

[As Amended by House Committee of the Whole]

As Amended by House Committee

Session of 2008

## HOUSE BILL No. 2932

By Committee on Taxation

2-21

12 AN ACT concerning sales taxation; relating to countywide retailers' sales  
13 tax ~~in Butler county;~~ **[exemptions;]** amending K.S.A. 2007 Supp. 12-  
14 187, 12-189 ~~and~~[,] 12-192[, **79-3603 and 79-3606**] and repealing the  
15 existing sections.  
16

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

18 Section 1. K.S.A. 2007 Supp. 12-187 is hereby amended to read as  
19 follows: 12-187. (a) No city shall impose a retailers' sales tax under the  
20 provisions of this act without the governing body of such city having first  
21 submitted such proposition to and having received the approval of a ma-  
22 jority of the electors of the city voting thereon at an election called and  
23 held therefor. The governing body of any city may submit the question  
24 of imposing a retailers' sales tax and the governing body shall be required  
25 to submit the question upon submission of a petition signed by electors  
26 of such city equal in number to not less than 10% of the electors of such  
27 city.

28 (b) (1) The board of county commissioners of any county may submit  
29 the question of imposing a countywide retailers' sales tax to the electors  
30 at an election called and held thereon, and any such board shall be re-  
31 quired to submit the question upon submission of a petition signed by  
32 electors of such county equal in number to not less than 10% of the  
33 electors of such county who voted at the last preceding general election  
34 for the office of secretary of state, or upon receiving resolutions request-  
35 ing such an election passed by not less than  $\frac{2}{3}$  of the membership of the  
36 governing body of each of one or more cities within such county which  
37 contains a population of not less than 25% of the entire population of the  
38 county, or upon receiving resolutions requesting such an election passed  
39 by  $\frac{2}{3}$  of the membership of the governing body of each of one or more  
40 taxing subdivisions within such county which levy not less than 25% of  
41 the property taxes levied by all taxing subdivisions within the county.

42 (2) The board of county commissioners of Anderson, Atchison, Bar-  
43 ton, **Brown** Butler, Chase, Cowley, Cherokee, Crawford, Ford, Franklin,

1 Jefferson, Linn, Lyon, Marion, Miami, Montgomery, Neosho, Osage, Ot-  
2 tawa, Reno, Riley, Saline, Seward, Sumner, Wabaunsee, Wilson and Wy-  
3 andotte counties may submit the question of imposing a countywide re-  
4 tailers' sales tax and pledging the revenue received therefrom for the  
5 purpose of financing the construction or remodeling of a courthouse, jail,  
6 law enforcement center facility or other county administrative facility, to  
7 the electors at an election called and held thereon. The tax imposed pur-  
8 suant to this paragraph shall expire when sales tax sufficient to pay all of  
9 the costs incurred in the financing of such facility has been collected by  
10 retailers as determined by the secretary of revenue. Nothing in this par-  
11 agraph shall be construed to allow the rate of tax imposed by Butler,  
12 Chase, Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson  
13 county pursuant to this paragraph to exceed or be imposed at any rate  
14 other than the rates prescribed in K.S.A. 12-189, and amendments  
15 thereto.

16 (3) (A) Except as otherwise provided in this paragraph, the result of  
17 the election held on November 8, 1988, on the question submitted by  
18 the board of county commissioners of Jackson county for the purpose of  
19 increasing its countywide retailers' sales tax by 1% is hereby declared  
20 valid, and the revenue received therefrom by the county shall be ex-  
21 pended solely for the purpose of financing the Banner Creek reservoir  
22 project. The tax imposed pursuant to this paragraph shall take effect on  
23 the effective date of this act and shall expire not later than five years after  
24 such date.

25 (B) The result of the election held on November 8, 1994, on the  
26 question submitted by the board of county commissioners of Ottawa  
27 county for the purpose of increasing its countywide retailers' sales tax by  
28 1% is hereby declared valid, and the revenue received therefrom by the  
29 county shall be expended solely for the purpose of financing the erection,  
30 construction and furnishing of a law enforcement center and jail facility.

31 (C) Except as otherwise provided in this paragraph, the result of the  
32 election held on November 2, 2004, on the question submitted by the  
33 board of county commissioners of Sedgwick county for the purpose of  
34 increasing its countywide retailers' sales tax by 1% is hereby declared  
35 valid, and the revenue received therefrom by the county shall be used  
36 only to pay the costs of: (i) Acquisition of a site and constructing and  
37 equipping thereon a new regional events center, associated parking and  
38 infrastructure improvements and related appurtenances thereto, to be  
39 located in the downtown area of the city of Wichita, Kansas, (the "down-  
40 town arena"); (ii) design for the Kansas coliseum complex and construc-  
41 tion of improvements to the pavilions; and (iii) establishing an operating  
42 and maintenance reserve for the downtown arena and the Kansas coli-  
43 seum complex. The tax imposed pursuant to this paragraph shall com-

1 mence on July 1, 2005, and shall terminate not later than 30 months after  
2 the commencement thereof.

3 (4) The board of county commissioners of Finney and Ford counties  
4 may submit the question of imposing a countywide retailers' sales tax at  
5 the rate of .25% and pledging the revenue received therefrom for the  
6 purpose of financing all or any portion of the cost to be paid by Finney  
7 or Ford county for construction of highway projects identified as system  
8 enhancements under the provisions of paragraph (5) of subsection (b) of  
9 K.S.A. 68-2314, and amendments thereto, to the electors at an election  
10 called and held thereon. Such election shall be called and held in the  
11 manner provided by the general bond law. The tax imposed pursuant to  
12 this paragraph shall expire upon the payment of all costs authorized pur-  
13 suant to this paragraph in the financing of such highway projects. Nothing  
14 in this paragraph shall be construed to allow the rate of tax imposed by  
15 Finney or Ford county pursuant to this paragraph to exceed the maximum  
16 rate prescribed in K.S.A. 12-189, and amendments thereto. If any funds  
17 remain upon the payment of all costs authorized pursuant to this para-  
18 graph in the financing of such highway projects in Finney county, the  
19 state treasurer shall remit such funds to the treasurer of Finney county  
20 and upon receipt of such moneys shall be deposited to the credit of the  
21 county road and bridge fund. If any funds remain upon the payment of  
22 all costs authorized pursuant to this paragraph in the financing of such  
23 highway projects in Ford county, the state treasurer shall remit such funds  
24 to the treasurer of Ford county and upon receipt of such moneys shall  
25 be deposited to the credit of the county road and bridge fund.

26 (5) The board of county commissioners of any county may submit the  
27 question of imposing a retailers' sales tax at the rate of .25%, .5%, .75%  
28 or 1% and pledging the revenue received therefrom for the purpose of  
29 financing the provision of health care services, as enumerated in the ques-  
30 tion, to the electors at an election called and held thereon. Whenever any  
31 county imposes a tax pursuant to this paragraph, any tax imposed pursuant  
32 to paragraph (2) of subsection (a) by any city located in such county shall  
33 expire upon the effective date of the imposition of the countywide tax,  
34 and thereafter the state treasurer shall remit to each such city that portion  
35 of the countywide tax revenue collected by retailers within such city as  
36 certified by the director of taxation. The tax imposed pursuant to this  
37 paragraph shall be deemed to be in addition to the rate limitations pre-  
38 scribed in K.S.A. 12-189, and amendments thereto. As used in this par-  
39 agraph, health care services shall include but not be limited to the follow-  
40 ing: Local health departments, city or county hospitals, city or county  
41 nursing homes, preventive health care services including immunizations,  
42 prenatal care and the postponement of entry into nursing homes by home  
43 care services, mental health services, indigent health care, physician or

1 health care worker recruitment, health education, emergency medical  
2 services, rural health clinics, integration of health care services, home  
3 health services and rural health networks.

4 (6) The board of county commissioners of Allen county may submit  
5 the question of imposing a countywide retailers' sales tax at the rate of  
6 .5% and pledging the revenue received therefrom for the purpose of  
7 financing the costs of operation and construction of a solid waste disposal  
8 area or the modification of an existing landfill to comply with federal  
9 regulations to the electors at an election called and held thereon. The tax  
10 imposed pursuant to this paragraph shall expire upon the payment of all  
11 costs incurred in the financing of the project undertaken. Nothing in this  
12 paragraph shall be construed to allow the rate of tax imposed by Allen  
13 county pursuant to this paragraph to exceed or be imposed at any rate  
14 other than the rates prescribed in K.S.A. 12-189 and amendments  
15 thereto.

16 (7) The board of county commissioners of Clay, Dickinson and Miami  
17 county may submit the question of imposing a countywide retailers' sales  
18 tax at the rate of .50% in the case of Clay and Dickinson county and at a  
19 rate of up to 1% in the case of Miami county, and pledging the revenue  
20 received therefrom for the purpose of financing the costs of roadway  
21 construction and improvement to the electors at an election called and  
22 held thereon. Except as otherwise provided, the tax imposed pursuant to  
23 this paragraph shall expire after five years from the date such tax is first  
24 collected. The result of the election held on November 2, 2004, on the  
25 question submitted by the board of county commissioners of Miami  
26 county for the purpose of extending for an additional five-year period the  
27 countywide retailers' sales tax imposed pursuant to this subsection in Mi-  
28 ami county is hereby declared valid. The countywide retailers' sales tax  
29 imposed pursuant to this subsection in Clay and Miami county may be  
30 extended or reenacted for additional five-year periods upon the board of  
31 county commissioners of Clay and Miami county submitting such ques-  
32 tion to the electors at an election called and held thereon for each addi-  
33 tional five-year period as provided by law.

34 (8) The board of county commissioners of Sherman county may sub-  
35 mit the question of imposing a countywide retailers' sales tax at the rate  
36 of 1% and pledging the revenue received therefrom for the purpose of  
37 financing the costs of street and roadway improvements to the electors  
38 at an election called and held thereon. The tax imposed pursuant to this  
39 paragraph shall expire upon payment of all costs authorized pursuant to  
40 this paragraph in the financing of such project.

41 (9) The board of county commissioners of Cowley, Crawford, Russell  
42 and Woodson county may submit the question of imposing a countywide  
43 retailers' sales tax at the rate of .5% in the case of Crawford, Russell and

1 Woodson county and at a rate of up to .25%, in the case of Cowley county  
2 and pledging the revenue received therefrom for the purpose of financing  
3 economic development initiatives or public infrastructure projects. The  
4 tax imposed pursuant to this paragraph shall expire after five years from  
5 the date such tax is first collected.

6 (10) The board of county commissioners of Franklin county may sub-  
7 mit the question of imposing a countywide retailers' sales tax at the rate  
8 of .25% and pledging the revenue received therefrom for the purpose of  
9 financing recreational facilities. The tax imposed pursuant to this para-  
10 graph shall expire upon payment of all costs authorized in financing such  
11 facilities.

12 (11) The board of county commissioners of Douglas county may sub-  
13 mit the question of imposing a countywide retailers' sales tax at the rate  
14 of .25% and pledging the revenue received therefrom for the purposes  
15 of preservation, access and management of open space, and for industrial  
16 and business park related economic development.

17 (12) The board of county commissioners of Shawnee county may sub-  
18 mit the question of imposing a countywide retailers' sales tax at the rate  
19 of .25% and pledging the revenue received therefrom to the city of To-  
20 peka for the purpose of financing the costs of rebuilding the Topeka  
21 boulevard bridge and other public infrastructure improvements associ-  
22 ated with such project to the electors at an election called and held  
23 thereon. The tax imposed pursuant to this paragraph shall expire upon  
24 payment of all costs authorized in financing such project.

25 (13) The board of county commissioners of Jackson county may sub-  
26 mit the question of imposing a countywide retailers' sales tax at a rate of  
27 .4% and pledging the revenue received therefrom as follows: 50% of such  
28 revenues for the purpose of financing for economic development initia-  
29 tives; and 50% of such revenues for the purpose of financing public in-  
30 frastructure projects to the electors at an election called and held thereon.  
31 The tax imposed pursuant to this paragraph shall expire after seven years  
32 from the date such tax is first collected.

33 (14) The board of county commissioners of Neosho county may sub-  
34 mit the question of imposing a countywide retailers' sales tax at the rate  
35 of .5% and pledging the revenue received therefrom for the purpose of  
36 financing the costs of roadway construction and improvement to the elec-  
37 tors at an election called and held thereon. The tax imposed pursuant to  
38 this paragraph shall expire upon payment of all costs authorized pursuant  
39 to this paragraph in the financing of such project.

40 (15) The board of county commissioners of Saline county may submit  
41 the question of imposing a countywide retailers' sales tax at the rate of  
42 up to .5% and pledging the revenue received therefrom for the purpose  
43 of financing the costs of construction and operation of an expo center to

1 the electors at an election called and held thereon. The tax imposed pur-  
2 suant to this paragraph shall expire after five years from the date such tax  
3 is first collected.

4 (16) The board of county commissioners of Harvey county may sub-  
5 mit the question of imposing a countywide retailers' sales tax at the rate  
6 of 1.0% and pledging the revenue received therefrom for the purpose of  
7 financing the costs of property tax relief, economic development initia-  
8 tives and public infrastructure improvements to the electors at an election  
9 called and held thereon.

10 (17) The board of county commissioners of Atchison county may sub-  
11 mit the question of imposing a countywide retailers' sales tax at the rate  
12 of .25% and pledging the revenue received therefrom for the purpose of  
13 financing the costs of construction and maintenance of sports and rec-  
14 reational facilities to the electors at an election called and held thereon.  
15 The tax imposed pursuant to this paragraph shall expire upon payment  
16 of all costs authorized in financing such facilities.

17 (18) The board of county commissioners of Wabaunsee county may  
18 submit the question of imposing a countywide retailers' sales tax at the  
19 rate of .5% and pledging the revenue received therefrom for the purpose  
20 of financing the costs of bridge and roadway construction and improve-  
21 ment to the electors at an election called and held thereon. The tax im-  
22 posed pursuant to this paragraph shall expire after 15 years from the date  
23 such tax is first collected.

24 (19) The board of county commissioners of Jefferson county may sub-  
25 mit the question of imposing a countywide retailers' sales tax at the rate  
26 of 1% and pledging the revenue received therefrom for the purpose of  
27 financing the costs of roadway construction and improvement to the elec-  
28 tors at an election called and held thereon. The tax imposed pursuant to  
29 this paragraph shall expire after six years from the date such tax is first  
30 collected. The countywide retailers' sales tax imposed pursuant to this  
31 paragraph may be extended or reenacted for additional six-year periods  
32 upon the board of county commissioners of Jefferson county submitting  
33 such question to the electors at an election called and held thereon for  
34 each additional six-year period as provided by law.

35 (20) The board of county commissioners of Riley county may submit  
36 the question of imposing a countywide retailers' sales tax at the rate of  
37 up to 1% and pledging the revenue received therefrom for the purpose  
38 of financing the costs of bridge and roadway construction and improve-  
39 ment to the electors at an election called and held thereon. The tax im-  
40 posed pursuant to this paragraph shall expire after five years from the  
41 date such tax is first collected.

42 (21) The board of county commissioners of Johnson county may sub-  
43 mit the question of imposing a countywide retailers' sales tax at the rate

1 of .25% and pledging the revenue received therefrom for the purpose of  
2 financing the construction and operation costs of public safety projects,  
3 including, but not limited to, a jail, detention center, sheriff's resource  
4 center, crime lab or other county administrative or operational facility  
5 dedicated to public safety, to the electors at an election called and held  
6 thereon. The tax imposed pursuant to this paragraph shall expire after 10  
7 years from the date such tax is first collected. The countywide retailers'  
8 sales tax imposed pursuant to this subsection may be extended or reen-  
9 acted for additional periods not exceeding 10 years upon the board of  
10 county commissioners of Johnson county submitting such question to the  
11 electors at an election called and held thereon for each additional ten-  
12 year period as provided by law.

13 (22) *The board of county commissioners of Butler county may submit*  
14 *the question of imposing a countywide retailers' sales tax at the rate of*  
15 *either .25%, .5%, .75% or 1% and pledging the revenue received there-*  
16 *from for the purpose of financing the costs of public safety capital projects*  
17 *or bridge and roadway construction projects, or both, to the electors at*  
18 *an election called and held thereon. The tax imposed pursuant to this*  
19 *paragraph shall expire upon payment of all costs authorized in financing*  
20 *such projects.*

21 **(23) The board of county commissioners of Barton county may**  
22 **submit the question of imposing a countywide retailers' sales tax**  
23 **at the rate of up to .5% and pledging the revenue received there-**  
24 **from for the purpose of financing the costs of roadway and bridge**  
25 **construction and improvement and infrastructure development**  
26 **and improvement to the electors at an election called and held**  
27 **thereon. The tax imposed pursuant to this paragraph shall expire**  
28 **after 10 years from the date such tax is first collected.**

29 **(24) The board of county commissioners of Jefferson county**  
30 **may submit the question of imposing a countywide retailers' sales**  
31 **tax at the rate of .25% and pledging the revenue received there-**  
32 **from for the purpose of financing the costs of the county's obli-**  
33 **gation as participating employer to make employer contributions**  
34 **and other required contributions to the Kansas public employees**  
35 **retirement system for eligible employees of the county who are**  
36 **members of the Kansas police and firemen's retirement system, to**  
37 **the electors at an election called and held thereon. The tax im-**  
38 **posed pursuant to this paragraph shall expire upon payment of all**  
39 **costs authorized in financing such purpose.**

40 (c) The boards of county commissioners of any two or more contig-  
41 uous counties, upon adoption of a joint resolution by such boards, may  
42 submit the question of imposing a retailers' sales tax within such counties  
43 to the electors of such counties at an election called and held thereon

1 and such boards of any two or more contiguous counties shall be required  
2 to submit such question upon submission of a petition in each of such  
3 counties, signed by a number of electors of each of such counties where  
4 submitted equal in number to not less than 10% of the electors of each  
5 of such counties who voted at the last preceding general election for the  
6 office of secretary of state, or upon receiving resolutions requesting such  
7 an election passed by not less than  $\frac{2}{3}$  of the membership of the governing  
8 body of each of one or more cities within each of such counties which  
9 contains a population of not less than 25% of the entire population of  
10 each of such counties, or upon receiving resolutions requesting such an  
11 election passed by  $\frac{2}{3}$  of the membership of the governing body of each  
12 of one or more taxing subdivisions within each of such counties which  
13 levy not less than 25% of the property taxes levied by all taxing subdivi-  
14 sions within each of such counties.

15 (d) Any city retailers' sales tax being levied by a city prior to July 1,  
16 2006, shall continue in effect until repealed in the manner provided  
17 herein for the adoption and approval of such tax or until repealed by the  
18 adoption of an ordinance for such repeal. Any countywide retailers' sales  
19 tax in the amount of .5% or 1% in effect on July 1, 1990, shall continue  
20 in effect until repealed in the manner provided herein for the adoption  
21 and approval of such tax.

22 (e) Any city or county proposing to adopt a retailers' sales tax shall  
23 give notice of its intention to submit such proposition for approval by the  
24 electors in the manner required by K.S.A. 10-120, and amendments  
25 thereto. The notices shall state the time of the election and the rate and  
26 effective date of the proposed tax. If a majority of the electors voting  
27 thereon at such election fail to approve the proposition, such proposition  
28 may be resubmitted under the conditions and in the manner provided in  
29 this act for submission of the proposition. If a majority of the electors  
30 voting thereon at such election shall approve the levying of such tax, the  
31 governing body of any such city or county shall provide by ordinance or  
32 resolution, as the case may be, for the levy of the tax. Any repeal of such  
33 tax or any reduction or increase in the rate thereof, within the limits  
34 prescribed by K.S.A. 12-189, and amendments thereto, shall be accom-  
35 plished in the manner provided herein for the adoption and approval of  
36 such tax except that the repeal of any such city retailers' sales tax may be  
37 accomplished by the adoption of an ordinance so providing.

38 (f) The sufficiency of the number of signers of any petition filed un-  
39 der this section shall be determined by the county election officer. Every  
40 election held under this act shall be conducted by the county election  
41 officer.

42 (g) The governing body of the city or county proposing to levy any  
43 retailers' sales tax shall specify the purpose or purposes for which the



1 revenue would be used, and a statement generally describing such pur-  
2 pose or purposes shall be included as a part of the ballot proposition.

3 Sec. 2. K.S.A. 2007 Supp. 12-189 is hereby amended to read as fol-  
4 lows: 12-189. The rate of any city retailers' sales tax shall be fixed in  
5 increments of .05% and in an amount not to exceed 2% for general pur-  
6 poses and not to exceed 1% for special purposes which shall be deter-  
7 mined by the governing body of the city. For any retailers' sales tax im-  
8 posed by a city for special purposes, such city shall specify the purposes  
9 for which such tax is imposed. All such special purpose retailers' sales  
10 taxes imposed by a city shall expire after 10 years from the date such tax  
11 is first collected. The rate of any countywide retailers' sales tax shall be  
12 fixed in an amount of either .25%, .5%, .75% or 1% which amount shall  
13 be determined by the board of county commissioners, except that:

14 (a) The board of county commissioners of Wabaunsee county, for the  
15 purposes of paragraph (2) of subsection (b) of K.S.A. 12-187, and amend-  
16 ments thereto, may fix such rate at 1.25%; the board of county commis-  
17 sioners of Osage or Reno county, for the purposes of paragraph (2) of  
18 subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such  
19 rate at 1.25% or 1.5%; the board of county commissioners of Cherokee,  
20 Crawford, Ford, Saline, Seward or Wyandotte county, for the purposes  
21 of paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments  
22 thereto, may fix such rate at 1.5%, the board of county commissioners of  
23 Atchison county, for the purposes of paragraph (2) of subsection (b) of  
24 K.S.A. 12-187, and amendments thereto, may fix such rate at 1.5% or  
25 1.75%; the board of county commissioners of Anderson, Barton, Jefferson  
26 or Ottawa county, for the purposes of paragraph (2) of subsection (b) of  
27 K.S.A. 12-187, and amendments thereto, may fix such rate at 2%; the  
28 board of county commissioners of Marion county, for the purposes of  
29 paragraph (2) of subsection (b) of K.S.A. 12-187, and amendments  
30 thereto, may fix such rate at 2.5%; ~~and~~ the board of county commissioners  
31 of Franklin, Linn and Miami counties, for the purposes of paragraph (2)  
32 of subsection (b) of K.S.A. 12-187, and amendments thereto, may fix such  
33 rate at a percentage which is equal to the sum of the rate allowed to be  
34 imposed by the respective board of county commissioners on July 1, 2007,  
35 plus up to 1.0%; **and the board of county commissioners of Brown**  
36 **county, for the purposes of paragraph (2) of subsection (b) of K.S.A.**  
37 **12-187, and amendments thereto, may fix such rate at up to 2%;**

38 (b) the board of county commissioners of Jackson county, for the  
39 purposes of paragraph (3) of subsection (b) of K.S.A. 12-187, and amend-  
40 ments thereto, may fix such rate at 2%;

41 (c) the boards of county commissioners of Finney and Ford counties,  
42 for the purposes of paragraph (4) of subsection (b) of K.S.A. 12-187, and  
43 amendments thereto, may fix such rate at .25%;

- 1 (d) the board of county commissioners of any county for the purposes  
2 of paragraph (5) of subsection (b) of K.S.A. 12-187, and amendments  
3 thereto, may fix such rate at a percentage which is equal to the sum of  
4 the rate allowed to be imposed by a board of county commissioners on  
5 the effective date of this act plus .25%, .5%, .75% or 1%, as the case  
6 requires;
- 7 (e) the board of county commissioners of Dickinson county, for the  
8 purposes of paragraph (7) of subsection (b) of K.S.A. 12-187, and amend-  
9 ments thereto, may fix such rate at 1.5%, and the board of county com-  
10 missioners of Miami county, for the purposes of paragraph (7) of subsec-  
11 tion (b) of K.S.A. 12-187, and amendments thereto, may fix such rate at  
12 1.25%, 1.5%, 1.75% or 2%;
- 13 (f) the board of county commissioners of Sherman county, for the  
14 purposes of paragraph (8) of subsection (b) of K.S.A. 12-187, and amend-  
15 ments thereto, may fix such rate at 2.25%;
- 16 (g) the board of county commissioners of Crawford or Russell county  
17 for the purposes of paragraph (9) of subsection (b) of K.S.A. 12-187, and  
18 amendments thereto, may fix such rate at 1.5%;
- 19 (h) the board of county commissioners of Franklin county, for the  
20 purposes of paragraph (10) of subsection (b) of K.S.A. 12-187, and  
21 amendments thereto, may fix such rate at 1.75%;
- 22 (i) the board of county commissioners of Douglas county, for the  
23 purposes of paragraph (11) of subsection (b) of K.S.A. 12-187, and  
24 amendments thereto, may fix such rate at 1.25%;
- 25 (j) the board of county commissioners of Jackson county, for the pur-  
26 poses of subsection (b)(13) of K.S.A. 12-187 and amendments thereto,  
27 may fix such rate at 1.4%;
- 28 (k) the board of county commissioners of Sedgwick county, for the  
29 purposes of paragraph (3)(C) of subsection (b) of K.S.A. 12-187, and  
30 amendments thereto, may fix such rate at 2%;
- 31 (l) the board of county commissioners of Neosho county, for the pur-  
32 poses of paragraph (14) of subsection (b) of K.S.A. 12-187, and amend-  
33 ments thereto, may fix such rate at 1.0% or 1.5%;
- 34 (m) the board of county commissioners of Saline county, for the pur-  
35 poses of subsection (15) of subsection (b) of K.S.A. 12-187, and amend-  
36 ments thereto, may fix such rate at up to 1.5%;
- 37 (n) the board of county commissioners of Harvey county, for the pur-  
38 poses of paragraph (16) of subsection (b) of K.S.A. 12-187, and amend-  
39 ments thereto, may fix such rate at 2.0%;
- 40 (o) the board of county commissioners of Atchison county, for the  
41 purpose of paragraph (17) of subsection (b) of K.S.A. 12-187, and amend-  
42 ments thereto, may fix such rate at a percentage which is equal to the  
43 sum of the rate allowed to be imposed by the board of county commis-

