisions of K.S.A.  
35 2021 Supp. 21-5302(d), and amendments thereto, shall not apply to a  
36 violation of conspiracy to commit the crime of unlawful performance of an

1 abortion or unlawful destruction of a fertilized embryo pursuant to this  
2 section. The provisions of K.S.A. 2021 Supp. 21-5303(d), and  
3 amendments thereto, shall not apply to a violation of criminal solicitation  
4 to commit the crime of unlawful performance of an abortion or unlawful  
5 destruction of a fertilized embryo pursuant to this section.

6 (e) This section shall not apply to any abortion performed with the  
7 intent to:

8 (1) Save the life or preserve the health of an unborn child;

9 (2) remove a dead, unborn child whose death was caused by  
10 spontaneous miscarriage or stillbirth; or

11 (3) terminate an ectopic pregnancy that seriously threatens the life of  
12 the mother when a reasonable alternative to save the lives of both the  
13 mother and the unborn child is unavailable.

14 (f) As used in this section:

15 (1) "Abortion" means the act of using or prescribing an instrument,  
16 drug, medicine or any other substance, device or means with the intent to  
17 cause the death of an unborn child;

18 (2) "fertilization" means the fusion of a human spermatozoon with a  
19 human ovum; and

20 (3) "unborn child" means a living human child from the moment of  
21 fertilization in utero through pregnancy until birth, including the  
22 developmental stages of human conceptus, zygote, morula, blastocyst,  
23 embryo and fetus.

24 Sec. 2. K.S.A. 2021 Supp. 21-5301 is hereby amended to read as  
25 follows: 21-5301. (a) An attempt is any overt act toward the perpetration  
26 of a crime done by a person who intends to commit such crime but fails in  
27 the perpetration thereof or is prevented or intercepted in executing such  
28 crime.

29 (b) It shall not be a defense to a charge of attempt that the  
30 circumstances under which the act was performed or the means employed  
31 or the act itself were such that the commission of the crime was not  
32 possible.

33 (c) (1) An attempt to commit an off-grid felony shall be ranked at  
34 nondrug severity level 1. An attempt to commit any other nondrug felony  
35 shall be ranked on the nondrug scale at two severity levels below the  
36 appropriate level for the underlying or completed crime. The lowest  
37 severity level for an attempt to commit a nondrug felony shall be a severity  
38 level 10.

39 (2) The provisions of this subsection shall not apply to a violation of  
40 attempting to commit the crime of:

41 (A) Aggravated human trafficking, as defined in K.S.A. 2021 Supp.  
42 21-5426(b), and amendments thereto, if the offender is 18 years of age or  
43 older and the victim is less than 14 years of age;

- 1 (B) terrorism, as defined in K.S.A. 2021 Supp. 21-5421, and  
2 amendments thereto;
- 3 (C) illegal use of weapons of mass destruction, as defined in K.S.A.  
4 2021 Supp. 21-5422, and amendments thereto;
- 5 (D) rape, as defined in K.S.A. 2021 Supp. 21-5503(a)(3), and  
6 amendments thereto, if the offender is 18 years of age or older;
- 7 (E) aggravated indecent liberties with a child, as defined in K.S.A.  
8 2021 Supp. 21-5506(b)(3), and amendments thereto, if the offender is 18  
9 years of age or older;
- 10 (F) aggravated criminal sodomy, as defined in K.S.A. 2021 Supp. 21-  
11 5504(b)(1) or (2), and amendments thereto, if the offender is 18 years of  
12 age or older;
- 13 (G) commercial sexual exploitation of a child, as defined in K.S.A.  
14 2021 Supp. 21-6422, and amendments thereto, if the offender is 18 years  
15 of age or older and the victim is less than 14 years of age;
- 16 (H) sexual exploitation of a child, as defined in K.S.A. 2021 Supp.  
17 21-5510(a)(1) or (4), and amendments thereto, if the offender is 18 years  
18 of age or older and the child is less than 14 years of age;
- 19 (I) aggravated internet trading in child pornography, as defined in  
20 K.S.A. 2021 Supp. 21-5514(b), and amendments thereto, if the offender is  
21 18 years of age or older and the child is less than 14 years of age; ~~or~~
- 22 (J) capital murder, as defined in K.S.A. 2021 Supp. 21-5401, and  
23 amendments thereto; *or*
- 24 *(K) unlawful performance of an abortion, as defined in section 1(a),*  
25 *and amendments thereto, or unlawful destruction of a fertilized embryo, as*  
26 *defined in section 1(b), and amendments thereto.*
- 27 (d) (1) An attempt to commit a felony which prescribes a sentence on  
28 the drug grid shall reduce the prison term prescribed in the drug grid block  
29 for an underlying or completed crime by six months.
- 30 (2) The provisions of this subsection shall not apply to a violation of  
31 attempting to commit a violation of K.S.A. 2021 Supp. 21-5703, and  
32 amendments thereto.
- 33 (e) An attempt to commit a class A person misdemeanor is a class B  
34 person misdemeanor. An attempt to commit a class A nonperson  
35 misdemeanor is a class B nonperson misdemeanor.
- 36 (f) An attempt to commit a class B or C misdemeanor is a class C  
37 misdemeanor.
- 38 Sec. 3. K.S.A. 2021 Supp. 21-5302 is hereby amended to read as  
39 follows: 21-5302. (a) A conspiracy is an agreement with another person to  
40 commit a crime or to assist in committing a crime. No person may be  
41 convicted of a conspiracy unless an overt act in furtherance of such  
42 conspiracy is alleged and proved to have been committed by such person  
43 or by a co-conspirator.

1 (b) It is immaterial to the criminal liability of a person charged with  
2 conspiracy that any other person with whom the defendant conspired  
3 lacked the actual intent to commit the underlying crime provided that the  
4 defendant believed the other person did have the actual intent to commit  
5 the underlying crime.

6 (c) It shall be a defense to a charge of conspiracy that the accused  
7 voluntarily and in good faith withdrew from the conspiracy, and  
8 communicated the fact of such withdrawal to one or more of the accused  
9 person's co-conspirators, before any overt act in furtherance of the  
10 conspiracy was committed by the accused or by a co-conspirator.

11 (d) (1) Conspiracy to commit an off-grid felony shall be ranked at  
12 nondrug severity level 2. Conspiracy to commit any other nondrug felony  
13 shall be ranked on the nondrug scale at two severity levels below the  
14 appropriate level for the underlying or completed crime. The lowest  
15 severity level for conspiracy to commit a nondrug felony shall be a  
16 severity level 10.

17 (2) The provisions of this subsection shall not apply to a violation of  
18 conspiracy to commit the crime of:

19 (A) Aggravated human trafficking, as defined in K.S.A. 2021 Supp.  
20 21-5426(b), and amendments thereto, if the offender is 18 years of age or  
21 older and the victim is less than 14 years of age;

22 (B) terrorism, as defined in K.S.A. 2021 Supp. 21-5421, and  
23 amendments thereto;

24 (C) illegal use of weapons of mass destruction, as defined in K.S.A.  
25 2021 Supp. 21-5422, and amendments thereto;

26 (D) rape, as defined in K.S.A. 2021 Supp. 21-5503(a)(3), and  
27 amendments thereto, if the offender is 18 years of age or older;

28 (E) aggravated indecent liberties with a child, as defined in K.S.A.  
29 2021 Supp. 21-5506(b)(3), and amendments thereto, if the offender is 18  
30 years of age or older;

31 (F) aggravated criminal sodomy, as defined in K.S.A. 2021 Supp. 21-  
32 5504(b)(1) or (2), and amendments thereto, if the offender is 18 years of  
33 age or older;

34 (G) commercial sexual exploitation of a child, as defined in K.S.A.  
35 2021 Supp. 21-6422, and amendments thereto, if the offender is 18 years  
36 of age or older and the victim is less than 14 years of age;

37 (H) sexual exploitation of a child, as defined in K.S.A. 2021 Supp.  
38 21-5510(a)(1) or (4), and amendments thereto, if the offender is 18 years  
39 of age or older and the child is less than 14 years of age;

40 (I) aggravated internet trading in child pornography, as defined in  
41 K.S.A. 2021 Supp. 21-5514(b), and amendments thereto, if the offender is  
42 18 years of age or older and the child is less than 14 years of age; ~~or~~

43 (J) violations of the Kansas racketeer influenced and corrupt

1 organization act, as described in K.S.A. 2021 Supp. 21-6329, and  
2 amendments thereto; or

3 *(K) unlawful performance of an abortion, as defined in section 1(a),*  
4 *and amendments thereto, or unlawful destruction of a fertilized embryo, as*  
5 *defined in section 1(b), and amendments thereto.*

6 (e) Conspiracy to commit a felony which prescribes a sentence on the  
7 drug grid shall reduce the prison term prescribed in the drug grid block for  
8 an underlying or completed crime by six months.

9 (f) A conspiracy to commit a misdemeanor is a class C misdemeanor.

10 Sec. 4. K.S.A. 2021 Supp. 21-5303 is hereby amended to read as  
11 follows: 21-5303. (a) Criminal solicitation is commanding, encouraging or  
12 requesting another person to commit a felony, attempt to commit a felony  
13 or aid and abet in the commission or attempted commission of a felony for  
14 the purpose of promoting or facilitating the felony.

15 (b) It is immaterial under subsection (a) that the actor fails to  
16 communicate with the person solicited to commit a felony if the person's  
17 conduct was designed to effect a communication.

18 (c) It is an affirmative defense that the actor, after soliciting another  
19 person to commit a felony, persuaded that person not to do so or otherwise  
20 prevented the commission of the felony, under circumstances manifesting  
21 a complete and voluntary renunciation of the actor's criminal purposes.

22 (d) (1) Criminal solicitation to commit an off-grid felony shall be  
23 ranked at nondrug severity level 3. Criminal solicitation to commit any  
24 other nondrug felony shall be ranked on the nondrug scale at three severity  
25 levels below the appropriate level for the underlying or completed crime.  
26 The lowest severity level for criminal solicitation to commit a nondrug  
27 felony shall be a severity level 10.

28 (2) The provisions of this subsection shall not apply to a violation of  
29 criminal solicitation to commit the crime of:

30 (A) Aggravated human trafficking, as defined in K.S.A. 2021 Supp.  
31 21-5426(b), and amendments thereto, if the offender is 18 years of age or  
32 older and the victim is less than 14 years of age;

33 (B) terrorism, as defined in K.S.A. 2021 Supp. 21-5421, and  
34 amendments thereto;

35 (C) illegal use of weapons of mass destruction, as defined in K.S.A.  
36 2021 Supp. 21-5422, and amendments thereto;

37 (D) rape, as defined in K.S.A. 2021 Supp. 21-5503(a)(3), and  
38 amendments thereto, if the offender is 18 years of age or older;

39 (E) aggravated indecent liberties with a child, as defined in K.S.A.  
40 2021 Supp. 21-5506(b)(3), and amendments thereto, if the offender is 18  
41 years of age or older;

42 (F) aggravated criminal sodomy, as defined in K.S.A. 2021 Supp. 21-  
43 5504(b)(1) or (2), and amendments thereto, if the offender is 18 years of

1 age or older;

2 (G) commercial sexual exploitation of a child, as defined in K.S.A.  
3 2021 Supp. 21-6422, and amendments thereto, if the offender is 18 years  
4 of age or older and the victim is less than 14 years of age;

5 (H) sexual exploitation of a child, as defined in K.S.A. 2021 Supp.  
6 21-5510(a)(1) or (4), and amendments thereto, if the offender is 18 years  
7 of age or older and the child is less than 14 years of age; ~~or~~

8 (I) aggravated internet trading in child pornography, as defined in  
9 K.S.A. 2021 Supp. 21-5514(b), and amendments thereto, if the offender is  
10 18 years of age or older and the child is less than 14 years of age;

11 (J) *unlawful performance of an abortion, as defined in section 1(a),*  
12 *and amendments thereto, or unlawful destruction of a fertilized embryo, as*  
13 *defined in section 1(b), and amendments thereto.*

14 (e) Criminal solicitation to commit a felony which prescribes a  
15 sentence on the drug grid shall reduce the prison term prescribed in the  
16 drug grid block for an underlying or completed crime by six months.

