

HOUSE BILL No. 2405

By Committee on Appropriations

3-19

1 AN ACT concerning sales and compensating use tax; relating to
2 distribution of revenues; amending K.S.A. 2012 Supp. 79-3620 and 79-
3 3710 and repealing the existing sections.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2012 Supp. 79-3620 is hereby amended to read as
7 follows: 79-3620. (a) All revenue collected or received by the director of
8 taxation from the taxes imposed by this act shall be remitted to the state
9 treasurer in accordance with the provisions of K.S.A. 75-4215, and
10 amendments thereto. Upon receipt of each such remittance, the state
11 treasurer shall deposit the entire amount in the state treasury, less amounts
12 withheld as provided in subsection (b) and amounts credited as provided in
13 subsection (c), (d) and (e), to the credit of the state general fund.

14 (b) A refund fund, designated as "sales tax refund fund" not to exceed
15 \$100,000 shall be set apart and maintained by the director from sales tax
16 collections and estimated tax collections and held by the state treasurer for
17 prompt payment of all sales tax refunds including refunds authorized
18 under the provisions of K.S.A. 79-3635, and amendments thereto. Such
19 fund shall be in such amount, within the limit set by this section, as the
20 director shall determine is necessary to meet current refunding
21 requirements under this act. In the event such fund as established by this
22 section is, at any time, insufficient to provide for the payment of refunds
23 due claimants thereof, the director shall certify the amount of additional
24 funds required to the director of accounts and reports who shall promptly
25 transfer the required amount from the state general fund to the sales tax
26 refund fund, and notify the state treasurer, who shall make proper entry in
27 the records.

28 (c) (1) The state treasurer shall credit $\frac{5}{98}$ of the revenue collected or
29 received from the tax imposed by K.S.A. 79-3603, and amendments
30 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
31 exclusive of amounts credited pursuant to subsection (d), in the state
32 highway fund.

33 (2) The state treasurer shall credit $\frac{5}{106}$ of the revenue collected or
34 received from the tax imposed by K.S.A. 79-3603, and amendments
35 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
36 exclusive of amounts credited pursuant to subsection (d), in the state

1 highway fund.

2 (3) On July 1, 2006, the state treasurer shall credit ¹⁹/₂₆₅ of the revenue
3 collected and received from the tax imposed by K.S.A. 79-3603, and
4 amendments thereto, at the rate of 5.3%, and deposited as provided by
5 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
6 the state highway fund.

7 (4) On July 1, 2007, the state treasurer shall credit ¹³/₁₀₆ of the revenue
8 collected and received from the tax imposed by K.S.A. 79-3603, and
9 amendments thereto, at the rate of 5.3%, and deposited as provided by
10 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
11 the state highway fund.

12 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the
13 revenue collected and received from the tax imposed by K.S.A. 79-3603,
14 and amendments thereto, at the rate of 6.3%, and deposited as provided by
15 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
16 the state highway fund.

17 (6) On July 1, 2011, the state treasurer shall credit 11.26% of the
18 revenue collected and received from the tax imposed by K.S.A. 79-3603,
19 and amendments thereto, at the rate of 6.3%, and deposited as provided by
20 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
21 the state highway fund.

22 (7) On July 1, 2012, the state treasurer shall credit 11.233% of the
23 revenue collected and received from the tax imposed by K.S.A. 79-3603,
24 and amendments thereto, at the rate of 6.3%, and deposited as provided by
25 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
26 the state highway fund, as well as such revenue collected and received at
27 the rate of 6.3%, after June 30, 2013.

28 (8) On July 1, 2013, and thereafter, the state treasurer shall credit
29 ~~18.421%~~ *all* of the revenue collected and received from the tax imposed by
30 K.S.A. 79-3603, and amendments thereto, at the rate of 5.7%, and
31 deposited as provided by subsection (a), exclusive of amounts credited
32 pursuant to ~~subsection~~ *subsections (d) and (e)*, in the state ~~highway~~
33 *general* fund.

