

**Senate Substitute for HOUSE BILL No. 2109**

By Committee on Assessment and Taxation

5-20

1 AN ACT concerning taxation; relating to income tax, rates, itemized  
2 deductions and income modifications; creating the payroll income tax  
3 credit; tax amnesty; sales and compensating use tax, rates, food and  
4 distribution thereof; cigarettes and tobacco products, rates; motor  
5 vehicle fuel taxes, rates and distribution thereof; personal property  
6 taxation, motor vehicles, computation of amount of tax, state school  
7 district ad valorem tax levy; amending K.S.A. 79-3371 and 79-3378  
8 and K.S.A. 2014 Supp. 79-32,110, 79-32,117, 79-32,120, 79-3310, 79-  
9 3310c, 79-3311, 79-3312, 79-3492b, 79-34,118, 79-34,141, 79-34,142,  
10 79-3602, 79-3603, as amended by section 20 of 2015 Senate Substitute  
11 for House Bill No. 2155, 79-3620, 79-3703, 79-3710 and 79-5105 and  
12 repealing the existing sections.  
13

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

15 New Section 1. (a) (1) Notwithstanding the provisions of any other  
16 law to the contrary, with respect to the following taxes administered by the  
17 department of revenue, an amnesty from the assessment or payment of all  
18 penalties and interest with respect to unpaid taxes or taxes due and owing  
19 shall apply upon compliance with the provisions of this section and if such  
20 tax liability is paid in full within the amnesty period, from September 1,  
21 2015, to October 15, 2015: (A) Privilege tax under K.S.A. 79-1106 et seq.,  
22 and amendments thereto; (B) taxes under the Kansas estate tax act, K.S.A.  
23 2006 Supp. 79-15,100 et seq., prior to their repeal; (C) taxes under the  
24 Kansas income tax act, K.S.A. 79-3201 et seq., and amendments thereto;  
25 (D) taxes under the Kansas withholding and declaration of estimated tax  
26 act, K.S.A. 79-3294 et seq., and amendments thereto; (E) taxes under the  
27 Kansas cigarette and tobacco products act, K.S.A. 79-3301 et seq., and  
28 amendments thereto; (F) taxes under the Kansas retailers' sales tax act,  
29 K.S.A. 79-3601 et seq., and amendments thereto, and the Kansas  
30 compensating tax act, K.S.A. 79-3701 et seq., and amendments thereto;  
31 (G) local sales and use taxes under K.S.A. 12-187 et seq., and amendments  
32 thereto; (H) liquor enforcement tax under K.S.A. 79-4101 et seq., and  
33 amendments thereto; (I) liquor drink tax under K.S.A. 79-74a01 et seq.,  
34 and amendments thereto; and (J) mineral severance tax under K.S.A. 79-  
35 4216 et seq., and amendments thereto.

36 (2) Amnesty under this section shall apply only to tax liabilities due

1 and unpaid for tax periods ending on or before December 31, 2013. For the  
2 eligible taxes and tax periods, amnesty shall apply to the under-reporting  
3 of such tax liabilities, the nonpayment of such taxes and the nonreporting  
4 of such tax liabilities.

5 (3) Amnesty shall not apply to any matter or matters for which, on or  
6 after September 1, 2015, any one of the following circumstances exist: (A)  
7 The taxpayer has received notice of the commencement of an audit; (B) an  
8 audit is in progress; (C) the taxpayer has received notice of an assessment  
9 pursuant to K.S.A. 79-2971 or 79-3643, and amendments thereto; (D) as a  
10 result of an audit, the taxpayer has received notice of a proposed or  
11 estimated assessment or notice of an assessment; (E) the time to  
12 administratively appeal an issued assessment has not yet expired; or (F) an  
13 assessment resulting from an audit, or any portion of such assessment, is  
14 pending in the administrative appeals process before the secretary or the  
15 secretary's designee pursuant to K.S.A. 79-3226 or 79-3610, and  
16 amendments thereto, or the state board of tax appeals, or is pending in the  
17 judicial review process before any state or federal district or appellate  
18 court. Amnesty shall not apply to any matter that is the subject of an  
19 assessment, or any portion of an assessment, which has been affirmed by a  
20 reviewing state or federal district or appellate court. Amnesty shall not  
21 apply to any party to any criminal investigation or to any civil or criminal  
22 litigation that is pending in any court of the United States or this state for  
23 nonpayment, delinquency or fraud in relation to any tax imposed by the  
24 state of Kansas. Amnesty shall not apply to any matter involving  
25 individual or corporate income tax liability resulting from an audit or  
26 adjustment by the federal internal revenue service and reported to the  
27 Kansas department of revenue pursuant to K.S.A. 79-3230(f), and  
28 amendments thereto.

29 (b) Upon written application by the taxpayer, on forms prescribed by  
30 the secretary of revenue, and upon compliance with the provisions of this  
31 section, the department of revenue may waive the imposition and  
32 collection of any penalty or interest which may be applicable with respect  
33 to taxes eligible for amnesty. The department of revenue may require all  
34 applications for amnesty pursuant to this section be submitted  
35 electronically.

36 (c) Amnesty for penalties and interest shall be granted only to those  
37 eligible taxpayers who, within the amnesty period of September 1, 2015,  
38 to October 15, 2015, and in accordance with rules and regulations  
39 established by the secretary of revenue, have properly filed a tax return for  
40 each taxable period for which amnesty is requested, paid the entire balance  
41 of tax due and obtained approval of such amnesty by the department of  
42 revenue.

43 (d) If a taxpayer elects to participate in the amnesty program

1 established pursuant to this section as evidenced by full payment of the tax  
2 due as established by the secretary of revenue, that election shall constitute  
3 an express and absolute relinquishment of all administrative and judicial  
4 rights of appeal with respect to such tax liability. No tax payment received  
5 pursuant to this section shall be eligible for refund or credit. No payment  
6 of penalties or interest made prior to September 1, 2015, shall be eligible  
7 for amnesty.

8 (e) For such tax returns for which amnesty has been requested,  
9 nothing in this section shall be interpreted to prohibit the department from  
10 adjusting such tax return as a result of a federal, department or other state  
11 agency audit.

12 (f) Fraud or intentional misrepresentation of a material fact in  
13 connection with an application for amnesty shall void such application and  
14 any waiver of penalties and interest from amnesty.

15 (g) The department may promulgate such rules and regulations or  
16 issue administrative guidelines as are necessary to administer the  
17 provisions of this section.

18 New Sec. 2. (a) For taxable years 2015 and 2016, the owners of a  
19 business entity, as defined in subsection (b), shall be allowed a credit  
20 against the tax liability of a resident individual imposed by the Kansas  
21 income tax act as follows: (1) For tax year 2015, an amount equal to 1% of  
22 the annual payroll as defined in K.S.A. 44-703, and amendments thereto;  
23 and (2) for tax year 2016, an amount equal to 2% of the annual payroll as  
24 defined in K.S.A. 44-703, and amendments thereto. The credit allowed by  
25 this section shall not exceed the amount of tax imposed under the Kansas  
26 income tax act reduced by the sum of any other credits allowable pursuant  
27 to law. Such credit shall be deducted from the taxpayer's income tax  
28 liability for the taxable year in which the expenditures are made by the  
29 taxpayer. The taxpayer shall not be allowed to carry over any amount of  
30 such credit exceeding the taxpayer's income tax liability.

31 (b) For purposes of this section, "business entity" means an S  
32 corporation, partnership, limited liability company, association, sole  
33 proprietorship, joint venture or other similar form of business organization.  
34 The term "business entity" shall not include any business organization  
35 subject to the income tax on corporations under K.S.A. 79-32,110(c), and  
36 amendments thereto, the privilege tax measured by net income of financial  
37 institutions imposed pursuant to article 11 of chapter 79 of the Kansas  
38 Statutes Annotated, and amendments thereto, or the premium tax on  
39 privilege fees imposed pursuant to K.S.A. 40-252, and amendments  
40 thereto. For any S corporation, partnership or limited liability company,  
41 the credit provided by this section shall be claimed by individuals who are  
42 the shareholders of such S corporation, the partners of such partnership or  
43 the members of such limited liability company in the same manner as such

1 shareholders, partners or members account for their proportionate shares  
 2 of the income or loss of the corporation, partnership or limited liability  
 3 company.

4 (c) The secretary of labor or such secretary's designee shall provide  
 5 the secretary of revenue or such secretary's designee such information as  
 6 may be necessary for the administration of the provisions of this section.  
 7 Such information to be provided by the department of revenue shall  
 8 include, but not be limited to, withholding tax and payroll information.

9 (d) The secretary of revenue may adopt such rules and regulations as  
 10 are necessary to implement the provisions of this section.

11 New Sec. 3. (a) On or before July 31, 2015, each distributor having a  
 12 place of business in this state shall file a report with the director in such  
 13 form as the director may prescribe, showing the tobacco products on hand  
 14 at 12:01 a.m. on July 1, 2015. A tax at a rate equal to 5% of the wholesale  
 15 price of such tobacco products is hereby imposed upon such tobacco  
 16 products and shall be due and payable on or before July 31, 2015. The tax  
 17 upon such tobacco products shall be imposed only once under this act. The  
 18 director shall remit all moneys collected pursuant to this section to the  
 19 state treasurer who shall credit the entire amount thereof to the state  
 20 general fund.

21 (b) This section shall be part of and supplemental to the Kansas  
 22 cigarette and tobacco products act.

23 Sec. 4. K.S.A. 2014 Supp. 79-32,110 is hereby amended to read as  
 24 follows: 79-32,110.(a) *Resident Individuals*. Except as otherwise provided  
 25 by ~~subsection (a)~~ of K.S.A. 79-3220(a), and amendments thereto, a tax is  
 26 hereby imposed upon the Kansas taxable income of every resident  
 27 individual, which tax shall be computed in accordance with the following  
 28 tax schedules:

29 (1) *Married individuals filing joint returns.*

30 (A) For tax year 2012:

31 If the taxable income is:	The tax is:
32 Not over \$30,000.....	3.5% of Kansas taxable income
33 Over \$30,000 but not over.....	\$1,050 plus 6.25% of excess
34 \$60,000 .....	over \$30,000
35 Over \$60,000.....	\$2,925 plus 6.45% of excess
36	over \$60,000

37 (B) For tax year 2013:

38 If the taxable income is:	The tax is:
39 Not over \$30,000.....	3.0% of Kansas taxable income
40 Over \$30,000.....	\$900 plus 4.9% of excess over
41	\$30,000

42 (C) For tax year 2014:

43 If the taxable income is:	The tax is:
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1	Not over \$30,000.....	2.7% of Kansas taxable income
2	Over \$30,000.....	\$810 plus 4.8% of excess over
3		\$30,000

4 (D) For tax year 2015, *and all tax years thereafter*:

5	If the taxable income is:	The tax is:
6	Not over \$30,000.....	2.7% of Kansas taxable income
7	Over \$30,000.....	\$810 plus 4.6% of excess over
8		\$30,000

9 ~~(E) For tax year 2016:~~

10	<del>If the taxable income is:</del>	<del>The tax is:</del>
11	<del>Not over \$30,000.....</del>	<del>2.4% of Kansas taxable income</del>
12	<del>Over \$30,000.....</del>	<del>\$720 plus 4.6% of excess over</del>
13	<del></del>	<del>\$30,000</del>

14 ~~(F) For tax year 2017:~~

15	<del>If the taxable income is:</del>	<del>The tax is:</del>
16	<del>Not over \$30,000.....</del>	<del>2.3% of Kansas taxable income</del>
17	<del>Over \$30,000.....</del>	<del>\$690 plus 4.6% of excess over</del>
18	<del></del>	<del>\$30,000</del>

19 ~~(G) For tax year 2018, and all tax years thereafter:~~

20	<del>If the taxable income is:</del>	<del>The tax is:</del>
21	<del>Not over \$30,000.....</del>	<del>2.3% of Kansas taxable income</del>
22	<del>Over \$30,000.....</del>	<del>\$690 plus 3.9% of excess over</del>
23	<del></del>	<del>\$30,000</del>

24 (2) *All other individuals.*

25 (A) For tax year 2012:

26	If the taxable income is:	The tax is:
27	Not over \$15,000.....	3.5% of Kansas taxable income
28	Over \$15,000 but not over.....	\$525 plus 6.25% of excess
29	\$30,000.....	over \$15,000
30	Over \$30,000.....	\$1,462.50 plus 6.45% of excess
31		over \$30,000

32 (B) For tax year 2013:

33	If the taxable income is:	The tax is:
34	Not over \$15,000.....	3.0% of Kansas taxable income
35	Over \$15,000.....	\$450 plus 4.9% of excess over
36		\$15,000

37 (C) For tax year 2014:

38	If the taxable income is:	The tax is:
39	Not over \$15,000.....	2.7% of Kansas taxable income
40	Over \$15,000.....	\$405 plus 4.8% of excess over
41		\$15,000

42 (D) For tax year 2015, *and all tax years thereafter*:

43	If the taxable income is:	The tax is:
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1	Not over \$15,000.....	2.7% of Kansas taxable income
2	Over \$15,000.....	\$405 plus 4.6% of excess over
3		\$15,000

4 ~~(E) For tax year 2016:~~

5	<del>If the taxable income is:.....</del>	<del>The tax is:</del>
6	<del>Not over \$15,000.....</del>	<del>2.4% of Kansas taxable income</del>
7	<del>Over \$15,000.....</del>	<del>\$360 plus 4.6% of excess over</del>
8	<del>_____</del>	<del>\$15,000</del>

9 ~~(F) For tax year 2017:~~

10	<del>If the taxable income is:.....</del>	<del>The tax is:</del>
11	<del>Not over \$15,000.....</del>	<del>2.3% of Kansas taxable income</del>
12	<del>Over \$15,000.....</del>	<del>\$345 plus 4.6% of excess over</del>
13	<del>_____</del>	<del>\$15,000</del>

14 ~~(G) For tax year 2018, and all tax years thereafter:~~

15	<del>If the taxable income is:.....</del>	<del>The tax is:</del>
16	<del>Not over \$15,000.....</del>	<del>2.3% of Kansas taxable income</del>
17	<del>Over \$15,000.....</del>	<del>\$345 plus 3.9% of excess over</del>
18	<del>_____</del>	<del>\$15,000</del>

19 (b) *Nonresident Individuals.* A tax is hereby imposed upon the Kansas  
20 taxable income of every nonresident individual, which tax shall be an  
21 amount equal to the tax computed under subsection (a) as if the  
22 nonresident were a resident multiplied by the ratio of modified Kansas  
23 source income to Kansas adjusted gross income.