17 Sec. 5. K.S.A. 2021 Supp. 60-1901 is hereby amended to read as  
18 follows: 60-1901. (a) If the death of a person is caused by the wrongful act  
19 or omission of another, an action may be maintained for the damages  
20 resulting therefrom *and for punitive or exemplary damages* if the former  
21 might have maintained the action had such person lived, in accordance  
22 with the provisions of this article, against the wrongdoer, or such  
23 wrongdoer's personal representative if such wrongdoer is deceased.

24 (b) As used in article 19 of chapter 60 of the Kansas Statutes  
25 Annotated, and amendments thereto, the term "person" includes an unborn  
26 child.

27 (c) As used in this section, the term "unborn child" means ~~a living~~  
28 ~~individual organism of the species homo sapiens, in utero, at any stage of~~  
29 ~~gestation from fertilization to birth~~ *the same as such term is defined in*  
30 *section 1, and amendments thereto.*

31 (d) The provisions of this section shall not apply to a wrongful death  
32 action if the death is of an unborn child by means of:

- 33 ~~(1) Any act committed by the mother of the unborn child;~~
- 34 ~~(2) any lawful medical procedure performed by a physician or other~~  
35 ~~licensed medical professional at the request of the pregnant woman or her~~  
36 ~~legal guardian;~~
- 37 ~~(3) the lawful dispensation or administration of lawfully prescribed~~  
38 ~~medication; or~~
- 39 ~~(4) a legal abortion.~~

40 (e) If any provision or clause of this act or application thereof to any  
41 person or circumstance is held invalid, such invalidity shall not affect other  
42 provisions or applications of the act which can be given effect without the  
43 invalid provision or application, and to this end the provisions of this act

1 are declared to be severable.

2 Sec. 6. K.S.A. 2021 Supp. 60-1906 is hereby amended to read as  
3 follows: 60-1906. (a) No civil action may be commenced in any court for a  
4 claim of wrongful life or wrongful birth, and no damages may be  
5 recovered in any civil action for any physical condition of a minor that  
6 existed at the time of such minor's birth if the damages sought arise out of  
7 a claim that a person's action or omission contributed to such minor's  
8 mother not obtaining an abortion.

9 (b) Nothing in this section shall be deemed to create any new cause of  
10 action, nor preclude any otherwise proper cause of action based on a claim  
11 that, but for a person's wrongful action or omission, the death or physical  
12 injury of the mother would not have occurred, or the handicap, disease or  
13 disability of an individual prior to birth would have been prevented, cured  
14 or ameliorated in a manner that preserved the health and life of such  
15 individual.

16 (c) If any provision or clause of this act or application thereof to any  
17 person or circumstance is held invalid, such invalidity shall not affect other  
18 provisions or applications of the act which can be given effect without the  
19 invalid provision or application, and to this end the provisions of this act  
20 are declared to be severable.

21 (d) As used in this section:

22 (1) "Abortion" ~~has the same meaning~~ *means the same* as such term is  
23 defined in ~~K.S.A. 65-6701~~ *section 1*, and amendments thereto.

24 (2) "Claim of wrongful birth" means a cause of action brought by a  
25 parent, legal guardian or other individual legally required to provide for  
26 the support of a minor, which seeks damages, whether economic or  
27 noneconomic, as a result of a physical condition of such minor that existed  
28 at the time of such minor's birth, and which is based on a claim that a  
29 person's action or omission contributed to such minor's mother not  
30 obtaining an abortion.

31 (3) "Claim of wrongful life" means a cause of action brought by, or  
32 on behalf of, a minor, which seeks damages, whether economic or  
33 noneconomic, for such minor as a result of a physical condition of such  
34 minor that existed at the time of such minor's birth, and which is based on  
35 a claim that a person's action or omission contributed to such minor's  
36 mother not obtaining an abortion.

37 Sec. 7. K.S.A. 65-445 is hereby amended to read as follows: 65-445.

38 (a) Every medical care facility shall keep written records of all pregnancies  
39 ~~which~~ *that* are lawfully terminated within such medical care facility and  
40 shall annually submit a written report thereon to the secretary of health and  
41 environment in the manner and form prescribed by the secretary. Every  
42 person licensed to practice medicine and surgery shall keep a record of all  
43 pregnancies ~~which~~ *that* are lawfully terminated by such person in a

1 location other than a medical care facility and shall annually submit a  
2 written report thereon to the secretary of health and environment in the  
3 manner and form prescribed by the secretary.

4 (b) Each report required by this section shall include:

5 (1) The number of pregnancies terminated during the period of time  
6 covered by the report,;

7 (2) the type of medical facility in which the pregnancy was  
8 terminated, ~~information required to be reported under subsections (b) and~~  
9 ~~(e) of K.S.A. 65-6703, subsection (j) of K.S.A. 65-6705, subsection (e) of~~  
10 ~~K.S.A. 65-6721 and K.S.A. 65-6724, and amendments thereto, if~~  
11 ~~applicable to the pregnancy terminated,;~~

12 (3) *if the termination of the pregnancy was necessary to preserve the*  
13 *life of the pregnant woman, the medical basis of such determination,*  
14 *including the specific medical condition the physician believes would*  
15 *cause the death of the pregnant woman; and*

16 (4) such other information as may be required by the secretary of  
17 health and environment, ~~but.~~

18 (c) The report shall not include the names of the persons whose  
19 pregnancies were so terminated. ~~Each report required by subsections (b)~~  
20 ~~and (e) of K.S.A. 65-6703, subsection (j) of K.S.A. 65-6705 and~~  
21 ~~subsection (e) of K.S.A. 65-6721, and amendments thereto, shall specify~~  
22 ~~the medical diagnosis and condition constituting a substantial and~~  
23 ~~irreversible impairment of a major bodily function or the medical~~  
24 ~~diagnosis and condition which necessitated performance of an abortion to~~  
25 ~~preserve the life of the pregnant woman. Each report required by K.S.A.~~  
26 ~~65-6703, and amendments thereto, shall include a sworn statement by the~~  
27 ~~physician performing the abortion and the referring physician that such~~  
28 ~~physicians are not legally or financially affiliated.~~

29 (e)(d) Information obtained by the secretary of health and  
30 environment under this section shall be confidential and shall not be  
31 disclosed in a manner that would reveal the identity of any person licensed  
32 to practice medicine and surgery who submits a report to the secretary  
33 under this section or the identity of any medical care facility ~~which that~~  
34 ~~submits a report to the secretary under this section, except that such~~  
35 ~~information, including information identifying such persons and facilities~~  
36 ~~may be disclosed to the state board of healing arts upon request of the~~  
37 ~~board for disciplinary action conducted by the board and may be disclosed~~  
38 ~~to the attorney general or any district or county attorney in this state upon~~  
39 ~~a showing that a reasonable cause exists to believe that a violation of this~~  
40 ~~act or of section 1, and amendments thereto, has occurred. Any~~  
41 ~~information disclosed to the state board of healing arts, the attorney~~  
42 ~~general or any district or county attorney pursuant to this subsection shall~~  
43 ~~be used solely for the purposes of a disciplinary action or criminal~~



1 proceeding. Except as otherwise provided in this subsection, information  
2 obtained by the secretary under this section may be used only for statistical  
3 purposes and such information shall not be released in a manner ~~which~~  
4 *that* would identify any county or other area of this state in which the  
5 termination of the pregnancy occurred. A violation of this subsection ~~(e)~~ is  
6 a class A nonperson misdemeanor.

7 ~~(d)~~(e) In addition to such criminal penalty under subsection ~~(e)~~ (d),  
8 any person licensed to practice medicine and surgery or medical care  
9 facility whose identity is revealed in violation of this section may bring a  
10 civil action against the responsible person or persons for any damages to  
11 the person licensed to practice medicine and surgery or medical care  
12 facility caused by such violation.

13 ~~(e)~~(f) For the purpose of maintaining confidentiality as provided by  
14 subsections ~~(e)~~ and ~~(d)~~ (d) and (e), reports of terminations of pregnancies  
15 required by this section shall identify the person or facility submitting such  
16 reports only by confidential code number assigned by the secretary of  
17 health and environment to such person or facility and the department of  
18 health and environment shall maintain such reports only by such number.

19 ~~(f)~~(g) The annual public report on abortions performed in Kansas  
20 issued by the secretary of health and environment shall contain the  
21 information required to be reported by this section to the extent such  
22 information is not deemed confidential pursuant to this section. The  
23 secretary of health and environment shall adopt rules and regulations to  
24 implement this section. Such rules and regulations shall prescribe, in  
25 detail, the information required to be kept by the physicians and hospitals  
26 and the information required in the reports ~~which~~ *that* must be submitted  
27 to the secretary.

28 ~~(g)~~ ~~The Kansas department for children and families shall prepare and~~  
29 ~~publish an annual report on the number of reports of child sexual abuse~~  
30 ~~received by the department from abortion providers. Such report shall be~~  
31 ~~categorized by the age of the victim and the month the report was~~  
32 ~~submitted to the department. The name of the victim and any other~~  
33 ~~identifying information shall be kept confidential by the department and~~  
34 ~~shall not be released as part of the public report.~~

35 Sec. 8. K.S.A. 65-2401 is hereby amended to read as follows: 65-  
36 2401. As used in this act:

37 (a) "Vital statistics" includes the registration, preparation,  
38 transcription, collection, compilation, and preservation of data pertaining  
39 to birth, adoption, legitimation, death, stillbirth, marriage, divorce,  
40 annulment of marriage, induced termination of pregnancy; and data  
41 incidental thereto.

42 (b) "Live birth" means the complete expulsion or extraction from its  
43 mother of a human child, irrespective of the duration of pregnancy, which,

1 after such expulsion or extraction, breathes or shows any other evidence of  
 2 life such as beating of the heart, pulsation of the umbilical cord; or definite  
 3 movement of voluntary muscles, whether or not the umbilical cord has  
 4 been cut or the placenta is attached.

5 (c) "Gestational age" means the age of the human child as measured  
 6 in weeks as determined by either the last date of the mother's menstrual  
 7 period, a sonogram conducted prior to the 20<sup>th</sup> week of pregnancy or the  
 8 confirmed known date of conception.

