

SENATE BILL No. 72

By Committee on Assessment and Taxation

1-24

1 AN ACT concerning taxation; relating to property—~~and sales tax~~
2 exemptions; health clubs; amending K.S.A. 2012 Supp. 79-201 ~~and 79-~~
3 ~~3603~~ and repealing the existing ~~sections~~ *section*.

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

6 Section 1. K.S.A. 2012 Supp. 79-201 is hereby amended to read as
7 follows: 79-201. The following described property, to the extent herein
8 specified, shall be and is hereby exempt from all property or ad valorem
9 taxes levied under the laws of the state of Kansas:

10 *First.* All buildings used exclusively as places of public worship and all
11 buildings used exclusively by school districts and school district interlocal
12 cooperatives organized under the laws of this state, with the furniture and
13 books therein contained and used exclusively for the accommodation of
14 religious meetings or for school district or school district interlocal
15 cooperative purposes, whichever is applicable, together with the grounds
16 owned thereby if not leased or otherwise used for the realization of profit,
17 except that: (a) (1) Any school building, or portion thereof, together with
18 the grounds upon which the building is located, shall be considered to be
19 used exclusively by the school district for the purposes of this section
20 when leased by the school district to any political or taxing subdivision of
21 the state, including a school district interlocal cooperative, or to any
22 association, organization or nonprofit corporation entitled to tax exemption
23 with respect to such property; and (2) any school building, together with
24 the grounds upon which the building is located, shall be considered to be
25 used exclusively by a school district interlocal cooperative for the
26 purposes of this section when being acquired pursuant to a lease-purchase
27 agreement; and (b) any building, or portion thereof, used as a place of
28 worship, together with the grounds upon which the building is located,
29 shall be considered to be used exclusively for the religious purposes of this
30 section when used as a not-for-profit day care center for children which is
31 licensed pursuant to K.S.A. 65-501 et seq., and amendments thereto, or
32 when used to house an area where the congregation of a church society
33 and others may purchase tracts, books and other items relating to the
34 promulgation of the church society's religious doctrines.

35 *Second.* All real property, and all tangible personal property, actually
36 and regularly used exclusively for literary, educational, scientific,

1 religious, benevolent or charitable purposes, including property used
2 exclusively for such purposes by more than one agency or organization for
3 one or more of such exempt purposes. Except with regard to real property
4 which is owned by a religious organization, is to be used exclusively for
5 religious purposes and is not used for a nonexempt purpose prior to its
6 exclusive use for religious purposes which property shall be deemed to be
7 actually and regularly used exclusively for religious purposes for the
8 purposes of this paragraph, this exemption shall not apply to such property,
9 not actually used or occupied for the purposes set forth herein, nor to such
10 property held or used as an investment even though the income or rentals
11 received therefrom is used wholly for such literary, educational, scientific,
12 religious, benevolent or charitable purposes. In the event any such
13 property which has been exempted pursuant to the preceding sentence is
14 not used for religious purposes prior to its conveyance which results in its
15 use for nonreligious purposes, there shall be a recoupment of property
16 taxes in an amount equal to the tax which would have been levied upon
17 such property except for such exemption for all taxable years for which
18 such exemption was in effect. Such recoupment tax shall become due and
19 payable in such year as provided by K.S.A. 79-2004, and amendments
20 thereto. A lien for such taxes shall attach to the real property subject to the
21 same on November 1 in the year such taxes become due and all such taxes
22 remaining due and unpaid after the date prescribed for the payment thereof
23 shall be collected in the manner provided by law for the collection of
24 delinquent taxes. Moneys collected from the recoupment tax hereunder
25 shall be credited by the county treasurer to the several taxing subdivisions
26 within which such real property is located in the proportion that the total
27 tangible property tax levies made in the preceding year for each such
28 taxing subdivision bear to the total of all such levies made in that year by
29 all such taxing subdivisions. Such moneys shall be credited to the general
30 fund of the taxing subdivision or if such taxing subdivision is making no
31 property tax levy for the support of a general fund such moneys may be
32 credited to any other tangible property tax fund of general application of
33 such subdivision. This exemption shall not be deemed inapplicable to
34 property which would otherwise be exempt pursuant to this paragraph
35 because an agency or organization: (a) Is reimbursed for the provision of
36 services accomplishing the purposes enumerated in this paragraph based
37 upon the ability to pay by the recipient of such services; or (b) is
38 reimbursed for the actual expense of using such property for purposes
39 enumerated in this paragraph; or (c) uses such property for a nonexempt
40 purpose which is minimal in scope and insubstantial in nature if such use
41 is incidental to the exempt purposes of this paragraph; or (d) charges a
42 reasonable fee for admission to cultural or educational activities or permits
43 the use of its property for such activities by a related agency or

1 organization, if any such activity is in furtherance of the purposes of this
2 paragraph; or (e) is applying for an exemption pursuant to this paragraph
3 for a motor vehicle that is being leased for a period of at least one year.