24 (c) *Corporations.* A tax is hereby imposed upon the Kansas taxable  
25 income of every corporation doing business within this state or deriving  
26 income from sources within this state. Such tax shall consist of a normal  
27 tax and a surtax and shall be computed as follows:

28 (1) The normal tax shall be in an amount equal to 4% of the Kansas  
29 taxable income of such corporation; and

30 (2) (A) for tax year 2008, the surtax shall be in an amount equal to  
31 3.1% of the Kansas taxable income of such corporation in excess of  
32 \$50,000;

33 (B) for tax years 2009 and 2010, the surtax shall be in an amount  
34 equal to 3.05% of the Kansas taxable income of such corporation in excess  
35 of \$50,000; and

36 (C) for tax year 2011, and all tax years thereafter, the surtax shall be  
37 in an amount equal to 3% of the Kansas taxable income of such  
38 corporation in excess of \$50,000.

39 (d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable  
40 income of estates and trusts at the rates provided in ~~paragraph (2) of~~  
41 subsection (a)(2) hereof.

42 (e) Tax rates provided in this section shall be adjusted pursuant to the  
43 provisions of K.S.A. 2014 Supp. 79-32,269, and amendments thereto.

1       Sec. 5. K.S.A. 2014 Supp. 79-32,117 is hereby amended to read as  
2 follows: 79-32,117. (a) The Kansas adjusted gross income of an individual  
3 means such individual's federal adjusted gross income for the taxable year,  
4 with the modifications specified in this section.

5       (b) There shall be added to federal adjusted gross income:

6       (i) Interest income less any related expenses directly incurred in the  
7 purchase of state or political subdivision obligations, to the extent that the  
8 same is not included in federal adjusted gross income, on obligations of  
9 any state or political subdivision thereof, but to the extent that interest  
10 income on obligations of this state or a political subdivision thereof issued  
11 prior to January 1, 1988, is specifically exempt from income tax under the  
12 laws of this state authorizing the issuance of such obligations, it shall be  
13 excluded from computation of Kansas adjusted gross income whether or  
14 not included in federal adjusted gross income. Interest income on  
15 obligations of this state or a political subdivision thereof issued after  
16 December 31, 1987, shall be excluded from computation of Kansas  
17 adjusted gross income whether or not included in federal adjusted gross  
18 income.

19       (ii) Taxes on or measured by income or fees or payments in lieu of  
20 income taxes imposed by this state or any other taxing jurisdiction to the  
21 extent deductible in determining federal adjusted gross income and not  
22 credited against federal income tax. This paragraph shall not apply to taxes  
23 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and  
24 amendments thereto, for privilege tax year 1995, and all such years  
25 thereafter.

26       (iii) The federal net operating loss deduction.

27       (iv) Federal income tax refunds received by the taxpayer if the  
28 deduction of the taxes being refunded resulted in a tax benefit for Kansas  
29 income tax purposes during a prior taxable year. Such refunds shall be  
30 included in income in the year actually received regardless of the method  
31 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall  
32 be deemed to have resulted if the amount of the tax had been deducted in  
33 determining income subject to a Kansas income tax for a prior year  
34 regardless of the rate of taxation applied in such prior year to the Kansas  
35 taxable income, but only that portion of the refund shall be included as  
36 bears the same proportion to the total refund received as the federal taxes  
37 deducted in the year to which such refund is attributable bears to the total  
38 federal income taxes paid for such year. For purposes of the foregoing  
39 sentence, federal taxes shall be considered to have been deducted only to  
40 the extent such deduction does not reduce Kansas taxable income below  
41 zero.

42       (v) The amount of any depreciation deduction or business expense  
43 deduction claimed on the taxpayer's federal income tax return for any

1 capital expenditure in making any building or facility accessible to the  
2 handicapped, for which expenditure the taxpayer claimed the credit  
3 allowed by K.S.A. 79-32,177, and amendments thereto.

4 (vi) Any amount of designated employee contributions picked up by  
5 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,  
6 and amendments thereto.

7 (vii) The amount of any charitable contribution made to the extent the  
8 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
9 32,196, and amendments thereto.

10 (viii) The amount of any costs incurred for improvements to a swine  
11 facility, claimed for deduction in determining federal adjusted gross  
12 income, to the extent the same is claimed as the basis for any credit  
13 allowed pursuant to K.S.A. 2014 Supp. 79-32,204, and amendments  
14 thereto.

15 (ix) The amount of any ad valorem taxes and assessments paid and  
16 the amount of any costs incurred for habitat management or construction  
17 and maintenance of improvements on real property, claimed for deduction  
18 in determining federal adjusted gross income, to the extent the same is  
19 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,  
20 and amendments thereto.

21 (x) Amounts received as nonqualified withdrawals, as defined by  
22 K.S.A. 2014 Supp. 75-643, and amendments thereto, if, at the time of  
23 contribution to a family postsecondary education savings account, such  
24 amounts were subtracted from the federal adjusted gross income pursuant  
25 to ~~paragraph (xv) of subsection (e) of~~ K.S.A. 79-32,117(c)(xv), and  
26 amendments thereto, or if such amounts are not already included in the  
27 federal adjusted gross income.

28 (xi) The amount of any contribution made to the same extent the  
29 same is claimed as the basis for the credit allowed pursuant to K.S.A. 2014  
30 Supp. 74-50,154, and amendments thereto.

31 (xii) For taxable years commencing after December 31, 2004,  
32 amounts received as withdrawals not in accordance with the provisions of  
33 K.S.A. 2014 Supp. 74-50,204, and amendments thereto, if, at the time of  
34 contribution to an individual development account, such amounts were  
35 subtracted from the federal adjusted gross income pursuant to ~~paragraph~~  
36 ~~(xiii) of subsection (c)(xiii),~~ or if such amounts are not already included in  
37 the federal adjusted gross income.

38 (xiii) The amount of any expenditures claimed for deduction in  
39 determining federal adjusted gross income, to the extent the same is  
40 claimed as the basis for any credit allowed pursuant to K.S.A. 2014 Supp.  
41 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

42 (xiv) The amount of any amortization deduction claimed in  
43 determining federal adjusted gross income to the extent the same is



1 claimed for deduction pursuant to K.S.A. 2014 Supp. 79-32,221, and  
2 amendments thereto.

3 (xv) The amount of any expenditures claimed for deduction in  
4 determining federal adjusted gross income, to the extent the same is  
5 claimed as the basis for any credit allowed pursuant to K.S.A. 2014 Supp.  
6 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233  
7 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-  
8 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

9 (xvi) The amount of any amortization deduction claimed in  
10 determining federal adjusted gross income to the extent the same is  
11 claimed for deduction pursuant to K.S.A. 2014 Supp. 79-32,227, 79-  
12 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments  
13 thereto.

14 (xvii) The amount of any amortization deduction claimed in  
15 determining federal adjusted gross income to the extent the same is  
16 claimed for deduction pursuant to K.S.A. 2014 Supp. 79-32,256, and  
17 amendments thereto.

18 (xviii) For taxable years commencing after December 31, 2006, the  
19 amount of any ad valorem or property taxes and assessments paid to a state  
20 other than Kansas or local government located in a state other than Kansas  
21 by a taxpayer who resides in a state other than Kansas, when the law of  
22 such state does not allow a resident of Kansas who earns income in such  
23 other state to claim a deduction for ad valorem or property taxes or  
24 assessments paid to a political subdivision of the state of Kansas in  
25 determining taxable income for income tax purposes in such other state, to  
26 the extent that such taxes and assessments are claimed as an itemized  
27 deduction for federal income tax purposes.

28 (xix) For ~~all~~ taxable years beginning after December 31, 2012, *and*  
29 *before January 1, 2015, and all taxable years beginning after December*  
30 *31, 2016*, the amount of any: (1) Loss from business as determined under  
31 the federal internal revenue code and reported from schedule C and on line  
32 12 of the taxpayer's form 1040 federal individual income tax return; (2)  
33 loss from rental real estate, royalties, partnerships, S corporations, except  
34 those with wholly owned subsidiaries subject to the Kansas privilege tax,  
35 estates, trusts, residual interest in real estate mortgage investment conduits  
36 and net farm rental as determined under the federal internal revenue code  
37 and reported from schedule E and on line 17 of the taxpayer's form 1040  
38 federal individual income tax return; and (3) farm loss as determined under  
39 the federal internal revenue code and reported from schedule F and on line  
40 18 of the taxpayer's form 1040 federal income tax return; all to the extent  
41 deducted or subtracted in determining the taxpayer's federal adjusted gross  
42 income. For purposes of this subsection, references to the federal form  
43 1040 and federal schedule C, schedule E, and schedule F, shall be to such

1 form and schedules as they existed for tax year 2011, and as revised  
2 thereafter by the internal revenue service.

3 (xx) For ~~all~~ taxable years beginning after December 31, 2012, *and*  
4 *before January 1, 2015, and all taxable years beginning after December*  
5 *31, 2016*, the amount of any deduction for self-employment taxes under  
6 section 164(f) of the federal internal revenue code as in effect on January  
7 1, 2012, and amendments thereto, in determining the federal adjusted gross  
8 income of an individual taxpayer, to the extent the deduction is attributable  
9 to income reported on schedule C, E or F and on line 12, 17 or 18 of the  
10 taxpayer's form 1040 federal income tax return.

11 (xxi) For ~~all~~ taxable years beginning after December 31, 2012, *and*  
12 *before January 1, 2015, and all taxable years beginning after December*  
13 *31, 2016*, the amount of any deduction for pension, profit sharing, and  
14 annuity plans of self-employed individuals under section 62(a)(6) of the  
15 federal internal revenue code as in effect on January 1, 2012, and  
16 amendments thereto, in determining the federal adjusted gross income of  
17 an individual taxpayer.

18 (xxii) For ~~all~~ taxable years beginning after December 31, 2012, *and*  
19 *before January 1, 2015, and all taxable years beginning after December*  
20 *31, 2016*, the amount of any deduction for health insurance under section  
21 162(l) of the federal internal revenue code as in effect on January 1, 2012,  
22 and amendments thereto, in determining the federal adjusted gross income  
23 of an individual taxpayer.

24 (xxiii) For ~~all~~ taxable years beginning after December 31, 2012, *and*  
25 *before January 1, 2015, and all taxable years beginning after December*  
26 *31, 2016*, the amount of any deduction for domestic production activities  
27 under section 199 of the federal internal revenue code as in effect on  
28 January 1, 2012, and amendments thereto, in determining the federal  
29 adjusted gross income of an individual taxpayer.

30 (xxiv) For taxable years commencing after December 31, 2013, that  
31 portion of the amount of any expenditure deduction claimed in  
32 determining federal adjusted gross income for expenses paid for medical  
33 care of the taxpayer or the taxpayer's spouse or dependents when such  
34 expenses were paid or incurred for an abortion, or for a health benefit plan,  
35 as defined in K.S.A. 2014 Supp. 65-6731, and amendments thereto, for the  
36 purchase of an optional rider for coverage of abortion in accordance with  
37 K.S.A. 2014 Supp. 40-2,190, and amendments thereto, to the extent that  
38 such taxes and assessments are claimed as an itemized deduction for  
39 federal income tax purposes.

40 (xxv) For taxable years commencing after December 31, 2013, that  
41 portion of the amount of any expenditure deduction claimed in  
42 determining federal adjusted gross income for expenses paid by a taxpayer  
43 for health care when such expenses were paid or incurred for abortion

1 coverage, a health benefit plan, as defined in K.S.A. 2014 Supp. 65-6731,  
2 and amendments thereto, when such expenses were paid or incurred for  
3 abortion coverage or amounts contributed to health savings accounts for  
4 such taxpayer's employees for the purchase of an optional rider for  
5 coverage of abortion in accordance with K.S.A. 2014 Supp. 40-2,190, and  
6 amendments thereto, to the extent that such taxes and assessments are  
7 claimed as a deduction for federal income tax purposes.

8 (c) There shall be subtracted from federal adjusted gross income:

9 (i) Interest or dividend income on obligations or securities of any  
10 authority, commission or instrumentality of the United States and its  
11 possessions less any related expenses directly incurred in the purchase of  
12 such obligations or securities, to the extent included in federal adjusted  
13 gross income but exempt from state income taxes under the laws of the  
14 United States.

15 (ii) Any amounts received which are included in federal adjusted  
16 gross income but which are specifically exempt from Kansas income  
17 taxation under the laws of the state of Kansas.

18 (iii) The portion of any gain or loss from the sale or other disposition  
19 of property having a higher adjusted basis for Kansas income tax purposes  
20 than for federal income tax purposes on the date such property was sold or  
21 disposed of in a transaction in which gain or loss was recognized for  
22 purposes of federal income tax that does not exceed such difference in  
23 basis, but if a gain is considered a long-term capital gain for federal  
24 income tax purposes, the modification shall be limited to that portion of  
25 such gain which is included in federal adjusted gross income.

26 (iv) The amount necessary to prevent the taxation under this act of  
27 any annuity or other amount of income or gain which was properly  
28 included in income or gain and was taxed under the laws of this state for a  
29 taxable year prior to the effective date of this act, as amended, to the  
30 taxpayer, or to a decedent by reason of whose death the taxpayer acquired  
31 the right to receive the income or gain, or to a trust or estate from which  
32 the taxpayer received the income or gain.

33 (v) The amount of any refund or credit for overpayment of taxes on  
34 or measured by income or fees or payments in lieu of income taxes  
35 imposed by this state, or any taxing jurisdiction, to the extent included in  
36 gross income for federal income tax purposes.

37 (vi) Accumulation distributions received by a taxpayer as a  
38 beneficiary of a trust to the extent that the same are included in federal  
39 adjusted gross income.

40 (vii) Amounts received as annuities under the federal civil service  
41 retirement system from the civil service retirement and disability fund and  
42 other amounts received as retirement benefits in whatever form which  
43 were earned for being employed by the federal government or for service

1 in the armed forces of the United States.

2 (viii) Amounts received by retired railroad employees as a  
3 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and  
4 228c (a)(1) et seq.

5 (ix) Amounts received by retired employees of a city and by retired  
6 employees of any board of such city as retirement allowances pursuant to  
7 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter  
8 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and  
9 amendments thereto.