9 (d) "Stillbirth" means any complete expulsion or extraction from its  
 10 mother of a human child the gestational age of which is not less than 20  
 11 completed weeks, resulting in other than a live birth, as defined in this  
 12 section, and which is not an induced termination of pregnancy.

13 (e) "Induced termination of pregnancy" means abortion, as defined in  
 14 ~~K.S.A. 65-6701~~ *section 1*, and amendments thereto.

15 (f) "Dead body" means a lifeless human body or such parts of a  
 16 human body or the bones thereof from the state of which it reasonably may  
 17 be concluded that death recently occurred.

18 (g) "Person in charge of interment" means any person who places or  
 19 causes to be placed a stillborn child or dead body or the ashes, after  
 20 cremation, in a grave, vault, urn or other receptacle, or otherwise disposes  
 21 thereof.

22 (h) "Secretary" means the secretary of health and environment.

23 Sec. 9. K.S.A. 65-2837 is hereby amended to read as follows: 65-  
 24 2837. As used in K.S.A. 65-2836, and amendments thereto, and in this  
 25 section:

26 (a) "Professional incompetency" means:

27 (1) One or more instances involving failure to adhere to the  
 28 applicable standard of care to a degree that constitutes gross negligence, as  
 29 determined by the board.

30 (2) Repeated instances involving failure to adhere to the applicable  
 31 standard of care to a degree that constitutes ordinary negligence, as  
 32 determined by the board.

33 (3) A pattern of practice or other behavior that demonstrates a  
 34 manifest incapacity or incompetence to practice the healing arts.

35 (b) "Unprofessional conduct" means:

36 (1) Solicitation of professional patronage through the use of  
 37 fraudulent or false advertisements, or profiting by the acts of those  
 38 representing themselves to be agents of the licensee.

39 (2) Representing to a patient that a manifestly incurable disease,  
 40 condition or injury can be permanently cured.

41 (3) Assisting in the care or treatment of a patient without the consent  
 42 of the patient, the attending physician or the patient's legal representatives.

43 (4) The use of any letters, words or terms as an affix, on stationery, in

- 1 advertisements or otherwise indicating that such person is entitled to  
2 practice a branch of the healing arts for which such person is not licensed.
- 3 (5) Performing, procuring or aiding and abetting in the performance  
4 or procurement of a criminal abortion.
- 5 (6) Willful betrayal of confidential information.
- 6 (7) Advertising professional superiority or the performance of  
7 professional services in a superior manner.
- 8 (8) Advertising to guarantee any professional service or to perform  
9 any operation painlessly.
- 10 (9) Participating in any action as a staff member of a medical care  
11 facility that is designed to exclude or that results in the exclusion of any  
12 person licensed to practice medicine and surgery from the medical staff of  
13 a nonprofit medical care facility licensed in this state because of the  
14 branch of the healing arts practiced by such person or without just cause.
- 15 (10) Failure to effectuate the declaration of a qualified patient as  
16 provided in K.S.A. 65-28,107(a), and amendments thereto.
- 17 (11) Prescribing, ordering, dispensing, administering, selling,  
18 supplying or giving any amphetamines or sympathomimetic amines,  
19 except as authorized by K.S.A. 65-2837a, and amendments thereto.
- 20 (12) Conduct likely to deceive, defraud or harm the public.
- 21 (13) Making a false or misleading statement regarding the licensee's  
22 skill or the efficacy or value of the drug, treatment or remedy prescribed  
23 by the licensee or at the licensee's direction in the treatment of any disease  
24 or other condition of the body or mind.
- 25 (14) Aiding or abetting the practice of the healing arts by an  
26 unlicensed, incompetent or impaired person.
- 27 (15) Allowing another person or organization to use the licensee's  
28 license to practice the healing arts.
- 29 (16) Commission of any act of sexual abuse, misconduct or other  
30 improper sexual contact that exploits the licensee-patient relationship with  
31 a patient or a person responsible for health care decisions concerning such  
32 patient.
- 33 (17) The use of any false, fraudulent or deceptive statement in any  
34 document connected with the practice of the healing arts including the  
35 intentional falsifying or fraudulent altering of a patient or medical care  
36 facility record.
- 37 (18) Obtaining any fee by fraud, deceit or misrepresentation.
- 38 (19) Directly or indirectly giving or receiving any fee, commission,  
39 rebate or other compensation for professional services not actually and  
40 personally rendered, other than through the legal functioning of lawful  
41 professional partnerships, corporations, limited liability companies or  
42 associations.
- 43 (20) Failure to transfer patient records to another licensee when

1 requested to do so by the subject patient or by such patient's legally  
2 designated representative.

3 (21) Performing unnecessary tests, examinations or services that have  
4 no legitimate medical purpose.

5 (22) Charging an excessive fee for services rendered.

6 (23) Prescribing, dispensing, administering or distributing a  
7 prescription drug or substance, including a controlled substance, in an  
8 improper or inappropriate manner, or for other than a valid medical  
9 purpose, or not in the course of the licensee's professional practice.

10 (24) Repeated failure to practice healing arts with that level of care,  
11 skill and treatment that is recognized by a reasonably prudent similar  
12 practitioner as being acceptable under similar conditions and  
13 circumstances.

14 (25) Failure to keep written medical records that accurately describe  
15 the services rendered to the patient, including patient histories, pertinent  
16 findings, examination results and test results.

17 (26) Delegating professional responsibilities to a person when the  
18 licensee knows or has reason to know that such person is not qualified by  
19 training, experience or licensure to perform them.

20 (27) Using experimental forms of therapy without proper informed  
21 patient consent, without conforming to generally accepted criteria or  
22 standard protocols, without keeping detailed legible records or without  
23 having periodic analysis of the study and results reviewed by a committee  
24 or peers.

25 (28) Prescribing, dispensing, administering or distributing an anabolic  
26 steroid or human growth hormone for other than a valid medical purpose.  
27 Bodybuilding, muscle enhancement or increasing muscle bulk or strength  
28 through the use of an anabolic steroid or human growth hormone by a  
29 person who is in good health is not a valid medical purpose.

30 (29) Referring a patient to a health care entity for services if the  
31 licensee has a significant investment interest in the health care entity,  
32 unless the licensee informs the patient in writing of such significant  
33 investment interest and that the patient may obtain such services  
34 elsewhere.

35 (30) Failing to properly supervise, direct or delegate acts that  
36 constitute the healing arts to persons who perform professional services  
37 pursuant to such licensee's direction, supervision, order, referral,  
38 delegation or practice protocols.

39 (31) Violating ~~K.S.A. 65-6703~~ *section 1*, and amendments thereto.

40 (32) Charging, billing or otherwise soliciting payment from any  
41 patient, patient's representative or insurer for anatomic pathology services,  
42 if such services are not personally rendered by the licensee or under such  
43 licensee's direct supervision. As used in this subsection, "anatomic

1 pathology services" means the gross or microscopic examination of  
2 histologic processing of human organ tissue or the examination of human  
3 cells from fluids, aspirates, washings, brushings or smears, including blood  
4 banking services, and subcellular or molecular pathology services,  
5 performed by or under the supervision of a person licensed to practice  
6 medicine and surgery or a clinical laboratory. Nothing in this subsection  
7 shall be construed to prohibit billing for anatomic pathology services by:

8 (A) A hospital;

9 (B) a clinical laboratory when samples are transferred between  
10 clinical laboratories for the provision of anatomic pathology services; or

11 (C) a physician providing services to a patient pursuant to a medical  
12 retainer agreement in compliance with K.S.A. 65-4978, and amendments  
13 thereto, when the bill to the patient for such services:

14 (i) Identifies the laboratory or physician that performed the services;

15 (ii) discloses in writing to the patient the actual amount charged by  
16 the physician or laboratory that performed the service; and

17 (iii) is consistent with rules and regulations adopted by the board for  
18 appropriate billing standards applicable to such services when furnished  
19 under these agreements.

20 (33) Engaging in conduct that violates patient trust and exploits the  
21 licensee-patient relationship for personal gain.

22 (34) Obstructing a board investigation including, but not limited to,  
23 engaging in one or more of the following acts:

24 (A) Falsifying or concealing a material fact;

25 (B) knowingly making or causing to be made any false or misleading  
26 statement or writing; or

27 (C) other acts or conduct likely to deceive or defraud the board.

28 (c) "False advertisement" means any advertisement that is false,  
29 misleading or deceptive in a material respect. In determining whether any  
30 advertisement is misleading, there shall be taken into account not only  
31 representations made or suggested by statement, word, design, device,  
32 sound or any combination thereof, but also the extent to which the  
33 advertisement fails to reveal facts material in the light of such  
34 representations made.

35 (d) "Advertisement" means all representations disseminated in any  
36 manner or by any means for the purpose of inducing, or that are likely to  
37 induce, directly or indirectly, the purchase of professional services.

38 (e) "Licensee" for purposes of this section and K.S.A. 65-2836, and  
39 amendments thereto, means all persons issued a license, permit or special  
40 permit pursuant to article 28 of chapter 65 of the Kansas Statutes  
41 Annotated, and amendments thereto.

42 (f) "License" for purposes of this section and K.S.A. 65-2836, and  
43 amendments thereto, means any license, permit or special permit granted

1 under article 28 of chapter 65 of the Kansas Statutes Annotated, and  
2 amendments thereto.

3 (g) "Health care entity" means any corporation, firm, partnership or  
4 other business entity that provides services for diagnosis or treatment of  
5 human health conditions and that is owned separately from a referring  
6 licensee's principle practice.

7 (h) "Significant investment interest" means ownership of at least 10%  
8 of the value of the firm, partnership or other business entity that owns or  
9 leases the health care entity, or ownership of at least 10% of the shares of  
10 stock of the corporation that owns or leases the health care entity.

11 Sec. 10. K.S.A. 65-6731 is hereby amended to read as follows: 65-  
12 6731. As used in K.S.A. 65-6731 through 65-6738, and amendments  
13 thereto:

14 (a) "Abortion" ~~has the same meaning~~ *means the same* as such term is  
15 defined in ~~K.S.A. 65-6701 section 1~~, and amendments thereto.

16 (b) "Health benefit plan" means any hospital or medical expense  
17 policy, health, hospital or medical services corporation contract, and a plan  
18 provided by a municipal group-funded pool, or a health maintenance  
19 organization contract offered by any employer or any certificate issued  
20 under any such policy, contract or plan.

21 (c) "Health care entity" means an individual physician or other health  
22 care professional, a hospital, a provider-sponsored organization, a health  
23 maintenance organization or any other health care facility or organization.

24 (d) "School district" means any public school district organized under  
25 the laws of this state.

26 (e) "State agency" ~~has the same meaning~~ *means the same* as such  
27 term is defined in K.S.A. 75-3701, and amendments thereto.

28 Sec. 11. K.S.A. 65-6732 is hereby amended to read as follows: 65-  
29 6732. (a) The legislature hereby finds and declares the following:

30 (1) The life of each human being begins at fertilization;

31 (2) unborn children have interests in life, health and well-being that  
32 should be protected; and

33 (3) the parents of unborn children have protectable interests in the  
34 life, health and well-being of the unborn children of such parents.