4 *Third.* All moneys and credits belonging exclusively to universities,
5 colleges, academies or other public schools of any kind, or to religious,
6 literary, scientific or benevolent and charitable institutions or associations,
7 appropriated solely to sustain such institutions or associations, not
8 exceeding in amount or in income arising therefrom the limit prescribed by
9 the charter of such institution or association.

10 *Fourth.* The reserve or emergency funds of fraternal benefit societies
11 authorized to do business under the laws of the state of Kansas.

12 *Fifth.* All buildings of private nonprofit universities or colleges which
13 are owned and operated by such universities and colleges as student union
14 buildings, presidents' homes and student dormitories.

15 *Sixth.* All real and tangible personal property actually and regularly
16 used exclusively by the alumni association associated by its articles of
17 incorporation with any public or nonprofit Kansas college or university
18 approved by the Kansas board of regents to confer academic degrees or
19 with any community college approved by its board of trustees to grant
20 certificates of completion of courses or curriculum, to provide
21 accommodations and services to such college or university or to the
22 alumni, staff or faculty thereof.

23 *Seventh.* All parsonages owned by a church society and actually and
24 regularly occupied and used predominantly as a residence by a minister or
25 other clergyman of such church society who is actually and regularly
26 engaged in conducting the services and religious ministrations of such
27 society, and the land upon which such parsonage is located to the extent
28 necessary for the accommodation of such parsonage.

29 *Eighth.* All real property, all buildings located on such property and all
30 personal property contained therein, actually and regularly used
31 exclusively by any individually chartered organization of honorably
32 discharged military veterans of the United States armed forces or auxiliary
33 of any such organization, which is exempt from federal income taxation
34 pursuant to section 501(c)(19) of the federal internal revenue code of
35 1986, for clubhouse, place of meeting or memorial hall purposes, and real
36 property to the extent of not more than two acres, and all buildings located
37 on such property, actually and regularly used exclusively by any such
38 veterans' organization or its auxiliary as a memorial park.

39 *Ninth.* All real property and tangible personal property actually and
40 regularly used by a community service organization for the predominant
41 purpose of providing humanitarian services, which is owned and operated
42 by a corporation organized not-for-profit under the laws of the state of
43 Kansas or by a corporation organized not-for-profit under the laws of

1 another state and duly admitted to engage in business in this state as a
2 foreign not-for-profit corporation if: (a) The directors of such corporation
3 serve without pay for such services; (b) the corporation is operated in a
4 manner which does not result in the accrual of distributable profits,
5 realization of private gain resulting from the payment of compensation in
6 excess of a reasonable allowance for salary or other compensation for
7 services rendered or the realization of any other form of private gain; (c)
8 no officer, director or member of such corporation has any pecuniary
9 interest in the property for which exemption is claimed; (d) the corporation
10 is organized for the purpose of providing humanitarian services; (e) the
11 actual use of property for which an exemption is claimed must be
12 substantially and predominantly related to the purpose of providing
13 humanitarian services, except that, the use of such property for a
14 nonexempt purpose which is minimal in scope and insubstantial in nature
15 shall not result in the loss of exemption if such use is incidental to the
16 purpose of providing humanitarian services by the corporation; (f) the
17 corporation is exempt from federal income taxation pursuant to section
18 501(c)(3) of the internal revenue code of 1986 and; (g) contributions to the
19 corporation are deductible under the Kansas income tax act. As used in this
20 clause, "humanitarian services" means the conduct of activities which
21 substantially and predominantly meet a demonstrated community need and
22 which improve the physical, mental, social, cultural or spiritual welfare of
23 others or the relief, comfort or assistance of persons in distress or any
24 combination thereof including, but not limited to, health and recreation
25 services, child care, individual and family counseling, employment and
26 training programs for handicapped persons and meals or feeding programs.
27 Notwithstanding any other provision of this clause, motor vehicles shall
28 not be exempt hereunder unless such vehicles are exclusively used for the
29 purposes described therein, except that the use of any such vehicle for the
30 purpose of participating in a coordinated transit district in accordance with
31 the provisions of K.S.A. 75-5032 through 75-5037, and amendments
32 thereto, or K.S.A. 75-5051 through 75-5058, and amendments thereto,
33 shall be deemed as exclusive use.