- 1 sioners of Atchison county on the effective date of this act plus .25%;
- 2 (p) the board of county commissioners of Wabaunsee county, for the  
3 purpose of paragraph (18) of subsection (b) of K.S.A. 12-187, and amend-  
4 ments thereto, may fix such rate at a percentage which is equal to the  
5 sum of the rate allowed to be imposed by the board of county commis-  
6 sioners of Wabaunsee county on July 1, 2007, plus .5%;
- 7 (q) the board of county commissioners of Jefferson county, for the  
8 purpose of ~~paragraph~~ **paragraphs (19) and (24)** of subsection (b) of  
9 K.S.A. 12-187, and amendments thereto, may fix such rate at ~~2.0%~~  
10 **2.25%**;
- 11 (r) the board of county commissioners of Riley county, for the pur-  
12 pose of paragraph (20) of subsection (b) of K.S.A. 12-187, and amend-  
13 ments thereto, may fix such rate at a percentage which is equal to the  
14 sum of the rate allowed to be imposed by the board of county commis-  
15 sioners of Riley county on July 1, 2007, plus up to 1%; ~~and~~
- 16 (s) the board of county commissioners of Johnson county for the pur-  
17 poses of paragraph (18) of subsection (b) of K.S.A. 12-187, and amend-  
18 ments thereto, may fix such rate at a percentage which is equal to the  
19 sum of the rate allowed to be imposed by the board of county commis-  
20 sioners of Johnson county on July 1, 2007, plus .25%; ~~and~~
- 21 (t) *the board of county commissioners of Butler county for the pur-*  
22 *poses of paragraph (22) of subsection (b) of K.S.A. 12-187, and amend-*  
23 *ments thereto, may fix such rate at a percentage which is equal to the sum*  
24 *of the rate otherwise allowed pursuant to this section, plus .25%, .5%,*  
25 *.75% or 1%; and*
- 26 **(u) the board of county commissioners of Barton county, for**  
27 **the purposes of paragraph (23) of subsection (b) of K.S.A. 12-187,**  
28 **and amendments thereto, may fix such rate at up to 1.5%.**
- 29 Any county or city levying a retailers' sales tax is hereby prohibited  
30 from administering or collecting such tax locally, but shall utilize the serv-  
31 ices of the state department of revenue to administer, enforce and collect  
32 such tax. Except as otherwise specifically provided in K.S.A. 12-189a, and  
33 amendments thereto, such tax shall be identical in its application, and  
34 exemptions therefrom, to the Kansas retailers' sales tax act and all laws  
35 and administrative rules and regulations of the state department of rev-  
36 enue relating to the Kansas retailers' sales tax shall apply to such local  
37 sales tax insofar as such laws and rules and regulations may be made  
38 applicable. The state director of taxation is hereby authorized to admin-  
39 ister, enforce and collect such local sales taxes and to adopt such rules  
40 and regulations as may be necessary for the efficient and effective ad-  
41 ministration and enforcement thereof.
- 42 Upon receipt of a certified copy of an ordinance or resolution author-  
43 izing the levy of a local retailers' sales tax, the director of taxation shall

1 cause such taxes to be collected within or without the boundaries of such  
2 taxing subdivision at the same time and in the same manner provided for  
3 the collection of the state retailers' sales tax. Such copy shall be submitted  
4 to the director of taxation within 30 days after adoption of any such or-  
5 dinance or resolution. All moneys collected by the director of taxation  
6 under the provisions of this section shall be credited to a county and city  
7 retailers' sales tax fund which fund is hereby established in the state treas-  
8 ury. Any refund due on any county or city retailers' sales tax collected  
9 pursuant to this act shall be paid out of the sales tax refund fund and  
10 reimbursed by the director of taxation from collections of local retailers'  
11 sales tax revenue. Except for local retailers' sales tax revenue required to  
12 be deposited in the redevelopment bond fund established under K.S.A.  
13 74-8927, and amendments thereto, all local retailers' sales tax revenue  
14 collected within any county or city pursuant to this act shall be appor-  
15 tioned and remitted at least quarterly by the state treasurer, on instruction  
16 from the director of taxation, to the treasurer of such county or city.

17 Revenue that is received from the imposition of a local retailers' sales  
18 tax which exceeds the amount of revenue required to pay the costs of a  
19 special project for which such revenue was pledged shall be credited to  
20 the city or county general fund, as the case requires.

21 The director of taxation shall provide, upon request by a city or county  
22 clerk or treasurer or finance officer of any city or county levying a local  
23 retailers' sales tax, monthly reports identifying each retailer doing busi-  
24 ness in such city or county or making taxable sales sourced to such city  
25 or county, setting forth the tax liability and the amount of such tax re-  
26 mitted by each retailer during the preceding month and identifying each  
27 business location maintained by the retailer and such retailer's sales or  
28 use tax registration or account number. Such report shall be made avail-  
29 able to the clerk or treasurer or finance officer of such city or county  
30 within a reasonable time after it has been requested from the director of  
31 taxation. The director of taxation shall be allowed to assess a reasonable  
32 fee for the issuance of such report. Information received by any city or  
33 county pursuant to this section shall be confidential, and it shall be un-  
34 lawful for any officer or employee of such city or county to divulge any  
35 such information in any manner. Any violation of this paragraph by a city  
36 or county officer or employee is a class A misdemeanor, and such officer  
37 or employee shall be dismissed from office. Reports of violations of this  
38 paragraph shall be investigated by the attorney general. The district at-  
39 torney or county attorney and the attorney general shall have authority  
40 to prosecute violations of this paragraph.

41 Sec. 3. K.S.A. 2007 Supp. 12-192 is hereby amended to read as fol-  
42 lows: 12-192. (a) Except as otherwise provided by subsection (b), (d) or  
43 (h), all revenue received by the director of taxation from a countywide

1 retailers' sales tax shall be apportioned among the county and each city  
2 located in such county in the following manner: (1) One-half of all reve-  
3 nue received by the director of taxation shall be apportioned among the  
4 county and each city located in such county in the proportion that the  
5 total tangible property tax levies made in such county in the preceding  
6 year for all funds of each such governmental unit bear to the total of all  
7 such levies made in the preceding year, and (2)  $\frac{1}{2}$  of all revenue received  
8 by the director of taxation from such countywide retailers' sales tax shall  
9 be apportioned among the county and each city located in such county,  
10 first to the county that portion of the revenue equal to the proportion  
11 that the population of the county residing in the unincorporated area of  
12 the county bears to the total population of the county, and second to the  
13 cities in the proportion that the population of each city bears to the total  
14 population of the county, except that no persons residing within the Fort  
15 Riley military reservation shall be included in the determination of the  
16 population of any city located within Riley county. All revenue appor-  
17 tioned to a county shall be paid to its county treasurer and shall be cred-  
18 ited to the general fund of the county.

19 (b) (1) In lieu of the apportionment formula provided in subsection  
20 (a), all revenue received by the director of taxation from a countywide  
21 retailers' sales tax imposed within Johnson county at the rate of .75%, 1%  
22 or 1.25% after July 1, 2007, shall be apportioned among the county and  
23 each city located in such county in the following manner: (A) The revenue  
24 received from the first .5% rate of tax shall be apportioned in the manner  
25 prescribed by subsection (a) and (B) the revenue received from the rate  
26 of tax exceeding .5% shall be apportioned as follows: (i) One-fourth shall  
27 be apportioned among the county and each city located in such county  
28 in the proportion that the total tangible property tax levies made in such  
29 county in the preceding year for all funds of each such governmental unit  
30 bear to the total of all such levies made in the preceding year and (ii)  
31 one-fourth shall be apportioned among the county and each city located  
32 in such county, first to the county that portion of the revenue equal to  
33 the proportion that the population of the county residing in the unincor-  
34 porated area of the county bears to the total population of the county,  
35 and second to the cities in the proportion that the population of each city  
36 bears to the total population of the county and (iii) one-half shall be  
37 retained by the county for its sole use and benefit.

38 (2) In lieu of the apportionment formula provided in subsection (a),  
39 all money received by the director of taxation from a countywide sales tax  
40 imposed within Montgomery county pursuant to the election held on  
41 November 8, 1994, shall be remitted to and shall be retained by the  
42 county and expended only for the purpose for which the revenue received  
43 from the tax was pledged. All revenue apportioned and paid from the

1 imposition of such tax to the treasurer of any city prior to the effective  
2 date of this act shall be remitted to the county treasurer and expended  
3 only for the purpose for which the revenue received from the tax was  
4 pledged.

5 (3) In lieu of the apportionment formula provided in subsection (a),  
6 on and after the effective date of this act, all moneys received by the  
7 director of taxation from a countywide retailers' sales tax imposed within  
8 Phillips county pursuant to the election held on September 20, 2005, shall  
9 be remitted to and shall be retained by the county and expended only for  
10 the purpose for which the revenue received from the tax was pledged.

11 (c) (1) Except as otherwise provided by paragraph (2) of this subsec-  
12 tion, for purposes of subsections (a) and (b), the term "total tangible  
13 property tax levies" means the aggregate dollar amount of tax revenue  
14 derived from ad valorem tax levies applicable to all tangible property  
15 located within each such city or county. The ad valorem property tax levy  
16 of any county or city district entity or subdivision shall be included within  
17 this term if the levy of any such district entity or subdivision is applicable  
18 to all tangible property located within each such city or county.

19 (2) For the purposes of subsections (a) and (b), any ad valorem prop-  
20 erty tax levied on property located in a city in Johnson county for the  
21 purpose of providing fire protection service in such city shall be included  
22 within the term "total tangible property tax levies" for such city regardless  
23 of its applicability to all tangible property located within each such city.  
24 If the tax is levied by a district which extends across city boundaries, for  
25 purposes of this computation, the amount of such levy shall be appor-  
26 tioned among each city in which such district extends in the proportion  
27 that such tax levied within each city bears to the total tax levied by the  
28 district.

29 (d) (1) All revenue received from a countywide retailers' sales tax  
30 imposed pursuant to paragraphs (2), (3)(C), (6), (7), (8), (9), (12), (14),  
31 (15), (16), (17), (18), (19) ~~or~~, (20) ~~or~~, (22) **or (24)** of subsection (b) of  
32 K.S.A. 12-187, and amendments thereto, shall be remitted to and shall  
33 be retained by the county and expended only for the purpose for which  
34 the revenue received from the tax was pledged.

35 (2) Except as otherwise provided in paragraph (5) of subsection (b)  
36 of K.S.A. 12-187, and amendments thereto, all revenues received from a  
37 countywide retailers' sales tax imposed pursuant to paragraph (5) of sub-  
38 section (b) of K.S.A. 12-187, and amendments thereto, shall be remitted  
39 to and shall be retained by the county and expended only for the purpose  
40 for which the revenue received from the tax was pledged.

41 (e) All revenue apportioned to the several cities of the county shall  
42 be paid to the respective treasurers thereof and deposited in the general  
43 fund of the city. Whenever the territory of any city is located in two or

1 more counties and any one or more of such counties do not levy a coun-  
2 tywide retailers' sales tax, or whenever such counties do not levy coun-  
3 tywide retailers' sales taxes at a uniform rate, the revenue received by  
4 such city from the proceeds of the countywide retailers' sales tax, as an  
5 alternative to depositing the same in the general fund, may be used for  
6 the purpose of reducing the tax levies of such city upon the taxable tan-  
7 gible property located within the county levying such countywide retail-  
8 ers' sales tax.

9 (f) Prior to March 1 of each year, the secretary of revenue shall advise  
10 each county treasurer of the revenue collected in such county from the  
11 state retailers' sales tax for the preceding calendar year.

12 (g) Prior to December 31 of each year, the clerk of every county  
13 imposing a countywide retailers' sales tax shall provide such information  
14 deemed necessary by the secretary of revenue to apportion and remit  
15 revenue to the counties and cities pursuant to this section.

16 (h) The provisions of subsections (a) and (b) for the apportionment  
17 of countywide retailers' sales tax shall not apply to any revenues received  
18 pursuant to a county or countywide retailers' sales tax levied or collected  
19 under K.S.A. 74-8929, and amendments thereto. All such revenue col-  
20 lected under K.S.A. 74-8929, and amendments thereto, shall be deposited  
21 into the redevelopment bond fund established by K.S.A. 74-8927, and  
22 amendments thereto, for the period of time set forth in K.S.A. 74-8927,  
23 and amendments thereto.

24 **[Sec. 4. K.S.A. 2007 Supp. 79-3603 is hereby amended to read**  
25 **as follows: 79-3603. For the privilege of engaging in the business**  
26 **of selling tangible personal property at retail in this state or ren-**  
27 **dering or furnishing any of the services taxable under this act,**  
28 **there is hereby levied and there shall be collected and paid a tax**  
29 **at the rate of 5.3%. Within a redevelopment district established**  
30 **pursuant to K.S.A. 74-8921, and amendments thereto, there is**  
31 **hereby levied and there shall be collected and paid an additional**  
32 **tax at the rate of 2% until the earlier of the date the bonds issued**  
33 **to finance or refinance the redevelopment project have been paid**  
34 **in full or the final scheduled maturity of the first series of bonds**  
35 **issued to finance any part of the project upon:**

36 **[(a) The gross receipts received from the sale of tangible per-**  
37 **sonal property at retail within this state;**

38 **[(b) the gross receipts from intrastate, interstate or interna-**  
39 **tional telecommunications services and any ancillary services sour-**  
40 **ced to this state in accordance with K.S.A. 2007 Supp. 79-3673, and**  
41 **amendments thereto, except that telecommunications service does**  
42 **not include: (1) Any interstate or international 800 or 900 service;**  
43 **(2) any interstate or international private communications service**

1 as defined in K.S.A. 2007 Supp. 79-3673, and amendments thereto;  
2 (3) any value-added nonvoice data service; (4) any telecommuni-  
3 cation service to a provider of telecommunication services which  
4 will be used to render telecommunications services, including car-  
5 rier access services; or (5) any service or transaction defined in this  
6 section among entities classified as members of an affiliated group  
7 as provided by section 1504 of the federal internal revenue code  
8 of 1986, as in effect on January 1, 2001;

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

26 [(d) the gross receipts from the sale of meals or drinks fur-  
27 nished at any private club, drinking establishment, catered event,  
28 restaurant, eating house, dining car, hotel, drugstore or other  
29 place where meals or drinks are regularly sold to the public;

30 [(e) the gross receipts from the sale of admissions to any place  
31 providing amusement, entertainment or recreation services in-  
32 cluding admissions to state, county, district and local fairs, but such  
33 tax shall not be levied and collected upon the gross receipts re-  
34 ceived from sales of admissions to any cultural and historical event  
35 which occurs triennially;

36 [(f) the gross receipts from the operation of any coin-operated  
37 device dispensing or providing tangible personal property, amuse-  
38 ment or other services except laundry services, whether automatic  
39 or manually operated;

40 [(g) the gross receipts from the service of renting of rooms by  
41 hotels, as defined by K.S.A. 36-501 and amendments thereto, or  
42 by accommodation brokers, as defined by K.S.A. 12-1692, and  
43 amendments thereto but such tax shall not be levied and collected



1 upon the gross receipts received from sales of such service to the  
2 federal government and any agency, officer or employee thereof  
3 in association with the performance of official government duties;  
4 [(h) the gross receipts from the service of renting or leasing of  
5 tangible personal property except such tax shall not apply to the  
6 renting or leasing of machinery, equipment or other personal  
7 property owned by a city and purchased from the proceeds of in-  
8 dustrial revenue bonds issued prior to July 1, 1973, in accordance  
9 with the provisions of K.S.A. 12-1740 through 12-1749, and amend-  
10 ments thereto, and any city or lessee renting or leasing such ma-  
11 chinery, equipment or other personal property purchased with the  
12 proceeds of such bonds who shall have paid a tax under the pro-  
13 visions of this section upon sales made prior to July 1, 1973, shall  
14 be entitled to a refund from the sales tax refund fund of all taxes  
15 paid thereon;

16 [(i) the gross receipts from the rendering of dry cleaning,  
17 pressing, dyeing and laundry services except laundry services ren-  
18 dered through a coin-operated device whether automatic or man-  
19 ually operated;

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

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

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

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

37 [(m) the gross receipts received from fees and charges by pub-  
38 lic and private clubs, drinking establishments, organizations and  
39 businesses for participation in sports, games and other recrea-  
40 tional activities, but such tax shall not be levied and collected upon  
41 the gross receipts received from: (1) Fees and charges by any po-  
42 litical subdivision, by any organization exempt from property tax-  
43 ation pursuant to paragraph *Ninth* of K.S.A. 79-201, and amend-

1 ments thereto, or by any youth recreation organization exclusively  
2 providing services to persons 18 years of age or younger which is  
3 exempt from federal income taxation pursuant to section 501(c)(3)  
4 of the federal internal revenue code of 1986, for participation in  
5 sports, games and other recreational activities; ~~and~~ (2) entry fees  
6 and charges for participation in a special event or tournament  
7 sanctioned by a national sporting association to which spectators  
8 are charged an admission which is taxable pursuant to subsection  
9 (e); and (3) fees and charges for participation in guided and non-guided  
10 hunts and fishing expeditions and excursions, clay shooting sports and  
11 hunting or fishing leases;

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

23 [(o) the gross receipts received from the isolated or occasional  
24 sale of motor vehicles or trailers but not including: (1) The transfer  
25 of motor vehicles or trailers by a person to a corporation or limited  
26 liability company solely in exchange for stock securities or mem-  
27 bership interest in such corporation or limited liability company;  
28 or (2) the transfer of motor vehicles or trailers by one corporation  
29 or limited liability company to another when all of the assets of  
30 such corporation or limited liability company are transferred to  
31 such other corporation or limited liability company; or (3) the sale  
32 of motor vehicles or trailers which are subject to taxation pursuant  
33 to the provisions of K.S.A. 79-5101 et seq., and amendments  
34 thereto, by an immediate family member to another immediate  
35 family member. For the purposes of clause (3), immediate family  
36 member means lineal ascendants or descendants, and their  
37 spouses. Any amount of sales tax paid pursuant to the Kansas re-  
38 tailers sales tax act on the isolated or occasional sale of motor ve-  
39 hicles or trailers on and after July 1, 2004, which the base for com-  
40 puting the tax was the value pursuant to subsections (a), (b)(1) and  
41 (b)(2) of K.S.A. 79-5105, and amendments thereto, when such  
42 amount was higher than the amount of sales tax which would have  
43 been paid under the law as it existed on June 30, 2004, shall be

1 refunded to the taxpayer pursuant to the procedure prescribed by  
2 this section. Such refund shall be in an amount equal to the dif-  
3 ference between the amount of sales tax paid by the taxpayer and  
4 the amount of sales tax which would have been paid by the tax-  
5 payer under the law as it existed on June 30, 2004. Each claim for  
6 a sales tax refund shall be verified and submitted not later than six  
7 months from the effective date of this act to the director of taxation  
8 upon forms furnished by the director and shall be accompanied by  
9 any additional documentation required by the director. The direc-  
10 tor shall review each claim and shall refund that amount of tax  
11 paid as provided by this act. All such refunds shall be paid from  
12 the sales tax refund fund, upon warrants of the director of accounts  
13 and reports pursuant to vouchers approved by the director of tax-  
14 ation or the director's designee. No refund for an amount less than  
15 \$10 shall be paid pursuant to this act. In determining the base for  
16 computing the tax on such isolated or occasional sale, the fair mar-  
17 ket value of any motor vehicle or trailer traded in by the purchaser  
18 to the seller may be deducted from the selling price;

19 [(p) the gross receipts received for the service of installing or  
20 applying tangible personal property which when installed or ap-  
21 plied is not being held for sale in the regular course of business,  
22 and whether or not such tangible personal property when installed  
23 or applied remains tangible personal property or becomes a part  
24 of real estate, except that no tax shall be imposed upon the service  
25 of installing or applying tangible personal property in connection  
26 with the original construction of a building or facility, the original  
27 construction, reconstruction, restoration, remodeling, renovation,  
28 repair or replacement of a residence or the construction, recon-  
29 struction, restoration, replacement or repair of a bridge or  
30 highway.

31 [For the purposes of this subsection:

32 [(1) "Original construction" shall mean the first or initial con-  
33 struction of a new building or facility. The term "original construc-  
34 tion" shall include the addition of an entire room or floor to any  
35 existing building or facility, the completion of any unfinished por-  
36 tion of any existing building or facility and the restoration, recon-  
37 struction or replacement of a building, facility or utility structure  
38 damaged or destroyed by fire, flood, tornado, lightning, explosion,  
39 windstorm, ice loading and attendant winds, terrorism or earth-  
40 quake, but such term, except with regard to a residence, shall not  
41 include replacement, remodeling, restoration, renovation or re-  
42 construction under any other circumstances;

43 [(2) "building" shall mean only those enclosures within which

- 1 individuals customarily are employed, or which are customarily  
2 used to house machinery, equipment or other property, and in-  
3 cluding the land improvements immediately surrounding such  
4 building;
- 5 [(3) “facility” shall mean a mill, plant, refinery, oil or gas well,  
6 water well, feedlot or any conveyance, transmission or distribution  
7 line of any cooperative, nonprofit, membership corporation or-  
8 ganized under or subject to the provisions of K.S.A. 17-4601 et  
9 seq., and amendments thereto, or municipal or quasi-municipal  
10 corporation, including the land improvements immediately sur-  
11 rounding such facility;
- 12 [(4) “residence” shall mean only those enclosures within which  
13 individuals customarily live;
- 14 [(5) “utility structure” shall mean transmission and distribution  
15 lines owned by an independent transmission company or cooper-  
16 ative, the Kansas electric transmission authority or natural gas or  
17 electric public utility; and
- 18 [(6) “windstorm” shall mean straight line winds of at least 80  
19 miles per hour as determined by a recognized meteorological re-  
20 porting agency or organization;
- 21 [(q) the gross receipts received for the service of repairing,  
22 servicing, altering or maintaining tangible personal property  
23 which when such services are rendered is not being held for sale  
24 in the regular course of business, and whether or not any tangible  
25 personal property is transferred in connection therewith. The tax  
26 imposed by this subsection shall be applicable to the services of  
27 repairing, servicing, altering or maintaining an item of tangible  
28 personal property which has been and is fastened to, connected  
29 with or built into real property;
- 30 [(r) the gross receipts from fees or charges made under service  
31 or maintenance agreement contracts for services, charges for the  
32 providing of which are taxable under the provisions of subsection  
33 (p) or (q);
- 34 [(s) on and after January 1, 2005, the gross receipts received  
35 from the sale of prewritten computer software and the sale of the  
36 services of modifying, altering, updating or maintaining prewrit-  
37 ten computer software, whether the prewritten computer software  
38 is installed or delivered electronically by tangible storage media  
39 physically transferred to the purchaser or by load and leave;
- 40 [(t) the gross receipts received for telephone answering  
41 services;
- 42 [(u) the gross receipts received from the sale of prepaid calling  
43 service and prepaid wireless calling service as defined in K.S.A.