35 (b) ~~On and after July 1, 2013,~~ The laws of this state shall be  
36 interpreted and construed to acknowledge on behalf of the unborn child at  
37 every stage of development, all the rights, privileges and immunities  
38 available to other persons, citizens and residents of this state, subject only  
39 to the constitution of the United States, and decisional interpretations  
40 thereof by the United States supreme court, and ~~specific provisions to the~~  
41 ~~contrary in the Kansas constitution and the Kansas Statutes Annotated~~ *to*  
42 *treat as void and of no effect all rulings of any district or appellate court*  
43 *of this state, rules and regulations and executive orders that would deprive*

1 *an unborn child of the right to life.*

2 (c) As used in this section:

3 (1) "Fertilization" means the fusion of a human spermatozoon with a  
4 human ovum.

5 (2) "Unborn children" or "unborn child" shall include all unborn  
6 children or the offspring of human beings from the moment of fertilization  
7 until birth at every stage of biological development.

8 (d) Nothing in this section shall be construed as creating a cause of  
9 action against a woman for indirectly harming her unborn child by failing  
10 to properly care for herself or by failing to follow any particular program  
11 of prenatal care.

12 Sec. 12. K.S.A. 65-67a01 is hereby amended to read as follows: 65-  
13 67a01. As used in this act:

14 (a) "Abortion" means an abortion as defined by ~~K.S.A. 65-6701~~ *in*  
15 *section 1*, and amendments thereto.

16 (b) (1) "Consideration" means:

17 (A) Any payment made or debt incurred;

18 (B) any gift, honorarium or recognition of value bestowed;

19 (C) any price, charge or fee which is waived, forgiven, reduced or  
20 indefinitely delayed;

21 (D) any loan or debt which is canceled or otherwise forgiven; or

22 (E) the transfer of any item from one person to another or provision  
23 of any service or granting of any opportunity for which a charge is  
24 customarily made, without charge or for a reduced charge.

25 (2) "Consideration" shall not mean:

26 (A) A payment in an amount not to exceed \$25 for the cost of  
27 transporting, processing, preserving and storing fetal tissue; or

28 (B) a payment in an amount not to exceed the actual cost, as  
29 documented by the delivery service, of transporting fetal tissue.

30 (c) "Delivery service" means a common carrier as defined by K.S.A.  
31 66-105, and amendments thereto, or other person or entity used to  
32 transport fetal tissue.

33 (d) "Fetal tissue" means any tissue, cells or organs obtained from a  
34 dead human embryo or fetus after ~~an abortion or after~~ a stillbirth.

35 (e) "Person" means a person as defined by K.S.A. 65-425, and  
36 amendments thereto.

37 (f) "Stillbirth" means a stillbirth as defined by K.S.A. 65-2401, and  
38 amendments thereto.

39 Sec. 13. K.S.A. 65-67a02 is hereby amended to read as follows: 65-  
40 67a02. Except as specifically provided by ~~this act~~ *in K.S.A. 65-67a07, and*  
41 *amendments thereto*, nothing in this act shall be construed as ~~either~~  
42 ~~permitting or prohibiting~~ the use of fetal tissue for any type of scientific,  
43 research, laboratory or other kind of experimentation either prior to or

1 subsequent to any ~~abortion or~~ stillbirth.

2 Sec. 14. K.S.A. 65-67a04 is hereby amended to read as follows: 65-  
3 67a04. (a) No person shall solicit, offer, knowingly acquire or accept or  
4 transfer any fetal tissue for consideration.

5 (b) No person shall solicit, offer or knowingly acquire or accept or  
6 transfer any fetal tissue for the purpose of transplantation of such tissue  
7 into another person ~~if:~~

8 ~~(1) The fetal tissue will be or is obtained pursuant to an abortion; and~~

9 ~~(2) (A) the donation of such fetal tissue will be or is made pursuant to~~  
10 ~~a promise to the donating individual that the donated tissue will be~~  
11 ~~transplanted into a recipient specified by such donating individual;~~

12 ~~(B) such fetal tissue will be transplanted into a relative of the~~  
13 ~~donating individual; or~~

14 ~~(C) the person who solicits or knowingly acquires or accepts the~~  
15 ~~donation of such fetal tissue has provided consideration for the costs~~  
16 ~~associated with such abortion.~~

17 (c) *No person shall solicit, offer or knowingly acquire, accept or*  
18 *transfer any fetal tissue of an unborn child that was aborted.*

19 (d) Any person who intentionally, knowingly or recklessly violates  
20 this section shall be guilty of a severity level 2, nonperson felony.

21 Sec. 15. K.S.A. 65-67a07 is hereby amended to read as follows: 65-  
22 67a07. (a) No person shall use fetal organs or tissue for medical, scientific,  
23 experimental or therapeutic use without the voluntary and informed  
24 consent of the ~~woman donating such tissue. Such consent shall not be~~  
25 ~~discussed or obtained prior to obtaining the consent required under K.S.A.~~  
26 ~~65-6709, and amendments thereto~~ *mother or father of the unborn child*  
27 *whose tissue is being donated.*

28 (b) A person who intentionally, knowingly or recklessly violates this  
29 section shall be guilty of a severity level 2, nonperson felony.

30 Sec. 16. K.S.A. 65-67a09 is hereby amended to read as follows: 65-  
31 67a09. (a) This section shall be known and may be cited as the child rape  
32 protection act.

33 (b) As used in this section:

34 (1) "Abortion" ~~has the meaning provided in K.S.A. 65-6701~~ *means*  
35 *the same as such term is defined in section 1, and amendments thereto.*

36 (2) "Physician" means any person licensed to practice medicine and  
37 surgery.

38 (c) Any physician who performs an abortion on a minor who was less  
39 than 14 years of age at the time of the abortion procedure shall preserve, in  
40 accordance with rules and regulations adopted by the attorney general  
41 pursuant to this section, fetal tissue extracted during such abortion. The  
42 physician shall submit such tissue to the Kansas bureau of investigation or  
43 to a laboratory designated by the director of the Kansas bureau of



1 investigation.

2 (d) The attorney general shall adopt rules and regulations prescribing:

3 (1) The amount and type of fetal tissue to be preserved and submitted  
4 by a physician pursuant to this section;

5 (2) procedures for the proper preservation of such tissue for the  
6 purpose of DNA testing and examination;

7 (3) procedures for documenting the chain of custody of such tissue  
8 for use as evidence;

9 (4) procedures for proper disposal of fetal tissue preserved pursuant  
10 to this section;

11 (5) a uniform reporting instrument mandated to be utilized by  
12 physicians when submitting fetal tissue under this section ~~which~~ *that* shall  
13 include the name of the physician submitting the fetal tissue and the name,  
14 complete address of residence and name of the parent or legal guardian of  
15 the minor upon whom the abortion was performed; and

16 (6) procedures for communication with law enforcement agencies  
17 regarding evidence and information obtained pursuant to this section.

18 (e) Failure of a physician to comply with any provision of this section  
19 or any rule or regulation adopted hereunder:

20 (1) Shall constitute unprofessional conduct for the purposes of K.S.A.  
21 65-2837, and amendments thereto; and

22 (2) is a class A, nonperson misdemeanor upon a first conviction and a  
23 severity level 10, nonperson felony upon a second or subsequent  
24 conviction.

25 Sec. 17. K.S.A. 76-3308 is hereby amended to read as follows: 76-  
26 3308. (a) The authority shall have all the powers necessary to carry out the  
27 purposes and provisions of this act, including, without limitation, the  
28 following powers to:

29 (1) Have the duties, privileges, immunities, rights, liabilities and  
30 disabilities of a body corporate and a political instrumentality of the state;

31 (2) have perpetual existence and succession;

32 (3) adopt, have and use a seal and to alter the same at its pleasure;

33 (4) sue and be sued in its own name;

34 (5) make and execute contracts, guarantees or any other instruments  
35 and agreements necessary or convenient for the exercise of its powers and  
36 functions including, without limitation, to make and execute contracts with  
37 hospitals or other health care businesses to operate and manage any or all  
38 of the hospital facilities or operations and to incur liabilities and secure the  
39 obligations of any entity or individual;

40 (6) borrow money and to issue bonds evidencing the same and pledge  
41 all or any part of the authority's assets therefor;

42 (7) purchase, lease, trade, exchange or otherwise acquire, maintain,  
43 hold, improve, mortgage, sell, lease and dispose of personal property,

1 whether tangible or intangible, and any interest therein; and to purchase,  
2 lease, trade, exchange or otherwise acquire real property or any interest  
3 therein, and to maintain, hold, improve, mortgage, lease and otherwise  
4 transfer such real property, so long as such transactions do not conflict  
5 with the mission of the authority as specified in this act;

6 (8) incur or assume indebtedness to, and enter into contracts with the  
7 Kansas development finance authority, which is authorized to borrow  
8 money and provide financing for the authority;

9 (9) develop policies and procedures generally applicable to the  
10 procurement of goods, services and construction, based upon sound  
11 business practices;

12 (10) contract for and to accept any gifts, grants and loans of funds,  
13 property, or any other aid in any form from the federal government, the  
14 state, any state agency, or any other source, or any combination thereof,  
15 and to comply with the provisions of the terms and conditions thereof;

16 (11) acquire space, equipment, services, supplies and insurance  
17 necessary to carry out the purposes of this act;

18 (12) deposit any moneys of the authority in any banking institution  
19 within or without the state or in any depository authorized to receive such  
20 deposits, one or more persons to act as custodians of the moneys of the  
21 authority, to give surety bonds in such amounts in form and for such  
22 purposes as the board requires;

23 (13) procure such insurance, participate in such insurance plans or  
24 provide such self insurance or both as it deems necessary or convenient to  
25 carry out the purposes and provisions of this act; the purchase of  
26 insurance, participation in an insurance plan or creation of a self-insurance  
27 fund by the authority shall not be deemed as a waiver or relinquishment of  
28 any sovereign immunity to which the authority or its officers, directors,  
29 employees or agents are otherwise entitled;

30 (14) appoint, supervise and set the salary and compensation of a  
31 president of the authority who shall be appointed by and serve at the  
32 pleasure of the board;

33 (15) fix, revise, charge and collect rates, rentals, fees and other  
34 charges for the services or facilities furnished by or on behalf of the  
35 authority, and to establish policies and procedures regarding any such  
36 service rendered for the use, occupancy or operation of any such facility;  
37 such charges and policies and procedures not to be subject to supervision  
38 or regulation by any commission, board, bureau or agency of the state; and

39 (16) do any and all things necessary or convenient to carry out the  
40 authority's purposes and exercise the powers given in this act.

41 (b) The authority may create, own in whole or in part, or otherwise  
42 acquire or dispose of any entity organized for a purpose related to or in  
43 support of the mission of the authority.

1 (c) The authority may participate in joint ventures with individuals,  
2 corporations, governmental bodies or agencies, partnerships, associations,  
3 insurers or other entities to facilitate any activities or programs consistent  
4 with the public purpose and intent of this act.

5 (d) The authority may create a nonprofit entity or entities for the  
6 purpose of soliciting, accepting and administering grants, outright gifts and  
7 bequests, endowment gifts and bequests and gifts and bequests in trust  
8 which entity or entities shall not engage in trust business.