34 *Tenth.* For all taxable years commencing after December 31, 1986, any
35 building, and the land upon which such building is located to the extent
36 necessary for the accommodation of such building, owned by a church or
37 nonprofit religious society or order which is exempt from federal income
38 taxation pursuant to section 501(c)(3) of the federal internal revenue code
39 of 1986, and actually and regularly occupied and used exclusively for
40 residential and religious purposes by a community of persons who are
41 bound by vows to a religious life and who conduct or assist in the conduct
42 of religious services and actually and regularly engage in religious,
43 benevolent, charitable or educational ministrations or the performance of

1 health care services.

2 *Eleventh.* For all taxable years commencing after December 31, 1998,
3 all property actually and regularly used predominantly to produce and
4 generate electricity utilizing renewable energy resources or technologies.
5 For purposes of this section, "renewable energy resources or technologies"
6 shall include wind, solar, photovoltaic, biomass, hydropower, geothermal
7 and landfill gas resources or technologies.

8 *Twelfth.* For all taxable years commencing after December 31, 2001, all
9 personal property actually and regularly used predominantly to collect,
10 refine or treat landfill gas or to transport landfill gas from a landfill to a
11 transmission pipeline, and the landfill gas produced therefrom.

12 *Thirteenth.* For all taxable years commencing after December 31,
13 2013, all real property owned and operated by a health club in the state of
14 Kansas. For purposes of this section, "health club" means any
15 corporation, partnership, unincorporated association or other business
16 enterprise whose primary purpose is to offer facilities that contain cardio,
17 weight training or strength and conditioning equipment, or both, for the
18 preservation, maintenance, encouragement or development of physical
19 fitness in return for the payment of a fee which entitles the buyer to the use
20 of such facilities. A health club may have on such club's premises health
21 spas, studios, tennis, racquet or basketball facilities or swimming pools
22 that offer programs that enhance the primary purpose of the health club as
23 specified in this subsection; but may not be facilities that are primarily
24 weight control facilities, health spas, dance studios, martial arts or self-
25 defense studios, tennis, racquet or basketball facilities, swimming pools,
26 golf clubs or similar activities which do not have the primary purpose as
27 specified in this subsection. For purposes of this subsection, real property
28 shall be considered "owned and operated by a health club" if the owner of
29 the real property to be exempted from taxation and the business enterprise
30 that operates the health club and collects the payment of the fee entitling
31 the buyer to use the facility are the same business entity, a parent or
32 subsidiary of the same business entity or have any direct or indirect
33 common ownership.

34 The provisions of this section, except as otherwise more specifically
35 provided, shall apply to all taxable years commencing after December 31,
36 2009.

37 ~~Sec. 2.—K.S.A. 2012 Supp. 79-3603 is hereby amended to read as~~
38 ~~follows: 79-3603. For the privilege of engaging in the business of selling~~
39 ~~tangible personal property at retail in this state or rendering or furnishing~~
40 ~~any of the services taxable under this act, there is hereby levied and there~~
41 ~~shall be collected and paid a tax at the rate of 5.3%, and commencing July~~
42 ~~1, 2010, at the rate of 6.3%, and commencing July 1, 2013, at the rate of~~
43 ~~5.7%. Within a redevelopment district established pursuant to K.S.A. 74-~~

1 8921, and amendments thereto, there is hereby levied and there shall be
2 collected and paid an additional tax at the rate of 2% until the earlier of the
3 date the bonds issued to finance or refinance the redevelopment project
4 have been paid in full or the final scheduled maturity of the first series of
5 bonds issued to finance any part of the project upon:

6 (a) ~~The gross receipts received from the sale of tangible personal~~
7 ~~property at retail within this state;~~

8 (b) ~~the gross receipts from intrastate, interstate or international~~
9 ~~telecommunications services and any ancillary services sourced to this~~
10 ~~state in accordance with K.S.A. 2012 Supp. 79-3673, and amendments~~
11 ~~thereto, except that telecommunications service does not include: (1) Any~~
12 ~~interstate or international 800 or 900 service; (2) any interstate or~~
13 ~~international private communications service as defined in K.S.A. 2012~~
14 ~~Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice~~
15 ~~data service; (4) any telecommunication service to a provider of~~
16 ~~telecommunication services which will be used to render~~
17 ~~telecommunications services, including carrier access services; or (5) any~~
18 ~~service or transaction defined in this section among entities classified as~~
19 ~~members of an affiliated group as provided by section 1504 of the federal~~
20 ~~internal revenue code of 1986, as in effect on January 1, 2001;~~