10 (x) For taxable years beginning after December 31, 1976, the amount  
11 of the federal tentative jobs tax credit disallowance under the provisions of  
12 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the  
13 amount of the targeted jobs tax credit and work incentive credit  
14 disallowances under 26 U.S.C. § 280 C.

15 (xi) For taxable years beginning after December 31, 1986, dividend  
16 income on stock issued by Kansas Venture Capital, Inc.

17 (xii) For taxable years beginning after December 31, 1989, amounts  
18 received by retired employees of a board of public utilities as pension and  
19 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,  
20 and amendments thereto.

21 (xiii) For taxable years beginning after December 31, 2004, amounts  
22 contributed to and the amount of income earned on contributions deposited  
23 to an individual development account under K.S.A. 2014 Supp. 74-50,201  
24 et seq., and amendments thereto.

25 (xiv) For all taxable years commencing after December 31, 1996, that  
26 portion of any income of a bank organized under the laws of this state or  
27 any other state, a national banking association organized under the laws of  
28 the United States, an association organized under the savings and loan  
29 code of this state or any other state, or a federal savings association  
30 organized under the laws of the United States, for which an election as an  
31 S corporation under subchapter S of the federal internal revenue code is in  
32 effect, which accrues to the taxpayer who is a stockholder of such  
33 corporation and which is not distributed to the stockholders as dividends of  
34 the corporation. For ~~all~~ taxable years beginning after December 31, 2012,  
35 *and before January 1, 2015, and all taxable years beginning after*  
36 *December 31, 2016*, the amount of modification under this subsection  
37 shall exclude the portion of income or loss reported on schedule E and  
38 included on line 17 of the taxpayer's form 1040 federal individual income  
39 tax return.

40 (xv) For all taxable years beginning after December 31, 2006,  
41 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a  
42 joint return, for each designated beneficiary which are contributed to a  
43 family postsecondary education savings account established under the

1 Kansas postsecondary education savings program or a qualified tuition  
2 program established and maintained by another state or agency or  
3 instrumentality thereof pursuant to section 529 of the internal revenue  
4 code of 1986, as amended, for the purpose of paying the qualified higher  
5 education expenses of a designated beneficiary at an institution of  
6 postsecondary education. The terms and phrases used in this paragraph  
7 shall have the meaning respectively ascribed thereto by the provisions of  
8 K.S.A. 2014 Supp. 75-643, and amendments thereto, and the provisions of  
9 such section are hereby incorporated by reference for all purposes thereof.

10 (xvi) For all taxable years beginning after December 31, 2004,  
11 amounts received by taxpayers who are or were members of the armed  
12 forces of the United States, including service in the Kansas army and air  
13 national guard, as a recruitment, sign up or retention bonus received by  
14 such taxpayer as an incentive to join, enlist or remain in the armed services  
15 of the United States, including service in the Kansas army and air national  
16 guard, and amounts received for repayment of educational or student loans  
17 incurred by or obligated to such taxpayer and received by such taxpayer as  
18 a result of such taxpayer's service in the armed forces of the United States,  
19 including service in the Kansas army and air national guard.

20 (xvii) For all taxable years beginning after December 31, 2004,  
21 amounts received by taxpayers who are eligible members of the Kansas  
22 army and air national guard as a reimbursement pursuant to K.S.A. 48-  
23 281, and amendments thereto, and amounts received for death benefits  
24 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section  
25 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and  
26 amendments thereto, to the extent that such death benefits are included in  
27 federal adjusted gross income of the taxpayer.

28 (xviii) For the taxable year beginning after December 31, 2006,  
29 amounts received as benefits under the federal social security act which  
30 are included in federal adjusted gross income of a taxpayer with federal  
31 adjusted gross income of \$50,000 or less, whether such taxpayer's filing  
32 status is single, head of household, married filing separate or married filing  
33 jointly; and for all taxable years beginning after December 31, 2007,  
34 amounts received as benefits under the federal social security act which  
35 are included in federal adjusted gross income of a taxpayer with federal  
36 adjusted gross income of \$75,000 or less, whether such taxpayer's filing  
37 status is single, head of household, married filing separate or married filing  
38 jointly.

39 (xix) Amounts received by retired employees of Washburn university  
40 as retirement and pension benefits under the university's retirement plan.

41 (xx) For ~~all~~ taxable years beginning after December 31, 2012, *and*  
42 *before January 1, 2015, and all taxable years beginning after December*  
43 *31, 2016*, the amount of any: (1) Net profit from business as determined

1 under the federal internal revenue code and reported from schedule C and  
2 on line 12 of the taxpayer's form 1040 federal individual income tax  
3 return; (2) net income from rental real estate, royalties, partnerships, S  
4 corporations, estates, trusts, residual interest in real estate mortgage  
5 investment conduits and net farm rental as determined under the federal  
6 internal revenue code and reported from schedule E and on line 17 of the  
7 taxpayer's form 1040 federal individual income tax return; and (3) net farm  
8 profit as determined under the federal internal revenue code and reported  
9 from schedule F and on line 18 of the taxpayer's form 1040 federal income  
10 tax return; all to the extent included in the taxpayer's federal adjusted gross  
11 income. For purposes of this subsection, references to the federal form  
12 1040 and federal schedule C, schedule E, and schedule F, shall be to such  
13 form and schedules as they existed for tax year 2011 and as revised  
14 thereafter by the internal revenue service.

15 (xxi) For all taxable years beginning after December 31, 2013,  
16 amounts equal to the unreimbursed travel, lodging and medical  
17 expenditures directly incurred by a taxpayer while living, or a dependent  
18 of the taxpayer while living, for the donation of one or more human organs  
19 of the taxpayer, or a dependent of the taxpayer, to another person for  
20 human organ transplantation. The expenses may be claimed as a  
21 subtraction modification provided for in this section to the extent the  
22 expenses are not already subtracted from the taxpayer's federal adjusted  
23 gross income. In no circumstances shall the subtraction modification  
24 provided for in this section for any individual, or a dependent, exceed  
25 \$5,000. As used in this section, "human organ" means all or part of a liver,  
26 pancreas, kidney, intestine, lung or bone marrow. The provisions of this  
27 paragraph shall take effect on the day the secretary of revenue certifies to  
28 the director of the budget that the cost for the department of revenue of  
29 modifications to the automated tax system for the purpose of  
30 implementing this paragraph will not exceed \$20,000.

31 (xxii) For ~~all~~ taxable years beginning after December 31, 2012, *and*  
32 *before January 1, 2015, and all taxable years beginning after December*  
33 *31, 2016*, the amount of net gain from the sale of: (1) Cattle and horses,  
34 regardless of age, held by the taxpayer for draft, breeding, dairy or  
35 sporting purposes, and held by such taxpayer for 24 months or more from  
36 the date of acquisition; and (2) other livestock, regardless of age, held by  
37 the taxpayer for draft, breeding, dairy or sporting purposes, and held by  
38 such taxpayer for 12 months or more from the date of acquisition. The  
39 subtraction from federal adjusted gross income shall be limited to the  
40 amount of the additions recognized under the provisions of ~~paragraph (xix)~~  
41 ~~of subsection (b)(xix)~~ attributable to the business in which the livestock  
42 sold had been used. As used in this paragraph, the term "livestock" shall  
43 not include poultry.

1 (xxiii) For all taxable years beginning after December 31, 2012,  
2 amounts received under either the Overland Park, Kansas police  
3 department retirement plan or the Overland Park, Kansas fire department  
4 retirement plan, both as established by the city of Overland Park, pursuant  
5 to the city's home rule authority.

6 (d) There shall be added to or subtracted from federal adjusted gross  
7 income the taxpayer's share, as beneficiary of an estate or trust, of the  
8 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and  
9 amendments thereto.

10 (e) The amount of modifications required to be made under this  
11 section by a partner which relates to items of income, gain, loss, deduction  
12 or credit of a partnership shall be determined under K.S.A. 79-32,131, and  
13 amendments thereto, to the extent that such items affect federal adjusted  
14 gross income of the partner.

15 Sec. 6. K.S.A. 2014 Supp. 79-32,120 is hereby amended to read as  
16 follows: 79-32,120. (a) (1) If federal taxable income of an individual is  
17 determined by itemizing deductions from such individual's federal  
18 adjusted gross income, such individual may elect to deduct the Kansas  
19 itemized deduction in lieu of the Kansas standard deduction.

20 (2) For the tax year commencing on January 1, 2013, the Kansas  
21 itemized deduction of an individual means 70% of the total amount of  
22 deductions from federal adjusted gross income, other than federal  
23 deductions for personal exemptions, as provided in the federal internal  
24 revenue code with the modifications specified in this section.

25 (3) For the tax year commencing on January 1, 2014, the Kansas  
26 itemized deduction of an individual means 65% of the total amount of  
27 deductions from federal adjusted gross income, other than federal  
28 deductions for personal exemptions, as provided in the federal internal  
29 revenue code with the modifications specified in this section.

30 (4) For the tax ~~year~~ years commencing on *and after* January 1, 2015,  
31 the Kansas itemized deduction of an individual means ~~60% of the total~~  
32 ~~amount of following~~ deductions from federal adjusted gross income, other  
33 than federal deductions for personal exemptions, as provided in the federal  
34 internal revenue code *and* with the modifications specified in this section:  
35 (A) 100% of contributions that qualify as charitable contributions  
36 allowable as deductions in section 170 of the federal internal revenue  
37 code; (B) 50% of the amount of qualified residence interest as provided in  
38 section 163(h) of the federal internal revenue code; and (C) 50% of the  
39 amount of taxes on real and personal property as provided in section  
40 164(a) of the federal internal revenue code.

41 ~~(5) For the tax year commencing on January 1, 2016, the Kansas~~  
42 ~~itemized deduction of an individual means 55% of the total amount of~~  
43 ~~deductions from federal adjusted gross income, other than federal~~

1 deductions for personal exemptions, as provided in the federal internal  
2 revenue code with the modifications specified in this section.

3 ~~(6) For tax years commencing on and after January 1, 2017, the~~  
4 ~~Kansas itemized deduction of an individual means 50% of the total amount~~  
5 ~~of deductions from federal adjusted gross income, other than federal~~  
6 ~~deductions for personal exemptions, as provided in the federal internal~~  
7 ~~revenue code with the modifications specified in this section.~~

8 (b) The total amount of deductions from federal adjusted gross  
9 income shall be reduced by the total amount of income taxes imposed by  
10 or paid to this state or any other taxing jurisdiction to the extent that the  
11 same are deducted in determining the federal itemized deductions and by  
12 the amount of all depreciation deductions claimed for any real or tangible  
13 personal property upon which the deduction allowed by K.S.A. 2014  
14 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250,  
15 79-32,255 or 79-32,256, and amendments thereto, is or has been claimed.

16 ~~(c) The provisions of this section that provide for a reduction in the~~  
17 ~~total amount of deductions from federal adjusted gross income shall not~~  
18 ~~apply to contributions that qualify as charitable contributions allowable as~~  
19 ~~deductions in section 170 of the federal internal revenue code, and~~  
20 ~~amendments thereto.~~

21 ~~(d) Notwithstanding any provision of this section to the contrary, for~~  
22 ~~taxable years commencing after January 1, 2013, the total amount of~~  
23 ~~deductions from federal adjusted gross income shall be reduced by the~~  
24 ~~total amount of wagering losses claimed as an itemized deduction in~~  
25 ~~section 165(d) of the federal internal revenue code, and amendments~~  
26 ~~thereto.~~

27 Sec. 7. K.S.A. 2014 Supp. 79-3310 is hereby amended to read as  
28 follows: 79-3310. There is imposed a tax upon all cigarettes sold,  
29 distributed or given away within the state of Kansas. ~~On and after July 1,~~  
30 ~~2002, and before January 1, 2003, the rate of such tax shall be \$.70 on~~  
31 ~~each 20 cigarettes or fractional part thereof or \$.875 on each 25 cigarettes,~~  
32 ~~as the case requires. On and after January 1, 2003 July 1, 2015, the rate of~~  
33 ~~such tax shall be \$.79 \$1.29 on each 20 cigarettes or fractional part thereof~~  
34 ~~or \$.99 \$1.61 on each 25 cigarettes, as the case requires. Such tax shall be~~  
35 ~~collected and paid to the director as provided in this act. Such tax shall be~~  
36 ~~paid only once and shall be paid by the wholesale dealer first receiving the~~  
37 ~~cigarettes as herein provided.~~

38 The taxes imposed by this act are hereby levied upon all sales of  
39 cigarettes made to any department, institution or agency of the state of  
40 Kansas, and to the political subdivisions thereof and their departments,  
41 institutions and agencies.

42 Sec. 8. K.S.A. 2014 Supp. 79-3310c is hereby amended to read as  
43 follows: 79-3310c. ~~(+) On or before July 30, 2002 31, 2015, each~~



1 wholesale dealer, retail dealer and vending machine operator shall file a  
2 report with the director in such form as the director may prescribe showing  
3 cigarettes, cigarette stamps and meter imprints on hand at 12:01 a.m. on  
4 July 1, ~~2002~~ 2015. A tax of ~~\$.46~~ \$.50 on each 20 cigarettes or fractional  
5 part thereof or ~~\$.575~~ \$.62 on each 25 cigarettes, as the case requires and  
6 ~~\$.46 or \$.575~~ \$.50 or \$.62, as the case requires upon all tax stamps and all  
7 meter imprints purchased from the director and not affixed to cigarettes  
8 prior to July 1, ~~2002~~ 2015, is hereby imposed and shall be due and payable  
9 ~~in equal installments on or before July 30, 2002, on or before September~~  
10 ~~30, 2002, and on or before December 30, 2002~~ 31, 2015. The tax imposed  
11 upon such cigarettes, tax stamps and meter imprints shall be imposed only  
12 once under this act. The director shall remit all moneys collected pursuant  
13 to this section to the state treasurer who shall credit the entire amount  
14 thereof to the state general fund.