9 (e) In carrying out any activities authorized by this act, the authority  
10 may provide appropriate assistance, including the making of loans and  
11 providing time of employees, to corporations, partnerships, associations,  
12 joint ventures or other entities, whether or not such corporations,  
13 partnerships, associations, joint ventures or other entities are owned or  
14 controlled in whole or in part, directly or indirectly, by the authority.

15 (f) Effective with the transfer date, all moneys of the authority shall  
16 be deposited in one or more banks or trust companies in one or more  
17 special accounts. All banks and trust companies are authorized to give  
18 security for such deposits if required by the authority. The moneys in such  
19 accounts shall be paid out on a warrant or other orders of the treasurer of  
20 the authority or any such other person or persons as the authority may  
21 authorize to execute such warrants or orders.

22 (g) Notwithstanding any provision of law to the contrary, the  
23 authority, effective with the transfer date, may invest the authority's  
24 operating funds in any obligations or securities as authorized by the board.  
25 The board shall adopt written investment guidelines.

26 (h) The authority is authorized to negotiate contracts with one or  
27 more qualified parties to provide collection services. The selection of a  
28 collection services provider shall be based on responses to a request for  
29 proposals from qualified professional firms and shall be administered in  
30 accordance with policies adopted by the board.

31 (i) Notwithstanding any provision of law to the contrary, no abortion,  
32 *as defined in section 1, and amendments thereto*, shall be performed,  
33 ~~except in the event of a medical emergency~~, in any medical facility,  
34 hospital or clinic owned, leased or operated by the authority. ~~The~~  
35 ~~provisions of this subsection are not applicable to any member of the~~  
36 ~~physician faculty of the university of Kansas school of medicine when~~  
37 ~~such abortion is performed outside the scope of such member's~~  
38 ~~employment on property not owned, leased or operated by the authority.~~  
39 ~~As used in this subsection, "medical emergency" means a condition that, in~~  
40 ~~reasonable medical judgment, so complicates the medical condition of the~~  
41 ~~pregnant woman as to necessitate the immediate abortion of her pregnancy~~  
42 ~~to avert the death of the woman or for which a delay necessary to comply~~  
43 ~~with the applicable statutory requirements will create serious risk of~~

1 ~~substantial and irreversible physical impairment of a major bodily~~  
2 ~~function. No condition shall be deemed a medical emergency if based on a~~  
3 ~~claim or diagnosis that the woman will engage in conduct which would~~  
4 ~~result in her death or in, except when necessary to preserve the life of the~~  
5 ~~pregnant woman or if a continuation of the pregnancy will cause a~~  
6 ~~substantial and irreversible physical impairment of a major bodily function~~  
7 ~~of the pregnant woman.~~

8 Sec. 18. K.S.A. 79-32,182b is hereby amended to read as follows: 79-  
9 32,182b. (a) For all taxable years commencing after December 31, 2000, a  
10 credit shall be allowed against the tax imposed by the Kansas income tax  
11 act on the Kansas taxable income of a taxpayer for expenditures in  
12 research and development activities conducted within this state in an  
13 amount equal to 6 $\frac{1}{2}$ % of the amount by which the amount expended for  
14 such activities in the taxable year of the taxpayer exceeds the taxpayer's  
15 average of the actual expenditures for such purposes made in such taxable  
16 year and the next preceding two taxable years.

17 (b) In any one taxable year, the amount of such credit allowable for  
18 deduction from the taxpayer's tax liability shall not exceed 25% of the total  
19 amount of such credit plus any applicable carry forward amount. The  
20 amount by which that portion of the credit allowed by subsections (a) and  
21 (b) to be claimed in any one taxable year exceeds the taxpayer's tax  
22 liability in such year may be carried forward until the total amount of the  
23 credit is used.

24 (c) As used in this section, the term "expenditures in research and  
25 development activities" means expenditures made for such purposes, other  
26 than expenditures of moneys made available to the taxpayer pursuant to  
27 federal or state law, which are treated as expenses allowable for deduction  
28 under the provisions of the federal internal revenue code of 1986, as  
29 amended, except that for taxable years commencing after December 31,  
30 2013, expenditures in research and development activities shall not include  
31 any expenditures for the performance of any abortion, as defined in ~~K.S.A.~~  
32 ~~65-6701~~ *section 1*, and amendments thereto.

33 (d) For tax year 2013 and all tax years thereafter, the income tax  
34 credit provided by this section shall only be available to taxpayers subject  
35 to the income tax on corporations imposed pursuant to ~~subsection (e) of~~  
36 ~~K.S.A. 79-32,110(c)~~, and amendments thereto, and shall be applied only  
37 against such taxpayer's corporate income tax liability.

38 Sec. 19. K.S.A. 79-32,195 is hereby amended to read as follows: 79-  
39 32,195. As used in this act, the following words and phrases shall have the  
40 meanings ascribed to them herein: (a) "Business firm" means any business  
41 entity authorized to do business in the state of Kansas ~~which~~ *that* is subject  
42 to the state income tax imposed by the provisions of the Kansas income  
43 tax act, any individual subject to the state income tax imposed by the

1 provisions of the Kansas income tax act, any national banking association,  
2 state bank, trust company or savings and loan association paying an annual  
3 tax on its net income pursuant to article 11 of chapter 79 of the Kansas  
4 Statutes Annotated, and amendments thereto, or any insurance company  
5 paying the premium tax and privilege fees imposed pursuant to K.S.A. 40-  
6 252, and amendments thereto;

7 (b) "Community services" means:

8 (1) The conduct of activities—~~which~~ *that* meet a demonstrated  
9 community need and—~~which~~ *that* are designed to achieve improved  
10 educational and social services for Kansas children and their families, and  
11 ~~which~~ *that* are coordinated with communities including, but not limited to,  
12 social and human services organizations that address the causes of poverty  
13 through programs and services that assist low income persons in the areas  
14 of employment, food, housing, emergency assistance and health care;

15 (2) crime prevention;

16 (3) health care services; and

17 (4) youth apprenticeship and technical training.

18 (c) "Crime prevention" means any nongovernmental activity—~~which~~  
19 *that* aids in the prevention of crime.

20 (d) "Youth apprenticeship and technical training" means conduct of  
21 activities—~~which~~ *that* are designed to improve the access to and quality of  
22 apprenticeship and technical training—~~which~~ *that* support an emphasis on  
23 rural construction projects as well as the necessary equipment, facilities  
24 and supportive mentorship for youth apprenticeships and technical  
25 training.

26 (e) "Community service organization" means any organization  
27 performing community services in Kansas—~~and which that~~:

28 (1) Has obtained a ruling from the internal revenue service of the  
29 United States department of the treasury that such organization is exempt  
30 from income taxation under the provisions of section 501(c)(3) of the  
31 federal internal revenue code; or

32 (2) is incorporated in the state of Kansas or another state as a  
33 nonstock, nonprofit corporation; or

34 (3) has been designated as a community development corporation by  
35 the United States government under the provisions of title VII of the  
36 economic opportunity act of 1964; or

37 (4) is chartered by the United States congress.

38 (f) "Contributions"—~~shall mean and include~~ *means and includes* the  
39 donation of cash, services or property other than used clothing in an  
40 amount or value of \$250 or more. Stocks and bonds contributed shall be  
41 valued at the stock market price on the date of transfer. Services  
42 contributed shall be valued at the standard billing rate for not-for-profit  
43 clients. Personal property items contributed shall be valued at the lesser of

1 its fair market value or cost to the donor and may be inclusive of costs  
2 incurred in making the contribution, but shall not include sales tax.  
3 Contributions of real estate are allowable for credit only when title thereto  
4 is in fee simple absolute and is clear of any encumbrances. The amount of  
5 credit allowable shall be based upon the lesser of two current independent  
6 appraisals conducted by state licensed appraisers.

7 (g) "Health care services" ~~shall include, but not be~~ *includes, but is not*  
8 limited to, the following: Services provided by local health departments,  
9 city, county or district hospitals, city or county nursing homes, or other  
10 residential institutions, preventive health care services offered by a  
11 community service organization including immunizations, prenatal care,  
12 the postponement of entry into nursing homes by home health care  
13 services, and community based services for persons with a disability,  
14 mental health services, indigent health care, physician or health care  
15 worker recruitment, health education, emergency medical services,  
16 services provided by rural health clinics, integration of health care  
17 services, home health services and services provided by rural health  
18 networks, except that for taxable years commencing after December 31,  
19 2013, "health care services" ~~shall~~ *does* not include any service involving  
20 the performance of any abortion, as defined in ~~K.S.A. 65-6701~~ *section 1*,  
21 and amendments thereto.

22 (h) "Rural community" means any city having a population of fewer  
23 than 15,000 located in a county that is not part of a standard metropolitan  
24 statistical area as defined by the United States department of commerce or  
25 its successor agency. However, any such city located in a county defined  
26 as a standard metropolitan statistical area shall be deemed a rural  
27 community if a substantial number of persons in such county derive their  
28 income from agriculture and, in any county where there is only one city  
29 within the county which has a population of more than 15,000 and which  
30 classifies as a standard metropolitan statistical area, all other cities in that  
31 county having a population of less than 15,000 shall be deemed a rural  
32 community.

33 Sec. 20. K.S.A. 79-32,261 is hereby amended to read as follows: 79-  
34 32,261. (a) On and after July 1, 2008, any taxpayer who contributes in the  
35 manner prescribed by this section to a community college located in  
36 Kansas for capital improvements, to a technical college for deferred  
37 maintenance or the purchase of technology or equipment or to a  
38 postsecondary educational institution located in Kansas for deferred  
39 maintenance, shall be allowed a credit against the tax imposed by the  
40 Kansas income tax act, the premium tax or privilege fees imposed  
41 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as  
42 measured by net income of financial institutions imposed pursuant to  
43 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments

1 thereto. The tax credit allowed by this section is applicable for the tax year  
2 2008 for any contributions made on and after July 1, 2008, and for the tax  
3 years 2009, 2010, 2011 and 2012 for any contributions made during the  
4 entire tax year. The amount of the credit allowed by this section shall not  
5 exceed 60% of the total amount contributed during the taxable year by the  
6 taxpayer to a community college or a technical college located in Kansas  
7 for such purposes. The amount of the credit allowed by this section shall  
8 not exceed 50% of the total amount contributed during the taxable year by  
9 the taxpayer to a postsecondary educational institution for such purposes.  
10 If the amount of the credit allowed by this section for a taxpayer who  
11 contributes to a community college or a technical college exceeds the  
12 taxpayer's income tax liability imposed by the Kansas income tax act, such  
13 excess amount shall be refunded to the taxpayer. If the amount of the tax  
14 credit for a taxpayer who contributes to a postsecondary educational  
15 institution exceeds the taxpayer's income tax liability for the taxable year,  
16 the amount which exceeds the tax liability may be carried over for  
17 deduction from the taxpayer's income tax liability in the next succeeding  
18 taxable year or years until the total amount of the tax credit has been  
19 deducted from tax liability, except that no such tax credit shall be carried  
20 over for deduction after the third taxable year succeeding the taxable year  
21 in which the contribution is made. Prior to the issuance of any tax credits  
22 pursuant to this section, the structure of the process in which contributions  
23 received by a community college, a technical college or a postsecondary  
24 educational institution qualify as tax credits allowed and issued pursuant to  
25 this section shall be developed by a community college, a technical college  
26 and a postsecondary educational institution in consultation with the  
27 secretary of revenue and the foundation or endowment association of any  
28 such community college, technical college or postsecondary educational  
29 institution in a manner that complies with requirements specified in the  
30 federal internal revenue code of 1986, as amended, so that contributions  
31 qualify as charitable contributions allowable as deductions from federal  
32 adjusted gross income.