1 **2007 Supp. 79-3673, and amendments thereto; and**

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

10 [Sec. 5. K.S.A. 2007 Supp. 79-3606 is hereby amended to read  
11 as follows: 79-3606. The following shall be exempt from the tax  
12 imposed by this act:

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

26 [(b) all sales of tangible personal property or service, including  
27 the renting and leasing of tangible personal property, purchased  
28 directly by the state of Kansas, a political subdivision thereof, other  
29 than a school or educational institution, or purchased by a public  
30 or private nonprofit hospital or public hospital authority or non-  
31 profit blood, tissue or organ bank and used exclusively for state,  
32 political subdivision, hospital or public hospital authority or non-  
33 profit blood, tissue or organ bank purposes, except when: (1) Such  
34 state, hospital or public hospital authority is engaged or proposes  
35 to engage in any business specifically taxable under the provisions  
36 of this act and such items of tangible personal property or service  
37 are used or proposed to be used in such business, or (2) such po-  
38 litical subdivision is engaged or proposes to engage in the business  
39 of furnishing gas, electricity or heat to others and such items of  
40 personal property or service are used or proposed to be used in  
41 such business;

42 [(c) all sales of tangible personal property or services, includ-  
43 ing the renting and leasing of tangible personal property, pur-

1 chased directly by a public or private elementary or secondary  
2 school or public or private nonprofit educational institution and  
3 used primarily by such school or institution for nonsectarian pro-  
4 grams and activities provided or sponsored by such school or in-  
5 stitution or in the erection, repair or enlargement of buildings to  
6 be used for such purposes. The exemption herein provided shall  
7 not apply to erection, construction, repair, enlargement or equip-  
8 ment of buildings used primarily for human habitation;

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

1 correctional institution contracted for state use and ownership  
2 shall contract for the purpose of constructing, equipping, recon-  
3 structing, maintaining, repairing, enlarging, furnishing or remodel-  
4 ing facilities, it shall obtain from the state and furnish to the  
5 contractor an exemption certificate for the project involved, and  
6 the contractor may purchase materials for incorporation in such  
7 project. The contractor shall furnish the number of such certificate  
8 to all suppliers from whom such purchases are made, and such  
9 suppliers shall execute invoices covering the same bearing the  
10 number of such certificate. Upon completion of the project the  
11 contractor shall furnish to the political subdivision, district de-  
12 scribed in subsection (s), hospital or public hospital authority,  
13 school, educational institution or department of corrections con-  
14 cerned a sworn statement, on a form to be provided by the director  
15 of taxation, that all purchases so made were entitled to exemption  
16 under this subsection. As an alternative to the foregoing proce-  
17 dure, any such contracting entity may apply to the secretary of  
18 revenue for agent status for the sole purpose of issuing and fur-  
19 nishing project exemption certificates to contractors pursuant to  
20 rules and regulations adopted by the secretary establishing con-  
21 ditions and standards for the granting and maintaining of such  
22 status. All invoices shall be held by the contractor for a period of  
23 five years and shall be subject to audit by the director of taxation.  
24 If any materials purchased under such a certificate are found not  
25 to have been incorporated in the building or other project or not  
26 to have been returned for credit or the sales or compensating tax  
27 otherwise imposed upon such materials which will not be so in-  
28 corporated in the building or other project reported and paid by  
29 such contractor to the director of taxation not later than the 20th  
30 day of the month following the close of the month in which it shall  
31 be determined that such materials will not be used for the purpose  
32 for which such certificate was issued, the political subdivision, dis-  
33 trict described in subsection (s), hospital or public hospital au-  
34 thority, school, educational institution or the contractor contract-  
35 ing with the department of corrections for a correctional  
36 institution concerned shall be liable for tax on all materials pur-  
37 chased for the project, and upon payment thereof it may recover  
38 the same from the contractor together with reasonable attorney  
39 fees. Any contractor or any agent, employee or subcontractor  
40 thereof, who shall use or otherwise dispose of any materials pur-  
41 chased under such a certificate for any purpose other than that for  
42 which such a certificate is issued without the payment of the sales  
43 or compensating tax otherwise imposed upon such materials, shall

1 be guilty of a misdemeanor and, upon conviction therefor, shall be  
2 subject to the penalties provided for in subsection (g) of K.S.A. 79-  
3 3615, and amendments thereto;

4 [(e) all sales of tangible personal property or services pur-  
5 chased by a contractor for the erection, repair or enlargement of  
6 buildings or other projects for the government of the United  
7 States, its agencies or instrumentalities, which would be exempt  
8 from taxation if purchased directly by the government of the  
9 United States, its agencies or instrumentalities. When the govern-  
10 ment of the United States, its agencies or instrumentalities shall  
11 contract for the erection, repair, or enlargement of any building  
12 or other project, it shall obtain from the state and furnish to the  
13 contractor an exemption certificate for the project involved, and  
14 the contractor may purchase materials for incorporation in such  
15 project. The contractor shall furnish the number of such certifi-  
16 cates to all suppliers from whom such purchases are made, and  
17 such suppliers shall execute invoices covering the same bearing  
18 the number of such certificate. Upon completion of the project the  
19 contractor shall furnish to the government of the United States, its  
20 agencies or instrumentalities concerned a sworn statement, on a  
21 form to be provided by the director of taxation, that all purchases  
22 so made were entitled to exemption under this subsection. As an  
23 alternative to the foregoing procedure, any such contracting entity  
24 may apply to the secretary of revenue for agent status for the sole  
25 purpose of issuing and furnishing project exemption certificates to  
26 contractors pursuant to rules and regulations adopted by the sec-  
27 retary establishing conditions and standards for the granting and  
28 maintaining of such status. All invoices shall be held by the con-  
29 tractor for a period of five years and shall be subject to audit by  
30 the director of taxation. Any contractor or any agent, employee or  
31 subcontractor thereof, who shall use or otherwise dispose of any  
32 materials purchased under such a certificate for any purpose other  
33 than that for which such a certificate is issued without the payment  
34 of the sales or compensating tax otherwise imposed upon such ma-  
35 terials, shall be guilty of a misdemeanor and, upon conviction  
36 therefor, shall be subject to the penalties provided for in subsec-  
37 tion (g) of K.S.A. 79-3615 and amendments thereto;

38 [(f) tangible personal property purchased by a railroad or pub-  
39 lic utility for consumption or movement directly and immediately  
40 in interstate commerce;

41 [(g) sales of aircraft including remanufactured and modified  
42 aircraft sold to persons using directly or through an authorized  
43 agent such aircraft as certified or licensed carriers of persons or



- 1 **property in interstate or foreign commerce under authority of the**  
2 **laws of the United States or any foreign government or sold to any**  
3 **foreign government or agency or instrumentality of such foreign**  
4 **government and all sales of aircraft for use outside of the United**  
5 **States and sales of aircraft repair, modification and replacement**  
6 **parts and sales of services employed in the remanufacture, modi-**  
7 **fication and repair of aircraft;**
- 8 **[(h) all rentals of nonsectarian textbooks by public or private**  
9 **elementary or secondary schools;**
- 10 **[(i) the lease or rental of all films, records, tapes, or any type**  
11 **of sound or picture transcriptions used by motion picture**  
12 **exhibitors;**
- 13 **[(j) meals served without charge or food used in the prepara-**  
14 **tion of such meals to employees of any restaurant, eating house,**  
15 **dining car, hotel, drugstore or other place where meals or drinks**  
16 **are regularly sold to the public if such employees' duties are re-**  
17 **lated to the furnishing or sale of such meals or drinks;**
- 18 **[(k) any motor vehicle, semitrailer or pole trailer, as such terms**  
19 **are defined by K.S.A. 8-126 and amendments thereto, or aircraft**  
20 **sold and delivered in this state to a bona fide resident of another**  
21 **state, which motor vehicle, semitrailer, pole trailer or aircraft is**  
22 **not to be registered or based in this state and which vehicle, sem-**  
23 **itrailer, pole trailer or aircraft will not remain in this state more**  
24 **than 10 days;**
- 25 **[(l) all isolated or occasional sales of tangible personal prop-**  
26 **erty, services, substances or things, except isolated or occasional**  
27 **sale of motor vehicles specifically taxed under the provisions of**  
28 **subsection (o) of K.S.A. 79-3603 and amendments thereto;**
- 29 **[(m) all sales of tangible personal property which become an**  
30 **ingredient or component part of tangible personal property or**  
31 **services produced, manufactured or compounded for ultimate sale**  
32 **at retail within or without the state of Kansas; and any such pro-**  
33 **ducer, manufacturer or compounder may obtain from the director**  
34 **of taxation and furnish to the supplier an exemption certificate**  
35 **number for tangible personal property for use as an ingredient or**  
36 **component part of the property or services produced, manufac-**  
37 **tured or compounded;**
- 38 **[(n) all sales of tangible personal property which is consumed**  
39 **in the production, manufacture, processing, mining, drilling, re-**  
40 **fining or compounding of tangible personal property, the treating**  
41 **of by-products or wastes derived from any such production pro-**  
42 **cess, the providing of services or the irrigation of crops for ulti-**  
43 **mate sale at retail within or without the state of Kansas; and any**

1 purchaser of such property may obtain from the director of taxation  
2 and furnish to the supplier an exemption certificate number  
3 for tangible personal property for consumption in such production,  
4 manufacture, processing, mining, drilling, refining, compounding,  
5 treating, irrigation and in providing such services;

6 [(o) all sales of animals, fowl and aquatic plants and animals,  
7 the primary purpose of which is use in agriculture or aquaculture,  
8 as defined in K.S.A. 47-1901, and amendments thereto, the production  
9 of food for human consumption, the production of animal,  
10 dairy, poultry or aquatic plant and animal products, fiber or fur,  
11 or the production of offspring for use for any such purpose or  
12 purposes;

13 [(p) all sales of drugs dispensed pursuant to a prescription order  
14 by a licensed practitioner or a mid-level practitioner as defined  
15 by K.S.A. 65-1626, and amendments thereto. As used in this subsection,  
16 “drug” means a compound, substance or preparation and any component  
17 of a compound, substance or preparation, other than food and food  
18 ingredients, dietary supplements or alcoholic beverages, recognized  
19 in the official United States pharmacopoeia, official homeopathic  
20 pharmacopoeia of the United States or official national formulary,  
21 and supplement to any of them, intended for use in the diagnosis,  
22 cure, mitigation, treatment or prevention of disease or intended to  
23 affect the structure or any function of the body;

24 [(q) all sales of insulin dispensed by a person licensed by the  
25 state board of pharmacy to a person for treatment of diabetes at  
26 the direction of a person licensed to practice medicine by the  
27 board of healing arts;

28 [(r) all sales of oxygen delivery equipment, kidney dialysis  
29 equipment, enteral feeding systems, prosthetic devices and mobility  
30 enhancing equipment prescribed in writing by a person licensed to  
31 practice the healing arts, dentistry or optometry, and in addition  
32 to such sales, all sales of hearing aids, as defined by subsection  
33 (c) of K.S.A. 74-5807, and amendments thereto, and repair and  
34 replacement parts therefor, including batteries, by a person  
35 licensed in the practice of dispensing and fitting hearing aids  
36 pursuant to the provisions of K.S.A. 74-5808, and amendments  
37 thereto. For the purposes of this subsection: (1) “Mobility  
38 enhancing equipment” means equipment including repair and replacement  
39 parts to same, but does not include durable medical equipment,  
40 which is primarily and customarily used to provide or increase  
41 the ability to move from one place to another and which  
42 is appropriate for use either in a home or a motor vehicle; is not  
43

1 generally used by persons with normal mobility; and does not in-  
2 clude any motor vehicle or equipment on a motor vehicle normally  
3 provided by a motor vehicle manufacturer; and (2) “prosthetic de-  
4 vice” means a replacement, corrective or supportive device in-  
5 cluding repair and replacement parts for same worn on or in the  
6 body to artificially replace a missing portion of the body, prevent  
7 or correct physical deformity or malfunction or support a weak or  
8 deformed portion of the body;

9 [(s) except as provided in K.S.A. 2007 Supp. 82a-2101, and  
10 amendments thereto, all sales of tangible personal property or  
11 services purchased directly or indirectly by a groundwater man-  
12 agement district organized or operating under the authority of  
13 K.S.A. 82a-1020 et seq. and amendments thereto, by a rural water  
14 district organized or operating under the authority of K.S.A. 82a-  
15 612, and amendments thereto, or by a water supply district organ-  
16 ized or operating under the authority of K.S.A. 19-3501 et seq.,  
17 19-3522 et seq. or 19-3545, and amendments thereto, which prop-  
18 erty or services are used in the construction activities, operation  
19 or maintenance of the district;

20 [(t) all sales of farm machinery and equipment or aquaculture  
21 machinery and equipment, repair and replacement parts therefor  
22 and services performed in the repair and maintenance of such ma-  
23 chinery and equipment. For the purposes of this subsection the  
24 term “farm machinery and equipment or aquaculture machinery  
25 and equipment” shall include a work-site utility vehicle, as defined  
26 in K.S.A. 8-126, and amendments thereto, and is equipped with a  
27 bed or cargo box for hauling materials, and shall also include ma-  
28 chinery and equipment used in the operation of Christmas tree  
29 farming but shall not include any passenger vehicle, truck, truck  
30 tractor, trailer, semitrailer or pole trailer, other than a farm trailer,  
31 as such terms are defined by K.S.A. 8-126 and amendments  
32 thereto. “Farm machinery and equipment” includes precision  
33 farming equipment that is portable or is installed or purchased to  
34 be installed on farm machinery and equipment. “Precision farming  
35 equipment” includes the following items used only in computer-  
36 assisted farming, ranching or aquaculture production operations:  
37 Soil testing sensors, yield monitors, computers, monitors, software,  
38 global positioning and mapping systems, guiding systems, mo-  
39 dems, data communications equipment and any necessary mount-  
40 ing hardware, wiring and antennas. Each purchaser of farm ma-  
41 chinery and equipment or aquaculture machinery and equipment  
42 exempted herein must certify in writing on the copy of the invoice  
43 or sales ticket to be retained by the seller that the farm machinery

1 and equipment or aquaculture machinery and equipment pur-  
2 chased will be used only in farming, ranching or aquaculture pro-  
3 duction. Farming or ranching shall include the operation of a feed-  
4 lot and farm and ranch work for hire and the operation of a  
5 nursery;

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

9 [(v) all sales of tangible personal property to any contractor for  
10 use in preparing meals for delivery to homebound elderly persons  
11 over 60 years of age and to homebound disabled persons or to be  
12 served at a group-sitting at a location outside of the home to oth-  
13 erwise homebound elderly persons over 60 years of age and to  
14 otherwise homebound disabled persons, as all or part of any food  
15 service project funded in whole or in part by government or as  
16 part of a private nonprofit food service project available to all such  
17 elderly or disabled persons residing within an area of service des-  
18 ignated by the private nonprofit organization, and all sales of tan-  
19 gible personal property for use in preparing meals for consump-  
20 tion by indigent or homeless individuals whether or not such meals  
21 are consumed at a place designated for such purpose, and all sales  
22 of food products by or on behalf of any such contractor or organ-  
23 ization for any such purpose;

24 [(w) all sales of natural gas, electricity, heat and water deliv-  
25 ered through mains, lines or pipes: (1) To residential premises for  
26 noncommercial use by the occupant of such premises; (2) for ag-  
27 ricultural use and also, for such use, all sales of propane gas; (3)  
28 for use in the severing of oil; and (4) to any property which is  
29 exempt from property taxation pursuant to K.S.A. 79-201b *Second*  
30 *through Sixth*. As used in this paragraph, “severing” shall have the  
31 meaning ascribed thereto by subsection (k) of K.S.A. 79-4216, and  
32 amendments thereto. For all sales of natural gas, electricity and  
33 heat delivered through mains, lines or pipes pursuant to the pro-  
34 visions of subsection (w)(1) and (w)(2), the provisions of this sub-  
35 section shall expire on December 31, 2005;

36 [(x) all sales of propane gas, LP-gas, coal, wood and other fuel  
37 sources for the production of heat or lighting for noncommercial  
38 use of an occupant of residential premises occurring prior to Jan-  
39 uary 1, 2006;

40 [(y) all sales of materials and services used in the repairing,  
41 servicing, altering, maintaining, manufacturing, remanufacturing,  
42 or modification of railroad rolling stock for use in interstate or  
43 foreign commerce under authority of the laws of the United States;

1 [(z) all sales of tangible personal property and services pur-  
2 chased directly by a port authority or by a contractor therefor as  
3 provided by the provisions of K.S.A. 12-3418 and amendments  
4 thereto;

5 [(aa) all sales of materials and services applied to equipment  
6 which is transported into the state from without the state for re-  
7 pair, service, alteration, maintenance, remanufacture or modifi-  
8 cation and which is subsequently transported outside the state for  
9 use in the transmission of liquids or natural gas by means of pipe-  
10 line in interstate or foreign commerce under authority of the laws  
11 of the United States;

12 [(bb) all sales of used mobile homes or manufactured homes.  
13 As used in this subsection: (1) “Mobile homes” and “manufactured  
14 homes” shall have the meanings ascribed thereto by K.S.A. 58-  
15 4202 and amendments thereto; and (2) “sales of used mobile  
16 homes or manufactured homes” means sales other than the orig-  
17 inal retail sale thereof;

18 [(cc) all sales of tangible personal property or services pur-  
19 chased for the purpose of and in conjunction with constructing,  
20 reconstructing, enlarging or remodeling a business or retail busi-  
21 ness which meets the requirements established in K.S.A. 74-50,115  
22 and amendments thereto, and the sale and installation of machin-  
23 ery and equipment purchased for installation at any such business  
24 or retail business. When a person shall contract for the construc-  
25 tion, reconstruction, enlargement or remodeling of any such busi-  
26 ness or retail business, such person shall obtain from the state and  
27 furnish to the contractor an exemption certificate for the project  
28 involved, and the contractor may purchase materials, machinery  
29 and equipment for incorporation in such project. The contractor  
30 shall furnish the number of such certificates to all suppliers from  
31 whom such purchases are made, and such suppliers shall execute  
32 invoices covering the same bearing the number of such certificate.  
33 Upon completion of the project the contractor shall furnish to the  
34 owner of the business or retail business a sworn statement, on a  
35 form to be provided by the director of taxation, that all purchases  
36 so made were entitled to exemption under this subsection. All in-  
37 voices shall be held by the contractor for a period of five years and  
38 shall be subject to audit by the director of taxation. Any contractor  
39 or any agent, employee or subcontractor thereof, who shall use or  
40 otherwise dispose of any materials, machinery or equipment pur-  
41 chased under such a certificate for any purpose other than that for  
42 which such a certificate is issued without the payment of the sales  
43 or compensating tax otherwise imposed thereon, shall be guilty of

1 a misdemeanor and, upon conviction therefor, shall be subject to  
2 the penalties provided for in subsection (g) of K.S.A. 79-3615 and  
3 amendments thereto. As used in this subsection, “business” and  
4 “retail business” have the meanings respectively ascribed thereto  
5 by K.S.A. 74-50,114 and amendments thereto;

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

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

10 [(ff) on and after July 1, 1988, all sales of new mobile homes  
11 or manufactured homes to the extent of 40% of the gross receipts,  
12 determined without regard to any trade-in allowance, received  
13 from such sale. As used in this subsection, “mobile homes” and  
14 “manufactured homes” shall have the meanings ascribed thereto  
15 by K.S.A. 58-4202 and amendments thereto;

16 [(gg) all sales of tangible personal property purchased in ac-  
17 cordance with vouchers issued pursuant to the federal special sup-  
18 plemental food program for women, infants and children;

19 [(hh) all sales of medical supplies and equipment, including du-  
20 rable medical equipment, purchased directly by a nonprofit skilled  
21 nursing home or nonprofit intermediate nursing care home, as  
22 defined by K.S.A. 39-923, and amendments thereto, for the pur-  
23 pose of providing medical services to residents thereof. This ex-  
24 emption shall not apply to tangible personal property customarily  
25 used for human habitation purposes. As used in this subsection,  
26 “durable medical equipment” means equipment including repair  
27 and replacement parts for such equipment, which can withstand  
28 repeated use, is primarily and customarily used to serve a medical  
29 purpose, generally is not useful to a person in the absence of illness  
30 or injury and is not worn in or on the body, but does not include  
31 mobility enhancing equipment as defined in subsection (r), oxygen  
32 delivery equipment, kidney dialysis equipment or enteral feeding  
33 systems;

34 [(ii) all sales of tangible personal property purchased directly  
35 by a nonprofit organization for nonsectarian comprehensive mul-  
36 tidiscipline youth development programs and activities provided  
37 or sponsored by such organization, and all sales of tangible per-  
38 sonal property by or on behalf of any such organization. This ex-  
39 emption shall not apply to tangible personal property customarily  
40 used for human habitation purposes;

41 [(jj) all sales of tangible personal property or services, includ-  
42 ing the renting and leasing of tangible personal property, pur-  
43 chased directly on behalf of a community-based mental retarda-

1 tion facility or mental health center organized pursuant to K.S.A.  
2 19-4001 et seq., and amendments thereto, and licensed in accord-  
3 ance with the provisions of K.S.A. 75-3307b and amendments  
4 thereto and all sales of tangible personal property or services pur-  
5 chased by contractors during the time period from July, 2003,  
6 through June, 2006, for the purpose of constructing, equipping,  
7 maintaining or furnishing a new facility for a community-based  
8 mental retardation facility or mental health center located in Riv-  
9 erton, Cherokee County, Kansas, which would have been eligible  
10 for sales tax exemption pursuant to this subsection if purchased  
11 directly by such facility or center. This exemption shall not apply  
12 to tangible personal property customarily used for human habi-  
13 tation purposes;

14 [(kk) (1) (A) all sales of machinery and equipment which are  
15 used in this state as an integral or essential part of an integrated  
16 production operation by a manufacturing or processing plant or  
17 facility;

18 [(B) all sales of installation, repair and maintenance services  
19 performed on such machinery and equipment; and

20 [(C) all sales of repair and replacement parts and accessories  
21 purchased for such machinery and equipment.

22 [(2) For purposes of this subsection:

23 [(A) “Integrated production operation” means an integrated  
24 series of operations engaged in at a manufacturing or processing  
25 plant or facility to process, transform or convert tangible personal  
26 property by physical, chemical or other means into a different  
27 form, composition or character from that in which it originally ex-  
28 isted. Integrated production operations shall include: (i) Produc-  
29 tion line operations, including packaging operations; (ii) prepro-  
30 duction operations to handle, store and treat raw materials; (iii)  
31 post production handling, storage, warehousing and distribution  
32 operations; and (iv) waste, pollution and environmental control op-  
33 erations, if any;

34 [(B) “production line” means the assemblage of machinery and  
35 equipment at a manufacturing or processing plant or facility where  
36 the actual transformation or processing of tangible personal prop-  
37 erty occurs;

38 [(C) “manufacturing or processing plant or facility” means a  
39 single, fixed location owned or controlled by a manufacturing or  
40 processing business that consists of one or more structures or  
41 buildings in a contiguous area where integrated production op-  
42 erations are conducted to manufacture or process tangible per-  
43 sonal property to be ultimately sold at retail. Such term shall not

1 include any facility primarily operated for the purpose of convey-  
2 ing or assisting in the conveyance of natural gas, electricity, oil or  
3 water. A business may operate one or more manufacturing or process-  
4 ing plants or facilities at different locations to manufacture or  
5 process a single product of tangible personal property to be ulti-  
6 mately sold at retail;

7 [(D) “manufacturing or processing business” means a business  
8 that utilizes an integrated production operation to manufacture,  
9 process, fabricate, finish, or assemble items for wholesale and re-  
10 tail distribution as part of what is commonly regarded by the gen-  
11 eral public as an industrial manufacturing or processing operation  
12 or an agricultural commodity processing operation. (i) Industrial  
13 manufacturing or processing operations include, by way of illus-  
14 tration but not of limitation, the fabrication of automobiles, air-  
15 planes, machinery or transportation equipment, the fabrication of  
16 metal, plastic, wood, or paper products, electricity power gener-  
17 ation, water treatment, petroleum refining, chemical production,  
18 wholesale bottling, newspaper printing, ready mixed concrete pro-  
19 duction, and the remanufacturing of used parts for wholesale or  
20 retail sale. Such processing operations shall include operations at  
21 an oil well, gas well, mine or other excavation site where the oil,  
22 gas, minerals, coal, clay, stone, sand or gravel that has been ex-  
23 tracted from the earth is cleaned, separated, crushed, ground,  
24 milled, screened, washed, or otherwise treated or prepared before  
25 its transmission to a refinery or before any other wholesale or re-  
26 tail distribution. (ii) Agricultural commodity processing operations  
27 include, by way of illustration but not of limitation, meat packing,  
28 poultry slaughtering and dressing, processing and packaging farm  
29 and dairy products in sealed containers for wholesale and retail  
30 distribution, feed grinding, grain milling, frozen food processing,  
31 and grain handling, cleaning, blending, fumigation, drying and  
32 aeration operations engaged in by grain elevators or other grain  
33 storage facilities. (iii) Manufacturing or processing businesses do  
34 not include, by way of illustration but not of limitation, nonindus-  
35 trial businesses whose operations are primarily retail and that pro-  
36 duce or process tangible personal property as an incidental part  
37 of conducting the retail business, such as retailers who bake, cook  
38 or prepare food products in the regular course of their retail trade,  
39 grocery stores, meat lockers and meat markets that butcher or  
40 dress livestock or poultry in the regular course of their retail trade,  
41 contractors who alter, service, repair or improve real property,  
42 and retail businesses that clean, service or refurbish and repair  
43 tangible personal property for its owner;



- 1 [(E) “repair and replacement parts and accessories” means all  
2 parts and accessories for exempt machinery and equipment, in-  
3 cluding, but not limited to, dies, jigs, molds, patterns and safety  
4 devices that are attached to exempt machinery or that are other-  
5 wise used in production, and parts and accessories that require  
6 periodic replacement such as belts, drill bits, grinding wheels,  
7 grinding balls, cutting bars, saws, refractory brick and other re-  
8 fractory items for exempt kiln equipment used in production  
9 operations;
- 10 [(F) “primary” or “primarily” mean more than 50% of the  
11 time.
- 12 [(3) For purposes of this subsection, machinery and equipment  
13 shall be deemed to be used as an integral or essential part of an  
14 integrated production operation when used:
- 15 [(A) To receive, transport, convey, handle, treat or store raw  
16 materials in preparation of its placement on the production line;
- 17 [(B) to transport, convey, handle or store the property under-  
18 going manufacturing or processing at any point from the begin-  
19 ning of the production line through any warehousing or distribu-  
20 tion operation of the final product that occurs at the plant or  
21 facility;
- 22 [(C) to act upon, effect, promote or otherwise facilitate a phys-  
23 ical change to the property undergoing manufacturing or  
24 processing;
- 25 [(D) to guide, control or direct the movement of property un-  
26 dergoing manufacturing or processing;
- 27 [(E) to test or measure raw materials, the property undergoing  
28 manufacturing or processing or the finished product, as a neces-  
29 sary part of the manufacturer’s integrated production operations;
- 30 [(F) to plan, manage, control or record the receipt and flow of  
31 inventories of raw materials, consumables and component parts,  
32 the flow of the property undergoing manufacturing or processing  
33 and the management of inventories of the finished product;
- 34 [(G) to produce energy for, lubricate, control the operating of  
35 or otherwise enable the functioning of other production machin-  
36 ery and equipment and the continuation of production operations;
- 37 [(H) to package the property being manufactured or processed  
38 in a container or wrapping in which such property is normally sold  
39 or transported;
- 40 [(I) to transmit or transport electricity, coke, gas, water, steam  
41 or similar substances used in production operations from the point  
42 of generation, if produced by the manufacturer or processor at the  
43 plant site, to that manufacturer’s production operation; or, if pur-

1 chased or delivered from offsite, from the point where the sub-  
2 stance enters the site of the plant or facility to that manufacturer's  
3 production operations;

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

7 [(K) to provide and control an environment required to main-  
8 tain certain levels of air quality, humidity or temperature in special  
9 and limited areas of the plant or facility, where such regulation of  
10 temperature or humidity is part of and essential to the production  
11 process;

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

14 [(M) to control pollution at the plant or facility where the pol-  
15 lution is produced by the manufacturing or processing operation.