15 ~~(2) On or before January 30, 2003, each wholesale dealer, retail~~  
16 ~~dealer and vending machine operator shall file a report with the director in~~  
17 ~~such form as the director may prescribe showing cigarettes, cigarette~~  
18 ~~stamps and meter imprints on hand at 12:01 a.m. on January 1, 2003. A tax~~  
19 ~~of \$.09 on each 20 cigarettes or fractional part thereof or \$.115 on each 25~~  
20 ~~cigarettes, as the case requires and \$.09 or \$.115, as the case requires upon~~  
21 ~~all tax stamps and all meter imprints purchased from the director and not~~  
22 ~~affixed to cigarettes prior to January 1, 2003, is hereby imposed and shall~~  
23 ~~be due and payable in equal installments on or before January 30, 2003, on~~  
24 ~~or before March 30, 2003, and on or before June 30, 2003. The tax~~  
25 ~~imposed upon such cigarettes, tax stamps and meter imprints shall be~~  
26 ~~imposed only once under this act. The director shall remit all moneys~~  
27 ~~collected pursuant to this section to the state treasurer who shall credit the~~  
28 ~~entire amount thereof to the state general fund.~~

29 Sec. 9. K.S.A. 2014 Supp. 79-3311 is hereby amended to read as  
30 follows: 79-3311. The director shall design and designate indicia of tax  
31 payment to be affixed to each package of cigarettes as provided by this act.  
32 The director shall sell water applied stamps only to licensed wholesale  
33 dealers in the amounts of 1,000 or multiples thereof. Stamps applied by the  
34 heat process shall be sold only in amounts of 30,000 or multiples thereof,  
35 except that such stamps which are suitable for packages containing 25  
36 cigarettes each shall be sold in amounts prescribed by the director. Meter  
37 imprints shall be sold only in amounts of 10,000 or multiples thereof.  
38 Water applied stamps in amounts of 10,000 or multiples thereof and  
39 stamps applied by the heat process and meter imprints shall be supplied to  
40 wholesale dealers at a discount of ~~90% on and after July 1, 2002, and~~  
41 ~~before January 1, 2003, and 80%~~ 0.55% on and after July 1, 2015, and  
42 thereafter from the face value thereof, and shall be deducted at the time of  
43 purchase or from the remittance therefor as hereinafter provided. Any

1 wholesale cigarette dealer who shall file with the director a bond, of  
2 acceptable form, payable to the state of Kansas with a corporate surety  
3 authorized to do business in Kansas, shall be permitted to purchase stamps,  
4 and remit therefor to the director within 30 days after each such purchase,  
5 up to a maximum outstanding at any one time of 85% of the amount of the  
6 bond. Failure on the part of any wholesale dealer to remit as herein  
7 specified shall be cause for forfeiture of such dealer's bond. All revenue  
8 received from the sale of such stamps or meter imprints shall be remitted  
9 to the state treasurer in accordance with the provisions of K.S.A. 75-4215,  
10 and amendments thereto. Upon receipt of each such remittance, the state  
11 treasurer shall deposit the entire amount in the state treasury. The state  
12 treasurer shall first credit such amount as the director shall order to the  
13 cigarette tax refund fund and shall credit the remaining balance to the state  
14 general fund. A refund fund designated the cigarette tax refund fund not to  
15 exceed \$10,000 at any time shall be set apart and maintained by the  
16 director from taxes collected under this act and held by the state treasurer  
17 for prompt payment of all refunds authorized by this act. Such cigarette tax  
18 refund fund shall be in such amount as the director shall determine is  
19 necessary to meet current refunding requirements under this act.

20 The wholesale cigarette dealer shall affix to each package of cigarettes  
21 stamps or tax meter imprints required by this act prior to the sale of  
22 cigarettes to any person, by such dealer or such dealer's agent or agents,  
23 within the state of Kansas. The director is empowered to authorize  
24 wholesale dealers to affix revenue tax meter imprints upon original  
25 packages of cigarettes and is charged with the duty of regulating the use of  
26 tax meters to secure payment of the proper taxes. No wholesale dealer  
27 shall affix revenue tax meter imprints to original packages of cigarettes  
28 without first having obtained permission from the director to employ this  
29 method of affixation. If the director approves the wholesale dealer's  
30 application for permission to affix revenue tax meter imprints to original  
31 packages of cigarettes, the director shall require such dealer to file a  
32 suitable bond payable to the state of Kansas executed by a corporate surety  
33 authorized to do business in Kansas. The director may, to assure the proper  
34 collection of taxes imposed by the act, revoke or suspend the privilege of  
35 imprinting tax meter imprints upon original packages of cigarettes. All  
36 meters shall be under the direct control of the director, and all transfer  
37 assignments or anything pertaining thereto must first be authorized by the  
38 director. All inks used in the stamping of cigarettes must be of a special  
39 type devised for use in connection with the machine employed and  
40 approved by the director. All repairs to the meter are strictly prohibited  
41 except by a duly authorized representative of the director. Requests for  
42 service shall be directed to the director. Meter machine ink imprints on all  
43 packages shall be clear and legible. If a wholesale dealer continuously

1 issues illegible cigarette tax meter imprints, it shall be considered  
2 sufficient cause for revocation of such dealer's permit to use a cigarette tax  
3 meter.

4 A licensed wholesale dealer may, for the purpose of sale in another  
5 state, transport cigarettes not bearing Kansas indicia of tax payment  
6 through the state of Kansas provided such cigarettes are contained in  
7 sealed and original cartons.

8 Sec. 10. K.S.A. 2014 Supp. 79-3312 is hereby amended to read as  
9 follows: 79-3312. The director shall redeem any unused stamps or meter  
10 imprints that any wholesale dealer presents for redemption within six  
11 months after the purchase thereof, at the face value less ~~90% on and after~~  
12 ~~July 1, 2002, and before January 1, 2003, and .80% thereafter~~ 0.55%  
13 thereof if such stamps or meter imprints have been purchased from the  
14 director. The director shall prepare a voucher showing the net amount of  
15 such refund due, and the director of accounts and reports shall draw a  
16 warrant on the state treasurer for the same. Wholesale dealers shall be  
17 entitled to a refund of the tax paid on cigarettes which have become unfit  
18 for sale upon proof thereof less ~~90% on and after July 1, 2002, and before~~  
19 ~~January 1, 2003, and .80% thereafter~~ 0.55% of such tax.

20 Sec. 11. K.S.A. 79-3371 is hereby amended to read as follows: 79-  
21 3371. A tax is hereby imposed upon the privilege of selling or dealing in  
22 tobacco products in this state by any person engaged in business as a  
23 distributor thereof, at the rate of ~~ten percent (10%)~~ 15% of the wholesale  
24 sales price of such tobacco products. Such tax shall be imposed at the time  
25 the distributor: (a) Brings or causes to be brought into this state from  
26 without the state tobacco products for sale; (b) makes, manufactures, or  
27 fabricates tobacco products in this state for sale in this state; or (c) ships or  
28 transports tobacco products to retailers in this state to be sold by those  
29 retailers.

30 Sec. 12. K.S.A. 79-3378 is hereby amended to read as follows: 79-  
31 3378. On or before the ~~twentieth~~ 20<sup>th</sup> day of each calendar month every  
32 distributor with a place of business in this state shall file a return with the  
33 director showing the quantity and wholesale sales price of each tobacco  
34 product: (1) Brought, or caused to be brought, into this state for sale; and  
35 (2) made, manufactured, or fabricated in this state for sale in this state  
36 during the preceding calendar month. Every licensed distributor outside  
37 this state shall in like manner file a return showing the quantity and  
38 wholesale sales price of each tobacco product shipped or transported to  
39 retailers in this state to be sold by those retailers, during the preceding  
40 calendar month. Returns shall be made upon forms furnished and  
41 prescribed by the director. Each return shall be accompanied by a  
42 remittance for the full tax liability shown therein, less ~~four percent (4%)~~  
43 2.66% of such liability as compensation to reimburse the distributor for his

1 ~~or her~~ *the distributor's* expenses incurred in the administration of this act.  
2 As soon as practicable after any return is filed, the director shall examine  
3 the return. If the director finds that, in ~~his or her~~ *the director's* judgment,  
4 the return is incorrect and any amount of tax is due from the distributor  
5 and unpaid, ~~he or she~~ *the director* shall notify the distributor of the  
6 deficiency. If a deficiency disclosed by the director's examination cannot  
7 be allocated by ~~him~~ *the director* to a particular month or months, ~~he or she~~  
8 *the director* may nevertheless notify the distributor that a deficiency exists  
9 and state the amount of tax due. Such notice shall be given to the  
10 distributor by registered or certified mail.

11 Sec. 13. K.S.A. 2014 Supp. 79-3492b is hereby amended to read as  
12 follows: 79-3492b. Alternatively to the methods otherwise set forth in this  
13 act, special LP-gas permit users operating motor vehicles on the public  
14 highways of this state may upon application to the director on forms  
15 prescribed by the director elect to pay taxes in advance on LP-gas for each  
16 and every motor vehicle owned or operated by them and propelled in  
17 whole or in part with LP-gas during the calendar year and thereafter to  
18 purchase LP-gas tax free in lieu of securing a bonded user's permit and  
19 filing monthly reports and tax payments and keeping the records otherwise  
20 provided for in this act. The amount of such tax for each motor vehicle  
21 shall, except as otherwise provided, be based upon the gross weight of the  
22 motor vehicle and the number of miles it was operated on the public  
23 highways of this state during the previous year pursuant to the following  
24 schedules:

	less than 5,000 miles	5,000 to 10,000 miles	10,001 to 15,000 miles	15,001 to 19,999 miles	20,000 to 29,999 miles	30,000 to 39,999 miles	40,000 to 49,999 miles	50,000 to 59,999 miles	60,000 and over
Class A: 3,000 pounds or less	<del>\$46.00</del> \$56.00	<del>\$92.00</del> \$112.00	<del>\$138.00</del> \$168.00	<del>\$184.00</del> \$224.00	<del>\$276.00</del> \$336.00	<del>\$368.00</del> \$448.00	<del>\$460.00</del> \$560.00	<del>\$552.00</del> \$672.00	<del>\$644.00</del> \$784.00
Class B: more than 3,000 pounds and not more than 4,500 pounds	<del>\$78.00</del> \$95.00	<del>\$156.00</del> \$190.00	<del>\$234.00</del> \$285.00	<del>\$312.00</del> \$380.00	<del>\$468.00</del> \$570.00	<del>\$624.00</del> \$760.00	<del>\$780.00</del> \$950.00	<del>\$936.00</del> \$1,139.00	<del>\$1,092.00</del> \$1,329.00
Class C: more than 4,500 pounds and not more than 12,000 pounds	<del>\$95.00</del> \$116.00	<del>\$189.00</del> \$230.00	<del>\$285.00</del> \$347.00	<del>\$380.00</del> \$463.00	<del>\$570.00</del> \$694.00	<del>\$760.00</del> \$925.00	<del>\$950.00</del> \$1,157.00	<del>\$1,140.00</del> \$1,388.00	<del>\$1,330.00</del> \$1,619.00
Class D: more than 12,000 pounds and not more than 16,000 pounds	<del>\$129.00</del> \$157.00	<del>\$258.00</del> \$314.00	<del>\$387.00</del> \$421.00	<del>\$516.00</del> \$628.00	<del>\$774.00</del> \$942.00	<del>\$1,032.00</del> \$1,256.00	<del>\$1,290.00</del> \$1,570.00	<del>\$1,548.00</del> \$1,885.00	<del>\$1,806.00</del> \$2,199.00
Class E: more than 16,000 pounds and not more than 24,000 pounds	<del>\$165.00</del> \$201.00	<del>\$330.00</del> \$402.00	<del>\$495.00</del> \$603.00	<del>\$660.00</del> \$803.00	<del>\$990.00</del> \$1,205.00	<del>\$1,320.00</del> \$1,607.00	<del>\$1,650.00</del> \$2,009.00	<del>\$1,980.00</del> \$2,410.00	<del>\$2,310.00</del> \$2,812.00
Class F: more than 24,000 pounds and not more than 36,000 pounds	<del>\$230.00</del> \$280.00	<del>\$460.00</del> \$560.00	<del>\$690.00</del> \$840.00	<del>\$920.00</del> \$1,120.00	<del>\$1,380.00</del> \$1,680.00	<del>\$1,840.00</del> \$2,240.00	<del>\$2,300.00</del> \$2,800.00	<del>\$2,760.00</del> \$3,360.00	<del>\$3,220.00</del> \$3,920.00
Class G: more than 36,000 pounds and not more than 48,000 pounds	<del>\$285.00</del> \$347.00	<del>\$570.00</del> \$694.00	<del>\$855.00</del> \$1,041.00	<del>\$1,140.00</del> \$1,388.00	<del>\$1,710.00</del> \$2,082.00	<del>\$2,280.00</del> \$2,776.00	<del>\$2,850.00</del> \$3,470.00	<del>\$3,420.00</del> \$4,163.00	<del>\$3,990.00</del> \$4,857.00
Class H: more than 48,000 pounds	<del>\$384.00</del> \$467.00	<del>\$768.00</del> \$935.00	<del>\$1,152.00</del> \$1,402.00	<del>\$1,536.00</del> \$1,870.00	<del>\$2,304.00</del> \$2,805.00	<del>\$3,072.00</del> \$3,740.00	<del>\$3,840.00</del> \$4,675.00	<del>\$4,608.00</del> \$5,610.00	<del>\$5,376.00</del> \$6,545.00
Class I: transit carrier vehicles operated by transit companies									<del>\$1,808.00</del> \$2,201.00
Class J: motor vehicles designed for carrying fewer than 10 passengers and used for the transportation of persons for compensation.									<del>\$939.00</del> \$1,143.00

1 In the event any additional motor vehicles equipped to use LP-gas as a  
2 fuel are placed in operation by a special LP-gas permit user after the first  
3 month of any calendar year, a tax shall become due and payable to this  
4 state and is hereby imposed at the tax rate prescribed herein prorated on  
5 the basis of the weight and mileage for the months operated in the calendar  
6 year. The director shall issue special permit decals for each motor vehicle  
7 on which taxes have been paid in advance as provided herein, which shall  
8 be affixed on each such vehicle in the manner prescribed by the director.

9 Sec. 14. K.S.A. 2014 Supp. 79-34,118 is hereby amended to read as  
10 follows: 79-34,118. Upon application to the director of taxation and  
11 payment of the fee prescribed under this section any interstate motor fuel  
12 user may obtain a 24-hour motor fuel permit or a 72-hour motor fuel  
13 permit which shall authorize one commercial motor vehicle to be operated  
14 for a period of 24-hours or 72-hours, respectively, without compliance  
15 with the other provisions of the interstate motor fuel use act and in lieu of  
16 the tax imposed by K.S.A. 79-34,109, and amendments thereto. The fee  
17 for each 24-hour motor fuel permit issued under this section shall be ~~\$13~~  
18 ~~\$15.50~~. The fee for each 72-hour motor fuel permit issued under this  
19 section shall be ~~\$25~~ \$27.50. Motor fuel permits may be purchased in  
20 multiples of three upon making proper application and payment of the  
21 required fees. The secretary of revenue shall adopt rules and regulations  
22 specifying the conditions under which motor fuel permits will be issued  
23 and providing for the issuance thereof. The secretary may designate agents  
24 or contract with private individuals, firms or corporations to issue such  
25 motor fuel permits so that such permits will be obtainable at convenient  
26 locations.