21 (c) ~~the gross receipts from the sale or furnishing of gas, water,~~
22 ~~electricity and heat, which sale is not otherwise exempt from taxation~~
23 ~~under the provisions of this act, and whether furnished by municipally or~~
24 ~~privately owned utilities, except that, on and after January 1, 2006, for~~
25 ~~sales of gas, electricity and heat delivered through mains, lines or pipes to~~
26 ~~residential premises for noncommercial use by the occupant of such~~
27 ~~premises, and for agricultural use and also, for such use, all sales of~~
28 ~~propane gas, the state rate shall be 0%; and for all sales of propane gas, LP~~
29 ~~gas, coal, wood and other fuel sources for the production of heat or~~
30 ~~lighting for noncommercial use of an occupant of residential premises, the~~
31 ~~state rate shall be 0%, but such tax shall not be levied and collected upon~~
32 ~~the gross receipts from: (1) The sale of a rural water district benefit unit;~~
33 ~~(2) a water system impact fee, system enhancement fee or similar fee~~
34 ~~collected by a water supplier as a condition for establishing service; or (3)~~
35 ~~connection or reconnection fees collected by a water supplier;~~

36 (d) ~~the gross receipts from the sale of meals or drinks furnished at any~~
37 ~~private club, drinking establishment, catered event, restaurant, eating~~
38 ~~house, dining car, hotel, drugstore or other place where meals or drinks are~~
39 ~~regularly sold to the public;~~

40 (e) ~~the gross receipts from the sale of admissions to any place~~
41 ~~providing amusement, entertainment or recreation services including~~
42 ~~admissions to state, county, district and local fairs, but such tax shall not be~~
43 ~~levied and collected upon the gross receipts received from sales of~~

1 admissions to any cultural and historical event which occurs triennially;

2 ~~(f) the gross receipts from the operation of any coin-operated device~~
3 ~~dispensing or providing tangible personal property, amusement or other~~
4 ~~services except laundry services, whether automatic or manually operated;~~

5 ~~(g) the gross receipts from the service of renting of rooms by hotels,~~
6 ~~as defined by K.S.A. 36-501, and amendments thereto, or by~~
7 ~~accommodation brokers, as defined by K.S.A. 12-1692, and amendments~~
8 ~~thereto, but such tax shall not be levied and collected upon the gross~~
9 ~~receipts received from sales of such service to the federal government and~~
10 ~~any agency, officer or employee thereof in association with the~~
11 ~~performance of official government duties;~~

12 ~~(h) the gross receipts from the service of renting or leasing of tangible~~
13 ~~personal property except such tax shall not apply to the renting or leasing~~
14 ~~of machinery, equipment or other personal property owned by a city and~~
15 ~~purchased from the proceeds of industrial revenue bonds issued prior to~~
16 ~~July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through~~
17 ~~12-1749, and amendments thereto, and any city or lessee renting or leasing~~
18 ~~such machinery, equipment or other personal property purchased with the~~
19 ~~proceeds of such bonds who shall have paid a tax under the provisions of~~
20 ~~this section upon sales made prior to July 1, 1973, shall be entitled to a~~
21 ~~refund from the sales tax refund fund of all taxes paid thereon;~~

22 ~~(i) the gross receipts from the rendering of dry cleaning, pressing,~~
23 ~~dyeing and laundry services except laundry services rendered through a~~
24 ~~coin-operated device whether automatic or manually operated;~~

25 ~~(j) the gross receipts from the rendering of the services of washing~~
26 ~~and washing and waxing of vehicles;~~

27 ~~(k) the gross receipts from cable, community antennae and other~~
28 ~~subscriber radio and television services;~~

29 ~~(l) (1) except as otherwise provided by paragraph (2), the gross~~
30 ~~receipts received from the sales of tangible personal property to all~~
31 ~~contractors, subcontractors or repairmen for use by them in erecting~~
32 ~~structures, or building on, or otherwise improving, altering, or repairing~~
33 ~~real or personal property:~~