34 (d) The state treasurer shall credit all revenue collected or received
35 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
36 certified by the director, from taxpayers doing business within that portion
37 of a STAR bond project district occupied by a STAR bond project or
38 taxpayers doing business with such entity financed by a STAR bond
39 project as defined in K.S.A. 2012 Supp. 12-17,162, and amendments
40 thereto, that was determined by the secretary of commerce to be of
41 statewide as well as local importance or will create a major tourism area
42 for the state or the project was designated as a STAR bond project as
43 defined in K.S.A. 2012 Supp. 12-17,162, and amendments thereto, to the

1 city bond finance fund, which fund is hereby created. The provisions of
2 this subsection shall expire when the total of all amounts credited
3 hereunder and under subsection (d) of K.S.A. 79-3710, and amendments
4 thereto, is sufficient to retire the special obligation bonds issued for the
5 purpose of financing all or a portion of the costs of such STAR bond
6 project.

7 (e) All revenue certified by the director of taxation as having been
8 collected or received from the tax imposed by subsection (c) of K.S.A. 79-
9 3603, and amendments thereto, on the sale or furnishing of gas, water,
10 electricity and heat for use or consumption within the intermodal facility
11 district described in this subsection, shall be credited by the state treasurer
12 to the state highway fund. Such revenue may be transferred by the
13 secretary of transportation to the rail service improvement fund pursuant to
14 law. The provisions of this subsection shall take effect upon certification
15 by the secretary of transportation that a notice to proceed has been
16 received for the construction of the improvements within the intermodal
17 facility district, but not later than December 31, 2010, and shall expire
18 when the secretary of revenue determines that the total of all amounts
19 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3710, and
20 amendments thereto, is equal to \$53,300,000, but not later than December
21 31, 2045. Thereafter, all revenues shall be collected and distributed in
22 accordance with applicable law. For all tax reporting periods during which
23 the provisions of this subsection are in effect, none of the exemptions
24 contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply
25 to the sale or furnishing of any gas, water, electricity and heat for use or
26 consumption within the intermodal facility district. As used in this
27 subsection, "intermodal facility district" shall consist of an intermodal
28 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and
29 amendments thereto, located in Johnson county within the polygonal-
30 shaped area having Waverly Road as the eastern boundary, 191st Street as
31 the southern boundary, Four Corners Road as the western boundary, and
32 Highway 56 as the northern boundary, and the polygonal-shaped area
33 having Poplar Road as the eastern boundary, 183rd Street as the southern
34 boundary, Waverly Road as the western boundary, and the BNSF mainline
35 track as the northern boundary, that includes capital investment in an
36 amount exceeding \$150 million for the construction of an intermodal
37 facility to handle the transfer, storage and distribution of freight through
38 railway and trucking operations.

39 Sec. 2. K.S.A. 2012 Supp. 79-3710 is hereby amended to read as
40 follows: 79-3710. (a) All revenue collected or received by the director
41 under the provisions of this act shall be remitted to the state treasurer in
42 accordance with the provisions of K.S.A. 75-4215, and amendments
43 thereto. Upon receipt of each such remittance, the state treasurer shall

1 deposit the entire amount in the state treasury, less amounts set apart as
2 provided in subsection (b) and amounts credited as provided in subsection
3 (c), (d) and (e), to the credit of the state general fund.

4 (b) A revolving fund, designated as "compensating tax refund fund"
5 not to exceed \$10,000 shall be set apart and maintained by the director
6 from compensating tax collections and estimated tax collections and held
7 by the state treasurer for prompt payment of all compensating tax refunds.
8 Such fund shall be in such amount, within the limit set by this section, as
9 the director shall determine is necessary to meet current refunding
10 requirements under this act.

11 (c) (1) The state treasurer shall credit $\frac{5}{98}$ of the revenue collected or
12 received from the tax imposed by K.S.A. 79-3703, and amendments
13 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
14 exclusive of amounts credited pursuant to subsection (d), in the state
15 highway fund.

16 (2) The state treasurer shall credit $\frac{5}{106}$ of the revenue collected or
17 received from the tax imposed by K.S.A. 79-3703, and amendments
18 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
19 exclusive of amounts credited pursuant to subsection (d), in the state
20 highway fund.

21 (3) On July 1, 2006, the state treasurer shall credit $\frac{19}{265}$ of the revenue
22 collected or received from the tax imposed by K.S.A. 79-3703, and
23 amendments thereto, at the rate of 5.3%, and deposited as provided by
24 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
25 the state highway fund.