27 Sec. 15. K.S.A. 2014 Supp. 79-34,141 is hereby amended to read as  
28 follows: 79-34,141. The tax imposed under this act shall be not less than:

29 (1) On motor-vehicle fuels other than E85 fuels, ~~\$.24~~ \$.29 per gallon,  
30 or fraction thereof;

31 (2) on special fuels, ~~\$.26~~ \$.31 per gallon, or fraction thereof;

32 (3) on LP-gas, other than compressed natural gas and liquefied  
33 natural gas, ~~\$.23~~ \$.28 per gallon, or fraction thereof;

34 (4) on E85 fuels, ~~\$.17~~ \$.22 per gallon, or fraction thereof;

35 (5) on compressed natural gas, ~~\$.24~~ \$.29 per gallon, or fraction  
36 thereof; and

37 (6) on liquefied natural gas, ~~\$.26~~ \$.31 per gallon, or fraction thereof.

38 Sec. 16. K.S.A. 2014 Supp. 79-34,142 is hereby amended to read as  
39 follows: 79-34,142. The state treasurer shall credit amounts received  
40 pursuant to K.S.A. 79-3408, 79-3408c, 79-3491a, 79-3492 and 79-34,118,  
41 and amendments thereto, as follows: *Prior to July 1, 2016*, to the state  
42 highway fund ~~66.37%~~ 71.70% and to the special city and county highway  
43 fund ~~33.63%~~ 28.30%; and on and after July 1, 2016, to the state highway

1 *fund 72.10% and to the special city and county highway fund 27.90%.*

2 Sec. 17. K.S.A. 2014 Supp. 79-3602 is hereby amended to read as  
3 follows: 79-3602. Except as otherwise provided, as used in the Kansas  
4 retailers' sales tax act:

5 (a) "Agent" means a person appointed by a seller to represent the  
6 seller before the member states.

7 (b) "Agreement" means the multistate agreement entitled the  
8 streamlined sales and use tax agreement approved by the streamlined sales  
9 tax implementing states at Chicago, Illinois on November 12, 2002.

10 (c) "Alcoholic beverages" means beverages that are suitable for  
11 human consumption and contain 0.05% or more of alcohol by volume.

12 (d) "Certified automated system (CAS)" means software certified  
13 under the agreement to calculate the tax imposed by each jurisdiction on a  
14 transaction, determine the amount of tax to remit to the appropriate state  
15 and maintain a record of the transaction.

16 (e) "Certified service provider (CSP)" means an agent certified under  
17 the agreement to perform all the seller's sales and use tax functions, other  
18 than the seller's obligation to remit tax on its own purchases.

19 (f) "Computer" means an electronic device that accepts information  
20 in digital or similar form and manipulates it for a result based on a  
21 sequence of instructions.

22 (g) "Computer software" means a set of coded instructions designed  
23 to cause a computer or automatic data processing equipment to perform a  
24 task.

25 (h) "Delivered electronically" means delivered to the purchaser by  
26 means other than tangible storage media.

27 (i) "Delivery charges" means charges by the seller of personal  
28 property or services for preparation and delivery to a location designated  
29 by the purchaser of personal property or services including, but not limited  
30 to, transportation, shipping, postage, handling, crating and packing.  
31 Delivery charges shall not include charges for delivery of direct mail if the  
32 charges are separately stated on an invoice or similar billing document  
33 given to the purchaser.

34 (j) "Direct mail" means printed material delivered or distributed by  
35 United States mail or other delivery services to a mass audience or to  
36 addressees on a mailing list provided by the purchaser or at the direction of  
37 the purchaser when the cost of the items are not billed directly to the  
38 recipients. Direct mail includes tangible personal property supplied  
39 directly or indirectly by the purchaser to the direct mail seller for inclusion  
40 in the package containing the printed material. Direct mail does not  
41 include multiple items of printed material delivered to a single address.

42 (k) "Director" means the state director of taxation.

43 (l) "Educational institution" means any nonprofit school, college and

1 university that offers education at a level above the ~~twelfth~~ 12<sup>th</sup> grade, and  
2 conducts regular classes and courses of study required for accreditation by,  
3 or membership in, the North Central Association of Colleges and Schools,  
4 the state board of education, or that otherwise qualify as an "educational  
5 institution," as defined by K.S.A. 74-50,103, and amendments thereto.  
6 Such phrase shall include: (1) A group of educational institutions that  
7 operates exclusively for an educational purpose; (2) nonprofit endowment  
8 associations and foundations organized and operated exclusively to  
9 receive, hold, invest and administer moneys and property as a permanent  
10 fund for the support and sole benefit of an educational institution; (3)  
11 nonprofit trusts, foundations and other entities organized and operated  
12 principally to hold and own receipts from intercollegiate sporting events  
13 and to disburse such receipts, as well as grants and gifts, in the interest of  
14 collegiate and intercollegiate athletic programs for the support and sole  
15 benefit of an educational institution; and (4) nonprofit trusts, foundations  
16 and other entities organized and operated for the primary purpose of  
17 encouraging, fostering and conducting scholarly investigations and  
18 industrial and other types of research for the support and sole benefit of an  
19 educational institution.

20 (m) "Electronic" means relating to technology having electrical,  
21 digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

22 (n) "Food and food ingredients" means substances, whether in liquid,  
23 concentrated, solid, frozen, dried or dehydrated form, that are sold for  
24 ingestion or chewing by humans and are consumed for their taste or  
25 nutritional value. "Food and food ingredients" does not include alcoholic  
26 beverages, *candy, dietary supplements, food sold through vending*  
27 *machines, prepared food, soft drinks* or tobacco.

28 (o) "Gross receipts" means the total selling price or the amount  
29 received as defined in this act, in money, credits, property or other  
30 consideration valued in money from sales at retail within this state; and  
31 embraced within the provisions of this act. The taxpayer, may take credit  
32 in the report of gross receipts for: (1) An amount equal to the selling price  
33 of property returned by the purchaser when the full sale price thereof,  
34 including the tax collected, is refunded in cash or by credit; and (2) an  
35 amount equal to the allowance given for the trade-in of property.

36 (p) "Ingredient or component part" means tangible personal property  
37 which is necessary or essential to, and which is actually used in and  
38 becomes an integral and material part of tangible personal property or  
39 services produced, manufactured or compounded for sale by the producer,  
40 manufacturer or compounder in its regular course of business. The  
41 following items of tangible personal property are hereby declared to be  
42 ingredients or component parts, but the listing of such property shall not be  
43 deemed to be exclusive nor shall such listing be construed to be a



1 restriction upon, or an indication of, the type or types of property to be  
2 included within the definition of "ingredient or component part" as herein  
3 set forth:

4 (1) Containers, labels and shipping cases used in the distribution of  
5 property produced, manufactured or compounded for sale which are not to  
6 be returned to the producer, manufacturer or compounder for reuse.

7 (2) Containers, labels, shipping cases, paper bags, drinking straws,  
8 paper plates, paper cups, twine and wrapping paper used in the distribution  
9 and sale of property taxable under the provisions of this act by wholesalers  
10 and retailers and which is not to be returned to such wholesaler or retailer  
11 for reuse.

12 (3) Seeds and seedlings for the production of plants and plant  
13 products produced for resale.

14 (4) Paper and ink used in the publication of newspapers.

15 (5) Fertilizer used in the production of plants and plant products  
16 produced for resale.

17 (6) Feed for animals, fowl and aquatic plants and animals, the  
18 primary purpose of which is use in agriculture or aquaculture, as defined in  
19 K.S.A. 47-1901, and amendments thereto, the production of food for  
20 human consumption, the production of animal, dairy, poultry or aquatic  
21 plant and animal products, fiber, fur, or the production of offspring for use  
22 for any such purpose or purposes.

23 (q) "Isolated or occasional sale" means the nonrecurring sale of  
24 tangible personal property, or services taxable hereunder by a person not  
25 engaged at the time of such sale in the business of selling such property or  
26 services. Any religious organization which makes a nonrecurring sale of  
27 tangible personal property acquired for the purpose of resale shall be  
28 deemed to be not engaged at the time of such sale in the business of selling  
29 such property. Such term shall include: (1) Any sale by a bank, savings and  
30 loan institution, credit union or any finance company licensed under the  
31 provisions of the Kansas uniform consumer credit code of tangible  
32 personal property which has been repossessed by any such entity; and (2)  
33 any sale of tangible personal property made by an auctioneer or agent on  
34 behalf of not more than two principals or households if such sale is  
35 nonrecurring and any such principal or household is not engaged at the  
36 time of such sale in the business of selling tangible personal property.

37 (r) "Lease or rental" means any transfer of possession or control of  
38 tangible personal property for a fixed or indeterminate term for  
39 consideration. A lease or rental may include future options to purchase or  
40 extend.

41 (1) Lease or rental does not include: (A) A transfer of possession or  
42 control of property under a security agreement or deferred payment plan  
43 that requires the transfer of title upon completion of the required

1 payments;

2 (B) a transfer or possession or control of property under an agreement  
3 that requires the transfer of title upon completion of required payments and  
4 payment of an option price does not exceed the greater of \$100 or 1% of  
5 the total required payments; or

6 (C) providing tangible personal property along with an operator for a  
7 fixed or indeterminate period of time. A condition of this exclusion is that  
8 the operator is necessary for the equipment to perform as designed. For the  
9 purpose of this subsection, an operator must do more than maintain,  
10 inspect or set-up the tangible personal property.

11 (2) Lease or rental does include agreements covering motor vehicles  
12 and trailers where the amount of consideration may be increased or  
13 decreased by reference to the amount realized upon sale or disposition of  
14 the property as defined in 26 U.S.C. § 7701(h)(1).

15 (3) This definition shall be used for sales and use tax purposes  
16 regardless if a transaction is characterized as a lease or rental under  
17 generally accepted accounting principles, the internal revenue code, the  
18 uniform commercial code, K.S.A. 84-1-101 et seq., and amendments  
19 thereto, or other provisions of federal, state or local law.

20 (4) This definition will be applied only prospectively from the  
21 effective date of this act and will have no retroactive impact on existing  
22 leases or rentals.

23 (s) "Load and leave" means delivery to the purchaser by use of a  
24 tangible storage media where the tangible storage media is not physically  
25 transferred to the purchaser.

26 (t) "Member state" means a state that has entered in the agreement,  
27 pursuant to provisions of article VIII of the agreement.

28 (u) "Model 1 seller" means a seller that has selected a CSP as its  
29 agent to perform all the seller's sales and use tax functions, other than the  
30 seller's obligation to remit tax on its own purchases.

31 (v) "Model 2 seller" means a seller that has selected a CAS to  
32 perform part of its sales and use tax functions, but retains responsibility for  
33 remitting the tax.

34 (w) "Model 3 seller" means a seller that has sales in at least five  
35 member states, has total annual sales revenue of at least \$500,000,000, has  
36 a proprietary system that calculates the amount of tax due each jurisdiction  
37 and has entered into a performance agreement with the member states that  
38 establishes a tax performance standard for the seller. As used in this  
39 subsection a seller includes an affiliated group of sellers using the same  
40 proprietary system.

41 (x) "Municipal corporation" means any city incorporated under the  
42 laws of Kansas.

43 (y) "Nonprofit blood bank" means any nonprofit place, organization,

1 institution or establishment that is operated wholly or in part for the  
2 purpose of obtaining, storing, processing, preparing for transfusing,  
3 furnishing, donating or distributing human blood or parts or fractions of  
4 single blood units or products derived from single blood units, whether or  
5 not any remuneration is paid therefor, or whether such procedures are done  
6 for direct therapeutic use or for storage for future use of such products.

7 (z) "Persons" means any individual, firm, copartnership, joint  
8 adventure, association, corporation, estate or trust, receiver or trustee, or  
9 any group or combination acting as a unit, and the plural as well as the  
10 singular number; and shall specifically mean any city or other political  
11 subdivision of the state of Kansas engaging in a business or providing a  
12 service specifically taxable under the provisions of this act.

13 (aa) "Political subdivision" means any municipality, agency or  
14 subdivision of the state which is, or shall hereafter be, authorized to levy  
15 taxes upon tangible property within the state or which certifies a levy to a  
16 municipality, agency or subdivision of the state which is, or shall hereafter  
17 be, authorized to levy taxes upon tangible property within the state. Such  
18 term also shall include any public building commission, housing, airport,  
19 port, metropolitan transit or similar authority established pursuant to law  
20 and the horsethief reservoir benefit district established pursuant to K.S.A.  
21 82a-2201, and amendments thereto.

22 (bb) "Prescription" means an order, formula or recipe issued in any  
23 form of oral, written, electronic or other means of transmission by a duly  
24 licensed practitioner authorized by the laws of this state.

25 (cc) "Prewritten computer software" means computer software,  
26 including prewritten upgrades, which is not designed and developed by the  
27 author or other creator to the specifications of a specific purchaser. The  
28 combining of two or more prewritten computer software programs or  
29 prewritten portions thereof does not cause the combination to be other than  
30 prewritten computer software. Prewritten computer software includes  
31 software designed and developed by the author or other creator to the  
32 specifications of a specific purchaser when it is sold to a person other than  
33 the purchaser. Where a person modifies or enhances computer software of  
34 which the person is not the author or creator, the person shall be deemed to  
35 be the author or creator only of such person's modifications or  
36 enhancements. Prewritten computer software or a prewritten portion  
37 thereof that is modified or enhanced to any degree, where such  
38 modification or enhancement is designed and developed to the  
39 specifications of a specific purchaser, remains prewritten computer  
40 software, except that where there is a reasonable, separately stated charge  
41 or an invoice or other statement of the price given to the purchaser for  
42 such modification or enhancement, such modification or enhancement  
43 shall not constitute prewritten computer software.