34 ~~(2) Any such contractor, subcontractor or repairman who maintains~~
35 ~~an inventory of such property both for sale at retail and for use by them for~~
36 ~~the purposes described by paragraph (1) shall be deemed a retailer with~~
37 ~~respect to purchases for and sales from such inventory, except that the~~
38 ~~gross receipts received from any such sale, other than a sale at retail, shall~~
39 ~~be equal to the total purchase price paid for such property and the tax~~
40 ~~imposed thereon shall be paid by the deemed retailer;~~

41 ~~(m) the gross receipts received from fees and charges by public and~~
42 ~~private clubs, drinking establishments, organizations and businesses for~~
43 ~~participation in sports, games and other recreational activities, but such tax~~

1 shall not be levied and collected upon the gross receipts received from: (1)
2 Fees and charges by any political subdivision, by any organization exempt
3 from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-201, and
4 amendments thereto, or by any youth recreation organization exclusively
5 providing services to persons 18 years of age or younger which is exempt
6 from federal income taxation pursuant to section 501(c)(3) of the federal
7 internal revenue code of 1986, for participation in sports, games and other
8 recreational activities; and (2) entry fees and charges for participation in a
9 special event or tournament sanctioned by a national sporting association
10 to which spectators are charged an admission which is taxable pursuant to
11 subsection (c);

12 (n) the gross receipts received from dues charged by public and
13 private clubs, drinking establishments, organizations and businesses,
14 payment of which entitles a member to the use of facilities for recreation
15 or entertainment, but such tax shall not be levied and collected upon the
16 gross receipts received from: (1) Dues charged by any organization exempt
17 from property taxation pursuant to paragraphs *Eighth* and *Ninth* of K.S.A.
18 79-201, and amendments thereto; and (2) sales of memberships in a
19 nonprofit organization which is exempt from federal income taxation
20 pursuant to section 501 (c)(3) of the federal internal revenue code of 1986,
21 and whose purpose is to support the operation of a nonprofit zoo; and (3)
22 *membership dues or fees charged by a health club. For purposes of this*
23 *subsection, "health club" means any corporation, partnership,*
24 *unincorporated association or other business enterprise whose primary*
25 *purpose is to offer facilities that contain cardio, weight training or*
26 *strength and conditioning equipment, or both, for the preservation,*
27 *maintenance, encouragement or development of physical fitness in return*
28 *for the payment of a fee which entitles the buyer to the use of such*
29 *facilities. A health club may have on such club's premises health spas,*
30 *studios, tennis, racquet or basketball facilities or swimming pools that*
31 *offer programs that enhance the primary purpose of the health club as*
32 *specified in this subsection; but may not be facilities that are primarily*
33 *weight control facilities, health spas, dance studios, martial arts or self-*
34 *defense studios, tennis, racquet or basketball facilities, swimming pools,*
35 *golf clubs or similar activities which do not have the primary purpose as*
36 *specified in this subsection;*

37 (o) the gross receipts received from the isolated or occasional sale of
38 motor vehicles or trailers but not including: (1) The transfer of motor
39 vehicles or trailers by a person to a corporation or limited liability
40 company solely in exchange for stock securities or membership interest in
41 such corporation or limited liability company; or (2) the transfer of motor
42 vehicles or trailers by one corporation or limited liability company to
43 another when all of the assets of such corporation or limited liability

1 company are transferred to such other corporation or limited liability
2 company; or (3) the sale of motor vehicles or trailers which are subject to
3 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and
4 amendments thereto, by an immediate family member to another
5 immediate family member. For the purposes of clause (3), immediate
6 family member means lineal ascendants or descendants, and their spouses.
7 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act
8 on the isolated or occasional sale of motor vehicles or trailers on and after
9 July 1, 2004, which the base for computing the tax was the value pursuant
10 to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5105, and amendments
11 thereto, when such amount was higher than the amount of sales tax which
12 would have been paid under the law as it existed on June 30, 2004, shall be
13 refunded to the taxpayer pursuant to the procedure prescribed by this
14 section. Such refund shall be in an amount equal to the difference between
15 the amount of sales tax paid by the taxpayer and the amount of sales tax
16 which would have been paid by the taxpayer under the law as it existed on
17 June 30, 2004. Each claim for a sales tax refund shall be verified and
18 submitted not later than six months from the effective date of this act to the
19 director of taxation upon forms furnished by the director and shall be
20 accompanied by any additional documentation required by the director.
21 The director shall review each claim and shall refund that amount of tax
22 paid as provided by this act. All such refunds shall be paid from the sales
23 tax refund fund, upon warrants of the director of accounts and reports
24 pursuant to vouchers approved by the director of taxation or the director's
25 designee. No refund for an amount less than \$10 shall be paid pursuant to
26 this act. In determining the base for computing the tax on such isolated or
27 occasional sale, the fair market value of any motor vehicle or trailer traded
28 in by the purchaser to the seller may be deducted from the selling price;