16 [(4) The following machinery, equipment and materials shall  
17 be deemed to be exempt even though it may not otherwise qualify  
18 as machinery and equipment used as an integral or essential part  
19 of an integrated production operation: (A) Computers and related  
20 peripheral equipment that are utilized by a manufacturing or  
21 processing business for engineering of the finished product or for  
22 research and development or product design; (B) machinery and  
23 equipment that is utilized by a manufacturing or processing busi-  
24 ness to manufacture or rebuild tangible personal property that is  
25 used in manufacturing or processing operations, including tools,  
26 dies, molds, forms and other parts of qualifying machinery and  
27 equipment; (C) portable plants for aggregate concrete, bulk ce-  
28 ment and asphalt including cement mixing drums to be attached  
29 to a motor vehicle; (D) industrial fixtures, devices, support facili-  
30 ties and special foundations necessary for manufacturing and pro-  
31 duction operations, and materials and other tangible personal  
32 property sold for the purpose of fabricating such fixtures, devices,  
33 facilities and foundations. An exemption certificate for such pur-  
34 chases shall be signed by the manufacturer or processor. If the  
35 fabricator purchases such material, the fabricator shall also sign  
36 the exemption certificate; and (E) a manufacturing or processing  
37 business' laboratory equipment that is not located at the plant or  
38 facility, but that would otherwise qualify for exemption under sub-  
39 section (3)(E).

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

42 [(A) Machinery and equipment used for nonproduction pur-  
43 poses, including, but not limited to, machinery and equipment

- 1 used for plant security, fire prevention, first aid, accounting, ad-  
2 ministration, record keeping, advertising, marketing, sales or  
3 other related activities, plant cleaning, plant communications, and  
4 employee work scheduling;
- 5 [(B) machinery, equipment and tools used primarily in main-  
6 taining and repairing any type of machinery and equipment or the  
7 building and plant;
- 8 [(C) transportation, transmission and distribution equipment  
9 not primarily used in a production, warehousing or material han-  
10 dling operation at the plant or facility, including the means of con-  
11 veyance of natural gas, electricity, oil or water, and equipment  
12 related thereto, located outside the plant or facility;
- 13 [(D) office machines and equipment including computers and  
14 related peripheral equipment not used directly and primarily to  
15 control or measure the manufacturing process;
- 16 [(E) furniture and other furnishings;
- 17 [(F) buildings, other than exempt machinery and equipment  
18 that is permanently affixed to or becomes a physical part of the  
19 building, and any other part of real estate that is not otherwise  
20 exempt;
- 21 [(G) building fixtures that are not integral to the manufactur-  
22 ing operation, such as utility systems for heating, ventilation, air  
23 conditioning, communications, plumbing or electrical;
- 24 [(H) machinery and equipment used for general plant heating,  
25 cooling and lighting;
- 26 [(I) motor vehicles that are registered for operation on public  
27 highways; or
- 28 [(J) employee apparel, except safety and protective apparel  
29 that is purchased by an employer and furnished gratuitously to  
30 employees who are involved in production or research activities.
- 31 [(6) Subsections (3) and (5) shall not be construed as exclusive  
32 listings of the machinery and equipment that qualify or do not  
33 qualify as an integral or essential part of an integrated production  
34 operation. When machinery or equipment is used as an integral or  
35 essential part of production operations part of the time and for  
36 nonproduction purpose at other times, the primary use of the ma-  
37 chinery or equipment shall determine whether or not such ma-  
38 chinery or equipment qualifies for exemption.
- 39 [(7) The secretary of revenue shall adopt rules and regulations  
40 necessary to administer the provisions of this subsection;
- 41 [(II) all sales of educational materials purchased for distribu-  
42 tion to the public at no charge by a nonprofit corporation organ-  
43 ized for the purpose of encouraging, fostering and conducting pro-

- 1 **grams for the improvement of public health;**  
2 **[(mm) all sales of seeds and tree seedlings; fertilizers, insecti-**  
3 **cides, herbicides, germicides, pesticides and fungicides; and serv-**  
4 **ices, purchased and used for the purpose of producing plants in**  
5 **order to prevent soil erosion on land devoted to agricultural use;**  
6 **[(nn) except as otherwise provided in this act, all sales of serv-**  
7 **ices rendered by an advertising agency or licensed broadcast sta-**  
8 **tion or any member, agent or employee thereof;**  
9 **[(oo) all sales of tangible personal property purchased by a**  
10 **community action group or agency for the exclusive purpose of**  
11 **repairing or weatherizing housing occupied by low income**  
12 **individuals;**  
13 **[(pp) all sales of drill bits and explosives actually utilized in the**  
14 **exploration and production of oil or gas;**  
15 **[(qq) all sales of tangible personal property and services pur-**  
16 **chased by a nonprofit museum or historical society or any combi-**  
17 **nation thereof, including a nonprofit organization which is organ-**  
18 **ized for the purpose of stimulating public interest in the**  
19 **exploration of space by providing educational information, exhib-**  
20 **its and experiences, which is exempt from federal income taxation**  
21 **pursuant to section 501(c)(3) of the federal internal revenue code**  
22 **of 1986;**  
23 **[(rr) all sales of tangible personal property which will admit the**  
24 **purchaser thereof to any annual event sponsored by a nonprofit**  
25 **organization which is exempt from federal income taxation pur-**  
26 **suant to section 501(c)(3) of the federal internal revenue code of**  
27 **1986;**  
28 **[(ss) all sales of tangible personal property and services pur-**  
29 **chased by a public broadcasting station licensed by the federal**  
30 **communications commission as a noncommercial educational tel-**  
31 **evision or radio station;**  
32 **[(tt) all sales of tangible personal property and services pur-**  
33 **chased by or on behalf of a not-for-profit corporation which is ex-**  
34 **empt from federal income taxation pursuant to section 501(c)(3)**  
35 **of the federal internal revenue code of 1986, for the sole purpose**  
36 **of constructing a Kansas Korean War memorial;**  
37 **[(uu) all sales of tangible personal property and services pur-**  
38 **chased by or on behalf of any rural volunteer fire-fighting organ-**  
39 **ization for use exclusively in the performance of its duties and**  
40 **functions;**  
41 **[(vv) all sales of tangible personal property purchased by any**  
42 **of the following organizations which are exempt from federal in-**  
43 **come taxation pursuant to section 501 (c)(3) of the federal internal**

- 1 revenue code of 1986, for the following purposes, and all sales of  
2 any such property by or on behalf of any such organization for any  
3 such purpose:
- 4 [(1) The American Heart Association, Kansas Affiliate, Inc. for  
5 the purposes of providing education, training, certification in  
6 emergency cardiac care, research and other related services to  
7 reduce disability and death from cardiovascular diseases and  
8 stroke;
- 9 [(2) the Kansas Alliance for the Mentally Ill, Inc. for the pur-  
10 pose of advocacy for persons with mental illness and to education,  
11 research and support for their families;
- 12 [(3) the Kansas Mental Illness Awareness Council for the pur-  
13 poses of advocacy for persons who are mentally ill and to educa-  
14 tion, research and support for them and their families;
- 15 [(4) the American Diabetes Association Kansas Affiliate, Inc.  
16 for the purpose of eliminating diabetes through medical research,  
17 public education focusing on disease prevention and education,  
18 patient education including information on coping with diabetes,  
19 and professional education and training;
- 20 [(5) the American Lung Association of Kansas, Inc. for the pur-  
21 pose of eliminating all lung diseases through medical research,  
22 public education including information on coping with lung dis-  
23 eases, professional education and training related to lung disease  
24 and other related services to reduce the incidence of disability and  
25 death due to lung disease;
- 26 [(6) the Kansas chapters of the Alzheimer’s Disease and Re-  
27 lated Disorders Association, Inc. for the purpose of providing as-  
28 sistance and support to persons in Kansas with Alzheimer’s disease,  
29 and their families and caregivers;
- 30 [(7) the Kansas chapters of the Parkinson’s disease association  
31 for the purpose of eliminating Parkinson’s disease through medical  
32 research and public and professional education related to such  
33 disease;
- 34 [(8) the National Kidney Foundation of Kansas and Western  
35 Missouri for the purpose of eliminating kidney disease through  
36 medical research and public and private education related to such  
37 disease;
- 38 [(9) the heartstrings community foundation for the purpose of  
39 providing training, employment and activities for adults with de-  
40 velopmental disabilities;
- 41 [(10) the Cystic Fibrosis Foundation, Heart of America Chap-  
42 ter, for the purposes of assuring the development of the means to  
43 cure and control cystic fibrosis and improving the quality of life

1 for those with the disease;

2 [(11) the spina bifida association of Kansas for the purpose of  
3 providing financial, educational and practical aid to families and  
4 individuals with spina bifida. Such aid includes, but is not limited  
5 to, funding for medical devices, counseling and medical educa-  
6 tional opportunities;

7 [(12) the CHWC, Inc., for the purpose of rebuilding urban core  
8 neighborhoods through the construction of new homes, acquiring  
9 and renovating existing homes and other related activities, and  
10 promoting economic development in such neighborhoods;

11 [(13) the cross-lines cooperative council for the purpose of pro-  
12 viding social services to low income individuals and families;

13 [(14) the Dreams Work, Inc., for the purpose of providing  
14 young adult day services to individuals with developmental disa-  
15 bilities and assisting families in avoiding institutional or nursing  
16 home care for a developmentally disabled member of their family;

17 [(15) the KSDS, Inc., for the purpose of promoting the inde-  
18 pendence and inclusion of people with disabilities as fully partic-  
19 ipating and contributing members of their communities and soci-  
20 ety through the training and providing of guide and service dogs  
21 to people with disabilities, and providing disability education and  
22 awareness to the general public;

23 [(16) the lyme association of greater Kansas City, Inc., for the  
24 purpose of providing support to persons with lyme disease and  
25 public education relating to the prevention, treatment and cure of  
26 lyme disease;

27 [(17) the Dream Factory, Inc., for the purpose of granting the  
28 dreams of children with critical and chronic illnesses;

29 [(18) the Ottawa Suzuki Strings, Inc., for the purpose of pro-  
30 viding students and families with education and resources neces-  
31 sary to enable each child to develop fine character and musical  
32 ability to the fullest potential;

33 [(19) the International Association of Lions Clubs for the pur-  
34 pose of creating and fostering a spirit of understanding among all  
35 people for humanitarian needs by providing voluntary services  
36 through community involvement and international cooperation;

37 [(20) the Johnson county young matrons, inc., for the purpose  
38 of promoting a positive future for members of the community  
39 through volunteerism, financial support and education through  
40 the efforts of an all volunteer organization;

41 [(21) the American Cancer Society, Inc., for the purpose of  
42 eliminating cancer as a major health problem by preventing can-  
43 cer, saving lives and diminishing suffering from cancer, through

1 research, education, advocacy and service;  
2 [(22) the community services of Shawnee, inc., for the purpose  
3 of providing food and clothing to those in need; and  
4 [(23) the angel babies association, for the purpose of providing  
5 assistance, support and items of necessity to teenage mothers and  
6 their babies;  
7 [(ww) all sales of tangible personal property purchased by the  
8 Habitat for Humanity for the exclusive use of being incorporated  
9 within a housing project constructed by such organization;  
10 [(xx) all sales of tangible personal property and services pur-  
11 chased by a nonprofit zoo which is exempt from federal income  
12 taxation pursuant to section 501(c)(3) of the federal internal rev-  
13 enue code of 1986, or on behalf of such zoo by an entity itself  
14 exempt from federal income taxation pursuant to section 501(c)(3)  
15 of the federal internal revenue code of 1986 contracted with to  
16 operate such zoo and all sales of tangible personal property or  
17 services purchased by a contractor for the purpose of constructing,  
18 equipping, reconstructing, maintaining, repairing, enlarging, fur-  
19 nishing or remodeling facilities for any nonprofit zoo which would  
20 be exempt from taxation under the provisions of this section if  
21 purchased directly by such nonprofit zoo or the entity operating  
22 such zoo. Nothing in this subsection shall be deemed to exempt  
23 the purchase of any construction machinery, equipment or tools  
24 used in the constructing, equipping, reconstructing, maintaining,  
25 repairing, enlarging, furnishing or remodeling facilities for any  
26 nonprofit zoo. When any nonprofit zoo shall contract for the pur-  
27 pose of constructing, equipping, reconstructing, maintaining, re-  
28 pairing, enlarging, furnishing or remodeling facilities, it shall ob-  
29 tain from the state and furnish to the contractor an exemption  
30 certificate for the project involved, and the contractor may pur-  
31 chase materials for incorporation in such project. The contractor  
32 shall furnish the number of such certificate to all suppliers from  
33 whom such purchases are made, and such suppliers shall execute  
34 invoices covering the same bearing the number of such certificate.  
35 Upon completion of the project the contractor shall furnish to the  
36 nonprofit zoo concerned a sworn statement, on a form to be pro-  
37 vided by the director of taxation, that all purchases so made were  
38 entitled to exemption under this subsection. All invoices shall be  
39 held by the contractor for a period of five years and shall be subject  
40 to audit by the director of taxation. If any materials purchased  
41 under such a certificate are found not to have been incorporated  
42 in the building or other project or not to have been returned for  
43 credit or the sales or compensating tax otherwise imposed upon

1 such materials which will not be so incorporated in the building  
2 or other project reported and paid by such contractor to the di-  
3 rector of taxation not later than the 20th day of the month follow-  
4 ing the close of the month in which it shall be determined that  
5 such materials will not be used for the purpose for which such  
6 certificate was issued, the nonprofit zoo concerned shall be liable  
7 for tax on all materials purchased for the project, and upon pay-  
8 ment thereof it may recover the same from the contractor together  
9 with reasonable attorney fees. Any contractor or any agent, em-  
10 ployee or subcontractor thereof, who shall use or otherwise dis-  
11 pose of any materials purchased under such a certificate for any  
12 purpose other than that for which such a certificate is issued with-  
13 out the payment of the sales or compensating tax otherwise im-  
14 posed upon such materials, shall be guilty of a misdemeanor and,  
15 upon conviction therefor, shall be subject to the penalties provided  
16 for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

17 [(yy) all sales of tangible personal property and services pur-  
18 chased by a parent-teacher association or organization, and all  
19 sales of tangible personal property by or on behalf of such asso-  
20 ciation or organization;

21 [(zz) all sales of machinery and equipment purchased by over-  
22 the-air, free access radio or television station which is used directly  
23 and primarily for the purpose of producing a broadcast signal or  
24 is such that the failure of the machinery or equipment to operate  
25 would cause broadcasting to cease. For purposes of this subsec-  
26 tion, machinery and equipment shall include, but not be limited  
27 to, that required by rules and regulations of the federal commu-  
28 nications commission, and all sales of electricity which are essential  
29 or necessary for the purpose of producing a broadcast signal or is  
30 such that the failure of the electricity would cause broadcasting to  
31 cease;

32 [(aaa) all sales of tangible personal property and services pur-  
33 chased by a religious organization which is exempt from federal  
34 income taxation pursuant to section 501(c)(3) of the federal inter-  
35 nal revenue code, and used exclusively for religious purposes, and  
36 all sales of tangible personal property or services purchased by a  
37 contractor for the purpose of constructing, equipping, reconstruct-  
38 ing, maintaining, repairing, enlarging, furnishing or remodeling  
39 facilities for any such organization which would be exempt from  
40 taxation under the provisions of this section if purchased directly  
41 by such organization. Nothing in this subsection shall be deemed  
42 to exempt the purchase of any construction machinery, equipment  
43 or tools used in the constructing, equipping, reconstructing, main-



1 taining, repairing, enlarging, furnishing or remodeling facilities  
2 for any such organization. When any such organization shall con-  
3 tract for the purpose of constructing, equipping, reconstructing,  
4 maintaining, repairing, enlarging, furnishing or remodeling facil-  
5 ities, it shall obtain from the state and furnish to the contractor an  
6 exemption certificate for the project involved, and the contractor  
7 may purchase materials for incorporation in such project. The con-  
8 tractor shall furnish the number of such certificate to all suppliers  
9 from whom such purchases are made, and such suppliers shall ex-  
10 ecute invoices covering the same bearing the number of such cer-  
11 tificate. Upon completion of the project the contractor shall fur-  
12 nish to such organization concerned a sworn statement, on a form  
13 to be provided by the director of taxation, that all purchases so  
14 made were entitled to exemption under this subsection. All in-  
15 voices shall be held by the contractor for a period of five years and  
16 shall be subject to audit by the director of taxation. If any materials  
17 purchased under such a certificate are found not to have been  
18 incorporated in the building or other project or not to have been  
19 returned for credit or the sales or compensating tax otherwise im-  
20 posed upon such materials which will not be so incorporated in  
21 the building or other project reported and paid by such contractor  
22 to the director of taxation not later than the 20th day of the month  
23 following the close of the month in which it shall be determined  
24 that such materials will not be used for the purpose for which such  
25 certificate was issued, such organization concerned shall be liable  
26 for tax on all materials purchased for the project, and upon pay-  
27 ment thereof it may recover the same from the contractor together  
28 with reasonable attorney fees. Any contractor or any agent, em-  
29 ployee or subcontractor thereof, who shall use or otherwise dis-  
30 pose of any materials purchased under such a certificate for any  
31 purpose other than that for which such a certificate is issued with-  
32 out the payment of the sales or compensating tax otherwise im-  
33 posed upon such materials, shall be guilty of a misdemeanor and,  
34 upon conviction therefor, shall be subject to the penalties provided  
35 for in subsection (g) of K.S.A. 79-3615, and amendments thereto.  
36 Sales tax paid on and after July 1, 1998, but prior to the effective  
37 date of this act upon the gross receipts received from any sale  
38 exempted by the amendatory provisions of this subsection shall be  
39 refunded. Each claim for a sales tax refund shall be verified and  
40 submitted to the director of taxation upon forms furnished by the  
41 director and shall be accompanied by any additional documenta-  
42 tion required by the director. The director shall review each claim  
43 and shall refund that amount of sales tax paid as determined under

1 the provisions of this subsection. All refunds shall be paid from the  
2 sales tax refund fund upon warrants of the director of accounts  
3 and reports pursuant to vouchers approved by the director or the  
4 director's designee;

5 [(bbb) all sales of food for human consumption by an organi-  
6 zation which is exempt from federal income taxation pursuant to  
7 section 501 (c)(3) of the federal internal revenue code of 1986,  
8 pursuant to a food distribution program which offers such food at  
9 a price below cost in exchange for the performance of community  
10 service by the purchaser thereof;

11 [(ccc) on and after July 1, 1999, all sales of tangible personal  
12 property and services purchased by a primary care clinic or health  
13 center the primary purpose of which is to provide services to med-  
14 ically underserved individuals and families, and which is exempt  
15 from federal income taxation pursuant to section 501 (c)(3) of the  
16 federal internal revenue code, and all sales of tangible personal  
17 property or services purchased by a contractor for the purpose of  
18 constructing, equipping, reconstructing, maintaining, repairing,  
19 enlarging, furnishing or remodeling facilities for any such clinic or  
20 center which would be exempt from taxation under the provisions  
21 of this section if purchased directly by such clinic or center. Noth-  
22 ing in this subsection shall be deemed to exempt the purchase of  
23 any construction machinery, equipment or tools used in the con-  
24 structing, equipping, reconstructing, maintaining, repairing, en-  
25 larging, furnishing or remodeling facilities for any such clinic or  
26 center. When any such clinic or center shall contract for the pur-  
27 pose of constructing, equipping, reconstructing, maintaining, re-  
28 pairing, enlarging, furnishing or remodeling facilities, it shall ob-  
29 tain from the state and furnish to the contractor an exemption  
30 certificate for the project involved, and the contractor may pur-  
31 chase materials for incorporation in such project. The contractor  
32 shall furnish the number of such certificate to all suppliers from  
33 whom such purchases are made, and such suppliers shall execute  
34 invoices covering the same bearing the number of such certificate.  
35 Upon completion of the project the contractor shall furnish to such  
36 clinic or center concerned a sworn statement, on a form to be  
37 provided by the director of taxation, that all purchases so made  
38 were entitled to exemption under this subsection. All invoices shall  
39 be held by the contractor for a period of five years and shall be  
40 subject to audit by the director of taxation. If any materials pur-  
41 chased under such a certificate are found not to have been incor-  
42 porated in the building or other project or not to have been re-  
43 turned for credit or the sales or compensating tax otherwise

1 imposed upon such materials which will not be so incorporated in  
2 the building or other project reported and paid by such contractor  
3 to the director of taxation not later than the 20th day of the month  
4 following the close of the month in which it shall be determined  
5 that such materials will not be used for the purpose for which such  
6 certificate was issued, such clinic or center concerned shall be li-  
7 able for tax on all materials purchased for the project, and upon  
8 payment thereof it may recover the same from the contractor to-  
9 gether with reasonable attorney fees. Any contractor or any agent,  
10 employee or subcontractor thereof, who shall use or otherwise dis-  
11 pose of any materials purchased under such a certificate for any  
12 purpose other than that for which such a certificate is issued with-  
13 out the payment of the sales or compensating tax otherwise im-  
14 posed upon such materials, shall be guilty of a misdemeanor and,  
15 upon conviction therefor, shall be subject to the penalties provided  
16 for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

17 [(ddd) on and after January 1, 1999, and before January 1,  
18 2000, all sales of materials and services purchased by any class II  
19 or III railroad as classified by the federal surface transportation  
20 board for the construction, renovation, repair or replacement of  
21 class II or III railroad track and facilities used directly in interstate  
22 commerce. In the event any such track or facility for which ma-  
23 terials and services were purchased sales tax exempt is not oper-  
24 ational for five years succeeding the allowance of such exemption,  
25 the total amount of sales tax which would have been payable except  
26 for the operation of this subsection shall be recouped in accord-  
27 ance with rules and regulations adopted for such purpose by the  
28 secretary of revenue;

29 [(eee) on and after January 1, 1999, and before January 1,  
30 2001, all sales of materials and services purchased for the original  
31 construction, reconstruction, repair or replacement of grain stor-  
32 age facilities, including railroad sidings providing access thereto;

33 [(fff) all sales of material handling equipment, racking systems  
34 and other related machinery and equipment that is used for the  
35 handling, movement or storage of tangible personal property in a  
36 warehouse or distribution facility in this state; all sales of instal-  
37 lation, repair and maintenance services performed on such ma-  
38 chinery and equipment; and all sales of repair and replacement  
39 parts for such machinery and equipment. For purposes of this sub-  
40 section, a warehouse or distribution facility means a single, fixed  
41 location that consists of buildings or structures in a contiguous area  
42 where storage or distribution operations are conducted that are  
43 separate and apart from the business' retail operations, if any, and

1 which do not otherwise qualify for exemption as occurring at a  
2 manufacturing or processing plant or facility. Material handling  
3 and storage equipment shall include aeration, dust control, clean-  
4 ing, handling and other such equipment that is used in a public  
5 grain warehouse or other commercial grain storage facility,  
6 whether used for grain handling, grain storage, grain refining or  
7 processing, or other grain treatment operation;

8 [(ggg) all sales of tangible personal property and services pur-  
9 chased by or on behalf of the Kansas Academy of Science which is  
10 exempt from federal income taxation pursuant to section 501(c)(3)  
11 of the federal internal revenue code of 1986, and used solely by  
12 such academy for the preparation, publication and dissemination  
13 of education materials;

14 [(hhh) all sales of tangible personal property and services pur-  
15 chased by or on behalf of all domestic violence shelters that are  
16 member agencies of the Kansas coalition against sexual and do-  
17 mestic violence;

18 [(iii) all sales of personal property and services purchased by  
19 an organization which is exempt from federal income taxation pur-  
20 suant to section 501(c)(3) of the federal internal revenue code of  
21 1986, and which such personal property and services are used by  
22 any such organization in the collection, storage and distribution of  
23 food products to nonprofit organizations which distribute such  
24 food products to persons pursuant to a food distribution program  
25 on a charitable basis without fee or charge, and all sales of tangible  
26 personal property or services purchased by a contractor for the  
27 purpose of constructing, equipping, reconstructing, maintaining,  
28 repairing, enlarging, furnishing or remodeling facilities used for  
29 the collection and storage of such food products for any such or-  
30 ganization which is exempt from federal income taxation pursuant  
31 to section 501(c)(3) of the federal internal revenue code of 1986,  
32 which would be exempt from taxation under the provisions of this  
33 section if purchased directly by such organization. Nothing in this  
34 subsection shall be deemed to exempt the purchase of any con-  
35 struction machinery, equipment or tools used in the constructing,  
36 equipping, reconstructing, maintaining, repairing, enlarging, fur-  
37 nishing or remodeling facilities for any such organization. When  
38 any such organization shall contract for the purpose of construct-  
39 ing, equipping, reconstructing, maintaining, repairing, enlarging,  
40 furnishing or remodeling facilities, it shall obtain from the state  
41 and furnish to the contractor an exemption certificate for the pro-  
42 ject involved, and the contractor may purchase materials for in-  
43 corporation in such project. The contractor shall furnish the num-