1 (dd) "Property which is consumed" means tangible personal property  
2 which is essential or necessary to and which is used in the actual process  
3 of and consumed, depleted or dissipated within one year in: (1) The  
4 production, manufacture, processing, mining, drilling, refining or  
5 compounding of tangible personal property; (2) the providing of  
6 services; (3) the irrigation of crops, for sale in the regular course of  
7 business; or (4) the storage or processing of grain by a public grain  
8 warehouse or other grain storage facility, and which is not reusable for  
9 such purpose. The following is a listing of tangible personal property,  
10 included by way of illustration but not of limitation, which qualifies as  
11 property which is consumed:

12 (A) Insecticides, herbicides, germicides, pesticides, fungicides,  
13 fumigants, antibiotics, biologicals, pharmaceuticals, vitamins and  
14 chemicals for use in commercial or agricultural production, processing or  
15 storage of fruit, vegetables, feeds, seeds, grains, animals or animal  
16 products whether fed, injected, applied, combined with or otherwise used;

17 (B) electricity, gas and water; and

18 (C) petroleum products, lubricants, chemicals, solvents, reagents and  
19 catalysts.

20 (ee) "Purchase price" applies to the measure subject to use tax and  
21 has the same meaning as sales price.

22 (ff) "Purchaser" means a person to whom a sale of personal property  
23 is made or to whom a service is furnished.

24 (gg) "Quasi-municipal corporation" means any county, township,  
25 school district, drainage district or any other governmental subdivision in  
26 the state of Kansas having authority to receive or hold moneys or funds.

27 (hh) "Registered under this agreement" means registration by a seller  
28 with the member states under the central registration system provided in  
29 article IV of the agreement.

30 (ii) "Retailer" means a seller regularly engaged in the business of  
31 selling, leasing or renting tangible personal property at retail or furnishing  
32 electrical energy, gas, water, services or entertainment, and selling only to  
33 the user or consumer and not for resale.

34 (jj) "Retail sale" or "sale at retail" means any sale, lease or rental for  
35 any purpose other than for resale, sublease or subrent.

36 (kk) "Sale" or "sales" means the exchange of tangible personal  
37 property, as well as the sale thereof for money, and every transaction,  
38 conditional or otherwise, for a consideration, constituting a sale, including  
39 the sale or furnishing of electrical energy, gas, water, services or  
40 entertainment taxable under the terms of this act and including, except as  
41 provided in the following provision, the sale of the use of tangible personal  
42 property by way of a lease, license to use or the rental thereof regardless of  
43 the method by which the title, possession or right to use the tangible

1 personal property is transferred. The term "sale" or "sales" shall not mean  
2 the sale of the use of any tangible personal property used as a dwelling by  
3 way of a lease or rental thereof for a term of more than 28 consecutive  
4 days.

5 (II) (1) "Sales or selling price" applies to the measure subject to sales  
6 tax and means the total amount of consideration, including cash, credit,  
7 property and services, for which personal property or services are sold,  
8 leased or rented, valued in money, whether received in money or  
9 otherwise, without any deduction for the following:

10 (A) The seller's cost of the property sold;

11 (B) the cost of materials used, labor or service cost, interest, losses,  
12 all costs of transportation to the seller, all taxes imposed on the seller and  
13 any other expense of the seller;

14 (C) charges by the seller for any services necessary to complete the  
15 sale, other than delivery and installation charges;

16 (D) delivery charges; and

17 (E) installation charges.

18 (2) "Sales or selling price" includes consideration received by the  
19 seller from third parties if:

20 (A) The seller actually receives consideration from a party other than  
21 the purchaser and the consideration is directly related to a price reduction  
22 or discount on the sale;

23 (B) the seller has an obligation to pass the price reduction or discount  
24 through to the purchaser;

25 (C) the amount of the consideration attributable to the sale is fixed  
26 and determinable by the seller at the time of the sale of the item to the  
27 purchaser; and

28 (D) one of the following criteria is met:

29 (i) The purchaser presents a coupon, certificate or other  
30 documentation to the seller to claim a price reduction or discount where  
31 the coupon, certificate or documentation is authorized, distributed or  
32 granted by a third party with the understanding that the third party will  
33 reimburse any seller to whom the coupon, certificate or documentation is  
34 presented;

35 (ii) the purchaser identifies to the seller that the purchaser is a  
36 member of a group or organization entitled to a price reduction or  
37 discount. A preferred customer card that is available to any patron does not  
38 constitute membership in such a group; or

39 (iii) the price reduction or discount is identified as a third party price  
40 reduction or discount on the invoice received by the purchaser or on a  
41 coupon, certificate or other documentation presented by the purchaser.

42 (3) "Sales or selling price" shall not include:

43 (A) Discounts, including cash, term or coupons that are not

1 reimbursed by a third party that are allowed by a seller and taken by a  
2 purchaser on a sale;

3 (B) interest, financing and carrying charges from credit extended on  
4 the sale of personal property or services, if the amount is separately stated  
5 on the invoice, bill of sale or similar document given to the purchaser;

6 (C) any taxes legally imposed directly on the consumer that are  
7 separately stated on the invoice, bill of sale or similar document given to  
8 the purchaser;

9 (D) the amount equal to the allowance given for the trade-in of  
10 property, if separately stated on the invoice, billing or similar document  
11 given to the purchaser; and

12 (E) commencing on July 1, 2006, and ending on June 30, 2009, cash  
13 rebates granted by a manufacturer to a purchaser or lessee of a new motor  
14 vehicle if paid directly to the retailer as a result of the original sale.

15 (mm) "Seller" means a person making sales, leases or rentals of  
16 personal property or services.

17 (nn) "Service" means those services described in and taxed under the  
18 provisions of K.S.A. 79-3603, and amendments thereto.

19 (oo) "Sourcing rules" means the rules set forth in K.S.A. 2014 Supp.  
20 79-3670 through 79-3673, K.S.A. 12-191 and 12-191a, and amendments  
21 thereto, which shall apply to identify and determine the state and local  
22 taxing jurisdiction sales or use taxes to pay, or collect and remit on a  
23 particular retail sale.

24 (pp) "Tangible personal property" means personal property that can  
25 be seen, weighed, measured, felt or touched, or that is in any other manner  
26 perceptible to the senses. Tangible personal property includes electricity,  
27 water, gas, steam and prewritten computer software.

28 (qq) "Taxpayer" means any person obligated to account to the  
29 director for taxes collected under the terms of this act.

30 (rr) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco or  
31 any other item that contains tobacco.

32 (ss) "Entity-based exemption" means an exemption based on who  
33 purchases the product or who sells the product. An exemption that is  
34 available to all individuals shall not be considered an entity-based  
35 exemption.

36 (tt) "Over-the-counter" drug means a drug that contains a label that  
37 identifies the product as a drug as required by 21 C.F.R. § 201.66. The  
38 over-the-counter drug label includes: (1) A drug facts panel; or (2) a  
39 statement of the active ingredients with a list of those ingredients  
40 contained in the compound, substance or preparation. Over-the-counter  
41 drugs do not include grooming and hygiene products such as soaps,  
42 cleaning solutions, shampoo, toothpaste, antiperspirants and sun tan  
43 lotions and screens.

1 (uu) "Ancillary services" means services that are associated with or  
2 incidental to the provision of telecommunications services, including, but  
3 not limited to, detailed telecommunications billing, directory assistance,  
4 vertical service and voice mail services.

5 (vv) "Conference bridging service" means an ancillary service that  
6 links two or more participants of an audio or video conference call and  
7 may include the provision of a telephone number. Conference bridging  
8 service does not include the telecommunications services used to reach the  
9 conference bridge.

10 (ww) "Detailed telecommunications billing service" means an  
11 ancillary service of separately stating information pertaining to individual  
12 calls on a customer's billing statement.

13 (xx) "Directory assistance" means an ancillary service of providing  
14 telephone number information or address information, or both.

15 (yy) "Vertical service" means an ancillary service that is offered in  
16 connection with one or more telecommunications services, which offers  
17 advanced calling features that allow customers to identify callers and to  
18 manage multiple calls and call connections, including conference bridging  
19 services.

20 (zz) "Voice mail service" means an ancillary service that enables the  
21 customer to store, send or receive recorded messages. Voice mail service  
22 does not include any vertical services that the customer may be required to  
23 have in order to utilize the voice mail service.

24 (aaa) "Telecommunications service" means the electronic  
25 transmission, conveyance or routing of voice, data, audio, video or any  
26 other information or signals to a point, or between or among points. The  
27 term telecommunications service includes such transmission, conveyance  
28 or routing in which computer processing applications are used to act on the  
29 form, code or protocol of the content for purposes of transmissions,  
30 conveyance or routing without regard to whether such service is referred to  
31 as voice over Internet protocol services or is classified by the federal  
32 communications commission as enhanced or value added.  
33 Telecommunications service does not include:

34 (1) Data processing and information services that allow data to be  
35 generated, acquired, stored, processed or retrieved and delivered by an  
36 electronic transmission to a purchaser where such purchaser's primary  
37 purpose for the underlying transaction is the processed data or  
38 information;

39 (2) installation or maintenance of wiring or equipment on a  
40 customer's premises;

41 (3) tangible personal property;

42 (4) advertising, including, but not limited to, directory advertising;

43 (5) billing and collection services provided to third parties;

1 (6) internet access service;

2 (7) radio and television audio and video programming services,  
3 regardless of the medium, including the furnishing of transmission,  
4 conveyance and routing of such services by the programming service  
5 provider. Radio and television audio and video programming services shall  
6 include, but not be limited to, cable service as defined in 47 U.S.C. §  
7 522(6) and audio and video programming services delivered by  
8 commercial mobile radio service providers, as defined in 47 C.F.R. § 20.3;

9 (8) ancillary services; or

10 (9) digital products delivered electronically, including, but not limited  
11 to, software, music, video, reading materials or ring tones.

12 (bbb) "800 service" means a telecommunications service that allows a  
13 caller to dial a toll-free number without incurring a charge for the call. The  
14 service is typically marketed under the name 800, 855, 866, 877 and 888  
15 toll-free calling, and any subsequent numbers designated by the federal  
16 communications commission.

17 (ccc) "900 service" means an inbound toll telecommunications  
18 service purchased by a subscriber that allows the subscriber's customers to  
19 call in to the subscriber's prerecorded announcement or live service. 900  
20 service does not include the charge for collection services provided by the  
21 seller of the telecommunications services to the subscriber, or service or  
22 product sold by the subscriber to the subscriber's customer. The service is  
23 typically marketed under the name 900 service, and any subsequent  
24 numbers designated by the federal communications commission.

25 (ddd) "Value-added non-voice data service" means a service that  
26 otherwise meets the definition of telecommunications services in which  
27 computer processing applications are used to act on the form, content,  
28 code or protocol of the information or data primarily for a purpose other  
29 than transmission, conveyance or routing.

30 (eee) "International" means a telecommunications service that  
31 originates or terminates in the United States and terminates or originates  
32 outside the United States, respectively. United States includes the District  
33 of Columbia or a U.S. territory or possession.

34 (fff) "Interstate" means a telecommunications service that originates  
35 in one United States state, or a United States territory or possession, and  
36 terminates in a different United States state or a United States territory or  
37 possession.

38 (ggg) "Intrastate" means a telecommunications service that originates  
39 in one United States state or a United States territory or possession, and  
40 terminates in the same United States state or a United States territory or  
41 possession.

42 (hhh) "*Candy*" means a preparation of sugar, honey or other natural  
43 or artificial sweeteners in combination with chocolate, fruits, nuts or other



1 ingredients or flavorings in the form of bars, drops or pieces. Candy shall  
2 not include any preparation containing flour and shall require no  
3 refrigeration.

4 (iii) "Food sold through vending machines" means food dispensed  
5 from a machine or other mechanical device that accepts payment.

6 (jjj) (l) "Prepared food" means any of the following:

7 (A) Food sold in a heated state or heated by the seller;

8 (B) two or more food ingredients mixed or combined by the seller for  
9 sale as a single item; or

10 (C) food sold with eating utensils provided by the seller, including  
11 plates, knives, forks, spoons, glasses, cups, napkins or straws. A plate does  
12 not include a container or packaging used to transport the food.

13 (2) "Prepared food" does not include:

14 (A) Food that is only cut, repackaged or pasteurized by the seller;

15 (B) eggs, fish, meat, poultry and foods containing these raw animal  
16 foods requiring cooking by the consumer as recommended by the United  
17 States food and drug administration, in chapter 3, part 401.11 of its food  
18 code, so as to prevent foodborne illnesses;

19 (C) if sold without eating utensils provided by the seller, bakery  
20 items, including breads, rolls, buns, biscuits, bagels, croissants, pastries,  
21 donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies and  
22 tortillas; or

23 (D) food sold by a seller whose primary North American industry  
24 classification system, United States, 2002 edition, classification is  
25 manufacturing in sector 311, except subsector 3118.

26 (lll) "Soft drinks" means nonalcoholic beverages that contain natural  
27 or artificial sweeteners. "Soft drinks" does not include beverages that  
28 contain milk or milk products; soy, rice or similar milk substitutes; or  
29 greater than 50% of vegetable or fruit juice by volume.

30 (mmm) "Dietary supplement" shall have the same meaning ascribed  
31 to it as in K.S.A. 79-3606(jjj), and amendments thereto.

32 Sec. 18. K.S.A. 2014 Supp. 79-3603, as amended by section 20 of  
33 2015 Senate Substitute for House Bill No. 2155, is hereby amended to  
34 read as follows: 79-3603. For the privilege of engaging in the business of  
35 selling tangible personal property at retail in this state or rendering or  
36 furnishing any of the services taxable under this act, there is hereby levied  
37 and there shall be collected and paid a tax at the rate of 6.15%, and  
38 commencing July 1, 2015, at the rate of 6.5%. Within a redevelopment  
39 district established pursuant to K.S.A. 74-8921, and amendments thereto,  
40 there is hereby levied and there shall be collected and paid an additional  
41 tax at the rate of 2% until the earlier of the date the bonds issued to finance  
42 or refinance the redevelopment project have been paid in full or the final  
43 scheduled maturity of the first series of bonds issued to finance any part of

1 the project upon:

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

4 (b) the gross receipts from intrastate, interstate or international  
5 telecommunications services and any ancillary services sourced to this  
6 state in accordance with K.S.A. 2014 Supp. 79-3673, and amendments  
7 thereto, except that telecommunications service does not include: (1) Any  
8 interstate or international 800 or 900 service; (2) any interstate or  
9 international private communications service as defined in K.S.A. 2014  
10 Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice  
11 data service; (4) any telecommunication service to a provider of  
12 telecommunication services which will be used to render  
13 telecommunications services, including carrier access services; or (5) any  
14 service or transaction defined in this section among entities classified as  
15 members of an affiliated group as provided by section 1504 of the federal  
16 internal revenue code of 1986, as in effect on January 1, 2001;

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

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

36 (e) the gross receipts from the sale of admissions to any place  
37 providing amusement, entertainment or recreation services including  
38 admissions to state, county, district and local fairs, but such tax shall not  
39 be levied and collected upon the gross receipts received from sales of  
40 admissions to any cultural and historical event which occurs triennially;

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

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

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

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

21 (j) the gross receipts from the rendering of the services of washing  
22 and washing and waxing of vehicles;

23 (k) the gross receipts from cable, community antennae and other  
24 subscriber radio and television services;

25 (l) (1) except as otherwise provided by paragraph (2), the gross  
26 receipts received from the sales of tangible personal property to all  
27 contractors, subcontractors or repairmen for use by them in erecting  
28 structures, or building on, or otherwise improving, altering, or repairing  
29 real or personal property.