29 (p) ~~the gross receipts received for the service of installing or applying~~
30 ~~tangible personal property which when installed or applied is not being~~
31 ~~held for sale in the regular course of business, and whether or not such~~
32 ~~tangible personal property when installed or applied remains tangible~~
33 ~~personal property or becomes a part of real estate, except that no tax shall~~
34 ~~be imposed upon the service of installing or applying tangible personal~~
35 ~~property in connection with the original construction of a building or~~
36 ~~facility, the original construction, reconstruction, restoration, remodeling,~~
37 ~~renovation, repair or replacement of a residence or the construction,~~
38 ~~reconstruction, restoration, replacement or repair of a bridge or highway.~~

39 For the purposes of this subsection:

40 (1) "Original construction" shall mean the first or initial construction
41 of a new building or facility. The term "original construction" shall include
42 the addition of an entire room or floor to any existing building or facility,
43 the completion of any unfinished portion of any existing building or

1 facility and the restoration, reconstruction or replacement of a building,
2 facility or utility structure damaged or destroyed by fire, flood, tornado,
3 lightning, explosion, windstorm, ice loading and attendant winds,
4 terrorism or earthquake, but such term, except with regard to a residence,
5 shall not include replacement, remodeling, restoration, renovation or
6 reconstruction under any other circumstances;

7 (2) "building" shall mean only those enclosures within which
8 individuals customarily are employed, or which are customarily used to
9 house machinery, equipment or other property, and including the land
10 improvements immediately surrounding such building;

11 (3) "facility" shall mean a mill, plant, refinery, oil or gas well, water
12 well, feedlot or any conveyance, transmission or distribution line of any
13 cooperative, nonprofit, membership corporation organized under or subject
14 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or
15 municipal or quasi-municipal corporation, including the land
16 improvements immediately surrounding such facility;

17 (4) "residence" shall mean only those enclosures within which
18 individuals customarily live;

19 (5) "utility structure" shall mean transmission and distribution lines
20 owned by an independent transmission company or cooperative, the
21 Kansas electric transmission authority or natural gas or electric public
22 utility; and

23 (6) "windstorm" shall mean straight line winds of at least 80 miles per
24 hour as determined by a recognized meteorological reporting agency or
25 organization;

26 (q) the gross receipts received for the service of repairing, servicing,
27 altering or maintaining tangible personal property which when such
28 services are rendered is not being held for sale in the regular course of
29 business, and whether or not any tangible personal property is transferred
30 in connection therewith. The tax imposed by this subsection shall be
31 applicable to the services of repairing, servicing, altering or maintaining an
32 item of tangible personal property which has been and is fastened to,
33 connected with or built into real property;

34 (r) the gross receipts from fees or charges made under service or
35 maintenance agreement contracts for services, charges for the providing of
36 which are taxable under the provisions of subsection (p) or (q);

37 (s) on and after January 1, 2005, the gross receipts received from the
38 sale of prewritten computer software and the sale of the services of
39 modifying, altering, updating or maintaining prewritten computer
40 software, whether the prewritten computer software is installed or
41 delivered electronically by tangible storage media physically transferred to
42 the purchaser or by load and leave;

43 (t) the gross receipts received for telephone answering services;

1 ~~(u) the gross receipts received from the sale of prepaid calling service~~
2 ~~and prepaid wireless calling service as defined in K.S.A. 2012 Supp. 79-~~
3 ~~3673, and amendments thereto; and~~

4 ~~(v) the gross receipts received from the sales of bingo cards, bingo~~
5 ~~faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,~~
6 ~~and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,~~
7 ~~2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before~~
8 ~~July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo~~
9 ~~faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,~~
10 ~~and amendments thereto, shall be exempt from taxes imposed pursuant to~~
11 ~~this section.~~

12 ~~Sec. 3.~~ 2. K.S.A. 2012 Supp. 79-201 ~~and 79-3603~~ are *is* hereby
13 repealed.

14 ~~Sec. 4.~~ 3. This act shall take effect and be in force from and after its
15 publication in the statute book.