33 (b) (1) Upon receipt of any such contributions to a community  
34 college made pursuant to the provisions of this section, the treasurer of the  
35 community college shall deposit such contributions to the credit of the  
36 capital outlay fund of such community college established as provided by  
37 K.S.A. 71-501a, and amendments thereto. Expenditures from such fund  
38 shall be made for the purposes described in ~~subsection (a)~~ of K.S.A. 71-  
39 501(a), and amendments thereto, except that expenditures shall not be  
40 made from such fund for new construction or the acquisition of real  
41 property for use as building sites or for educational programs.

42 (2) Upon receipt of any such contributions to a technical college  
43 made pursuant to the provisions of this section, such contributions shall be

1 deposited to the credit of a deferred maintenance fund or a technology and  
2 equipment fund established by the technical college which received the  
3 contribution. Expenditures from such fund shall be made only for the  
4 purpose as provided in this subsection.

5 (3) Upon receipt of any such contributions to a postsecondary  
6 educational institution made pursuant to the provisions of this section,  
7 such contributions shall be deposited to the credit of the appropriate  
8 deferred maintenance support fund of the postsecondary educational  
9 institution which received the contribution. Expenditures from such fund  
10 shall be made only for the purposes designated for such fund pursuant to  
11 law.

12 (c) (1) In no event shall the total amount of credits allowed under this  
13 section for taxpayers who contribute to any one such community college  
14 or technical college exceed the following amounts: For the tax year 2008,  
15 an amount not to exceed \$78,125; for the tax year 2009, an amount not to  
16 exceed \$156,250; and for the tax years 2010, 2011 and 2012, an amount  
17 not to exceed \$208,233.33.

18 (2) In no event shall the total of credits allowed under this section for  
19 taxpayers who contribute to postsecondary educational institutions exceed  
20 the following amounts: For the tax year 2008, an amount not to exceed  
21 \$5,625,000; for the tax year 2009, an amount not to exceed \$11,250,000;  
22 and for the tax years 2010, 2011 and 2012, an amount not to exceed  
23 \$15,000,000. Except as otherwise provided, the allocation of such tax  
24 credits for each individual state educational institution shall be determined  
25 by the state board of regents in consultation with the secretary of revenue  
26 and the university foundation or endowment association of each  
27 postsecondary educational institution, and such determination shall be  
28 completed prior to the issuance of any tax credits pursuant to this section.  
29 Not more than 40% of the total of credits allowed under this section shall  
30 be allocated to any one postsecondary educational institution unless all  
31 such postsecondary educational institutions approve an allocation to any  
32 one such postsecondary educational institution which exceeds 40% of the  
33 total of such credits allowed under this section.

34 (d) As used in this section:

35 (1) "Community college" means a community college established  
36 under the provisions of the community college act;

37 (2) "deferred maintenance" means the maintenance, repair,  
38 reconstruction or rehabilitation of a building located at a technical college  
39 or a postsecondary educational institution which has been deferred, any  
40 utility systems relating to such building, any life-safety upgrades to such  
41 building and any improvements necessary to be made to such building in  
42 order to comply with the requirements of the Americans with disabilities  
43 act or other federal or state law, except that for taxable years commencing



1 after December 31, 2013, deferred maintenance shall not include any  
2 maintenance, repair, reconstruction or rehabilitation of any building in  
3 which any abortion, as defined in ~~K.S.A. 65-6701~~ *section 1*, and  
4 amendments thereto, is performed;

5 (3) "postsecondary educational institution" means the university of  
6 Kansas, Kansas state university of agriculture and applied science, Wichita  
7 state university, Emporia state university, Pittsburg state university, Fort  
8 Hays state university and Washburn university of Topeka; and

9 (4) "technical college" means a technical college as designated  
10 pursuant to K.S.A. 74-32,458, 74-32,460, 74-32,461, 74-32,462 and 74-  
11 32,464, and amendments thereto.

12 (e) Any taxpayer not subject to Kansas income, privilege or  
13 premiums tax who contributes to a community college, technical college  
14 or postsecondary educational institution, hereinafter designated the  
15 transferor, may sell, assign, convey or otherwise transfer tax credits  
16 allowed and earned pursuant to this section. The sale price of a tax credit  
17 shall be at least 50% of the full value of the credit. Such credit shall be  
18 deemed to be allowed and earned by any such taxpayer which is only  
19 disqualified therefrom by reason of not being subject to such Kansas taxes.  
20 The taxpayer acquiring earned credits, hereinafter designated the  
21 transferee, may use the amount of the acquired credits to offset up to 100%  
22 of the taxpayer's income, privilege or premiums tax liability for the taxable  
23 year in which such acquisition was made. Such credits may be sold or  
24 transferred only one time and, if sold or transferred, shall be transferred in  
25 the tax year such credit is earned or the two successive tax years. A  
26 transferred credit shall be claimed in the year purchased. The transferor  
27 shall enter into a written agreement with the transferee establishing the  
28 terms and conditions of the sale or transfer and shall perfect such transfer  
29 by notifying the secretary of revenue in writing within 30 calendar days  
30 following the effective date of the transfer, subject to the review and  
31 approval or denial of such transfer by the secretary of revenue. The  
32 transferor and transferee shall provide any information pertaining to the  
33 sale or transfer as may be required by the secretary of revenue to  
34 administer and carry out the provisions of this section. The amount  
35 received by the transferor of such tax credit shall be taxable as income of  
36 the transferor, and the excess of the value of such credit over the amount  
37 paid by the transferee for such credit shall be taxable as income of the  
38 transferee.

39 (f) The secretary of revenue shall submit an annual report to the  
40 legislature to assist the legislature in the evaluation of the utilization of any  
41 credits claimed pursuant to this act, including information specific as to  
42 each community college, technical college or postsecondary educational  
43 institution. Such report shall be due on or before the first day of the

1 legislative session following the tax year in which the credits were  
2 claimed.

3 (g) The secretary of revenue shall adopt rules and regulations  
4 necessary to administer the provisions of this section.

5 Sec. 21. K.S.A. 2021 Supp. 79-3606 is hereby amended to read as  
6 follows: 79-3606. The following shall be exempt from the tax imposed by  
7 this act:

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

21 (b) all sales of tangible personal property or service, including the  
22 renting and leasing of tangible personal property, purchased directly by the  
23 state of Kansas, a political subdivision thereof, other than a school or  
24 educational institution, or purchased by a public or private nonprofit  
25 hospital, public hospital authority, nonprofit blood, tissue or organ bank or  
26 nonprofit integrated community care organization and used exclusively for  
27 state, political subdivision, hospital, public hospital authority, nonprofit  
28 blood, tissue or organ bank or nonprofit integrated community care  
29 organization purposes, except when: (1) Such state, hospital or public  
30 hospital authority is engaged or proposes to engage in any business  
31 specifically taxable under the provisions of this act and such items of  
32 tangible personal property or service are used or proposed to be used in  
33 such business; or (2) such political subdivision is engaged or proposes to  
34 engage in the business of furnishing gas, electricity or heat to others and  
35 such items of personal property or service are used or proposed to be used  
36 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, except that such  
3 exemption shall apply to the erection, construction, repair, enlargement or  
4 equipment of buildings used for human habitation by the cerebral palsy  
5 research foundation of Kansas located in Wichita, Kansas, and multi  
6 community diversified services, incorporated, located in McPherson,  
7 Kansas;

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

1 materials for incorporation in such project. The contractor shall furnish the  
2 number of such certificate to all suppliers from whom such purchases are  
3 made, and such suppliers shall execute invoices covering the same bearing  
4 the number of such certificate. Upon completion of the project the  
5 contractor shall furnish to the political subdivision, district described in  
6 subsection (s), hospital or public hospital authority, school, educational  
7 institution or department of corrections concerned a sworn statement, on a  
8 form to be provided by the director of taxation, that all purchases so made  
9 were entitled to exemption under this subsection. As an alternative to the  
10 foregoing procedure, any such contracting entity may apply to the  
11 secretary of revenue for agent status for the sole purpose of issuing and  
12 furnishing project exemption certificates to contractors pursuant to rules  
13 and regulations adopted by the secretary establishing conditions and  
14 standards for the granting and maintaining of such status. All invoices  
15 shall be held by the contractor for a period of five years and shall be  
16 subject to audit by the director of taxation. If any materials purchased  
17 under such a certificate are found not to have been incorporated in the  
18 building or other project or not to have been returned for credit or the sales  
19 or compensating tax otherwise imposed upon such materials that will not  
20 be so incorporated in the building or other project reported and paid by  
21 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
22 month following the close of the month in which it shall be determined  
23 that such materials will not be used for the purpose for which such  
24 certificate was issued, the political subdivision, district described in  
25 subsection (s), hospital or public hospital authority, school, educational  
26 institution or the contractor contracting with the department of corrections  
27 for a correctional institution concerned shall be liable for tax on all  
28 materials purchased for the project, and upon payment thereof it may  
29 recover the same from the contractor together with reasonable attorney  
30 fees. Any contractor or any agent, employee or subcontractor thereof, who  
31 shall use or otherwise dispose of any materials purchased under such a  
32 certificate for any purpose other than that for which such a certificate is  
33 issued without the payment of the sales or compensating tax otherwise  
34 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
35 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
36 79-3615(h), and amendments thereto;

37 (e) all sales of tangible personal property or services purchased by a  
38 contractor for the erection, repair or enlargement of buildings or other  
39 projects for the government of the United States, its agencies or  
40 instrumentalities, that would be exempt from taxation if purchased directly  
41 by the government of the United States, its agencies or instrumentalities.  
42 When the government of the United States, its agencies or  
43 instrumentalities shall contract for the erection, repair, or enlargement of

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

25 (f) tangible personal property purchased by a railroad or public utility  
26 for consumption or movement directly and immediately in interstate  
27 commerce;

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

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

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

41 (j) meals served without charge or food used in the preparation of  
42 such meals to employees of any restaurant, eating house, dining car, hotel,  
43 drugstore or other place where meals or drinks are regularly sold to the

1 public if such employees' duties are related to the furnishing or sale of  
2 such meals or drinks;

3 (k) any motor vehicle, semitrailer or pole trailer, as such terms are  
4 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and  
5 delivered in this state to a bona fide resident of another state, which motor  
6 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based  
7 in this state and which vehicle, semitrailer, pole trailer or aircraft will not  
8 remain in this state more than 10 days;

9 (l) all isolated or occasional sales of tangible personal property,  
10 services, substances or things, except isolated or occasional sale of motor  
11 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and  
12 amendments thereto;