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

37 (m) the gross receipts received from fees and charges by public and  
38 private clubs, drinking establishments, organizations and businesses for  
39 participation in sports, games and other recreational activities, but such tax  
40 shall not be levied and collected upon the gross receipts received from: (1)  
41 Fees and charges by any political subdivision, by any organization exempt  
42 from property taxation pursuant to K.S.A. 79-201 Ninth, and amendments  
43 thereto, or by any youth recreation organization exclusively providing

1 services to persons 18 years of age or younger which is exempt from  
2 federal income taxation pursuant to section 501(c)(3) of the federal  
3 internal revenue code of 1986, for participation in sports, games and other  
4 recreational activities; and (2) entry fees and charges for participation in a  
5 special event or tournament sanctioned by a national sporting association  
6 to which spectators are charged an admission which is taxable pursuant to  
7 subsection (e);

8 (n) the gross receipts received from dues charged by public and  
9 private clubs, drinking establishments, organizations and businesses,  
10 payment of which entitles a member to the use of facilities for recreation  
11 or entertainment, but such tax shall not be levied and collected upon the  
12 gross receipts received from: (1) Dues charged by any organization exempt  
13 from property taxation pursuant to K.S.A. 79-201 Eighth and Ninth, and  
14 amendments thereto; and (2) sales of memberships in a nonprofit  
15 organization which is exempt from federal income taxation pursuant to  
16 section 501(c)(3) of the federal internal revenue code of 1986, and whose  
17 purpose is to support the operation of a nonprofit zoo;

18 (o) the gross receipts received from the isolated or occasional sale of  
19 motor vehicles or trailers but not including: (1) The transfer of motor  
20 vehicles or trailers by a person to a corporation or limited liability  
21 company solely in exchange for stock securities or membership interest in  
22 such corporation or limited liability company; (2) the transfer of motor  
23 vehicles or trailers by one corporation or limited liability company to  
24 another when all of the assets of such corporation or limited liability  
25 company are transferred to such other corporation or limited liability  
26 company; or (3) the sale of motor vehicles or trailers which are subject to  
27 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
28 amendments thereto, by an immediate family member to another  
29 immediate family member. For the purposes of paragraph (3), immediate  
30 family member means lineal ascendants or descendants, and their spouses.  
31 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
32 on the isolated or occasional sale of motor vehicles or trailers on and after  
33 July 1, 2004, which the base for computing the tax was the value pursuant  
34 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when  
35 such amount was higher than the amount of sales tax which would have  
36 been paid under the law as it existed on June 30, 2004, shall be refunded to  
37 the taxpayer pursuant to the procedure prescribed by this section. Such  
38 refund shall be in an amount equal to the difference between the amount of  
39 sales tax paid by the taxpayer and the amount of sales tax which would  
40 have been paid by the taxpayer under the law as it existed on June 30,  
41 2004. Each claim for a sales tax refund shall be verified and submitted not  
42 later than six months from the effective date of this act to the director of  
43 taxation upon forms furnished by the director and shall be accompanied by

1 any additional documentation required by the director. The director shall  
2 review each claim and shall refund that amount of tax paid as provided by  
3 this act. All such refunds shall be paid from the sales tax refund fund, upon  
4 warrants of the director of accounts and reports pursuant to vouchers  
5 approved by the director of taxation or the director's designee. No refund  
6 for an amount less than \$10 shall be paid pursuant to this act. In  
7 determining the base for computing the tax on such isolated or occasional  
8 sale, the fair market value of any motor vehicle or trailer traded in by the  
9 purchaser to the seller may be deducted from the selling price;

10 (p) the gross receipts received for the service of installing or applying  
11 tangible personal property which when installed or applied is not being  
12 held for sale in the regular course of business, and whether or not such  
13 tangible personal property when installed or applied remains tangible  
14 personal property or becomes a part of real estate, except that no tax shall  
15 be imposed upon the service of installing or applying tangible personal  
16 property in connection with the original construction of a building or  
17 facility, the original construction, reconstruction, restoration, remodeling,  
18 renovation, repair or replacement of a residence or the construction,  
19 reconstruction, restoration, replacement or repair of a bridge or highway.

20 For the purposes of this subsection:

21 (1) "Original construction" shall mean the first or initial construction  
22 of a new building or facility. The term "original construction" shall include  
23 the addition of an entire room or floor to any existing building or facility,  
24 the completion of any unfinished portion of any existing building or  
25 facility and the restoration, reconstruction or replacement of a building,  
26 facility or utility structure damaged or destroyed by fire, flood, tornado,  
27 lightning, explosion, windstorm, ice loading and attendant winds,  
28 terrorism or earthquake, but such term, except with regard to a residence,  
29 shall not include replacement, remodeling, restoration, renovation or  
30 reconstruction under any other circumstances;

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

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

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

43 (5) "utility structure" shall mean transmission and distribution lines

1 owned by an independent transmission company or cooperative, the  
2 Kansas electric transmission authority or natural gas or electric public  
3 utility; and

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

7 (q) the gross receipts received for the service of repairing, servicing,  
8 altering or maintaining tangible personal property which when such  
9 services are rendered is not being held for sale in the regular course of  
10 business, and whether or not any tangible personal property is transferred  
11 in connection therewith. The tax imposed by this subsection shall be  
12 applicable to the services of repairing, servicing, altering or maintaining an  
13 item of tangible personal property which has been and is fastened to,  
14 connected with or built into real property;

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

18 (s) on and after January 1, 2005, the gross receipts received from the  
19 sale of prewritten computer software and the sale of the services of  
20 modifying, altering, updating or maintaining prewritten computer  
21 software, whether the prewritten computer software is installed or  
22 delivered electronically by tangible storage media physically transferred to  
23 the purchaser or by load and leave;

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

25 (u) the gross receipts received from the sale of prepaid calling service  
26 and prepaid wireless calling service as defined in K.S.A. 2014 Supp. 79-  
27 3673, and amendments thereto;

28 (v) all sales of bingo cards, bingo faces and instant bingo tickets by  
29 licensees under section 1 of 2015 Senate Substitute for House Bill No.  
30 2155, et seq., and amendments thereto, shall be exempt from taxes  
31 imposed pursuant to this section; ~~and~~

32 (w) all sales of charitable raffle tickets in accordance with section 1  
33 of 2015 Senate Substitute for House Bill No. 2155, et seq., and  
34 amendments thereto, shall be exempt from taxes imposed pursuant to this  
35 section; and

36 (x) commencing July 1, 2015, and thereafter, the gross receipts from  
37 the sale of food and food ingredients shall be taxed at the rate of 6.0%.

38 Sec. 19. K.S.A. 2014 Supp. 79-3620 is hereby amended to read as  
39 follows: 79-3620. (a) All revenue collected or received by the director of  
40 taxation from the taxes imposed by this act shall be remitted to the state  
41 treasurer in accordance with the provisions of K.S.A. 75-4215, and  
42 amendments thereto. Upon receipt of each such remittance, the state  
43 treasurer shall deposit the entire amount in the state treasury, less amounts

1 withheld as provided in subsection (b) and amounts credited as provided in  
2 subsections (c), (d) and (e), to the credit of the state general fund.

3 (b) A refund fund, designated as "sales tax refund fund" not to exceed  
4 \$100,000 shall be set apart and maintained by the director from sales tax  
5 collections and estimated tax collections and held by the state treasurer for  
6 prompt payment of all sales tax refunds. Such fund shall be in such  
7 amount, within the limit set by this section, as the director shall determine  
8 is necessary to meet current refunding requirements under this act. In the  
9 event such fund as established by this section is, at any time, insufficient to  
10 provide for the payment of refunds due claimants thereof, the director shall  
11 certify the amount of additional funds required to the director of accounts  
12 and reports who shall promptly transfer the required amount from the state  
13 general fund to the sales tax refund fund, and notify the state treasurer,  
14 who shall make proper entry in the records.

15 ~~(c) (1) The state treasurer shall credit  $\frac{5}{798}$  of the revenue collected or~~  
16 ~~received from the tax imposed by K.S.A. 79-3603, and amendments~~  
17 ~~thereto, at the rate of 4.9%, and deposited as provided in subsection (a),~~  
18 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~  
19 ~~highway fund.~~

20 ~~(2) The state treasurer shall credit  $\frac{5}{7406}$  of the revenue collected or~~  
21 ~~received from the tax imposed by K.S.A. 79-3603, and amendments~~  
22 ~~thereto, at the rate of 5.3%, and deposited as provided in subsection (a),~~  
23 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~  
24 ~~highway fund.~~

25 ~~(3) On July 1, 2006, the state treasurer shall credit  $\frac{19}{7265}$  of the revenue~~  
26 ~~collected and received from the tax imposed by K.S.A. 79-3603, and~~  
27 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~  
28 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~  
29 ~~the state highway fund.~~

30 ~~(4) On July 1, 2007, the state treasurer shall credit  $\frac{13}{7406}$  of the revenue~~  
31 ~~collected and received from the tax imposed by K.S.A. 79-3603, and~~  
32 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~  
33 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~  
34 ~~the state highway fund.~~

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

40 ~~(6)(2) On July 1, 2011, the state treasurer shall credit 11.26% of the~~  
41 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~  
42 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~  
43 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~

1 the state highway fund.

2 (7)(3) On July 1, 2012, the state treasurer shall credit 11.233% of the  
3 revenue collected and received from the tax imposed by K.S.A. 79-3603,  
4 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
5 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
6 the state highway fund.

7 (8)(4) On July 1, 2013, ~~and thereafter~~, the state treasurer shall credit  
8 17.073% of the revenue collected and received from the tax imposed by  
9 K.S.A. 79-3603, and amendments thereto, at the rate of 6.15%, and  
10 deposited as provided by subsection (a), exclusive of amounts credited  
11 pursuant to subsection (d), in the state highway fund.

12 (5) *On July 1, 2015, the state treasurer shall credit 13.878% of the*  
13 *revenue collected and received from the tax imposed by K.S.A. 79-3603,*  
14 *and amendments thereto, at the rates of 6.5% and 6.0%, and deposited as*  
15 *provided by subsection (a), exclusive of amounts credited pursuant to*  
16 *subsection (d), in the state highway fund.*

17 (6) *On July 1, 2016, the state treasurer shall credit 13.700% of the*  
18 *revenue collected and received from the tax imposed by K.S.A. 79-3603,*  
19 *and amendments thereto, at the rates of 6.50% and 6.0%, and deposited as*  
20 *provided by subsection (a), exclusive of amounts credited pursuant to*  
21 *subsection (d), in the state highway fund.*

22 (7) *On July 1, 2017, and thereafter, the state treasurer shall credit*  
23 *13.790% of the revenue collected and received from the tax imposed by*  
24 *K.S.A. 79-3603, and amendments thereto, at the rates of 6.5% and 6.0%,*  
25 *and deposited as provided by subsection (a), exclusive of amounts credited*  
26 *pursuant to subsection (d), in the state highway fund.*

27 (d) The state treasurer shall credit all revenue collected or received  
28 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as  
29 certified by the director, from taxpayers doing business within that portion  
30 of a STAR bond project district occupied by a STAR bond project or  
31 taxpayers doing business with such entity financed by a STAR bond  
32 project as defined in K.S.A. 2014 Supp. 12-17,162, and amendments  
33 thereto, that was determined by the secretary of commerce to be of  
34 statewide as well as local importance or will create a major tourism area  
35 for the state or the project was designated as a STAR bond project as  
36 defined in K.S.A. 2014 Supp. 12-17,162, and amendments thereto, to the  
37 city bond finance fund, which fund is hereby created. The provisions of  
38 this subsection shall expire when the total of all amounts credited  
39 hereunder and under ~~subsection (d)~~ of K.S.A. 79-3710(d), and  
40 amendments thereto, is sufficient to retire the special obligation bonds  
41 issued for the purpose of financing all or a portion of the costs of such  
42 STAR bond project.

43 (e) All revenue certified by the director of taxation as having been



1 collected or received from the tax imposed by ~~subsection (e)~~ of K.S.A. 79-  
2 3603(c), and amendments thereto, on the sale or furnishing of gas, water,  
3 electricity and heat for use or consumption within the intermodal facility  
4 district described in this subsection, shall be credited by the state treasurer  
5 to the state highway fund. Such revenue may be transferred by the  
6 secretary of transportation to the rail service improvement fund pursuant to  
7 law. The provisions of this subsection shall take effect upon certification  
8 by the secretary of transportation that a notice to proceed has been  
9 received for the construction of the improvements within the intermodal  
10 facility district, but not later than December 31, 2010, and shall expire  
11 when the secretary of revenue determines that the total of all amounts  
12 credited hereunder and pursuant to ~~subsection (e)~~ of K.S.A. 79-3710(e),  
13 and amendments thereto, is equal to \$53,300,000, but not later than  
14 December 31, 2045. Thereafter, all revenues shall be collected and  
15 distributed in accordance with applicable law. For all tax reporting periods  
16 during which the provisions of this subsection are in effect, none of the  
17 exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto,  
18 shall apply to the sale or furnishing of any gas, water, electricity and heat  
19 for use or consumption within the intermodal facility district. As used in  
20 this subsection, "intermodal facility district" shall consist of an intermodal  
21 transportation area as defined by ~~subsection (oo)~~ of K.S.A. 12-1770a(oo),  
22 and amendments thereto, located in Johnson county within the polygonal-  
23 shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as  
24 the southern boundary, Four Corners Road as the western boundary, and  
25 Highway 56 as the northern boundary, and the polygonal-shaped area  
26 having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern  
27 boundary, Waverly Road as the western boundary, and the BNSF mainline  
28 track as the northern boundary, that includes capital investment in an  
29 amount exceeding \$150 million for the construction of an intermodal  
30 facility to handle the transfer, storage and distribution of freight through  
31 railway and trucking operations.