1 ber of such certificate to all suppliers from whom such purchases  
2 are made, and such suppliers shall execute invoices covering the  
3 same bearing the number of such certificate. Upon completion of  
4 the project the contractor shall furnish to such organization con-  
5 cerned a sworn statement, on a form to be provided by the director  
6 of taxation, that all purchases so made were entitled to exemption  
7 under this subsection. All invoices shall be held by the contractor  
8 for a period of five years and shall be subject to audit by the di-  
9 rector of taxation. If any materials purchased under such a certifi-  
10 cate are found not to have been incorporated in such facilities or  
11 not to have been returned for credit or the sales or compensating  
12 tax otherwise imposed upon such materials which will not be so  
13 incorporated in such facilities reported and paid by such contrac-  
14 tor to the director of taxation not later than the 20th day of the  
15 month following the close of the month in which it shall be deter-  
16 mined that such materials will not be used for the purpose for  
17 which such certificate was issued, such organization concerned  
18 shall be liable for tax on all materials purchased for the project,  
19 and upon payment thereof it may recover the same from the con-  
20 tractor together with reasonable attorney fees. Any contractor or  
21 any agent, employee or subcontractor thereof, who shall use or  
22 otherwise dispose of any materials purchased under such a certifi-  
23 cate for any purpose other than that for which such a certificate  
24 is issued without the payment of the sales or compensating tax  
25 otherwise imposed upon such materials, shall be guilty of a mis-  
26 demeanor and, upon conviction therefor, shall be subject to the  
27 penalties provided for in subsection (g) of K.S.A. 79-3615, and  
28 amendments thereto. Sales tax paid on and after July 1, 2005, but  
29 prior to the effective date of this act upon the gross receipts re-  
30 ceived from any sale exempted by the amendatory provisions of  
31 this subsection shall be refunded. Each claim for a sales tax refund  
32 shall be verified and submitted to the director of taxation upon  
33 forms furnished by the director and shall be accompanied by any  
34 additional documentation required by the director. The director  
35 shall review each claim and shall refund that amount of sales tax  
36 paid as determined under the provisions of this subsection. All  
37 refunds shall be paid from the sales tax refund fund upon warrants  
38 of the director of accounts and reports pursuant to vouchers ap-  
39 proved by the director or the director's designee;

40 [(iii)] all sales of dietary supplements dispensed pursuant to a  
41 prescription order by a licensed practitioner or a mid-level prac-  
42 titioner as defined by K.S.A. 65-1626, and amendments thereto. As  
43 used in this subsection, "dietary supplement" means any product,

1 other than tobacco, intended to supplement the diet that: (1) Con-  
2 tains one or more of the following dietary ingredients: A vitamin,  
3 a mineral, an herb or other botanical, an amino acid, a dietary  
4 substance for use by humans to supplement the diet by increasing  
5 the total dietary intake or a concentrate, metabolite, constituent,  
6 extract or combination of any such ingredient; (2) is intended for  
7 ingestion in tablet, capsule, powder, softgel, gelcap or liquid form,  
8 or if not intended for ingestion, in such a form, is not represented  
9 as conventional food and is not represented for use as a sole item  
10 of a meal or of the diet; and (3) is required to be labeled as a dietary  
11 supplement, identifiable by the supplemental facts box found on  
12 the label and as required pursuant to 21 C.F.R. § 101.36;

13 [(lll) all sales of tangible personal property and services pur-  
14 chased by special olympics Kansas, inc. for the purpose of provid-  
15 ing year-round sports training and athletic competition in a variety  
16 of olympic-type sports for individuals with intellectual disabilities  
17 by giving them continuing opportunities to develop physical fit-  
18 ness, demonstrate courage, experience joy and participate in a  
19 sharing of gifts, skills and friendship with their families, other spe-  
20 cial olympics athletes and the community, and activities provided  
21 or sponsored by such organization, and all sales of tangible per-  
22 sonal property by or on behalf of any such organization;

23 [(mmm) all sales of tangible personal property purchased by  
24 or on behalf of the Marillac Center, Inc., which is exempt from  
25 federal income taxation pursuant to section 501(c)(3) of the federal  
26 internal revenue code, for the purpose of providing psycho-social-  
27 biological and special education services to children, and all sales  
28 of any such property by or on behalf of such organization for such  
29 purpose;

30 [(nnn) all sales of tangible personal property and services pur-  
31 chased by the West Sedgwick County-Sunrise Rotary Club and  
32 Sunrise Charitable Fund for the purpose of constructing a bound-  
33 less playground which is an integrated, barrier free and develop-  
34 mentally advantageous play environment for children of all abili-  
35 ties and disabilities;

36 [(ooo) all sales of tangible personal property by or on behalf of  
37 a public library serving the general public and supported in whole  
38 or in part with tax money or a not-for-profit organization whose  
39 purpose is to raise funds for or provide services or other benefits  
40 to any such public library;

41 [(ppp) all sales of tangible personal property and services pur-  
42 chased by or on behalf of a homeless shelter which is exempt from  
43 federal income taxation pursuant to section 501(c)(3) of the federal

1 income tax code of 1986, and used by any such homeless shelter  
2 to provide emergency and transitional housing for individuals and  
3 families experiencing homelessness, and all sales of any such prop-  
4 erty by or on behalf of any such homeless shelter for any such  
5 purpose;  
6 [(qqq) all sales of tangible personal property and services pur-  
7 chased by TLC for children and families, inc., hereinafter referred  
8 to as TLC, which is exempt from federal income taxation pursuant  
9 to section 501(c)(3) of the federal internal revenue code of 1986,  
10 and which such property and services are used for the purpose of  
11 providing emergency shelter and treatment for abused and ne-  
12 glected children as well as meeting additional critical needs for  
13 children, juveniles and family, and all sales of any such property  
14 by or on behalf of TLC for any such purpose; and all sales of tan-  
15 gible personal property or services purchased by a contractor for  
16 the purpose of constructing, maintaining, repairing, enlarging,  
17 furnishing or remodeling facilities for the operation of services for  
18 TLC for any such purpose which would be exempt from taxation  
19 under the provisions of this section if purchased directly by TLC.  
20 Nothing in this subsection shall be deemed to exempt the purchase  
21 of any construction machinery, equipment or tools used in the con-  
22 structing, maintaining, repairing, enlarging, furnishing or remodel-  
23 eling such facilities for TLC. When TLC contracts for the purpose  
24 of constructing, maintaining, repairing, enlarging, furnishing or  
25 remodeling such facilities, it shall obtain from the state and furnish  
26 to the contractor an exemption certificate for the project involved,  
27 and the contractor may purchase materials for incorporation in  
28 such project. The contractor shall furnish the number of such cer-  
29 tificate to all suppliers from whom such purchases are made, and  
30 such suppliers shall execute invoices covering the same bearing  
31 the number of such certificate. Upon completion of the project the  
32 contractor shall furnish to TLC a sworn statement, on a form to  
33 be provided by the director of taxation, that all purchases so made  
34 were entitled to exemption under this subsection. All invoices shall  
35 be held by the contractor for a period of five years and shall be  
36 subject to audit by the director of taxation. If any materials pur-  
37 chased under such a certificate are found not to have been incor-  
38 porated in the building or other project or not to have been re-  
39 turned for credit or the sales or compensating tax otherwise  
40 imposed upon such materials which will not be so incorporated in  
41 the building or other project reported and paid by such contractor  
42 to the director of taxation not later than the 20th day of the month  
43 following the close of the month in which it shall be determined

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

13 [(rrr) all sales of tangible personal property and services pur-  
14 chased by any county law library maintained pursuant to law and  
15 sales of tangible personal property and services purchased by an  
16 organization which would have been exempt from taxation under  
17 the provisions of this subsection if purchased directly by the county  
18 law library for the purpose of providing legal resources to attor-  
19 neys, judges, students and the general public, and all sales of any  
20 such property by or on behalf of any such county law library;

21 [(sss) all sales of tangible personal property and services pur-  
22 chased by catholic charities or youthville, hereinafter referred to  
23 as charitable family providers, which is exempt from federal in-  
24 come taxation pursuant to section 501(c)(3) of the federal internal  
25 revenue code of 1986, and which such property and services are  
26 used for the purpose of providing emergency shelter and treat-  
27 ment for abused and neglected children as well as meeting addi-  
28 tional critical needs for children, juveniles and family, and all sales  
29 of any such property by or on behalf of charitable family providers  
30 for any such purpose; and all sales of tangible personal property  
31 or services purchased by a contractor for the purpose of construct-  
32 ing, maintaining, repairing, enlarging, furnishing or remodeling  
33 facilities for the operation of services for charitable family provid-  
34 ers for any such purpose which would be exempt from taxation  
35 under the provisions of this section if purchased directly by char-  
36 itable family providers. Nothing in this subsection shall be deemed  
37 to exempt the purchase of any construction machinery, equipment  
38 or tools used in the constructing, maintaining, repairing, enlarg-  
39 ing, furnishing or remodeling such facilities for charitable family  
40 providers. When charitable family providers contracts for the pur-  
41 pose of constructing, maintaining, repairing, enlarging, furnishing  
42 or remodeling such facilities, it shall obtain from the state and  
43 furnish to the contractor an exemption certificate for the project



1 involved, and the contractor may purchase materials for incorpo-  
2 ration in such project. The contractor shall furnish the number of  
3 such certificate to all suppliers from whom such purchases are  
4 made, and such suppliers shall execute invoices covering the same  
5 bearing the number of such certificate. Upon completion of the  
6 project the contractor shall furnish to charitable family providers  
7 a sworn statement, on a form to be provided by the director of  
8 taxation, that all purchases so made were entitled to exemption  
9 under this subsection. All invoices shall be held by the contractor  
10 for a period of five years and shall be subject to audit by the di-  
11 rector of taxation. If any materials purchased under such a certifi-  
12 cate are found not to have been incorporated in the building or  
13 other project or not to have been returned for credit or the sales  
14 or compensating tax otherwise imposed upon such materials which  
15 will not be so incorporated in the building or other project re-  
16 ported and paid by such contractor to the director of taxation not  
17 later than the 20th day of the month following the close of the  
18 month in which it shall be determined that such materials will not  
19 be used for the purpose for which such certificate was issued, char-  
20 itable family providers shall be liable for tax on all materials pur-  
21 chased for the project, and upon payment thereof it may recover  
22 the same from the contractor together with reasonable attorney  
23 fees. Any contractor or any agent, employee or subcontractor  
24 thereof, who shall use or otherwise dispose of any materials pur-  
25 chased under such a certificate for any purpose other than that for  
26 which such a certificate is issued without the payment of the sales  
27 or compensating tax otherwise imposed upon such materials, shall  
28 be guilty of a misdemeanor and, upon conviction therefor, shall be  
29 subject to the penalties provided for in subsection (g) of K.S.A. 79-  
30 3615, and amendments thereto;

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

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

39 [(uuu) all sales of tangible personal property and services pur-  
40 chased by Kansas children's service league, hereinafter referred  
41 to as KCSL, which is exempt from federal income taxation pursu-  
42 ant to section 501(c)(3) of the federal internal revenue code of  
43 1986, and which such property and services are used for the pur-

1 pose of providing for the prevention and treatment of child abuse  
2 and maltreatment as well as meeting additional critical needs for  
3 children, juveniles and family, and all sales of any such property  
4 by or on behalf of KCSL for any such purpose; and all sales of  
5 tangible personal property or services purchased by a contractor  
6 for the purpose of constructing, maintaining, repairing, enlarging,  
7 furnishing or remodeling facilities for the operation of services for  
8 KCSL for any such purpose which would be exempt from taxation  
9 under the provisions of this section if purchased directly by KCSL.  
10 Nothing in this subsection shall be deemed to exempt the purchase  
11 of any construction machinery, equipment or tools used in the con-  
12 structing, maintaining, repairing, enlarging, furnishing or remodel-  
13 eling such facilities for KCSL. When KCSL contracts for the pur-  
14 pose of constructing, maintaining, repairing, enlarging, furnishing  
15 or remodeling such facilities, it shall obtain from the state and  
16 furnish to the contractor an exemption certificate for the project  
17 involved, and the contractor may purchase materials for incorpora-  
18 tion in such project. The contractor shall furnish the number of  
19 such certificate to all suppliers from whom such purchases are  
20 made, and such suppliers shall execute invoices covering the same  
21 bearing the number of such certificate. Upon completion of the  
22 project the contractor shall furnish to KCSL a sworn statement, on  
23 a form to be provided by the director of taxation, that all purchases  
24 so made were entitled to exemption under this subsection. All in-  
25 voices shall be held by the contractor for a period of five years and  
26 shall be subject to audit by the director of taxation. If any materials  
27 purchased under such a certificate are found not to have been  
28 incorporated in the building or other project or not to have been  
29 returned for credit or the sales or compensating tax otherwise im-  
30 posed upon such materials which will not be so incorporated in  
31 the building or other project reported and paid by such contractor  
32 to the director of taxation not later than the 20th day of the month  
33 following the close of the month in which it shall be determined  
34 that such materials will not be used for the purpose for which such  
35 certificate was issued, KCSL shall be liable for tax on all materials  
36 purchased for the project, and upon payment thereof it may re-  
37 cover the same from the contractor together with reasonable at-  
38 torney fees. Any contractor or any agent, employee or subcontractor  
39 thereof, who shall use or otherwise dispose of any materials  
40 purchased under such a certificate for any purpose other than that  
41 for which such a certificate is issued without the payment of the  
42 sales or compensating tax otherwise imposed upon such materials,  
43 shall be guilty of a misdemeanor and, upon conviction therefor,

1 shall be subject to the penalties provided for in subsection (g) of  
2 K.S.A. 79-3615, and amendments thereto;

3 [(vvv) all sales of tangible personal property or services, in-  
4 cluding the renting and leasing of tangible personal property or  
5 services, *purchased* by Jazz in the Woods, Inc., a Kansas corporation  
6 which is exempt from federal income taxation pursuant to section  
7 501 (c)(3) of the federal internal revenue code, for the purpose of  
8 providing Jazz in the Woods, an event benefiting children-in-need  
9 and other nonprofit charities assisting such children, and all sales  
10 of any such property by or on behalf of such organization for such  
11 purpose;

12 [(www) all sales of tangible personal property purchased by or  
13 on behalf of the Frontenac Education Foundation, which is exempt  
14 from federal income taxation pursuant to section 501 (c)(3) of the  
15 federal internal revenue code, for the purpose of providing edu-  
16 cation support for students, and all sales of any such property by  
17 or on behalf of such organization for such purpose;

18 [(xxx) all sales of personal property and services purchased by  
19 the booth theatre foundation, inc., an organization which is exempt  
20 from federal income taxation pursuant to section 501(c)(3) of the  
21 federal internal revenue code of 1986, and which such personal  
22 property and services are used by any such organization in the  
23 constructing, equipping, reconstructing, maintaining, repairing,  
24 enlarging, furnishing or remodeling of the booth theatre, and all  
25 sales of tangible personal property or services purchased by a con-  
26 tractor for the purpose of constructing, equipping, reconstructing,  
27 maintaining, repairing, enlarging, furnishing or remodeling the  
28 booth theatre for such organization, which would be exempt from  
29 taxation under the provisions of this section if purchased directly  
30 by such organization. Nothing in this subsection shall be deemed  
31 to exempt the purchase of any construction machinery, equipment  
32 or tools used in the constructing, equipping, reconstructing, main-  
33 taining, repairing, enlarging, furnishing or remodeling facilities  
34 for any such organization. When any such organization shall con-  
35 tract for the purpose of constructing, equipping, reconstructing,  
36 maintaining, repairing, enlarging, furnishing or remodeling facil-  
37 ities, it shall obtain from the state and furnish to the contractor an  
38 exemption certificate for the project involved, and the contractor  
39 may purchase materials for incorporation in such project. The con-  
40 tractor shall furnish the number of such certificate to all suppliers  
41 from whom such purchases are made, and such suppliers shall ex-  
42 ecute invoices covering the same bearing the number of such cer-  
43 tificate. Upon completion of the project the contractor shall fur-

1 nish to such organization concerned a sworn statement, on a form  
2 to be provided by the director of taxation, that all purchases so  
3 made were entitled to exemption under this subsection. All in-  
4 voices shall be held by the contractor for a period of five years and  
5 shall be subject to audit by the director of taxation. If any materials  
6 purchased under such a certificate are found not to have been  
7 incorporated in such facilities or not to have been returned for  
8 credit or the sales or compensating tax otherwise imposed upon  
9 such materials which will not be so incorporated in such facilities  
10 reported and paid by such contractor to the director of taxation  
11 not later than the 20th day of the month following the close of the  
12 month in which it shall be determined that such materials will not  
13 be used for the purpose for which such certificate was issued, such  
14 organization concerned shall be liable for tax on all materials pur-  
15 chased for the project, and upon payment thereof it may recover  
16 the same from the contractor together with reasonable attorney  
17 fees. Any contractor or any agent, employee or subcontractor  
18 thereof, who shall use or otherwise dispose of any materials pur-  
19 chased under such a certificate for any purpose other than that for  
20 which such a certificate is issued without the payment of the sales  
21 or compensating tax otherwise imposed upon such materials, shall  
22 be guilty of a misdemeanor and, upon conviction therefor, shall be  
23 subject to the penalties provided for in subsection (g) of K.S.A. 79-  
24 3615, and amendments thereto. Sales tax paid on and after January  
25 1, 2007, but prior to the effective date of this act upon the gross  
26 receipts received from any sale which would have been exempted  
27 by the provisions of this subsection had such sale occurred after  
28 the effective date of this act shall be refunded. Each claim for a  
29 sales tax refund shall be verified and submitted to the director of  
30 taxation upon forms furnished by the director and shall be accom-  
31 panied by any additional documentation required by the director.  
32 The director shall review each claim and shall refund that amount  
33 of sales tax paid as determined under the provisions of this sub-  
34 section. All refunds shall be paid from the sales tax refund fund  
35 upon warrants of the director of accounts and reports pursuant to  
36 vouchers approved by the director or the director's designee;  
37 [(yyy) all sales of tangible personal property and services pur-  
38 chased by TLC charities foundation, inc., hereinafter referred to  
39 as TLC charities, which is exempt from federal income taxation  
40 pursuant to section 501(c)(3) of the federal internal revenue code  
41 of 1986, and which such property and services are used for the  
42 purpose of encouraging private philanthropy to further the vision,  
43 values, and goals of TLC for children and families, inc.; and all

1 sales of such property and services by or on behalf of TLC charities  
2 for any such purpose and all sales of tangible personal property or  
3 services purchased by a contractor for the purpose of constructing,  
4 maintaining, repairing, enlarging, furnishing or remodeling facil-  
5 ities for the operation of services for TLC charities for any such  
6 purpose which would be exempt from taxation under the provi-  
7 sions of this section if purchased directly by TLC charities. Nothing  
8 in this subsection shall be deemed to exempt the purchase of any  
9 construction machinery, equipment or tools used in the construct-  
10 ing, maintaining, repairing, enlarging, furnishing or remodeling  
11 such facilities for TLC charities. When TLC charities contracts for  
12 the purpose of constructing, maintaining, repairing, enlarging,  
13 furnishing or remodeling such facilities, it shall obtain from the  
14 state and furnish to the contractor an exemption certificate for the  
15 project involved, and the contractor may purchase materials for  
16 incorporation in such project. The contractor shall furnish the  
17 number of such certificate to all suppliers from whom such pur-  
18 chases are made, and such suppliers shall execute invoices cover-  
19 ing the same bearing the number of such certificate. Upon com-  
20 pletion of the project the contractor shall furnish to TLC charities  
21 a sworn statement, on a form to be provided by the director of  
22 taxation, that all purchases so made were entitled to exemption  
23 under this subsection. All invoices shall be held by the contractor  
24 for a period of five years and shall be subject to audit by the di-  
25 rector of taxation. If any materials purchased under such a certifi-  
26 cate are found not to have been incorporated in the building or  
27 other project or not to have been returned for credit or the sales  
28 or compensating tax otherwise imposed upon such materials which  
29 will not be incorporated into the building or other project reported  
30 and paid by such contractor to the director of taxation not later  
31 than the 20th day of the month following the close of the month  
32 in which it shall be determined that such materials will not be used  
33 for the purpose for which such certificate was issued, TLC chari-  
34 ties shall be liable for tax on all materials purchased for the project,  
35 and upon payment thereof it may recover the same from the con-  
36 tractor together with reasonable attorney fees. Any contractor or  
37 any agent, employee or subcontractor thereof, who shall use or  
38 otherwise dispose of any materials purchased under such a certifi-  
39 cate for any purpose other than that for which such a certificate  
40 is issued without the payment of the sales or compensating tax  
41 otherwise imposed upon such materials, shall be guilty of a mis-  
42 demeanor and, upon conviction therefor, shall be subject to the  
43 penalties provided for in subsection (g) of K.S.A. 79-3615, and

1 amendments thereto;

2 [(zzz) all sales of tangible personal property purchased by the  
3 rotary club of shawnee foundation which is exempt from federal  
4 income taxation pursuant to section 501 (c)(3) of the federal inter-  
5 nal revenue code of 1986, as amended, used for the purpose of  
6 providing contributions to community service organizations and  
7 scholarships; ~~and~~

8 [(aaaa) all sales of personal property and services purchased  
9 by or on behalf of victory in the valley, inc., which is exempt from  
10 federal income taxation pursuant to section 501 (c)(3) of the fed-  
11 eral internal revenue code, for the purpose of providing a cancer  
12 support group and services for persons with cancer, and all sales  
13 of any such property by or on behalf of any such organization for  
14 any such purpose; *and*

15 [(bbbb) *all sales of game birds the primary purpose of which is use*  
16 *in hunting.*]

17 [Sec. 6. K.S.A. 2007 Supp. 79-3606 is hereby amended to read  
18 as follows: 79-3606. The following shall be exempt from the tax  
19 imposed by this act:

20 [(a) All sales of motor-vehicle fuel or other articles upon which  
21 a sales or excise tax has been paid, not subject to refund, under  
22 the laws of this state except cigarettes as defined by K.S.A. 79-3301  
23 and amendments thereto, cereal malt beverages and malt products  
24 as defined by K.S.A. 79-3817 and amendments thereto, including  
25 wort, liquid malt, malt syrup and malt extract, which is not subject  
26 to taxation under the provisions of K.S.A. 79-41a02 and amend-  
27 ments thereto, motor vehicles taxed pursuant to K.S.A. 79-5117,  
28 and amendments thereto, tires taxed pursuant to K.S.A. 65-3424d,  
29 and amendments thereto, drycleaning and laundry services taxed  
30 pursuant to K.S.A. 65-34,150, and amendments thereto, and gross  
31 receipts from regulated sports contests taxed pursuant to the Kan-  
32 sas professional regulated sports act, and amendments thereto;

33 [(b) all sales of tangible personal property or service, including  
34 the renting and leasing of tangible personal property, purchased  
35 directly by the state of Kansas, a political subdivision thereof, other  
36 than a school or educational institution, or purchased by a public  
37 or private nonprofit hospital or public hospital authority or non-  
38 profit blood, tissue or organ bank and used exclusively for state,  
39 political subdivision, hospital or public hospital authority or non-  
40 profit blood, tissue or organ bank purposes, except when: (1) Such  
41 state, hospital or public hospital authority is engaged or proposes  
42 to engage in any business specifically taxable under the provisions  
43 of this act and such items of tangible personal property or service

1 are used or proposed to be used in such business, or (2) such po-  
2 litical subdivision is engaged or proposes to engage in the business  
3 of furnishing gas, electricity or heat to others and such items of  
4 personal property or service are used or proposed to be used in  
5 such business;

6 [(c) all sales of tangible personal property or services, includ-  
7 ing the renting and leasing of tangible personal property, pur-  
8 chased directly by a public or private elementary or secondary  
9 school or public or private nonprofit educational institution and  
10 used primarily by such school or institution for nonsectarian pro-  
11 grams and activities provided or sponsored by such school or in-  
12 stitution or in the erection, repair or enlargement of buildings to  
13 be used for such purposes. The exemption herein provided shall  
14 not apply to erection, construction, repair, enlargement or equip-  
15 ment of buildings used primarily for human habitation;

16 [(d) all sales of tangible personal property or services pur-  
17 chased by a contractor for the purpose of constructing, equipping,  
18 reconstructing, maintaining, repairing, enlarging, furnishing or  
19 remodeling facilities for any public or private nonprofit hospital  
20 or public hospital authority, public or private elementary or sec-  
21 ondary school, a public or private nonprofit educational institu-  
22 tion, state correctional institution including a privately constructed  
23 correctional institution contracted for state use and ownership,  
24 which would be exempt from taxation under the provisions of this  
25 act if purchased directly by such hospital or public hospital au-  
26 thority, school, educational institution or a state correctional in-  
27 stitution; and all sales of tangible personal property or services  
28 purchased by a contractor for the purpose of constructing, equip-  
29 ping, reconstructing, maintaining, repairing, enlarging, furnishing  
30 or remodeling facilities for any political subdivision of the state or  
31 district described in subsection (s), the total cost of which is paid  
32 from funds of such political subdivision or district and which would  
33 be exempt from taxation under the provisions of this act if pur-  
34 chased directly by such political subdivision or district. Nothing in  
35 this subsection or in the provisions of K.S.A. 12-3418 and amend-  
36 ments thereto, shall be deemed to exempt the purchase of any  
37 construction machinery, equipment or tools used in the construct-  
38 ing, equipping, reconstructing, maintaining, repairing, enlarging,  
39 furnishing or remodeling facilities for any political subdivision of  
40 the state or any such district. As used in this subsection, K.S.A. 12-  
41 3418 and 79-3640, and amendments thereto, “funds of a political  
42 subdivision” shall mean general tax revenues, the proceeds of any  
43 bonds and gifts or grants-in-aid. Gifts shall not mean funds used