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

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

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

38 (p) all sales of drugs dispensed pursuant to a prescription order by a  
39 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
40 1626, and amendments thereto. As used in this subsection, "drug" means a  
41 compound, substance or preparation and any component of a compound,  
42 substance or preparation, other than food and food ingredients, dietary  
43 supplements or alcoholic beverages, recognized in the official United

1 States pharmacopeia, official homeopathic pharmacopoeia of the United  
2 States or official national formulary, and supplement to any of them,  
3 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
4 of disease or intended to affect the structure or any function of the body,  
5 except that for taxable years commencing after December 31, 2013, this  
6 subsection shall not apply to any sales of drugs used in the performance or  
7 induction of an abortion, as defined in ~~K.S.A. 65-670~~ *section 1*, and  
8 amendments thereto;

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

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

32 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,  
33 all sales of tangible personal property or services purchased directly or  
34 indirectly by a groundwater management district organized or operating  
35 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
36 by a rural water district organized or operating under the authority of  
37 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
38 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
39 3522 et seq. or 19-3545, and amendments thereto, which property or  
40 services are used in the construction activities, operation or maintenance of  
41 the district;

42 (t) all sales of farm machinery and equipment or aquaculture  
43 machinery and equipment, repair and replacement parts therefor and

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

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

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

41 (w) all sales of natural gas, electricity, heat and water delivered  
42 through mains, lines or pipes: (1) To residential premises for  
43 noncommercial use by the occupant of such premises; (2) for agricultural



1 use and also, for such use, all sales of propane gas; (3) for use in the  
2 severing of oil; and (4) to any property which is exempt from property  
3 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this  
4 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
5 and amendments thereto. For all sales of natural gas, electricity and heat  
6 delivered through mains, lines or pipes pursuant to the provisions of  
7 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
8 on December 31, 2005;

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

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

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

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

25 (bb) all sales of used mobile homes or manufactured homes. As used  
26 in this subsection: (1) "Mobile homes" and "manufactured homes" mean  
27 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)  
28 "sales of used mobile homes or manufactured homes" means sales other  
29 than the original retail sale thereof;

30 (cc) all sales of tangible personal property or services purchased prior  
31 to January 1, 2012, except as otherwise provided, for the purpose of and in  
32 conjunction with constructing, reconstructing, enlarging or remodeling a  
33 business or retail business that meets the requirements established in  
34 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
35 machinery and equipment purchased for installation at any such business  
36 or retail business, and all sales of tangible personal property or services  
37 purchased on or after January 1, 2012, for the purpose of and in  
38 conjunction with constructing, reconstructing, enlarging or remodeling a  
39 business that meets the requirements established in K.S.A. 74-50,115(e),  
40 and amendments thereto, and the sale and installation of machinery and  
41 equipment purchased for installation at any such business. When a person  
42 shall contract for the construction, reconstruction, enlargement or  
43 remodeling of any such business or retail business, such person shall

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

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

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

35 (ff) on and after July 1, 1988, all sales of new mobile homes or  
36 manufactured homes to the extent of 40% of the gross receipts, determined  
37 without regard to any trade-in allowance, received from such sale. As used  
38 in this subsection, "mobile homes" and "manufactured homes" mean the  
39 same as defined in K.S.A. 58-4202, and amendments thereto;

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

43 (hh) all sales of medical supplies and equipment, including durable

1 medical equipment, purchased directly by a nonprofit skilled nursing home  
2 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
3 and amendments thereto, for the purpose of providing medical services to  
4 residents thereof. This exemption shall not apply to tangible personal  
5 property customarily used for human habitation purposes. As used in this  
6 subsection, "durable medical equipment" means equipment including  
7 repair and replacement parts for such equipment, that can withstand  
8 repeated use, is primarily and customarily used to serve a medical purpose,  
9 generally is not useful to a person in the absence of illness or injury and is  
10 not worn in or on the body, but does not include mobility enhancing  
11 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
12 dialysis equipment or enteral feeding systems;

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

19 (jj) all sales of tangible personal property or services, including the  
20 renting and leasing of tangible personal property, purchased directly on  
21 behalf of a community-based facility for people with intellectual disability  
22 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
23 amendments thereto, and licensed in accordance with the provisions of  
24 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible  
25 personal property or services purchased by contractors during the time  
26 period from July, 2003, through June, 2006, for the purpose of  
27 constructing, equipping, maintaining or furnishing a new facility for a  
28 community-based facility for people with intellectual disability or mental  
29 health center located in Riverton, Cherokee County, Kansas, that would  
30 have been eligible for sales tax exemption pursuant to this subsection if  
31 purchased directly by such facility or center. This exemption shall not  
32 apply to tangible personal property customarily used for human habitation  
33 purposes;

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

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

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

41 (2) For purposes of this subsection:

42 (A) "Integrated production operation" means an integrated series of  
43 operations engaged in at a manufacturing or processing plant or facility to

1 process, transform or convert tangible personal property by physical,  
2 chemical or other means into a different form, composition or character  
3 from that in which it originally existed. Integrated production operations  
4 shall include: (i) Production line operations, including packaging  
5 operations; (ii) preproduction operations to handle, store and treat raw  
6 materials; (iii) post production handling, storage, warehousing and  
7 distribution operations; and (iv) waste, pollution and environmental  
8 control operations, if any;

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

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

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

1 milling, frozen food processing, and grain handling, cleaning, blending,  
2 fumigation, drying and aeration operations engaged in by grain elevators  
3 or other grain storage facilities. (iii) Manufacturing or processing  
4 businesses do not include, by way of illustration but not of limitation,  
5 nonindustrial businesses whose operations are primarily retail and that  
6 produce or process tangible personal property as an incidental part of  
7 conducting the retail business, such as retailers who bake, cook or prepare  
8 food products in the regular course of their retail trade, grocery stores,  
9 meat lockers and meat markets that butcher or dress livestock or poultry in  
10 the regular course of their retail trade, contractors who alter, service, repair  
11 or improve real property, and retail businesses that clean, service or  
12 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

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

42 (G) to produce energy for, lubricate, control the operating of or  
43 otherwise enable the functioning of other production machinery and

1 equipment and the continuation of production operations;

2 (H) to package the property being manufactured or processed in a  
3 container or wrapping in which such property is normally sold or  
4 transported;

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

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

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

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

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

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

1 from the time a reclamation plan is filed to the acceptance of the  
2 completed final site reclamation.

3 (5) "Machinery and equipment used as an integral or essential part of  
4 an integrated production operation" shall not include:

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

10 (B) machinery, equipment and tools used primarily in maintaining  
11 and repairing any type of machinery and equipment or the building and  
12 plant;

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

18 (D) office machines and equipment including computers and related  
19 peripheral equipment not used directly and primarily to control or measure  
20 the manufacturing process;

21 (E) furniture and other furnishings;

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

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

28 (H) machinery and equipment used for general plant heating, cooling  
29 and lighting;

30 (I) motor vehicles that are registered for operation on public  
31 highways; or

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

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

43 (7) The secretary of revenue shall adopt rules and regulations

1 necessary to administer the provisions of this subsection;

2 (ll) all sales of educational materials purchased for distribution to the  
3 public at no charge by a nonprofit corporation organized for the purpose of  
4 encouraging, fostering and conducting programs for the improvement of  
5 public health, ~~except that for taxable years commencing after December~~  
6 ~~31, 2013, this subsection shall not apply to any sales of such materials~~  
7 ~~purchased by a nonprofit corporation which performs any abortion, as~~  
8 ~~defined in K.S.A. 65-6701, and amendments thereto;~~

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

39 (9) the heartstrings community foundation for the purpose of  
40 providing training, employment and activities for adults with  
41 developmental disabilities;

42 (10) the cystic fibrosis foundation, heart of America chapter, for the  
43 purposes of assuring the development of the means to cure and control

- 1 cystic fibrosis and improving the quality of life for those with the disease;
- 2 (11) the spina bifida association of Kansas for the purpose of  
3 providing financial, educational and practical aid to families and  
4 individuals with spina bifida. Such aid includes, but is not limited to,  
5 funding for medical devices, counseling and medical educational  
6 opportunities;
- 7 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
8 neighborhoods through the construction of new homes, acquiring and  
9 renovating existing homes and other related activities, and promoting  
10 economic development in such neighborhoods;
- 11 (13) the cross-lines cooperative council for the purpose of providing  
12 social services to low income individuals and families;
- 13 (14) the dreams work, inc., for the purpose of providing young adult  
14 day services to individuals with developmental disabilities and assisting  
15 families in avoiding institutional or nursing home care for a  
16 developmentally disabled member of their family;
- 17 (15) the KSDS, Inc., for the purpose of promoting the independence  
18 and inclusion of people with disabilities as fully participating and  
19 contributing members of their communities and society through the  
20 training and providing of guide and service dogs to people with  
21 disabilities, and providing disability education and awareness to the  
22 general public;
- 23 (16) the lyme association of greater Kansas City, Inc., for the purpose  
24 of providing support to persons with lyme disease and public education  
25 relating to the prevention, treatment and cure of lyme disease;
- 26 (17) the dream factory, inc., for the purpose of granting the dreams of  
27 children with critical and chronic illnesses;
- 28 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
29 students and families with education and resources necessary to enable  
30 each child to develop fine character and musical ability to the fullest  
31 potential;
- 32 (19) the international association of lions clubs for the purpose of  
33 creating and fostering a spirit of understanding among all people for  
34 humanitarian needs by providing voluntary services through community  
35 involvement and international cooperation;
- 36 (20) the Johnson county young matrons, inc., for the purpose of  
37 promoting a positive future for members of the community through  
38 volunteerism, financial support and education through the efforts of an all  
39 volunteer organization;
- 40 (21) the American cancer society, inc., for the purpose of eliminating  
41 cancer as a major health problem by preventing cancer, saving lives and  
42 diminishing suffering from cancer, through research, education, advocacy  
43 and service;

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

3 (23) the angel babies association, for the purpose of providing  
4 assistance, support and items of necessity to teenage mothers and their  
5 babies; and

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

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

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

1 close of the month in which it shall be determined that such materials will  
2 not be used for the purpose for which such certificate was issued, the  
3 nonprofit zoo concerned shall be liable for tax on all materials purchased  
4 for the project, and upon payment thereof it may recover the same from  
5 the contractor together with reasonable attorney fees. Any contractor or  
6 any agent, employee or subcontractor thereof, who shall use or otherwise  
7 dispose of any materials purchased under such a certificate for any purpose  
8 other than that for which such a certificate is issued without the payment  
9 of the sales or compensating tax otherwise imposed upon such materials,  
10 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
11 subject to the penalties provided for in K.S.A. 79-3615(h), and  
12 amendments thereto;

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

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

25 (aaa) all sales of tangible personal property and services purchased by  
26 a religious organization that is exempt from federal income taxation  
27 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
28 exclusively for religious purposes, and all sales of tangible personal  
29 property or services purchased by a contractor for the purpose of  
30 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
31 furnishing or remodeling facilities for any such organization that would be  
32 exempt from taxation under the provisions of this section if purchased  
33 directly by such organization. Nothing in this subsection shall be deemed  
34 to exempt the purchase of any construction machinery, equipment or tools  
35 used in the constructing, equipping, reconstructing, maintaining, repairing,  
36 enlarging, furnishing or remodeling facilities for any such organization.  
37 When any such organization shall contract for the purpose of constructing,  
38 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
39 remodeling facilities, it shall obtain from the state and furnish to the  
40 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 certificate to all suppliers from  
43 whom such purchases are made, and such suppliers shall execute invoices