32 Sec. 20. K.S.A. 2014 Supp. 79-3703 is hereby amended to read as  
33 follows: 79-3703. There is hereby levied and there shall be collected from  
34 every person in this state a tax or excise for the privilege of using, storing,  
35 or consuming within this state any article of tangible personal property.  
36 Such tax shall be levied and collected in an amount equal to the  
37 consideration paid by the taxpayer multiplied by the rate of 6.15%, *and*  
38 *commencing July 1, 2015, at the rate of 6.5%, except that such rate shall*  
39 *be 6.0% upon food and food ingredients, as defined by K.S.A. 79-3602,*  
40 *and amendments thereto.* Within a redevelopment district established  
41 pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby  
42 levied and there shall be collected and paid an additional tax of 2% until  
43 the earlier of: (1) The date the bonds issued to finance or refinance the

1 redevelopment project undertaken in the district have been paid in full; or  
2 (2) the final scheduled maturity of the first series of bonds issued to  
3 finance the redevelopment project. All property purchased or leased within  
4 or without this state and subsequently used, stored or consumed in this  
5 state shall be subject to the compensating tax if the same property or  
6 transaction would have been subject to the Kansas retailers' sales tax had  
7 the transaction been wholly within this state.

8 Sec. 21. K.S.A. 2014 Supp. 79-3710 is hereby amended to read as  
9 follows: 79-3710. (a) All revenue collected or received by the director  
10 under the provisions of this act shall be remitted to the state treasurer in  
11 accordance with the provisions of K.S.A. 75-4215, and amendments  
12 thereto. Upon receipt of each such remittance, the state treasurer shall  
13 deposit the entire amount in the state treasury, less amounts set apart as  
14 provided in subsection (b) and amounts credited as provided in subsection  
15 (c), (d) and (e), to the credit of the state general fund.

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

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

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

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

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

43 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the

1 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
2 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
3 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
4 the state highway fund.

5 ~~(6)~~(2) On July 1, 2011, the state treasurer shall credit 11.26% of the  
6 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
7 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
8 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
9 the state highway fund.

10 ~~(7)~~(3) On July 1, 2012, the state treasurer shall credit 11.233% of the  
11 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
12 and amendments thereto, at the rate of 6.3%, and deposited as provided by  
13 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
14 the state highway fund.

15 ~~(8)~~(4) On July 1, 2013, ~~and thereafter~~, the state treasurer shall credit  
16 17.073% of the revenue collected and received from the tax imposed by  
17 K.S.A. 79-3703, and amendments thereto, at the rate of 6.15%, and  
18 deposited as provided by subsection (a), exclusive of amounts credited  
19 pursuant to subsection (d), in the state highway fund.

20 (5) *On July 1, 2015, the state treasurer shall credit 13.878% of the*  
21 *revenue collected and received from the tax imposed by K.S.A. 79-3703,*  
22 *and amendments thereto, at the rates of 6.5% and 6.0%, and deposited as*  
23 *provided by subsection (a), exclusive of amounts credited pursuant to*  
24 *subsection (d), in the state highway fund.*

25 (6) *On July 1, 2016, the state treasurer shall credit 13.700% of the*  
26 *revenue collected and received from the tax imposed by K.S.A. 79-3703,*  
27 *and amendments thereto, at the rates of 6.5% and 6.0%, and deposited as*  
28 *provided by subsection (a), exclusive of amounts credited pursuant to*  
29 *subsection (d), in the state highway fund.*

30 (7) *On July 1, 2017, and thereafter, the state treasurer shall credit*  
31 *13.790% of the revenue collected and received from the tax imposed by*  
32 *K.S.A. 79-3603, and amendments thereto, at the rates of 6.5% and 6.0%,*  
33 *and deposited as provided by subsection (a), exclusive of amounts credited*  
34 *pursuant to subsection (d), in the state highway fund.*

35 (d) The state treasurer shall credit all revenue collected or received  
36 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as  
37 certified by the director, from taxpayers doing business within that portion  
38 of a redevelopment district occupied by a redevelopment project that was  
39 determined by the secretary of commerce to be of statewide as well as  
40 local importance or will create a major tourism area for the state as defined  
41 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance  
42 fund created by ~~subsection (d) of K.S.A. 79-3620(d)~~, and amendments  
43 thereto. The provisions of this subsection shall expire when the total of all

1 amounts credited hereunder and under ~~subsection (d)~~ of K.S.A. 79-  
2 3620(d), and amendments thereto, is sufficient to retire the special  
3 obligation bonds issued for the purpose of financing all or a portion of the  
4 costs of such redevelopment project.

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

8 (e) All revenue certified by the director of taxation as having been  
9 collected or received from the tax imposed by ~~subsection (e)~~ of K.S.A. 79-  
10 3603(c), and amendments thereto, on the sale or furnishing of gas, water,  
11 electricity and heat for use or consumption within the intermodal facility  
12 district described in this subsection, shall be credited by the state treasurer  
13 to the state highway fund. Such revenue may be transferred by the  
14 secretary of transportation to the rail service improvement fund pursuant to  
15 law. The provisions of this subsection shall take effect upon certification  
16 by the secretary of transportation that a notice to proceed has been  
17 received for the construction of the improvements within the intermodal  
18 facility district, but not later than December 31, 2010, and shall expire  
19 when the secretary of revenue determines that the total of all amounts  
20 credited hereunder and pursuant to ~~subsection (e)~~ of K.S.A. 79-3620(e),  
21 and amendments thereto, is equal to \$53,300,000, but not later than  
22 December 31, 2045. Thereafter, all revenues shall be collected and  
23 distributed in accordance with applicable law. For all tax reporting periods  
24 during which the provisions of this subsection are in effect, none of the  
25 exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto,  
26 shall apply to the sale or furnishing of any gas, water, electricity and heat  
27 for use or consumption within the intermodal facility district. As used in  
28 this subsection, "intermodal facility district" shall consist of an intermodal  
29 transportation area as defined by ~~subsection (oo)~~ of K.S.A. 12-1770a(oo),  
30 and amendments thereto, located in Johnson county within the polygonal-  
31 shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as  
32 the southern boundary, Four Corners Road as the western boundary, and  
33 Highway 56 as the northern boundary, and the polygonal-shaped area  
34 having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern  
35 boundary, Waverly Road as the western boundary, and the BNSF mainline  
36 track as the northern boundary, that includes capital investment in an  
37 amount exceeding \$150 million for the construction of an intermodal  
38 facility to handle the transfer, storage and distribution of freight through  
39 railway and trucking operations.

40 Sec. 22. K.S.A. 79-5105 is hereby amended to read as follows: 79-  
41 5105. (a) (1) *Except as provided in subsection (a)(2)*, a tax is hereby levied  
42 upon every motor vehicle, as ~~the same~~ is defined by K.S.A. 79-5101, and  
43 amendments thereto, in an amount which shall be determined in the

1 manner hereinafter prescribed, except that: ~~(A)~~ (A) (i) For 1995, the tax on  
 2 any motorcycle shall not be less than \$6 and the tax on any other motor  
 3 vehicle shall not be less than \$12; and ~~(B)~~(ii) the tax on each motor vehicle  
 4 the age of which is 15 years or older shall not be more than \$12; and ~~(2)~~  
 5 (B) for 1996, and each year thereafter: ~~(A)~~(i) The tax on any motorcycle  
 6 shall not be less than \$12 and the tax on any other motor vehicle shall not  
 7 be less than \$24, except as otherwise provided by ~~clause (B) and (C)~~  
 8 *subsections (a)(1)(B)(ii) and (a)(1)(B)(iii)*; ~~(B)~~(ii) the tax on any  
 9 motorcycle the model year of which is 1980 or earlier shall be \$6 and the  
 10 tax on any other motor vehicle the model year of which is 1980 or earlier  
 11 shall be \$12; and ~~(C)~~(iii) if the tax on any motorcycle in 1995 was more  
 12 than \$6 but less than \$12, the tax shall be determined for 1996 and each  
 13 year thereafter in the manner hereinafter prescribed but shall not be less  
 14 than \$6, and if the tax on any other motor vehicle in 1995 was more than  
 15 \$12 but less than \$24, the tax shall be determined for 1996 and each year  
 16 thereafter in the manner hereinafter prescribed but shall not be less than  
 17 \$12.

18 (2) *Commencing in 2016, and each year thereafter, the tax on any*  
 19 *motorcycle shall not be less than \$18 and the tax on any other motor*  
 20 *vehicle shall not be less than \$36, unless in 2014 such tax was already less*  
 21 *than such minimum tax, and in any such case the provisions of subsection*  
 22 *(a)(1) shall remain applicable to any such motorcycle or other motor*  
 23 *vehicle.*

24 (b) The amount of such tax on a motor vehicle shall be computed by:  
 25 (1) By determining the amount representing the midpoint of the values  
 26 included within the class in which such motor vehicle is classified under  
 27 K.S.A. 79-5102 or 79-5103, and amendments thereto, except that the  
 28 midpoint of class 20 shall be \$21,000 plus \$2,000 for each \$2,000 or  
 29 portion thereof by which the trade-in value of the vehicle exceeds \$22,000;  
 30 (2) if the model year of the motor vehicle is a year other than the year for  
 31 which the tax is levied, by reducing such midpoint amount by an amount  
 32 equal to 16% in 1995, and all years prior thereto, and 15% in 1996, ~~and all~~  
 33 ~~years through 2015, and commencing in 2016 and in each year thereafter,~~  
 34 *15% for the first three years of a vehicle, 12% for years four through six,*  
 35 *and 10% for all years thereafter, of the remaining balance for each year of*  
 36 *difference between the model year of the motor vehicle and the year for*  
 37 *which the tax is levied if the model year of the motor vehicle is 1981 or a*  
 38 *later year or (B) the remaining balance for each year of difference between*  
 39 *the year 1980 and the year for which the tax is levied if the model year of*  
 40 *the motor vehicle is 1980 or any year prior thereto until such time as such*  
 41 *result is equal to or less than the minimum tax prescribed by subsection*  
 42 *(a); (3) by multiplying the amount determined after application of ~~clause~~*  
 43 *(2) above subsection (b)(2) by ~~30% during calendar year 1995, 28.5%~~*

1 during the calendar year 1996, 26.5% during the calendar year 1997,  
2 24.5% during the calendar year 1998, 22.5% during the calendar year  
3 1999, and 20% during calendar year 2015, 18% during calendar year  
4 2016, 16% during calendar year 2017, 14% during calendar year 2018,  
5 and 12% during calendar year 2019, and all calendar years thereafter,  
6 which shall constitute the taxable value of the motor vehicle; and (4) by  
7 multiplying the taxable value of the motor vehicle produced under ~~clause~~  
8 ~~(3)~~ above subsection (b)(3) by the county average tax rate.

9 (c) The "county average tax rate" means the total amount of general  
10 property taxes levied within the county by the state, county and all other  
11 taxing subdivisions levying such taxes within such county in the second  
12 calendar year before the calendar year in which the owner's full  
13 registration year begins divided by the total assessed tangible valuation of  
14 property within such county as of November 1 of such second calendar  
15 year before the calendar year in which the owner's full registration year  
16 begins as certified by the secretary of revenue, except that: (1) ~~As of~~  
17 ~~November 1, 1994, such rate shall be computed without regard to 11.429%~~  
18 ~~of the general property taxes levied by school districts pursuant to K.S.A.~~  
19 ~~72-6431, and amendments thereto; (2) as of November 1, 1995, such rate~~  
20 ~~shall be computed without regard to 31.429% of the general property taxes~~  
21 ~~levied by school districts pursuant to K.S.A. 72-6431, and amendments~~  
22 ~~thereto; (3) as of November 1, 1996, such rate shall be computed without~~  
23 ~~regard to 54.286% of the general property taxes levied by school districts~~  
24 ~~pursuant to K.S.A. 72-6431, and amendments thereto; (4) as of November~~  
25 ~~1, 1997, such rate shall be computed without regard to 70.36% of the~~  
26 ~~general property taxes levied by school districts pursuant to K.S.A. 72-~~  
27 ~~6431, and amendments thereto; and (5) as of November 1, 1998, and such~~  
28 ~~date in all years thereafter, such rate shall be computed without regard to~~  
29 ~~the general property taxes levied by school districts pursuant to K.S.A. 72-~~  
30 ~~6431, and amendments thereto As of November 1, 2014, such rate shall be~~  
31 ~~computed without regard to the general property taxes levied by school~~  
32 ~~districts pursuant to section 11 of 2015 House Substitute for Senate Bill~~  
33 ~~No. 7, and amendments thereto; (2) as of November 1, 2015, such rate~~  
34 ~~shall be computed with regard to 25% of the general property taxes levied~~  
35 ~~by school districts pursuant to section 11 of 2015 House Substitute for~~  
36 ~~Senate Bill No. 7, and amendments thereto; (3) as of November 1, 2016,~~  
37 ~~such rate shall be computed with regard to 50% of the general property~~  
38 ~~taxes levied by school districts pursuant to section 11 of 2015 House~~  
39 ~~Substitute for Senate Bill No. 7, and amendments thereto; (4) as of~~  
40 ~~November 1, 2017, such rate shall be computed with regard to 75% of the~~  
41 ~~general property taxes levied by school districts pursuant to section 11 of~~  
42 ~~2015 House Substitute for Senate Bill No. 7, and amendments thereto; and~~  
43 ~~(5) as of November 1, 2018, and November 1 in each year thereafter, such~~

1 *rate shall be computed with regard to all of the general property taxes*  
2 *levied by school districts pursuant to K.S.A. 72-6431, and amendments*  
3 *thereto.*

4 Sec. 23. K.S.A. 79-3371 and 79-3378 and K.S.A. 2014 Supp. 79-  
5 32,110, 79-32,117, 79-32,120, 79-3310, 79-3310c, 79-3311, 79-3312, 79-  
6 3492b, 79-34,118, 79-34,141, 79-34,142, 79-3602, 79-3603, as amended  
7 by section 20 of 2015 Senate Substitute for House Bill No. 2155, 79-3620,  
8 79-3703, 79-3710 and 79-5105 are hereby repealed.

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