1 for the purpose of constructing, equipping, reconstructing, re-  
2 pairing, enlarging, furnishing or remodeling facilities which are to  
3 be leased to the donor. When any political subdivision of the state,  
4 district described in subsection (s), public or private nonprofit hos-  
5 pital or public hospital authority, public or private elementary or  
6 secondary school, public or private nonprofit educational institu-  
7 tion, state correctional institution including a privately constructed  
8 correctional institution contracted for state use and ownership  
9 shall contract for the purpose of constructing, equipping, recon-  
10 structing, maintaining, repairing, enlarging, furnishing or remodel-  
11 ing facilities, it shall obtain from the state and furnish to the  
12 contractor an exemption certificate for the project involved, and  
13 the contractor may purchase materials for incorporation in such  
14 project. The contractor shall furnish the number of such certificate  
15 to all suppliers from whom such purchases are made, and such  
16 suppliers shall execute invoices covering the same bearing the  
17 number of such certificate. Upon completion of the project the  
18 contractor shall furnish to the political subdivision, district de-  
19 scribed in subsection (s), hospital or public hospital authority,  
20 school, educational institution or department of corrections con-  
21 cerned a sworn statement, on a form to be provided by the director  
22 of taxation, that all purchases so made were entitled to exemption  
23 under this subsection. As an alternative to the foregoing proce-  
24 dure, any such contracting entity may apply to the secretary of  
25 revenue for agent status for the sole purpose of issuing and fur-  
26 nishing project exemption certificates to contractors pursuant to  
27 rules and regulations adopted by the secretary establishing con-  
28 ditions and standards for the granting and maintaining of such  
29 status. All invoices shall be held by the contractor for a period of  
30 five years and shall be subject to audit by the director of taxation.  
31 If any materials purchased under such a certificate are found not  
32 to have been incorporated in the building or other project or not  
33 to have been returned for credit or the sales or compensating tax  
34 otherwise imposed upon such materials which will not be so in-  
35 corporated in the building or other project reported and paid by  
36 such contractor to the director of taxation not later than the 20th  
37 day of the month following the close of the month in which it shall  
38 be determined that such materials will not be used for the purpose  
39 for which such certificate was issued, the political subdivision, dis-  
40 trict described in subsection (s), hospital or public hospital au-  
41 thority, school, educational institution or the contractor contract-  
42 ing with the department of corrections for a correctional  
43 institution concerned shall be liable for tax on all materials pur-

1 chased for the project, and upon payment thereof it may recover  
2 the same from the contractor together with reasonable attorney  
3 fees. Any contractor or any agent, employee or subcontractor  
4 thereof, who shall use or otherwise dispose of any materials pur-  
5 chased under such a certificate for any purpose other than that for  
6 which such a certificate is issued without the payment of the sales  
7 or compensating tax otherwise imposed upon such materials, shall  
8 be guilty of a misdemeanor and, upon conviction therefor, shall be  
9 subject to the penalties provided for in subsection (g) of K.S.A. 79-  
10 3615, and amendments thereto;

11 [(e) all sales of tangible personal property or services pur-  
12 chased by a contractor for the erection, repair or enlargement of  
13 buildings or other projects for the government of the United  
14 States, its agencies or instrumentalities, which would be exempt  
15 from taxation if purchased directly by the government of the  
16 United States, its agencies or instrumentalities. When the govern-  
17 ment of the United States, its agencies or instrumentalities shall  
18 contract for the erection, repair, or enlargement of any building  
19 or other project, it shall obtain from the state and furnish to the  
20 contractor an exemption certificate for the project involved, and  
21 the contractor may purchase materials for incorporation in such  
22 project. The contractor shall furnish the number of such certifi-  
23 cates to all suppliers from whom such purchases are made, and  
24 such suppliers shall execute invoices covering the same bearing  
25 the number of such certificate. Upon completion of the project the  
26 contractor shall furnish to the government of the United States, its  
27 agencies or instrumentalities concerned a sworn statement, on a  
28 form to be provided by the director of taxation, that all purchases  
29 so made were entitled to exemption under this subsection. As an  
30 alternative to the foregoing procedure, any such contracting entity  
31 may apply to the secretary of revenue for agent status for the sole  
32 purpose of issuing and furnishing project exemption certificates to  
33 contractors pursuant to rules and regulations adopted by the sec-  
34 retary establishing conditions and standards for the granting and  
35 maintaining of such status. All invoices shall be held by the con-  
36 tractor for a period of five years and shall be subject to audit by  
37 the director of taxation. Any contractor or any agent, employee or  
38 subcontractor thereof, who shall use or otherwise dispose of any  
39 materials purchased under such a certificate for any purpose other  
40 than that for which such a certificate is issued without the payment  
41 of the sales or compensating tax otherwise imposed upon such ma-  
42 terials, shall be guilty of a misdemeanor and, upon conviction  
43 therefor, shall be subject to the penalties provided for in subsec-

- 1 tion (g) of K.S.A. 79-3615 and amendments thereto;
- 2 [(f) tangible personal property purchased by a railroad or pub-  
3 lic utility for consumption or movement directly and immediately  
4 in interstate commerce;
- 5 [(g) sales of aircraft including remanufactured and modified  
6 aircraft sold to persons using directly or through an authorized  
7 agent such aircraft as certified or licensed carriers of persons or  
8 property in interstate or foreign commerce under authority of the  
9 laws of the United States or any foreign government or sold to any  
10 foreign government or agency or instrumentality of such foreign  
11 government and all sales of aircraft for use outside of the United  
12 States and sales of aircraft repair, modification and replacement  
13 parts and sales of services employed in the remanufacture, modi-  
14 fication and repair of aircraft;
- 15 [(h) all rentals of nonsectarian textbooks by public or private  
16 elementary or secondary schools;
- 17 [(i) the lease or rental of all films, records, tapes, or any type  
18 of sound or picture transcriptions used by motion picture  
19 exhibitors;
- 20 [(j) meals served without charge or food used in the prepara-  
21 tion of such meals to employees of any restaurant, eating house,  
22 dining car, hotel, drugstore or other place where meals or drinks  
23 are regularly sold to the public if such employees' duties are re-  
24 lated to the furnishing or sale of such meals or drinks;
- 25 [(k) any motor vehicle, semitrailer or pole trailer, as such terms  
26 are defined by K.S.A. 8-126 and amendments thereto, or aircraft  
27 sold and delivered in this state to a bona fide resident of another  
28 state, which motor vehicle, semitrailer, pole trailer or aircraft is  
29 not to be registered or based in this state and which vehicle, sem-  
30 itrailer, pole trailer or aircraft will not remain in this state more  
31 than 10 days;
- 32 [(l) all isolated or occasional sales of tangible personal prop-  
33 erty, services, substances or things, except isolated or occasional  
34 sale of motor vehicles specifically taxed under the provisions of  
35 subsection (o) of K.S.A. 79-3603 and amendments thereto;
- 36 [(m) all sales of tangible personal property which become an  
37 ingredient or component part of tangible personal property or  
38 services produced, manufactured or compounded for ultimate sale  
39 at retail within or without the state of Kansas; and any such pro-  
40 ducer, manufacturer or compounder may obtain from the director  
41 of taxation and furnish to the supplier an exemption certificate  
42 number for tangible personal property for use as an ingredient or  
43 component part of the property or services produced, manufac-

1 tured or compounded;

2 [(n) all sales of tangible personal property which is consumed  
3 in the production, manufacture, processing, mining, drilling, re-  
4 fining or compounding of tangible personal property, the treating  
5 of by-products or wastes derived from any such production pro-  
6 cess, the providing of services or the irrigation of crops for ulti-  
7 mate sale at retail within or without the state of Kansas; and any  
8 purchaser of such property may obtain from the director of taxa-  
9 tion and furnish to the supplier an exemption certificate number  
10 for tangible personal property for consumption in such produc-  
11 tion, manufacture, processing, mining, drilling, refining, com-  
12 pounding, treating, irrigation and in providing such services;

13 [(o) all sales of animals, fowl and aquatic plants and animals,  
14 the primary purpose of which is use in agriculture or aquaculture,  
15 as defined in K.S.A. 47-1901, and amendments thereto, the pro-  
16 duction of food for human consumption, the production of animal,  
17 dairy, poultry or aquatic plant and animal products, fiber or fur,  
18 or the production of offspring for use for any such purpose or  
19 purposes;

20 [(p) all sales of drugs dispensed pursuant to a prescription or-  
21 der by a licensed practitioner or a mid-level practitioner as defined  
22 by K.S.A. 65-1626, and amendments thereto. As used in this sub-  
23 section, “drug” means a compound, substance or preparation and  
24 any component of a compound, substance or preparation, other  
25 than food and food ingredients, dietary supplements or alcoholic  
26 beverages, recognized in the official United States pharmacopoeia,  
27 official homeopathic pharmacopoeia of the United States or offi-  
28 cial national formulary, and supplement to any of them, intended  
29 for use in the diagnosis, cure, mitigation, treatment or prevention  
30 of disease or intended to affect the structure or any function of the  
31 body;

32 [(q) all sales of insulin dispensed by a person licensed by the  
33 state board of pharmacy to a person for treatment of diabetes at  
34 the direction of a person licensed to practice medicine by the  
35 board of healing arts;

36 [(r) all sales of oxygen delivery equipment, kidney dialysis  
37 equipment, enteral feeding systems, prosthetic devices and mo-  
38 bility enhancing equipment prescribed in writing by a person li-  
39 censed to practice the healing arts, dentistry or optometry, and in  
40 addition to such sales, all sales of hearing aids, as defined by sub-  
41 section (c) of K.S.A. 74-5807, and amendments thereto, and repair  
42 and replacement parts therefor, including batteries, by a person  
43 licensed in the practice of dispensing and fitting hearing aids pur-

1 suant to the provisions of K.S.A. 74-5808, and amendments  
2 thereto. For the purposes of this subsection: (1) “Mobility enhanc-  
3 ing equipment” means equipment including repair and replace-  
4 ment parts to same, but does not include durable medical equip-  
5 ment, which is primarily and customarily used to provide or  
6 increase the ability to move from one place to another and which  
7 is appropriate for use either in a home or a motor vehicle; is not  
8 generally used by persons with normal mobility; and does not in-  
9 clude any motor vehicle or equipment on a motor vehicle normally  
10 provided by a motor vehicle manufacturer; and (2) “prosthetic de-  
11 vice” means a replacement, corrective or supportive device in-  
12 cluding repair and replacement parts for same worn on or in the  
13 body to artificially replace a missing portion of the body, prevent  
14 or correct physical deformity or malfunction or support a weak or  
15 deformed portion of the body;

16 [(s) except as provided in K.S.A. 2007 Supp. 82a-2101, and  
17 amendments thereto, all sales of tangible personal property or  
18 services purchased directly or indirectly by a groundwater man-  
19 agement district organized or operating under the authority of  
20 K.S.A. 82a-1020 et seq. and amendments thereto, by a rural water  
21 district organized or operating under the authority of K.S.A. 82a-  
22 612, and amendments thereto, or by a water supply district organ-  
23 ized or operating under the authority of K.S.A. 19-3501 et seq.,  
24 19-3522 et seq. or 19-3545, and amendments thereto, which prop-  
25 erty or services are used in the construction activities, operation  
26 or maintenance of the district;

27 [(t) all sales of farm machinery and equipment or aquaculture  
28 machinery and equipment, repair and replacement parts therefor  
29 and services performed in the repair and maintenance of such ma-  
30 chinery and equipment. For the purposes of this subsection the  
31 term “farm machinery and equipment or aquaculture machinery  
32 and equipment” shall include a work-site utility vehicle, as defined  
33 in K.S.A. 8-126, and amendments thereto, and is equipped with a  
34 bed or cargo box for hauling materials, and shall also include ma-  
35 chinery and equipment used in the operation of Christmas tree  
36 farming but shall not include any passenger vehicle, truck, truck  
37 tractor, trailer, semitrailer or pole trailer, other than a farm trailer,  
38 as such terms are defined by K.S.A. 8-126 and amendments  
39 thereto. “Farm machinery and equipment” includes precision  
40 farming equipment that is portable or is installed or purchased to  
41 be installed on farm machinery and equipment. “Precision farming  
42 equipment” includes the following items used only in computer-  
43 assisted farming, ranching or aquaculture production operations:

1 Soil testing sensors, yield monitors, computers, monitors, software,  
2 global positioning and mapping systems, guiding systems, mo-  
3 dems, data communications equipment and any necessary mount-  
4 ing hardware, wiring and antennas. Each purchaser of farm ma-  
5 chinery and equipment or aquaculture machinery and equipment  
6 exempted herein must certify in writing on the copy of the invoice  
7 or sales ticket to be retained by the seller that the farm machinery  
8 and equipment or aquaculture machinery and equipment pur-  
9 chased will be used only in farming, ranching or aquaculture pro-  
10 duction. Farming or ranching shall include the operation of a feed-  
11 lot and farm and ranch work for hire and the operation of a  
12 nursery;

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

16 (v) all sales of tangible personal property to any contractor for  
17 use in preparing meals for delivery to homebound elderly persons  
18 over 60 years of age and to homebound disabled persons or to be  
19 served at a group-sitting at a location outside of the home to oth-  
20 erwise homebound elderly persons over 60 years of age and to  
21 otherwise homebound disabled persons, as all or part of any food  
22 service project funded in whole or in part by government or as  
23 part of a private nonprofit food service project available to all such  
24 elderly or disabled persons residing within an area of service des-  
25 ignated by the private nonprofit organization, and all sales of tan-  
26 gible personal property for use in preparing meals for consump-  
27 tion by indigent or homeless individuals whether or not such meals  
28 are consumed at a place designated for such purpose, and all sales  
29 of food products by or on behalf of any such contractor or organ-  
30 ization for any such purpose;

31 (w) all sales of natural gas, electricity, heat and water delivered  
32 through mains, lines or pipes: (1) To residential premises for non-  
33 commercial use by the occupant of such premises; (2) for agricul-  
34 tural use and also, for such use, all sales of propane gas; (3) for use  
35 in the severing of oil; and (4) to any property which is exempt from  
36 property taxation pursuant to K.S.A. 79-201b *Second through Sixth*.  
37 As used in this paragraph, “severing” shall have the meaning as-  
38 cribed thereto by subsection (k) of K.S.A. 79-4216, and amend-  
39 ments thereto. For all sales of natural gas, electricity and heat de-  
40 livered through mains, lines or pipes pursuant to the provisions of  
41 subsection (w)(1) and (w)(2), the provisions of this subsection shall  
42 expire on December 31, 2005;

43 [(x) all sales of propane gas, LP-gas, coal, wood and other fuel

1 sources for the production of heat or lighting for noncommercial  
2 use of an occupant of residential premises occurring prior to Jan-  
3 uary 1, 2006;

4 [(y) all sales of materials and services used in the repairing,  
5 servicing, altering, maintaining, manufacturing, remanufacturing,  
6 or modification of railroad rolling stock for use in interstate or  
7 foreign commerce under authority of the laws of the United States;

8 [(z) all sales of tangible personal property and services pur-  
9 chased directly by a port authority or by a contractor therefor as  
10 provided by the provisions of K.S.A. 12-3418 and amendments  
11 thereto;

12 [(aa) all sales of materials and services applied to equipment  
13 which is transported into the state from without the state for re-  
14 pair, service, alteration, maintenance, remanufacture or modifi-  
15 cation and which is subsequently transported outside the state for  
16 use in the transmission of liquids or natural gas by means of pipe-  
17 line in interstate or foreign commerce under authority of the laws  
18 of the United States;

19 [(bb) all sales of used mobile homes or manufactured homes.  
20 As used in this subsection: (1) “Mobile homes” and “manufactured  
21 homes” shall have the meanings ascribed thereto by K.S.A. 58-  
22 4202 and amendments thereto; and (2) “sales of used mobile  
23 homes or manufactured homes” means sales other than the orig-  
24 inal retail sale thereof;

25 [(cc) all sales of tangible personal property or services pur-  
26 chased for the purpose of and in conjunction with constructing,  
27 reconstructing, enlarging or remodeling a business or retail busi-  
28 ness which meets the requirements established in K.S.A. 74-50,115  
29 and amendments thereto, and the sale and installation of machin-  
30 ery and equipment purchased for installation at any such business  
31 or retail business. When a person shall contract for the construc-  
32 tion, reconstruction, enlargement or remodeling of any such busi-  
33 ness or retail business, such person shall obtain from the state and  
34 furnish to the contractor an exemption certificate for the project  
35 involved, and the contractor may purchase materials, machinery  
36 and equipment for incorporation in such project. The contractor  
37 shall furnish the number of such certificates to all suppliers from  
38 whom such purchases are made, and such suppliers shall execute  
39 invoices covering the same bearing the number of such certificate.  
40 Upon completion of the project the contractor shall furnish to the  
41 owner of the business or retail business a sworn statement, on a  
42 form to be provided by the director of taxation, that all purchases  
43 so made were entitled to exemption under this subsection. All in-

1 voices shall be held by the contractor for a period of five years and  
2 shall be subject to audit by the director of taxation. Any contractor  
3 or any agent, employee or subcontractor thereof, who shall use or  
4 otherwise dispose of any materials, machinery or equipment pur-  
5 chased under such a certificate for any purpose other than that for  
6 which such a certificate is issued without the payment of the sales  
7 or compensating tax otherwise imposed thereon, shall be guilty of  
8 a misdemeanor and, upon conviction therefor, shall be subject to  
9 the penalties provided for in subsection (g) of K.S.A. 79-3615 and  
10 amendments thereto. As used in this subsection, “business” and  
11 “retail business” have the meanings respectively ascribed thereto  
12 by K.S.A. 74-50,114 and amendments thereto;

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

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

17 [(ff) on and after July 1, 1988, all sales of new mobile homes  
18 or manufactured homes to the extent of 40% of the gross receipts,  
19 determined without regard to any trade-in allowance, received  
20 from such sale. As used in this subsection, “mobile homes” and  
21 “manufactured homes” shall have the meanings ascribed thereto  
22 by K.S.A. 58-4202 and amendments thereto;

23 [(gg) all sales of tangible personal property purchased in ac-  
24 cordance with vouchers issued pursuant to the federal special sup-  
25 plemental food program for women, infants and children;

26 [(hh) all sales of medical supplies and equipment, including du-  
27 rable medical equipment, purchased directly by a nonprofit skilled  
28 nursing home or nonprofit intermediate nursing care home, as  
29 defined by K.S.A. 39-923, and amendments thereto, for the pur-  
30 pose of providing medical services to residents thereof. This ex-  
31 emption shall not apply to tangible personal property customarily  
32 used for human habitation purposes. As used in this subsection,  
33 “durable medical equipment” means equipment including repair  
34 and replacement parts for such equipment, which can withstand  
35 repeated use, is primarily and customarily used to serve a medical  
36 purpose, generally is not useful to a person in the absence of illness  
37 or injury and is not worn in or on the body, but does not include  
38 mobility enhancing equipment as defined in subsection (r), oxygen  
39 delivery equipment, kidney dialysis equipment or enteral feeding  
40 systems;

41 [(ii) all sales of tangible personal property purchased directly  
42 by a nonprofit organization for nonsectarian comprehensive mul-  
43 tidiscipline youth development programs and activities provided



1 or sponsored by such organization, and all sales of tangible per-  
2 sonal property by or on behalf of any such organization. This ex-  
3 emption shall not apply to tangible personal property customarily  
4 used for human habitation purposes;

5 [(jj) all sales of tangible personal property or services, includ-  
6 ing the renting and leasing of tangible personal property, pur-  
7 chased directly on behalf of a community-based mental retarda-  
8 tion facility or mental health center organized pursuant to K.S.A.  
9 19-4001 et seq., and amendments thereto, and licensed in accord-  
10 ance with the provisions of K.S.A. 75-3307b and amendments  
11 thereto and all sales of tangible personal property or services pur-  
12 chased by contractors during the time period from July, 2003,  
13 through June, 2006, for the purpose of constructing, equipping,  
14 maintaining or furnishing a new facility for a community-based  
15 mental retardation facility or mental health center located in Riv-  
16 erton, Cherokee County, Kansas, which would have been eligible  
17 for sales tax exemption pursuant to this subsection if purchased  
18 directly by such facility or center. This exemption shall not apply  
19 to tangible personal property customarily used for human habi-  
20 tation purposes;

21 [(kk) (1) (A) all sales of machinery and equipment which are  
22 used in this state as an integral or essential part of an integrated  
23 production operation by a manufacturing or processing plant or  
24 facility;

25 [(B) all sales of installation, repair and maintenance services  
26 performed on such machinery and equipment; and

27 [(C) all sales of repair and replacement parts and accessories  
28 purchased for such machinery and equipment.

29 [(2) For purposes of this subsection:

30 [(A) “Integrated production operation” means an integrated  
31 series of operations engaged in at a manufacturing or processing  
32 plant or facility to process, transform or convert tangible personal  
33 property by physical, chemical or other means into a different  
34 form, composition or character from that in which it originally ex-  
35 isted. Integrated production operations shall include: (i) Produc-  
36 tion line operations, including packaging operations; (ii) prepro-  
37 duction operations to handle, store and treat raw materials; (iii)  
38 post production handling, storage, warehousing and distribution  
39 operations; and (iv) waste, pollution and environmental control op-  
40 erations, if any;

41 [(B) “production line” means the assemblage of machinery and  
42 equipment at a manufacturing or processing plant or facility where  
43 the actual transformation or processing of tangible personal prop-

1 erty occurs;

2 [(C) “manufacturing or processing plant or facility” means a  
3 single, fixed location owned or controlled by a manufacturing or  
4 processing business that consists of one or more structures or  
5 buildings in a contiguous area where integrated production op-  
6 erations are conducted to manufacture or process tangible per-  
7 sonal property to be ultimately sold at retail. Such term shall not  
8 include any facility primarily operated for the purpose of convey-  
9 ing or assisting in the conveyance of natural gas, electricity, oil or  
10 water. A business may operate one or more manufacturing or proc-  
11 essing plants or facilities at different locations to manufacture or  
12 process a single product of tangible personal property to be ulti-  
13 mately sold at retail;

14 [(D) “manufacturing or processing business” means a business  
15 that utilizes an integrated production operation to manufacture,  
16 process, fabricate, finish, or assemble items for wholesale and re-  
17 tail distribution as part of what is commonly regarded by the gen-  
18 eral public as an industrial manufacturing or processing operation  
19 or an agricultural commodity processing operation. (i) Industrial  
20 manufacturing or processing operations include, by way of illus-  
21 tration but not of limitation, the fabrication of automobiles, air-  
22 planes, machinery or transportation equipment, the fabrication of  
23 metal, plastic, wood, or paper products, electricity power gener-  
24 ation, water treatment, petroleum refining, chemical production,  
25 wholesale bottling, newspaper printing, ready mixed concrete pro-  
26 duction, and the remanufacturing of used parts for wholesale or  
27 retail sale. Such processing operations shall include operations at  
28 an oil well, gas well, mine or other excavation site where the oil,  
29 gas, minerals, coal, clay, stone, sand or gravel that has been ex-  
30 tracted from the earth is cleaned, separated, crushed, ground,  
31 milled, screened, washed, or otherwise treated or prepared before  
32 its transmission to a refinery or before any other wholesale or re-  
33 tail distribution. (ii) Agricultural commodity processing operations  
34 include, by way of illustration but not of limitation, meat packing,  
35 poultry slaughtering and dressing, processing and packaging farm  
36 and dairy products in sealed containers for wholesale and retail  
37 distribution, feed grinding, grain milling, frozen food processing,  
38 and grain handling, cleaning, blending, fumigation, drying and  
39 aeration operations engaged in by grain elevators or other grain  
40 storage facilities. (iii) Manufacturing or processing businesses do  
41 not include, by way of illustration but not of limitation, nonindus-  
42 trial businesses whose operations are primarily retail and that pro-  
43 duce or process tangible personal property as an incidental part

1 of conducting the retail business, such as retailers who bake, cook  
2 or prepare food products in the regular course of their retail trade,  
3 grocery stores, meat lockers and meat markets that butcher or  
4 dress livestock or poultry in the regular course of their retail trade,  
5 contractors who alter, service, repair or improve real property,  
6 and retail businesses that clean, service or refurbish and repair  
7 tangible personal property for its owner;

8 [(E) “repair and replacement parts and accessories” means all  
9 parts and accessories for exempt machinery and equipment, in-  
10 cluding, but not limited to, dies, jigs, molds, patterns and safety  
11 devices that are attached to exempt machinery or that are other-  
12 wise used in production, and parts and accessories that require  
13 periodic replacement such as belts, drill bits, grinding wheels,  
14 grinding balls, cutting bars, saws, refractory brick and other re-  
15 fractory items for exempt kiln equipment used in production  
16 operations;

17 [(F) “primary” or “primarily” mean more than 50% of the  
18 time.