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

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

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

1 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
2 sales of tangible personal property or services purchased by a contractor  
3 for the purpose of constructing, equipping, reconstructing, maintaining,  
4 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
5 or center that would be exempt from taxation under the provisions of this  
6 section if purchased directly by such clinic or center, ~~except that for~~  
7 ~~taxable years commencing after December 31, 2013, this subsection shall~~  
8 ~~not apply to any sales of such tangible personal property and services~~  
9 ~~purchased by a primary care clinic or health center which performs any~~  
10 ~~abortion, as defined in K.S.A. 65-6701, and amendments thereto.~~ Nothing  
11 in this subsection shall be deemed to exempt the purchase of any  
12 construction machinery, equipment or tools used in the constructing,  
13 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
14 remodeling facilities for any such clinic or center. When any such clinic or  
15 center shall contract for the purpose of constructing, equipping,  
16 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
17 facilities, it shall obtain from the state and furnish to the contractor an  
18 exemption certificate for the project involved, and the contractor may  
19 purchase materials for incorporation in such project. The contractor shall  
20 furnish the number of such certificate to all suppliers from whom such  
21 purchases are made, and such suppliers shall execute invoices covering the  
22 same bearing the number of such certificate. Upon completion of the  
23 project the contractor shall furnish to such clinic or center concerned a  
24 sworn statement, on a form to be provided by the director of taxation, that  
25 all purchases so made were entitled to exemption under this subsection.  
26 All invoices shall be held by the contractor for a period of five years and  
27 shall be subject to audit by the director of taxation. If any materials  
28 purchased under such a certificate are found not to have been incorporated  
29 in the building or other project or not to have been returned for credit or  
30 the sales or compensating tax otherwise imposed upon such materials that  
31 will not be so incorporated in the building or other project reported and  
32 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
33 day of the month following the close of the month in which it shall be  
34 determined that such materials will not be used for the purpose for which  
35 such certificate was issued, such clinic or center concerned shall be liable  
36 for tax on all materials purchased for the project, and upon payment  
37 thereof it may recover the same from the contractor together with  
38 reasonable attorney fees. Any contractor or any agent, employee or  
39 subcontractor thereof, who shall use or otherwise dispose of any materials  
40 purchased under such a certificate for any purpose other than that for  
41 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 therefor, shall be subject to the

1 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;  
2 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
3 sales of materials and services purchased by any class II or III railroad as  
4 classified by the federal surface transportation board for the construction,  
5 renovation, repair or replacement of class II or III railroad track and  
6 facilities used directly in interstate commerce. In the event any such track  
7 or facility for which materials and services were purchased sales tax  
8 exempt is not operational for five years succeeding the allowance of such  
9 exemption, the total amount of sales tax that would have been payable  
10 except for the operation of this subsection shall be recouped in accordance  
11 with rules and regulations adopted for such purpose by the secretary of  
12 revenue;

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

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

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

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

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

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



1 and, upon conviction therefor, shall be subject to the penalties provided for  
2 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
3 July 1, 2005, but prior to the effective date of this act upon the gross  
4 receipts received from any sale exempted by the amendatory provisions of  
5 this subsection shall be refunded. Each claim for a sales tax refund shall be  
6 verified and submitted to the director of taxation upon forms furnished by  
7 the director and shall be accompanied by any additional documentation  
8 required by the director. The director shall review each claim and shall  
9 refund that amount of sales tax paid as determined under the provisions of  
10 this subsection. All refunds shall be paid from the sales tax refund fund  
11 upon warrants of the director of accounts and reports pursuant to vouchers  
12 approved by the director or the 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 that 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 such property and  
20 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 that 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 that will not  
4 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 K.S.A.  
17 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 that 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 that 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 K.S.A. 79-3615(h), and amendments thereto;

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

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

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

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

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

42 (www) all sales of tangible personal property purchased by or on  
43 behalf of the Frontenac education foundation, which is exempt from

1 federal income taxation pursuant to section 501(c)(3) of the federal  
2 internal revenue code, for the purpose of providing education support for  
3 students, and all sales of any such property by or on behalf of such  
4 organization for such purpose;

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

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

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



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

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

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

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

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

1 charges, by or on behalf of such organization for such purpose;

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

8 (eeee) all sales of tangible personal property or services purchased by  
9 or on behalf of all American beef battalion, 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 educating, promoting and  
12 participating as a contact group through the beef cattle industry in order to  
13 carry out such projects that provide support and morale to members of the  
14 United States armed forces and military services;

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

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

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

20 (hhhh) all sales of tangible personal property or services purchased  
21 on or after July 1, 2014, for the purpose of and in conjunction with  
22 constructing, reconstructing, enlarging or remodeling a business identified  
23 under the North American industry classification system (NAICS)  
24 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
25 installation of machinery and equipment purchased for installation at any  
26 such business. The exemption provided in this subsection shall not apply  
27 to projects that have actual total costs less than \$50,000. When a person  
28 contracts for the construction, reconstruction, enlargement or remodeling  
29 of any such business, such person shall obtain from the state and furnish to  
30 the contractor an exemption certificate for the project involved, and the  
31 contractor may purchase materials, machinery and equipment for  
32 incorporation in such project. The contractor shall furnish the number of  
33 such certificates to all suppliers from whom such purchases are made, and  
34 such suppliers shall execute invoices covering the same bearing the  
35 number of such certificate. Upon completion of the project, the contractor  
36 shall furnish to the owner of the business a sworn statement, on a form to  
37 be provided by the director of taxation, that all purchases so made were  
38 entitled to exemption under this subsection. All invoices shall be held by  
39 the contractor for a period of five years and shall be subject to audit by the  
40 director of taxation. Any contractor or any agent, employee or  
41 subcontractor of the contractor, who shall use or otherwise dispose of any  
42 materials, machinery or equipment purchased under such a certificate for  
43 any purpose other than that for which such a certificate is issued without

1 the payment of the sales or compensating tax otherwise imposed thereon,  
2 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
3 subject to the penalties provided for in K.S.A. 79-3615(h), and  
4 amendments thereto;

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

43 (jjj) all sales of tangible personal property or services purchased by

1 or on behalf of the beacon, inc., that is exempt from federal income  
2 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
3 for the purpose of providing those desiring help with food, shelter, clothing  
4 and other necessities of life during times of special need;

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

12 (llll) all sales of tangible personal property and services purchased by  
13 Gove county healthcare endowment foundation, inc., which is exempt  
14 from federal income taxation pursuant to section 501(c)(3) of the federal  
15 internal revenue code of 1986, and which such property and services are  
16 used for the purpose of constructing and equipping an airport in Quinter,  
17 Kansas, and all sales of tangible personal property or services purchased  
18 by a contractor for the purpose of constructing and equipping an airport in  
19 Quinter, Kansas, for such organization, that would be exempt from  
20 taxation under the provisions of this section if purchased directly by such  
21 organization. Nothing in this subsection shall be deemed to exempt the  
22 purchase of any construction machinery, equipment or tools used in the  
23 constructing or equipping of facilities for such organization. When such  
24 organization shall contract for the purpose of constructing or equipping an  
25 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
26 contractor an exemption certificate for the project involved, and the  
27 contractor may purchase materials for incorporation in such project. The  
28 contractor shall furnish the number of such certificate to all suppliers from  
29 whom such purchases are made, and such suppliers shall execute invoices  
30 covering the same bearing the number of such certificate. Upon  
31 completion of the project, the contractor shall furnish to such organization  
32 concerned a sworn statement, on a form to be provided by the director of  
33 taxation, that all purchases so made were entitled to exemption under this  
34 subsection. All invoices shall be held by the contractor for a period of five  
35 years and shall be subject to audit by the director of taxation. If any  
36 materials purchased under such a certificate are found not to have been  
37 incorporated in such facilities or not to have been returned for credit or the  
38 sales or compensating tax otherwise imposed upon such materials that will  
39 not be so incorporated in such facilities reported and paid by such  
40 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
41 following the close of the month in which it shall be determined that such  
42 materials will not be used for the purpose for which such certificate was  
43 issued, such organization concerned shall be liable for tax on all materials

1 purchased for the project, and upon payment thereof it may recover the  
2 same from the contractor together with reasonable attorney fees. Any  
3 contractor or any agent, employee or subcontractor thereof, who purchased  
4 under such a certificate for any purpose other than that for which such a  
5 certificate is issued without the payment of the sales or compensating tax  
6 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
7 and, upon conviction therefor, shall be subject to the penalties provided for  
8 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
9 subsection shall expire and have no effect on and after July 1, 2019;

10 (mmmm) all sales of gold or silver coins; and palladium, platinum,  
11 gold or silver bullion. For the purposes of this subsection, "bullion" means  
12 bars, ingots or commemorative medallions of gold, silver, platinum,  
13 palladium, or a combination thereof, for which the value of the metal  
14 depends on its content and not the form; and

15 (nnnn) all sales of tangible personal property or services purchased  
16 by friends of hospice of Jefferson county, an organization that is exempt  
17 from federal income taxation pursuant to section 501(c)(3) of the federal  
18 internal revenue code of 1986, for the purpose of providing support to the  
19 Jefferson county hospice agency in end-of-life care of Jefferson county  
20 families, friends and neighbors, and all sales of entry or participation fees,  
21 charges or tickets by friends of hospice of Jefferson county for such  
22 organization's fundraising event for such purpose.

23 New Sec. 22. The provisions of this act are hereby declared  
24 severable. If any part or provision of this act is held to be void, invalid or  
25 unconstitutional, such part or provision shall not affect or impair any of the  
26 remaining parts or provisions of this act, and any such remaining  
27 provisions shall continue in full force and effect.

28 Sec. 23. K.S.A. 38-2003, 65-445, 65-4a01, 65-4a02, 65-4a03, 65-  
29 4a04, 65-4a05, 65-4a06, 65-4a07, 65-4a08, 65-4a09, 65-4a10, 65-4a11,  
30 65-4a12, 65-2401, 65-2837, 65-6701, 65-6702, 65-6703, 65-6704, 65-  
31 6705, 65-6707, 65-6708, 65-6709, 65-6710, 65-6711, 65-6712, 65-6714,  
32 65-6715, 65-6721, 65-6722, 65-6723, 65-6724, 65-6725, 65-6726, 65-  
33 6731, 65-6732, 65-6741, 65-6742, 65-6743, 65-6744, 65-6745, 65-6746,  
34 65-6747, 65-6748, 65-6749, 65-67a01, 65-67a02, 65-67a04, 65-67a07, 65-  
35 67a09, 76-3308, 79-32,182b, 79-32,195 and 79-32,261 and K.S.A. 2021  
36 Supp. 21-5301, 21-5302, 21-5303, 60-1901, 60-1906 and 79-3606 are  
37 hereby repealed.

38 Sec. 24. This act shall take effect and be in force from and after its  
39 publication in the statute book.