26 (4) On July 1, 2007, the state treasurer shall credit $\frac{13}{106}$ of the revenue
27 collected or received from the tax imposed by K.S.A. 79-3703, and
28 amendments thereto, at the rate of 5.3%, and deposited as provided by
29 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
30 the state highway fund.

31 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the
32 revenue collected and received from the tax imposed by K.S.A. 79-3703,
33 and amendments thereto, at the rate of 6.3%, and deposited as provided by
34 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
35 the state highway fund.

36 (6) On July 1, 2011, the state treasurer shall credit 11.26% of the
37 revenue collected and received from the tax imposed by K.S.A. 79-3703,
38 and amendments thereto, at the rate of 6.3%, and deposited as provided by
39 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
40 the state highway fund.

41 (7) On July 1, 2012, the state treasurer shall credit 11.233% of the
42 revenue collected and received from the tax imposed by K.S.A. 79-3703,
43 and amendments thereto, at the rate of 6.3%, and deposited as provided by

1 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
2 the state highway fund, as well as such revenue collected and received at
3 the rate of 6.3%, after June 30, 2013.

4 (8) On July 1, 2013, and thereafter, the state treasurer shall credit
5 ~~18.421%~~ all of the revenue collected and received from the tax imposed by
6 K.S.A. 79-3703, and amendments thereto, at the rate of 5.7%, and
7 deposited as provided by subsection (a), exclusive of amounts credited
8 pursuant to ~~subsection~~ subsections (d) and (e), in the state ~~highway~~
9 general fund.

10 (d) The state treasurer shall credit all revenue collected or received
11 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
12 certified by the director, from taxpayers doing business within that portion
13 of a redevelopment district occupied by a redevelopment project that was
14 determined by the secretary of commerce to be of statewide as well as
15 local importance or will create a major tourism area for the state as defined
16 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
17 fund created by subsection (d) of K.S.A. 79-3620, and amendments
18 thereto. The provisions of this subsection shall expire when the total of all
19 amounts credited hereunder and under subsection (d) of K.S.A. 79-3620,
20 and amendments thereto, is sufficient to retire the special obligation bonds
21 issued for the purpose of financing all or a portion of the costs of such
22 redevelopment project.

23 This subsection shall not apply to a project designated as a special bond
24 project as defined in subsection (z) of K.S.A. 12-1770a, and amendments
25 thereto.

26 (e) All revenue certified by the director of taxation as having been
27 collected or received from the tax imposed by subsection (c) of K.S.A. 79-
28 3603, and amendments thereto, on the sale or furnishing of gas, water,
29 electricity and heat for use or consumption within the intermodal facility
30 district described in this subsection, shall be credited by the state treasurer
31 to the state highway fund. Such revenue may be transferred by the
32 secretary of transportation to the rail service improvement fund pursuant to
33 law. The provisions of this subsection shall take effect upon certification
34 by the secretary of transportation that a notice to proceed has been
35 received for the construction of the improvements within the intermodal
36 facility district, but not later than December 31, 2010, and shall expire
37 when the secretary of revenue determines that the total of all amounts
38 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3620, and
39 amendments thereto, is equal to \$53,300,000, but not later than December
40 31, 2045. Thereafter, all revenues shall be collected and distributed in
41 accordance with applicable law. For all tax reporting periods during which
42 the provisions of this subsection are in effect, none of the exemptions
43 contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply

1 to the sale or furnishing of any gas, water, electricity and heat for use or
2 consumption within the intermodal facility district. As used in this
3 subsection, "intermodal facility district" shall consist of an intermodal
4 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and
5 amendments thereto, located in Johnson county within the polygonal-
6 shaped area having Waverly Road as the eastern boundary, 191st Street as
7 the southern boundary, Four Corners Road as the western boundary, and
8 Highway 56 as the northern boundary, and the polygonal-shaped area
9 having Poplar Road as the eastern boundary, 183rd Street as the southern
10 boundary, Waverly Road as the western boundary, and the BNSF mainline
11 track as the northern boundary, that includes capital investment in an
12 amount exceeding \$150 million for the construction of an intermodal
13 facility to handle the transfer, storage and distribution of freight through
14 railway and trucking operations.

15 Sec. 3. K.S.A. 2012 Supp. 79-3620 and 79-3710 are hereby repealed.

16 Sec. 4. This act shall take effect and be in force from and after its
17 publication in the statute book.