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

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

24 [(B) to transport, convey, handle or store the property under-  
25 going manufacturing or processing at any point from the begin-  
26 ning of the production line through any warehousing or distribu-  
27 tion operation of the final product that occurs at the plant or  
28 facility;

29 [(C) to act upon, effect, promote or otherwise facilitate a phys-  
30 ical change to the property undergoing manufacturing or  
31 processing;

32 [(D) to guide, control or direct the movement of property un-  
33 dergoing manufacturing or processing;

34 [(E) to test or measure raw materials, the property undergoing  
35 manufacturing or processing or the finished product, as a neces-  
36 sary part of the manufacturer’s integrated production operations;

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

41 [(G) to produce energy for, lubricate, control the operating of  
42 or otherwise enable the functioning of other production machin-  
43 ery and equipment and the continuation of production operations;

- 1     **[(H) to package the property being manufactured or processed**  
2 **in a container or wrapping in which such property is normally sold**  
3 **or transported;**
- 4     **[(I) to transmit or transport electricity, coke, gas, water, steam**  
5 **or similar substances used in production operations from the point**  
6 **of generation, if produced by the manufacturer or processor at the**  
7 **plant site, to that manufacturer's production operation; or, if pur-**  
8 **chased or delivered from offsite, from the point where the sub-**  
9 **stance enters the site of the plant or facility to that manufacturer's**  
10 **production operations;**
- 11     **[(J) to cool, heat, filter, refine or otherwise treat water, steam,**  
12 **acid, oil, solvents or other substances that are used in production**  
13 **operations;**
- 14     **[(K) to provide and control an environment required to main-**  
15 **tain certain levels of air quality, humidity or temperature in special**  
16 **and limited areas of the plant or facility, where such regulation of**  
17 **temperature or humidity is part of and essential to the production**  
18 **process;**
- 19     **[(L) to treat, transport or store waste or other byproducts of**  
20 **production operations at the plant or facility; or**
- 21     **[(M) to control pollution at the plant or facility where the pol-**  
22 **lution is produced by the manufacturing or processing operation.**
- 23     **[(4) The following machinery, equipment and materials shall**  
24 **be deemed to be exempt even though it may not otherwise qualify**  
25 **as machinery and equipment used as an integral or essential part**  
26 **of an integrated production operation: (A) Computers and related**  
27 **peripheral equipment that are utilized by a manufacturing or**  
28 **processing business for engineering of the finished product or for**  
29 **research and development or product design; (B) machinery and**  
30 **equipment that is utilized by a manufacturing or processing busi-**  
31 **ness to manufacture or rebuild tangible personal property that is**  
32 **used in manufacturing or processing operations, including tools,**  
33 **dies, molds, forms and other parts of qualifying machinery and**  
34 **equipment; (C) portable plants for aggregate concrete, bulk ce-**  
35 **ment and asphalt including cement mixing drums to be attached**  
36 **to a motor vehicle; (D) industrial fixtures, devices, support facili-**  
37 **ties and special foundations necessary for manufacturing and pro-**  
38 **duction operations, and materials and other tangible personal**  
39 **property sold for the purpose of fabricating such fixtures, devices,**  
40 **facilities and foundations. An exemption certificate for such pur-**  
41 **chases shall be signed by the manufacturer or processor. If the**  
42 **fabricator purchases such material, the fabricator shall also sign**  
43 **the exemption certificate; and (E) a manufacturing or processing**

1 **business’ laboratory equipment that is not located at the plant or**  
2 **facility, but that would otherwise qualify for exemption under sub-**  
3 **section (3)(E).**  
4 **[(5) “Machinery and equipment used as an integral or essential**  
5 **part of an integrated production operation” shall not include:**  
6 **[(A) Machinery and equipment used for nonproduction pur-**  
7 **poses, including, but not limited to, machinery and equipment**  
8 **used for plant security, fire prevention, first aid, accounting, ad-**  
9 **ministration, record keeping, advertising, marketing, sales or**  
10 **other related activities, plant cleaning, plant communications, and**  
11 **employee work scheduling;**  
12 **[(B) machinery, equipment and tools used primarily in main-**  
13 **taining and repairing any type of machinery and equipment or the**  
14 **building and plant;**  
15 **[(C) transportation, transmission and distribution equipment**  
16 **not primarily used in a production, warehousing or material han-**  
17 **dling operation at the plant or facility, including the means of con-**  
18 **veyance of natural gas, electricity, oil or water, and equipment**  
19 **related thereto, located outside the plant or facility;**  
20 **[(D) office machines and equipment including computers and**  
21 **related peripheral equipment not used directly and primarily to**  
22 **control or measure the manufacturing process;**  
23 **[(E) furniture and other furnishings;**  
24 **[(F) buildings, other than exempt machinery and equipment**  
25 **that is permanently affixed to or becomes a physical part of the**  
26 **building, and any other part of real estate that is not otherwise**  
27 **exempt;**  
28 **[(G) building fixtures that are not integral to the manufactur-**  
29 **ing operation, such as utility systems for heating, ventilation, air**  
30 **conditioning, communications, plumbing or electrical;**  
31 **[(H) machinery and equipment used for general plant heating,**  
32 **cooling and lighting;**  
33 **[(I) motor vehicles that are registered for operation on public**  
34 **highways; or**  
35 **[(J) employee apparel, except safety and protective apparel**  
36 **that is purchased by an employer and furnished gratuitously to**  
37 **employees who are involved in production or research activities.**  
38 **[(6) Subsections (3) and (5) shall not be construed as exclusive**  
39 **listings of the machinery and equipment that qualify or do not**  
40 **qualify as an integral or essential part of an integrated production**  
41 **operation. When machinery or equipment is used as an integral or**  
42 **essential part of production operations part of the time and for**  
43 **nonproduction purpose at other times, the primary use of the ma-**

- 1 machinery or equipment shall determine whether or not such ma-  
2 chinery or equipment qualifies for exemption.
- 3 [(7) The secretary of revenue shall adopt rules and regulations  
4 necessary to administer the provisions of this subsection;
- 5 [(ll) all sales of educational materials purchased for distribu-  
6 tion to the public at no charge by a nonprofit corporation organ-  
7 ized for the purpose of encouraging, fostering and conducting pro-  
8 grams for the improvement of public health;
- 9 [(mm) all sales of seeds and tree seedlings; fertilizers, insecti-  
10 cides, herbicides, germicides, pesticides and fungicides; and serv-  
11 ices, purchased and used for the purpose of producing plants in  
12 order to prevent soil erosion on land devoted to agricultural use;
- 13 [(nn) except as otherwise provided in this act, all sales of serv-  
14 ices rendered by an advertising agency or licensed broadcast sta-  
15 tion or any member, agent or employee thereof;
- 16 [(oo) all sales of tangible personal property purchased by a  
17 community action group or agency for the exclusive purpose of  
18 repairing or weatherizing housing occupied by low income  
19 individuals;
- 20 [(pp) all sales of drill bits and explosives actually utilized in the  
21 exploration and production of oil or gas;
- 22 [(qq) all sales of tangible personal property and services pur-  
23 chased by a nonprofit museum or historical society or any combi-  
24 nation thereof, including a nonprofit organization which is organ-  
25 ized for the purpose of stimulating public interest in the  
26 exploration of space by providing educational information, exhib-  
27 its and experiences, which is exempt from federal income taxation  
28 pursuant to section 501(c)(3) of the federal internal revenue code  
29 of 1986;
- 30 [(rr) all sales of tangible personal property which will admit the  
31 purchaser thereof to any annual event sponsored by a nonprofit  
32 organization which is exempt from federal income taxation pur-  
33 suant to section 501(c)(3) of the federal internal revenue code of  
34 1986;
- 35 [(ss) all sales of tangible personal property and services pur-  
36 chased by a public broadcasting station licensed by the federal  
37 communications commission as a noncommercial educational tel-  
38 evision or radio station;
- 39 [(tt) all sales of tangible personal property and services pur-  
40 chased by or on behalf of a not-for-profit corporation which is ex-  
41 empt from federal income taxation pursuant to section 501(c)(3)  
42 of the federal internal revenue code of 1986, for the sole purpose  
43 of constructing a Kansas Korean War memorial;

- 1     [(uu) all sales of tangible personal property and services pur-  
2     chased by or on behalf of any rural volunteer fire-fighting organ-  
3     ization for use exclusively in the performance of its duties and  
4     functions;
- 5     [(vv) all sales of tangible personal property purchased by any  
6     of the following organizations which are exempt from federal in-  
7     come taxation pursuant to section 501 (c)(3) of the federal internal  
8     revenue code of 1986, for the following purposes, and all sales of  
9     any such property by or on behalf of any such organization for any  
10    such purpose:
- 11    [(1) The American Heart Association, Kansas Affiliate, Inc. for  
12    the purposes of providing education, training, certification in  
13    emergency cardiac care, research and other related services to  
14    reduce disability and death from cardiovascular diseases and  
15    stroke;
- 16    [(2) the Kansas Alliance for the Mentally Ill, Inc. for the pur-  
17    pose of advocacy for persons with mental illness and to education,  
18    research and support for their families;
- 19    [(3) the Kansas Mental Illness Awareness Council for the pur-  
20    poses of advocacy for persons who are mentally ill and to educa-  
21    tion, research and support for them and their families;
- 22    [(4) the American Diabetes Association Kansas Affiliate, Inc.  
23    for the purpose of eliminating diabetes through medical research,  
24    public education focusing on disease prevention and education,  
25    patient education including information on coping with diabetes,  
26    and professional education and training;
- 27    [(5) the American Lung Association of Kansas, Inc. for the pur-  
28    pose of eliminating all lung diseases through medical research,  
29    public education including information on coping with lung dis-  
30    eases, professional education and training related to lung disease  
31    and other related services to reduce the incidence of disability and  
32    death due to lung disease;
- 33    [(6) the Kansas chapters of the Alzheimer’s Disease and Re-  
34    lated Disorders Association, Inc. for the purpose of providing as-  
35    sistance and support to persons in Kansas with Alzheimer’s disease,  
36    and their families and caregivers;
- 37    [(7) the Kansas chapters of the Parkinson’s disease association  
38    for the purpose of eliminating Parkinson’s disease through medical  
39    research and public and professional education related to such  
40    disease;
- 41    [(8) the National Kidney Foundation of Kansas and Western  
42    Missouri for the purpose of eliminating kidney disease through  
43    medical research and public and private education related to such

1 disease;

2 [(9) the heartstrings community foundation for the purpose of  
3 providing training, employment and activities for adults with de-  
4 velopmental disabilities;

5 [(10) the Cystic Fibrosis Foundation, Heart of America Chap-  
6 ter, for the purposes of assuring the development of the means to  
7 cure and control cystic fibrosis and improving the quality of life  
8 for those with the disease;

9 [(11) the spina bifida association of Kansas for the purpose of  
10 providing financial, educational and practical aid to families and  
11 individuals with spina bifida. Such aid includes, but is not limited  
12 to, funding for medical devices, counseling and medical educa-  
13 tional opportunities;

14 [(12) the CHWC, Inc., for the purpose of rebuilding urban core  
15 neighborhoods through the construction of new homes, acquiring  
16 and renovating existing homes and other related activities, and  
17 promoting economic development in such neighborhoods;

18 [(13) the cross-lines cooperative council for the purpose of pro-  
19 viding social services to low income individuals and families;

20 [(14) the Dreams Work, Inc., for the purpose of providing  
21 young adult day services to individuals with developmental disa-  
22 bilities and assisting families in avoiding institutional or nursing  
23 home care for a developmentally disabled member of their family;

24 [(15) the KSDS, Inc., for the purpose of promoting the inde-  
25 pendence and inclusion of people with disabilities as fully partic-  
26 ipating and contributing members of their communities and soci-  
27 ety through the training and providing of guide and service dogs  
28 to people with disabilities, and providing disability education and  
29 awareness to the general public;

30 [(16) the lyme association of greater Kansas City, Inc., for the  
31 purpose of providing support to persons with lyme disease and  
32 public education relating to the prevention, treatment and cure of  
33 lyme disease;

34 [(17) the Dream Factory, Inc., for the purpose of granting the  
35 dreams of children with critical and chronic illnesses;

36 [(18) the Ottawa Suzuki Strings, Inc., for the purpose of pro-  
37 viding students and families with education and resources neces-  
38 sary to enable each child to develop fine character and musical  
39 ability to the fullest potential;

40 [(19) the International Association of Lions Clubs for the pur-  
41 pose of creating and fostering a spirit of understanding among all  
42 people for humanitarian needs by providing voluntary services  
43 through community involvement and international cooperation;



- 1     [(20) the Johnson county young matrons, inc., for the purpose  
2 of promoting a positive future for members of the community  
3 through volunteerism, financial support and education through  
4 the efforts of an all volunteer organization;
- 5     [(21) the American Cancer Society, Inc., for the purpose of  
6 eliminating cancer as a major health problem by preventing can-  
7 cer, saving lives and diminishing suffering from cancer, through  
8 research, education, advocacy and service;
- 9     [(22) the community services of Shawnee, inc., for the purpose  
10 of providing food and clothing to those in need; and
- 11     [(23) the angel babies association, for the purpose of providing  
12 assistance, support and items of necessity to teenage mothers and  
13 their babies;
- 14     [(ww) all sales of tangible personal property purchased by the  
15 Habitat for Humanity for the exclusive use of being incorporated  
16 within a housing project constructed by such organization;
- 17     [(xx) all sales of tangible personal property and services pur-  
18 chased by a nonprofit zoo which is exempt from federal income  
19 taxation pursuant to section 501(c)(3) of the federal internal rev-  
20 enue code of 1986, or on behalf of such zoo by an entity itself  
21 exempt from federal income taxation pursuant to section 501(c)(3)  
22 of the federal internal revenue code of 1986 contracted with to  
23 operate such zoo and all sales of tangible personal property or  
24 services purchased by a contractor for the purpose of constructing,  
25 equipping, reconstructing, maintaining, repairing, enlarging, fur-  
26 nishing or remodeling facilities for any nonprofit zoo which would  
27 be exempt from taxation under the provisions of this section if  
28 purchased directly by such nonprofit zoo or the entity operating  
29 such zoo. Nothing in this subsection shall be deemed to exempt  
30 the purchase of any construction machinery, equipment or tools  
31 used in the constructing, equipping, reconstructing, maintaining,  
32 repairing, enlarging, furnishing or remodeling facilities for any  
33 nonprofit zoo. When any nonprofit zoo shall contract for the pur-  
34 pose of constructing, equipping, reconstructing, maintaining, re-  
35 pairing, enlarging, furnishing or remodeling facilities, it shall ob-  
36 tain from the state and furnish to the contractor an exemption  
37 certificate for the project involved, and the contractor may pur-  
38 chase materials for incorporation in such project. The contractor  
39 shall furnish the number of such certificate to all suppliers from  
40 whom such purchases are made, and such suppliers shall execute  
41 invoices covering the same bearing the number of such certificate.  
42 Upon completion of the project the contractor shall furnish to the  
43 nonprofit zoo concerned a sworn statement, on a form to be pro-

1 vided by the director of taxation, that all purchases so made were  
2 entitled to exemption under this subsection. All invoices shall be  
3 held by the contractor for a period of five years and shall be subject  
4 to audit by the director of taxation. If any materials purchased  
5 under such a certificate are found not to have been incorporated  
6 in the building or other project or not to have been returned for  
7 credit or the sales or compensating tax otherwise imposed upon  
8 such materials which will not be so incorporated in the building  
9 or other project reported and paid by such contractor to the di-  
10 rector of taxation not later than the 20th day of the month follow-  
11 ing the close of the month in which it shall be determined that  
12 such materials will not be used for the purpose for which such  
13 certificate was issued, the nonprofit zoo concerned shall be liable  
14 for tax on all materials purchased for the project, and upon pay-  
15 ment thereof it may recover the same from the contractor together  
16 with reasonable attorney fees. Any contractor or any agent, em-  
17 ployee or subcontractor thereof, who shall use or otherwise dis-  
18 pose of any materials purchased under such a certificate for any  
19 purpose other than that for which such a certificate is issued with-  
20 out the payment of the sales or compensating tax otherwise im-  
21 posed upon such materials, shall be guilty of a misdemeanor and,  
22 upon conviction therefor, shall be subject to the penalties provided  
23 for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

24 [(yy) all sales of tangible personal property and services pur-  
25 chased by a parent-teacher association or organization, and all  
26 sales of tangible personal property by or on behalf of such asso-  
27 ciation or organization;

28 [(zz) all sales of machinery and equipment purchased by over-  
29 the-air, free access radio or television station which is used directly  
30 and primarily for the purpose of producing a broadcast signal or  
31 is such that the failure of the machinery or equipment to operate  
32 would cause broadcasting to cease. For purposes of this subsec-  
33 tion, machinery and equipment shall include, but not be limited  
34 to, that required by rules and regulations of the federal commu-  
35 nications commission, and all sales of electricity which are essential  
36 or necessary for the purpose of producing a broadcast signal or is  
37 such that the failure of the electricity would cause broadcasting to  
38 cease;

39 [(aaa) all sales of tangible personal property and services pur-  
40 chased by a religious organization which is exempt from federal  
41 income taxation pursuant to section 501(c)(3) of the federal inter-  
42 nal revenue code, and used exclusively for religious purposes, and  
43 all sales of tangible personal property or services purchased by a

1 contractor for the purpose of constructing, equipping, reconstruct-  
2 ing, maintaining, repairing, enlarging, furnishing or remodeling  
3 facilities for any such organization which would be exempt from  
4 taxation under the provisions of this section if purchased directly  
5 by such organization. Nothing in this subsection shall be deemed  
6 to exempt the purchase of any construction machinery, equipment  
7 or tools used in the constructing, equipping, reconstructing, main-  
8 taining, repairing, enlarging, furnishing or remodeling facilities  
9 for any such organization. When any such organization shall con-  
10 tract for the purpose of constructing, equipping, reconstructing,  
11 maintaining, repairing, enlarging, furnishing or remodeling facil-  
12 ities, it shall obtain from the state and furnish to the contractor an  
13 exemption certificate for the project involved, and the contractor  
14 may purchase materials for incorporation in such project. The con-  
15 tractor shall furnish the number of such certificate to all suppliers  
16 from whom such purchases are made, and such suppliers shall ex-  
17 ecute invoices covering the same bearing the number of such cer-  
18 tificate. Upon completion of the project the contractor shall fur-  
19 nish to such organization concerned a sworn statement, on a form  
20 to be provided by the director of taxation, that all purchases so  
21 made were entitled to exemption under this subsection. All in-  
22 voices shall be held by the contractor for a period of five years and  
23 shall be subject to audit by the director of taxation. If any materials  
24 purchased under such a certificate are found not to have been  
25 incorporated in the building or other project or not to have been  
26 returned for credit or the sales or compensating tax otherwise im-  
27 posed upon such materials which will not be so incorporated in  
28 the building or other project reported and paid by such contractor  
29 to the director of taxation not later than the 20th day of the month  
30 following the close of the month in which it shall be determined  
31 that such materials will not be used for the purpose for which such  
32 certificate was issued, such organization concerned shall be liable  
33 for tax on all materials purchased for the project, and upon pay-  
34 ment thereof it may recover the same from the contractor together  
35 with reasonable attorney fees. Any contractor or any agent, em-  
36 ployee or subcontractor thereof, who shall use or otherwise dis-  
37 pose of any materials purchased under such a certificate for any  
38 purpose other than that for which such a certificate is issued with-  
39 out the payment of the sales or compensating tax otherwise im-  
40 posed upon such materials, shall be guilty of a misdemeanor and,  
41 upon conviction therefor, shall be subject to the penalties provided  
42 for in subsection (g) of K.S.A. 79-3615, and amendments thereto.  
43 Sales tax paid on and after July 1, 1998, but prior to the effective

1 date of this act upon the gross receipts received from any sale  
2 exempted by the amendatory provisions of this subsection shall be  
3 refunded. Each claim for a sales tax refund shall be verified and  
4 submitted to the director of taxation upon forms furnished by the  
5 director and shall be accompanied by any additional documenta-  
6 tion required by the director. The director shall review each claim  
7 and shall refund that amount of sales tax paid as determined under  
8 the provisions of this subsection. All refunds shall be paid from the  
9 sales tax refund fund upon warrants of the director of accounts  
10 and reports pursuant to vouchers approved by the director or the  
11 director's designee;

12 [(bbb) all sales of food for human consumption by an organi-  
13 zation which is exempt from federal income taxation pursuant to  
14 section 501 (c)(3) of the federal internal revenue code of 1986,  
15 pursuant to a food distribution program which offers such food at  
16 a price below cost in exchange for the performance of community  
17 service by the purchaser thereof;

18 [(ccc) on and after July 1, 1999, all sales of tangible personal  
19 property and services purchased by a primary care clinic or health  
20 center the primary purpose of which is to provide services to med-  
21 ically underserved individuals and families, and which is exempt  
22 from federal income taxation pursuant to section 501 (c)(3) of the  
23 federal internal revenue code, and all sales of tangible personal  
24 property or services purchased by a contractor for the purpose of  
25 constructing, equipping, reconstructing, maintaining, repairing,  
26 enlarging, furnishing or remodeling facilities for any such clinic or  
27 center which would be exempt from taxation under the provisions  
28 of this section if purchased directly by such clinic or center. Noth-  
29 ing in this subsection shall be deemed to exempt the purchase of  
30 any construction machinery, equipment or tools used in the con-  
31 structing, equipping, reconstructing, maintaining, repairing, en-  
32 larging, furnishing or remodeling facilities for any such clinic or  
33 center. When any such clinic or center shall contract for the pur-  
34 pose of constructing, equipping, reconstructing, maintaining, re-  
35 pairing, enlarging, furnishing or remodeling facilities, it shall ob-  
36 tain from the state and furnish to the contractor an exemption  
37 certificate for the project involved, and the contractor may pur-  
38 chase materials for incorporation in such project. The contractor  
39 shall furnish the number of such certificate to all suppliers from  
40 whom such purchases are made, and such suppliers shall execute  
41 invoices covering the same bearing the number of such certificate.  
42 Upon completion of the project the contractor shall furnish to such  
43 clinic or center concerned a sworn statement, on a form to be

1 provided by the director of taxation, that all purchases so made  
2 were entitled to exemption under this subsection. All invoices shall  
3 be held by the contractor for a period of five years and shall be  
4 subject to audit by the director of taxation. If any materials pur-  
5 chased under such a certificate are found not to have been incor-  
6 porated in the building or other project or not to have been re-  
7 turned for credit or the sales or compensating tax otherwise  
8 imposed upon such materials which will not be so incorporated in  
9 the building or other project reported and paid by such contractor  
10 to the director of taxation not later than the 20th day of the month  
11 following the close of the month in which it shall be determined  
12 that such materials will not be used for the purpose for which such  
13 certificate was issued, such clinic or center concerned shall be li-  
14 able for tax on all materials purchased for the project, and upon  
15 payment thereof it may recover the same from the contractor to-  
16 gether with reasonable attorney fees. Any contractor or any agent,  
17 employee or subcontractor thereof, who shall use or otherwise dis-  
18 pose of any materials purchased under such a certificate for any  
19 purpose other than that for which such a certificate is issued with-  
20 out the payment of the sales or compensating tax otherwise im-  
21 posed upon such materials, shall be guilty of a misdemeanor and,  
22 upon conviction therefor, shall be subject to the penalties provided  
23 for in subsection (g) of K.S.A. 79-3615, and amendments thereto;

24 [(ddd) on and after January 1, 1999, and before January 1,  
25 2000, all sales of materials and services purchased by any class II  
26 or III railroad as classified by the federal surface transportation  
27 board for the construction, renovation, repair or replacement of  
28 class II or III railroad track and facilities used directly in interstate  
29 commerce. In the event any such track or facility for which ma-  
30 terials and services were purchased sales tax exempt is not oper-  
31 ational for five years succeeding the allowance of such exemption,  
32 the total amount of sales tax which would have been payable except  
33 for the operation of this subsection shall be recouped in accord-  
34 ance with rules and regulations adopted for such purpose by the  
35 secretary of revenue;

36 [(eee) on and after January 1, 1999, and before January 1,  
37 2001, all sales of materials and services purchased for the original  
38 construction, reconstruction, repair or replacement of grain stor-  
39 age facilities, including railroad sidings providing access thereto;

40 [(fff) all sales of material handling equipment, racking systems  
41 and other related machinery and equipment that is used for the  
42 handling, movement or storage of tangible personal property in a  
43 warehouse or distribution facility in this state; all sales of instal-

1 lation, repair and maintenance services performed on such ma-  
2 chinery and equipment; and all sales of repair and replacement  
3 parts for such machinery and equipment. For purposes of this sub-  
4 section, a warehouse or distribution facility means a single, fixed  
5 location that consists of buildings or structures in a contiguous area  
6 where storage or distribution operations are conducted that are  
7 separate and apart from the business' retail operations, if any, and  
8 which do not otherwise qualify for exemption as occurring at a  
9 manufacturing or processing plant or facility. Material handling  
10 and storage equipment shall include aeration, dust control, clean-  
11 ing, handling and other such equipment that is used in a public  
12 grain warehouse or other commercial grain storage facility,  
13 whether used for grain handling, grain storage, grain refining or  
14 processing, or other grain treatment operation;

15 [(ggg) all sales of tangible personal property and services pur-  
16 chased by or on behalf of the Kansas Academy of Science which is  
17 exempt from federal income taxation pursuant to section 501(c)(3)  
18 of the federal internal revenue code of 1986, and used solely by  
19 such academy for the preparation, publication and dissemination  
20 of education materials;

21 [(hhh) all sales of tangible personal property and services pur-  
22 chased by or on behalf of all domestic violence shelters that are  
23 member agencies of the Kansas coalition against sexual and do-  
24 mestic violence;

25 [(iii) all sales of personal property and services purchased by  
26 an organization which is exempt from federal income taxation pur-  
27 suant to section 501(c)(3) of the federal internal revenue code of  
28 1986, and which such personal property and services are used by  
29 any such organization in the collection, storage and distribution of  
30 food products to nonprofit organizations which distribute such  
31 food products to persons pursuant to a food distribution program  
32 on a charitable basis without fee or charge, and all sales of tangible  
33 personal property or services purchased by a contractor for the  
34 purpose of constructing, equipping, reconstructing, maintaining,  
35 repairing, enlarging, furnishing or remodeling facilities used for  
36 the collection and storage of such food products for any such or-  
37 ganization which is exempt from federal income taxation pursuant  
38 to section 501(c)(3) of the federal internal revenue code of 1986,  
39 which would be exempt from taxation under the provisions of this  
40 section if purchased directly by such organization. Nothing in this  
41 subsection shall be deemed to exempt the purchase of any con-  
42 struction machinery, equipment or tools used in the constructing,  
43 equipping, reconstructing, maintaining, repairing, enlarging, fur-

