

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

The Committee on **Assessment and Taxation** recommends **SB 339** be amended on page 1, following line 8, by inserting:

"New Section 1. (a) Notwithstanding any provision of the law to the contrary, commencing on July 1, 2022, and ending prior to July 1, 2024, any retailer in this state that collects sales tax on the admission of viewing of movies or films shall be allowed to retain the state rate of any sales tax imposed pursuant to K.S.A. 79-3603, and amendments thereto, or compensating use tax imposed pursuant to K.S.A. 79-3703, and amendments thereto, from the sales of:

- (1) Tickets granting admission for a movie or film; and
- (2) concessions sold onsite at the retailer's place of business.

(b) The retailer shall remit to the department of revenue that portion of sales and compensating use tax collected that is in excess of the state rate for sales tax pursuant to K.S.A. 79-3603, and amendments thereto, or the compensating use tax pursuant to K.S.A. 79-3703, and amendments thereto. The department shall remit the sales and compensating use taxes levied by the other taxing jurisdictions in the amount they would have received without taking into account subsection (a). The state's imposed sales tax levy shall encompass the full amount retained by the retailer pursuant to subsection (a).

(c) The department shall provide forms accounting for the sales tax retained by the retailer that shall be filed with the department at the time the retailer files a return pursuant to K.S.A. 79-3607, and amendments thereto.

(d) The provisions of this section shall be a part of and supplemental to the Kansas retailers' sales tax act.

New Sec. 2. On and after January 1, 2024, notwithstanding any provision of law to the contrary, the governing body of any city, the board of county commissioners of any county or the governing body of any other local authority levying a sales tax pursuant to law may exempt all sales of food and food ingredients that are subject to the 0% state rate pursuant to K.S.A. 79-3603 or 79-3703, and amendments thereto, from the sales and compensating use tax levied by such city, county or other authority by the adoption of an ordinance or resolution authorizing the exemption. A certified copy of the ordinance or resolution authorizing or repealing an exemption pursuant to this section shall be submitted to the director of taxation within 30 days after adoption of any such ordinance or resolution. The director of taxation shall cause such exemption to be applied at the same time and in the same manner provided for the administration of the state retailers' sales tax. The director of taxation shall confirm that all provisions of law applicable to the authorization of the exemption have been followed prior to causing the exemption. Any repeal of an exemption authorized pursuant to this section may be accomplished by the adoption of an ordinance or resolution so providing.";

Also on page 1, in line 10, after the period by inserting "(a)"; in line 13, by striking "(a)" and inserting "(1)"; in line 18, after "subsection" by inserting ". The provisions of this paragraph shall expire on June 30, 2023"; in line 21, after "premises" by inserting ". The provisions of this paragraph shall expire on June 30, 2023";

(3) on and after July 1, 2023, all sales of natural gas, electricity and heat delivered through mains, lines or pipes to any premises for any use by the occupant of such premises and all sales of natural gas, electricity and heat delivered through mains, lines or pipes for agricultural use;

(4) on and after July 1, 2023, all sales of propane gas, LP-gas, coal, wood and other fuel

sources for the production of heat or lighting for any use of an occupant of any premises";

Also on page 1, following line 24, by inserting:

"(b) On and after July 1, 2023, the governing body of any city or the board of county commissioners of any county may exempt all sales subject to tax under the provisions of subsection (a)(3) or (a)(4), or both, from the taxes levied by such city or county under the provisions of K.S.A. 12-187 et seq., and amendments thereto, by the adoption of an ordinance or resolution authorizing the exemption. A certified copy of the ordinance or resolution authorizing or repealing an exemption pursuant to this subsection shall be submitted to the director of taxation within 30 days after adoption of any such ordinance or resolution. The director of taxation shall cause such exemption to be applied at the same time and in the same manner provided for the administration of the state retailers' sales tax. The director of taxation shall confirm that all provisions of law applicable to the authorization of the exemption have been followed prior to causing the exemption. Any repeal of an exemption authorized pursuant to this subsection may be accomplished by the adoption of an ordinance or resolution so providing.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

Also on page 1, also following line 24, by inserting:

"Sec. 4. K.S.A. 13-13a39 is hereby amended to read as follows: 13-13a39.—~~The following~~ Sales subject to the countywide and city retailers' sales tax pursuant to K.S.A. 12-189a, and amendments thereto, shall also be subject to the taxes levied by Washburn University of Topeka under the provisions of K.S.A. 13-13a38, and amendments thereto:

~~(a) All sales of natural gas, electricity, heat and water delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises and all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes for agricultural use;~~

~~(b) all sales of propane gas, LP gas, coal, wood and other fuel sources for the production of heat or lighting for noncommercial use of an occupant of residential premises; and~~

~~(c) all sales of intrastate telephone and telegraph services for noncommercial use."~~

Also on page 1, in line 27, by striking "2023" and inserting "2024";

On page 9, in line 31, after "charges" by inserting "that are not separately stated on the invoice, bill of sale or similar document given to the purchaser";

On page 10, in line 26, by striking "and"; in line 29, after "sale" by inserting "; and

(F) delivery charges that are separately stated on the invoice, bill of sale or similar document given to the purchaser";

On page 15, in line 22, after "(c)" by inserting "(1)"; in line 33, by striking "(1)" and inserting "(A)"; in line 34, by striking "(2)" and inserting "(B)"; in line 35, by striking "(3)" and inserting "(C)"; in line 36, after "supplier" by inserting ". The provisions of this paragraph shall expire on June 30, 2023; and

(2) on and after July 1, 2023, the gross receipts from the sale or furnishing of gas, water, electricity and heat, which sale is not otherwise exempt from taxation under the provisions of this act, and whether furnished by municipally or privately owned utilities, except that for sales of gas, electricity and heat delivered through mains, lines or pipes to any premises for any use by the occupant of such premises, and for agricultural use and also, for such use, all sales of propane gas, the state rate shall be 0%; and for all sales of propane gas, LP gas, coal, wood and other fuel sources for the production of heat or lighting for any use of an occupant of any premises, the state rate shall be 0%, but such tax shall not be levied and collected upon the gross receipts from:

(A) The sale of a rural water district benefit unit; (B) a water system impact fee, system enhancement fee or similar fee collected by a water supplier as a condition for establishing service; or (C) connection or reconnection fees collected by a water supplier";

On page 19, in line 40, by striking "2023" and inserting "2024";

On page 20, in line 6, by striking "2023" and inserting "2024"; in line 27, after the first "K.S.A." by inserting "13-13a39 and";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, by striking "and" and inserting a comma; also in line 3, after "counties" by inserting "and Washburn university of Topeka; authorizing local exemption of sales of food and food ingredients; expanding the eligible uses for the 0% state rate for sales of certain utilities and providing for the levying of such tax by cities, counties and Washburn university of Topeka; authorizing cities and counties to exempt sales of such utilities from such city or county taxes; allowing for the retention of taxes by retailer on movie ticket and concession sales; excluding separately stated delivery charges from the sales or selling price"; in line 5, after the first "K.S.A." by inserting "13-13a39 and"; and the bill be passed as amended.

Chairperson