1 nishing or remodeling facilities for any such organization. When  
2 any such organization shall contract for the purpose of construct-  
3 ing, equipping, reconstructing, maintaining, repairing, enlarging,  
4 furnishing or remodeling facilities, it shall obtain from the state  
5 and furnish to the contractor an exemption certificate for the pro-  
6 ject involved, and the contractor may purchase materials for in-  
7 corporation in such project. The contractor shall furnish the num-  
8 ber of such certificate to all suppliers from whom such purchases  
9 are made, and such suppliers shall execute invoices covering the  
10 same bearing the number of such certificate. Upon completion of  
11 the project the contractor shall furnish to such organization con-  
12 cerned a sworn statement, on a form to be provided by the director  
13 of taxation, that all purchases so made were entitled to exemption  
14 under this subsection. All invoices shall be held by the contractor  
15 for a period of five years and shall be subject to audit by the di-  
16 rector of taxation. If any materials purchased under such a certifi-  
17 cate are found not to have been incorporated in such facilities or  
18 not to have been returned for credit or the sales or compensating  
19 tax otherwise imposed upon such materials which will not be so  
20 incorporated in such facilities reported and paid by such contrac-  
21 tor to the director of taxation not later than the 20th day of the  
22 month following the close of the month in which it shall be deter-  
23 mined that such materials will not be used for the purpose for  
24 which such certificate was issued, such organization concerned  
25 shall be liable for tax on all materials purchased for the project,  
26 and upon payment thereof it may recover the same from the con-  
27 tractor together with reasonable attorney fees. Any contractor or  
28 any agent, employee or subcontractor thereof, who shall use or  
29 otherwise dispose of any materials purchased under such a certifi-  
30 cate for any purpose other than that for which such a certificate  
31 is issued without the payment of the sales or compensating tax  
32 otherwise imposed upon such materials, shall be guilty of a mis-  
33 demeanor and, upon conviction therefor, shall be subject to the  
34 penalties provided for in subsection (g) of K.S.A. 79-3615, and  
35 amendments thereto. Sales tax paid on and after July 1, 2005, but  
36 prior to the effective date of this act upon the gross receipts re-  
37 ceived from any sale exempted by the amendatory provisions of  
38 this subsection shall be refunded. Each claim for a sales tax refund  
39 shall be verified and submitted to the director of taxation upon  
40 forms furnished by the director and shall be accompanied by any  
41 additional documentation required by the director. The director  
42 shall review each claim and shall refund that amount of sales tax  
43 paid as determined under the provisions of this subsection. All

1 refunds shall be paid from the sales tax refund fund upon warrants  
2 of the director of accounts and reports pursuant to vouchers ap-  
3 proved by the director or the director's designee;

4 [(jjj) all sales of dietary supplements dispensed pursuant to a  
5 prescription order by a licensed practitioner or a mid-level prac-  
6 titioner as defined by K.S.A. 65-1626, and amendments thereto. As  
7 used in this subsection, "dietary supplement" means any product,  
8 other than tobacco, intended to supplement the diet that: (1) Con-  
9 tains one or more of the following dietary ingredients: A vitamin,  
10 a mineral, an herb or other botanical, an amino acid, a dietary  
11 substance for use by humans to supplement the diet by increasing  
12 the total dietary intake or a concentrate, metabolite, constituent,  
13 extract or combination of any such ingredient; (2) is intended for  
14 ingestion in tablet, capsule, powder, softgel, gelcap or liquid form,  
15 or if not intended for ingestion, in such a form, is not represented  
16 as conventional food and is not represented for use as a sole item  
17 of a meal or of the diet; and (3) is required to be labeled as a dietary  
18 supplement, identifiable by the supplemental facts box found on  
19 the label and as required pursuant to 21 C.F.R. § 101.36;

20 [(lll) all sales of tangible personal property and services pur-  
21 chased by special olympics Kansas, inc. for the purpose of provid-  
22 ing year-round sports training and athletic competition in a variety  
23 of olympic-type sports for individuals with intellectual disabilities  
24 by giving them continuing opportunities to develop physical fit-  
25 ness, demonstrate courage, experience joy and participate in a  
26 sharing of gifts, skills and friendship with their families, other spe-  
27 cial olympics athletes and the community, and activities provided  
28 or sponsored by such organization, and all sales of tangible per-  
29 sonal property by or on behalf of any such organization;

30 [(mmm) all sales of tangible personal property purchased by  
31 or on behalf of the Marillac Center, Inc., which is exempt from  
32 federal income taxation pursuant to section 501(c)(3) of the federal  
33 internal revenue code, for the purpose of providing psycho-social-  
34 biological and special education services to children, and all sales  
35 of any such property by or on behalf of such organization for such  
36 purpose;

37 [(nnn) all sales of tangible personal property and services pur-  
38 chased by the West Sedgwick County-Sunrise Rotary Club and  
39 Sunrise Charitable Fund for the purpose of constructing a bound-  
40 less playground which is an integrated, barrier free and develop-  
41 mentally advantageous play environment for children of all abili-  
42 ties and disabilities;

43 [(ooo) all sales of tangible personal property by or on behalf of



1 a public library serving the general public and supported in whole  
2 or in part with tax money or a not-for-profit organization whose  
3 purpose is to raise funds for or provide services or other benefits  
4 to any such public library;

5 [(ppp) all sales of tangible personal property and services pur-  
6 chased by or on behalf of a homeless shelter which is exempt from  
7 federal income taxation pursuant to section 501(c)(3) of the federal  
8 income tax code of 1986, and used by any such homeless shelter  
9 to provide emergency and transitional housing for individuals and  
10 families experiencing homelessness, and all sales of any such prop-  
11 erty by or on behalf of any such homeless shelter for any such  
12 purpose;

13 [(qqq) all sales of tangible personal property and services pur-  
14 chased by TLC for children and families, inc., hereinafter referred  
15 to as TLC, which is exempt from federal income taxation pursuant  
16 to section 501(c)(3) of the federal internal revenue code of 1986,  
17 and which such property and services are used for the purpose of  
18 providing emergency shelter and treatment for abused and ne-  
19 glected children as well as meeting additional critical needs for  
20 children, juveniles and family, and all sales of any such property  
21 by or on behalf of TLC for any such purpose; and all sales of tan-  
22 gible personal property or services purchased by a contractor for  
23 the purpose of constructing, maintaining, repairing, enlarging,  
24 furnishing or remodeling facilities for the operation of services for  
25 TLC for any such purpose which would be exempt from taxation  
26 under the provisions of this section if purchased directly by TLC.  
27 Nothing in this subsection shall be deemed to exempt the purchase  
28 of any construction machinery, equipment or tools used in the con-  
29 structing, maintaining, repairing, enlarging, furnishing or remodel-  
30 ing such facilities for TLC. When TLC contracts for the purpose  
31 of constructing, maintaining, repairing, enlarging, furnishing or  
32 remodeling such facilities, it shall obtain from the state and furnish  
33 to the contractor an exemption certificate for the project involved,  
34 and the contractor may purchase materials for incorporation in  
35 such project. The contractor shall furnish the number of such cer-  
36 tificate to all suppliers from whom such purchases are made, and  
37 such suppliers shall execute invoices covering the same bearing  
38 the number of such certificate. Upon completion of the project the  
39 contractor shall furnish to TLC a sworn statement, on a form to  
40 be provided by the director of taxation, that all purchases so made  
41 were entitled to exemption under this subsection. All invoices shall  
42 be held by the contractor for a period of five years and shall be  
43 subject to audit by the director of taxation. If any materials pur-

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

20 [(rrr) all sales of tangible personal property and services pur-  
21 chased by any county law library maintained pursuant to law and  
22 sales of tangible personal property and services purchased by an  
23 organization which would have been exempt from taxation under  
24 the provisions of this subsection if purchased directly by the county  
25 law library for the purpose of providing legal resources to attor-  
26 neys, judges, students and the general public, and all sales of any  
27 such property by or on behalf of any such county law library;

28 [(sss) all sales of tangible personal property and services pur-  
29 chased by catholic charities or youthville, hereinafter referred to  
30 as charitable family providers, which is exempt from federal in-  
31 come taxation pursuant to section 501(c)(3) of the federal internal  
32 revenue code of 1986, and which such property and services are  
33 used for the purpose of providing emergency shelter and treat-  
34 ment for abused and neglected children as well as meeting addi-  
35 tional critical needs for children, juveniles and family, and all sales  
36 of any such property by or on behalf of charitable family providers  
37 for any such purpose; and all sales of tangible personal property  
38 or services purchased by a contractor for the purpose of construct-  
39 ing, maintaining, repairing, enlarging, furnishing or remodeling  
40 facilities for the operation of services for charitable family provid-  
41 ers for any such purpose which would be exempt from taxation  
42 under the provisions of this section if purchased directly by char-  
43 itable family providers. Nothing in this subsection shall be deemed

1 to exempt the purchase of any construction machinery, equipment  
2 or tools used in the constructing, maintaining, repairing, enlarg-  
3 ing, furnishing or remodeling such facilities for charitable family  
4 providers. When charitable family providers contracts for the pur-  
5 pose of constructing, maintaining, repairing, enlarging, furnishing  
6 or remodeling such facilities, it shall obtain from the state and  
7 furnish to the contractor an exemption certificate for the project  
8 involved, and the contractor may purchase materials for incorpora-  
9 tion in such project. The contractor shall furnish the number of  
10 such certificate to all suppliers from whom such purchases are  
11 made, and such suppliers shall execute invoices covering the same  
12 bearing the number of such certificate. Upon completion of the  
13 project the contractor shall furnish to charitable family providers  
14 a sworn statement, on a form to be provided by the director of  
15 taxation, that all purchases so made were entitled to exemption  
16 under this subsection. All invoices shall be held by the contractor  
17 for a period of five years and shall be subject to audit by the di-  
18 rector of taxation. If any materials purchased under such a certifi-  
19 cate are found not to have been incorporated in the building or  
20 other project or not to have been returned for credit or the sales  
21 or compensating tax otherwise imposed upon such materials which  
22 will not be so incorporated in the building or other project re-  
23 ported and paid by such contractor to the director of taxation not  
24 later than the 20th day of the month following the close of the  
25 month in which it shall be determined that such materials will not  
26 be used for the purpose for which such certificate was issued, char-  
27 itable family providers shall be liable for tax on all materials pur-  
28 chased for the project, and upon payment thereof it may recover  
29 the same from the contractor together with reasonable attorney  
30 fees. Any contractor or any agent, employee or subcontractor  
31 thereof, who shall use or otherwise dispose of any materials pur-  
32 chased under such a certificate for any purpose other than that for  
33 which such a certificate is issued without the payment of the sales  
34 or compensating tax otherwise imposed upon such materials, shall  
35 be guilty of a misdemeanor and, upon conviction therefor, shall be  
36 subject to the penalties provided for in subsection (g) of K.S.A. 79-  
37 3615, and amendments thereto;

38 [(ttt) all sales of tangible personal property or services pur-  
39 chased by a contractor for a project for the purpose of restoring,  
40 constructing, equipping, reconstructing, maintaining, repairing,  
41 enlarging, furnishing or remodeling a home or facility owned by a  
42 nonprofit museum which has been granted an exemption pursuant  
43 to subsection (qq), which such home or facility is located in a city

1 which has been designated as a qualified hometown pursuant to  
2 the provisions of K.S.A. 75-5071, et seq., and amendments thereto,  
3 and which such project is related to the purposes of K.S.A. 75-5071,  
4 et seq., and amendments thereto, and which would be exempt from  
5 taxation under the provisions of this section if purchased directly  
6 by such nonprofit museum. Nothing in this subsection shall be  
7 deemed to exempt the purchase of any construction machinery,  
8 equipment or tools used in the restoring, constructing, equipping,  
9 reconstructing, maintaining, repairing, enlarging, furnishing or  
10 remodeling a home or facility for any such nonprofit museum.  
11 When any such nonprofit museum shall contract for the purpose  
12 of restoring, constructing, equipping, reconstructing, maintaining,  
13 repairing, enlarging, furnishing or remodeling a home or facility,  
14 it shall obtain from the state and furnish to the contractor an ex-  
15 emption certificate for the project involved, and the contractor  
16 may purchase materials for incorporation in such project. The con-  
17 tractor shall furnish the number of such certificates to all suppliers  
18 from whom such purchases are made, and such suppliers shall ex-  
19 ecute invoices covering the same bearing the number of such cer-  
20 tificate. Upon completion of the project, the contractor shall fur-  
21 nish to such nonprofit museum a sworn statement on a form to be  
22 provided by the director of taxation that all purchases so made  
23 were entitled to exemption under this subsection. All invoices shall  
24 be held by the contractor for a period of five years and shall be  
25 subject to audit by the director of taxation. If any materials pur-  
26 chased under such a certificate are found not to have been incor-  
27 porated in the building or other project or not to have been re-  
28 turned for credit or the sales or compensating tax otherwise  
29 imposed upon such materials which will not be so incorporated in  
30 a home or facility or other project reported and paid by such con-  
31 tractor to the director of taxation not later than the 20th day of  
32 the month following the close of the month in which it shall be  
33 determined that such materials will not be used for the purpose  
34 for which such certificate was issued, such nonprofit museum shall  
35 be liable for tax on all materials purchased for the project, and  
36 upon payment thereof it may recover the same from the contractor  
37 together with reasonable attorney fees. Any contractor or any  
38 agent, employee or subcontractor thereof, who shall use or oth-  
39 erwise dispose of any materials purchased under such a certificate  
40 for any purpose other than that for which such a certificate is is-  
41 sued without the payment of the sales or compensating tax oth-  
42 erwise imposed upon such materials, shall be guilty of a misde-  
43 meanor and, upon conviction therefor, shall be subject to the

1 penalties provided for in subsection (g) of K.S.A. 79-3615, and  
2 amendments thereto;

3 [(uuu) all sales of tangible personal property and services pur-  
4 chased by Kansas children's service league, hereinafter referred  
5 to as KCSL, which is exempt from federal income taxation pursu-  
6 ant to section 501(c)(3) of the federal internal revenue code of  
7 1986, and which such property and services are used for the pur-  
8 pose of providing for the prevention and treatment of child abuse  
9 and maltreatment as well as meeting additional critical needs for  
10 children, juveniles and family, and all sales of any such property  
11 by or on behalf of KCSL for any such purpose; and all sales of  
12 tangible personal property or services purchased by a contractor  
13 for the purpose of constructing, maintaining, repairing, enlarging,  
14 furnishing or remodeling facilities for the operation of services for  
15 KCSL for any such purpose which would be exempt from taxation  
16 under the provisions of this section if purchased directly by KCSL.  
17 Nothing in this subsection shall be deemed to exempt the purchase  
18 of any construction machinery, equipment or tools used in the con-  
19 structing, maintaining, repairing, enlarging, furnishing or remodel-  
20 eling such facilities for KCSL. When KCSL contracts for the pur-  
21 pose of constructing, maintaining, repairing, enlarging, furnishing  
22 or remodeling such facilities, it shall obtain from the state and  
23 furnish to the contractor an exemption certificate for the project  
24 involved, and the contractor may purchase materials for incorpo-  
25 ration in such project. The contractor shall furnish the number of  
26 such certificate to all suppliers from whom such purchases are  
27 made, and such suppliers shall execute invoices covering the same  
28 bearing the number of such certificate. Upon completion of the  
29 project the contractor shall furnish to KCSL a sworn statement, on  
30 a form to be provided by the director of taxation, that all purchases  
31 so made were entitled to exemption under this subsection. All in-  
32 voices shall be held by the contractor for a period of five years and  
33 shall be subject to audit by the director of taxation. If any materials  
34 purchased under such a certificate are found not to have been  
35 incorporated in the building or other project or not to have been  
36 returned for credit or the sales or compensating tax otherwise im-  
37 posed upon such materials which will not be so incorporated in  
38 the building or other project reported and paid by such contractor  
39 to the director of taxation not later than the 20th day of the month  
40 following the close of the month in which it shall be determined  
41 that such materials will not be used for the purpose for which such  
42 certificate was issued, KCSL shall be liable for tax on all materials  
43 purchased for the project, and upon payment thereof it may re-

1 cover the same from the contractor together with reasonable at-  
2 torney fees. Any contractor or any agent, employee or subcontract-  
3 tor thereof, who shall use or otherwise dispose of any materials  
4 purchased under such a certificate for any purpose other than that  
5 for which such a certificate is issued without the payment of the  
6 sales or compensating tax otherwise imposed upon such materials,  
7 shall be guilty of a misdemeanor and, upon conviction therefor,  
8 shall be subject to the penalties provided for in subsection (g) of  
9 K.S.A. 79-3615, and amendments thereto;

10 [(vvv) all sales of tangible personal property or services, in-  
11 cluding the renting and leasing of tangible personal property or  
12 services, *purchased* by Jazz in the Woods, Inc., a Kansas corporation  
13 which is exempt from federal income taxation pursuant to section  
14 501 (c)(3) of the federal internal revenue code, for the purpose of  
15 providing Jazz in the Woods, an event benefiting children-in-need  
16 and other nonprofit charities assisting such children, and all sales  
17 of any such property by or on behalf of such organization for such  
18 purpose;

19 [(www) all sales of tangible personal property purchased by or  
20 on behalf of the Frontenac Education Foundation, which is exempt  
21 from federal income taxation pursuant to section 501 (c)(3) of the  
22 federal internal revenue code, for the purpose of providing edu-  
23 cation support for students, and all sales of any such property by  
24 or on behalf of such organization for such purpose;

25 [(xxx) all sales of personal property and services purchased by  
26 the booth theatre foundation, inc., an organization which is exempt  
27 from federal income taxation pursuant to section 501(c)(3) of the  
28 federal internal revenue code of 1986, and which such personal  
29 property and services are used by any such organization in the  
30 constructing, equipping, reconstructing, maintaining, repairing,  
31 enlarging, furnishing or remodeling of the booth theatre, and all  
32 sales of tangible personal property or services purchased by a con-  
33 tractor for the purpose of constructing, equipping, reconstructing,  
34 maintaining, repairing, enlarging, furnishing or remodeling the  
35 booth theatre for such organization, which would be exempt from  
36 taxation under the provisions of this section if purchased directly  
37 by such organization. Nothing in this subsection shall be deemed  
38 to exempt the purchase of any construction machinery, equipment  
39 or tools used in the constructing, equipping, reconstructing, main-  
40 taining, repairing, enlarging, furnishing or remodeling facilities  
41 for any such organization. When any such organization shall con-  
42 tract for the purpose of constructing, equipping, reconstructing,  
43 maintaining, repairing, enlarging, furnishing or remodeling facil-

1 ities, it shall obtain from the state and furnish to the contractor an  
2 exemption certificate for the project involved, and the contractor  
3 may purchase materials for incorporation in such project. The con-  
4 tractor shall furnish the number of such certificate to all suppliers  
5 from whom such purchases are made, and such suppliers shall ex-  
6 ecute invoices covering the same bearing the number of such cer-  
7 tificate. Upon completion of the project the contractor shall fur-  
8 nish to such organization concerned a sworn statement, on a form  
9 to be provided by the director of taxation, that all purchases so  
10 made were entitled to exemption under this subsection. All in-  
11 voices shall be held by the contractor for a period of five years and  
12 shall be subject to audit by the director of taxation. If any materials  
13 purchased under such a certificate are found not to have been  
14 incorporated in such facilities or not to have been returned for  
15 credit or the sales or compensating tax otherwise imposed upon  
16 such materials which will not be so incorporated in such facilities  
17 reported and paid by such contractor to the director of taxation  
18 not later than the 20th day of the month following the close of the  
19 month in which it shall be determined that such materials will not  
20 be used for the purpose for which such certificate was issued, such  
21 organization concerned shall be liable for tax on all materials pur-  
22 chased for the project, and upon payment thereof it may recover  
23 the same from the contractor together with reasonable attorney  
24 fees. Any contractor or any agent, employee or subcontractor  
25 thereof, who shall use or otherwise dispose of any materials pur-  
26 chased under such a certificate for any purpose other than that for  
27 which such a certificate is issued without the payment of the sales  
28 or compensating tax otherwise imposed upon such materials, shall  
29 be guilty of a misdemeanor and, upon conviction therefor, shall be  
30 subject to the penalties provided for in subsection (g) of K.S.A. 79-  
31 3615, and amendments thereto. Sales tax paid on and after January  
32 1, 2007, but prior to the effective date of this act upon the gross  
33 receipts received from any sale which would have been exempted  
34 by the provisions of this subsection had such sale occurred after  
35 the effective date of this act shall be refunded. Each claim for a  
36 sales tax refund shall be verified and submitted to the director of  
37 taxation upon forms furnished by the director and shall be accom-  
38 panied by any additional documentation required by the director.  
39 The director shall review each claim and shall refund that amount  
40 of sales tax paid as determined under the provisions of this sub-  
41 section. All refunds shall be paid from the sales tax refund fund  
42 upon warrants of the director of accounts and reports pursuant to  
43 vouchers approved by the director or the director's designee;

1 [(yyy) all sales of tangible personal property and services pur-  
2 chased by TLC charities foundation, inc., hereinafter referred to  
3 as TLC charities, which is exempt from federal income taxation  
4 pursuant to section 501(c)(3) of the federal internal revenue code  
5 of 1986, and which such property and services are used for the  
6 purpose of encouraging private philanthropy to further the vision,  
7 values, and goals of TLC for children and families, inc.; and all  
8 sales of such property and services by or on behalf of TLC charities  
9 for any such purpose and all sales of tangible personal property or  
10 services purchased by a contractor for the purpose of constructing,  
11 maintaining, repairing, enlarging, furnishing or remodeling facil-  
12 ities for the operation of services for TLC charities for any such  
13 purpose which would be exempt from taxation under the provi-  
14 sions of this section if purchased directly by TLC charities. Nothing  
15 in this subsection shall be deemed to exempt the purchase of any  
16 construction machinery, equipment or tools used in the construct-  
17 ing, maintaining, repairing, enlarging, furnishing or remodeling  
18 such facilities for TLC charities. When TLC charities contracts for  
19 the purpose of constructing, maintaining, repairing, enlarging,  
20 furnishing or remodeling such facilities, it shall obtain from the  
21 state and furnish to the contractor an exemption certificate for the  
22 project involved, and the contractor may purchase materials for  
23 incorporation in such project. The contractor shall furnish the  
24 number of such certificate to all suppliers from whom such pur-  
25 chases are made, and such suppliers shall execute invoices cover-  
26 ing the same bearing the number of such certificate. Upon com-  
27 pletion of the project the contractor shall furnish to TLC charities  
28 a sworn statement, on a form to be provided by the director of  
29 taxation, that all purchases so made were entitled to exemption  
30 under this subsection. All invoices shall be held by the contractor  
31 for a period of five years and shall be subject to audit by the di-  
32 rector of taxation. If any materials purchased under such a certifi-  
33 cate are found not to have been incorporated in the building or  
34 other project or not to have been returned for credit or the sales  
35 or compensating tax otherwise imposed upon such materials which  
36 will not be incorporated into the building or other project reported  
37 and paid by such contractor to the director of taxation not later  
38 than the 20th day of the month following the close of the month  
39 in which it shall be determined that such materials will not be used  
40 for the purpose for which such certificate was issued, TLC chari-  
41 ties shall be liable for tax on all materials purchased for the project,  
42 and upon payment thereof it may recover the same from the con-  
43 tractor together with reasonable attorney fees. Any contractor or



1 any agent, employee or subcontractor thereof, who shall use or  
2 otherwise dispose of any materials purchased under such a certifi-  
3 cate for any purpose other than that for which such a certificate  
4 is issued without the payment of the sales or compensating tax  
5 otherwise imposed upon such materials, shall be guilty of a mis-  
6 demeanor and, upon conviction therefor, shall be subject to the  
7 penalties provided for in subsection (g) of K.S.A. 79-3615, and  
8 amendments thereto;

9 [(zzz) all sales of tangible personal property purchased by the  
10 rotary club of shawnee foundation which is exempt from federal  
11 income taxation pursuant to section 501 (c)(3) of the federal inter-  
12 nal revenue code of 1986, as amended, used for the purpose of  
13 providing contributions to community service organizations and  
14 scholarships; and

15 [(aaaa) all sales of personal property and services purchased by or on  
16 behalf of victory in the valley, inc., which is exempt from federal income  
17 taxation pursuant to section 501 (c)(3) of the federal internal revenue  
18 code, for the purpose of providing a cancer support group and services  
19 for persons with cancer, and all sales of any such property by or on behalf  
20 of any such organization for any such purpose; and

21 [(bbbb) on and after July 1, 2008, all sales of any article of clothing  
22 having a taxable value of \$300 or less, all school supplies not to exceed  
23 \$100 per purchase, all computer software with a taxable value of \$300 or  
24 less and all personal computers or computer peripheral devices not to  
25 exceed \$2,000, during the period beginning at 12:01 a.m. on the Thursday  
26 before the first Sunday in August and ending at midnight on such Sunday.  
27 The provisions of this subsection apply to sales of items for personal use  
28 only. As used in this subsection, (1) “clothing” means any article of wear-  
29 ing apparel, including footwear, intended to be worn on or about the  
30 human body. The term shall include, but not be limited to, cloth and other  
31 material used to make school uniforms or other school clothing. Items  
32 normally sold in pairs shall not be separated to qualify for the exemption.  
33 The term shall not include watches, watchbands, jewelry, handbags, hand-  
34 kerchiefs, umbrellas, scarves, headbands or belt buckles; (2) “personal  
35 computers” means a laptop, desktop or tower computer system which  
36 consists of a central processing unit, random access memory, a storage  
37 drive, a display monitor and a keyboard and devices designed for use in  
38 conjunction with a personal computer, such as a disk drive, memory mod-  
39 ule, compact disk drive, daughterboard, digitalizer, microphone, modem,  
40 motherboard, mouse, multimedia speaker, printer, scanner, single-user  
41 hardware, single-user operating system, soundcard or video card; and (3)  
42 “school supplies” means any item normally used by students in a standard  
43 classroom for educational purposes, including, but not limited to, text-

1 *books, notebooks, paper, writing instruments, crayons, art supplies, rul-*  
2 *ers, bookbags, backpacks, handheld calculators, chalk, maps and globes.*  
3 *The term shall not include watches, radios, CD players, headphones,*  
4 *sporting equipment, portable or desktop telephones, copiers or other office*  
5 *equipment, furniture or fixtures.]*

6 Sec. ~~4~~ [7.] K.S.A. 2007 Supp. 12-187, 12-189 ~~and~~ [,] 12-192[, **79-**  
7 **3603 and 79-3606**] are hereby repealed.

8 Sec. ~~5~~ [8.] This act shall take effect and be in force from and after  
9 its publication in the statute book.