

As Amended by Senate Committee

Session of 2008

SENATE BILL No. 487

By Committee on Assessment and Taxation

1-28

10 AN ACT concerning sales taxation; relating to imposition of tax; hunting
11 **and fishing** and sale of game birds; amending K.S.A. 2007 Supp. 79-
12 3603 and 79-3606 and repealing the existing sections.
13

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

15 Section 1. K.S.A. 2007 Supp. 79-3603 is hereby amended to read as
16 follows: 79-3603. For the privilege of engaging in the business of selling
17 tangible personal property at retail in this state or rendering or furnishing
18 any of the services taxable under this act, there is hereby levied and there
19 shall be collected and paid a tax at the rate of 5.3%. Within a redevelop-
20 ment district established pursuant to K.S.A. 74-8921, and amendments
21 thereto, there is hereby levied and there shall be collected and paid an
22 additional tax at the rate of 2% until the earlier of the date the bonds
23 issued to finance or refinance the redevelopment project have been paid
24 in full or the final scheduled maturity of the first series of bonds issued
25 to finance any part of the project upon:

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

28 (b) the gross receipts from intrastate, interstate or international tel-
29 ecommunications services and any ancillary services sourced to this state
30 in accordance with K.S.A. 2007 Supp. 79-3673, and amendments thereto,
31 except that telecommunications service does not include: (1) Any inter-
32 state or international 800 or 900 service; (2) any interstate or international
33 private communications service as defined in K.S.A. 2007 Supp. 79-3673,
34 and amendments thereto; (3) any value-added nonvoice data service; (4)
35 any telecommunication service to a provider of telecommunication serv-
36 ices which will be used to render telecommunications services, including
37 carrier access services; or (5) any service or transaction defined in this
38 section among entities classified as members of an affiliated group as
39 provided by section 1504 of the federal internal revenue code of 1986, as
40 in effect on January 1, 2001;

41 (c) the gross receipts from the sale or furnishing of gas, water, elec-
42 tricity and heat, which sale is not otherwise exempt from taxation under
43 the provisions of this act, and whether furnished by municipally or pri-

1 vately owned utilities, except that, on and after January 1, 2006, for sales
2 of gas, electricity and heat delivered through mains, lines or pipes to
3 residential premises for noncommercial use by the occupant of such
4 premises, and for agricultural use and also, for such use, all sales of pro-
5 pane gas, the state rate shall be 0%; and for all sales of propane gas, LP
6 gas, coal, wood and other fuel sources for the production of heat or light-
7 ing for noncommercial use of an occupant of residential premises, the
8 state rate shall be 0%, but such tax shall not be levied and collected upon
9 the gross receipts from: (1) The sale of a rural water district benefit unit;
10 (2) a water system impact fee, system enhancement fee or similar fee
11 collected by a water supplier as a condition for establishing service; or (3)
12 connection or reconnection fees collected by a water supplier;

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

17 (e) the gross receipts from the sale of admissions to any place pro-
18 viding amusement, entertainment or recreation services including admis-
19 sions to state, county, district and local fairs, but such tax shall not be
20 levied and collected upon the gross receipts received from sales of ad-
21 missions to any cultural and historical event which occurs triennially;

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

25 (g) the gross receipts from the service of renting of rooms by hotels,
26 as defined by K.S.A. 36-501 and amendments thereto, or by accommo-
27 dation brokers, as defined by K.S.A. 12-1692, and amendments thereto
28 but such tax shall not be levied and collected upon the gross receipts
29 received from sales of such service to the federal government and any
30 agency, officer or employee thereof in association with the performance
31 of official government duties;

32 (h) the gross receipts from the service of renting or leasing of tangible
33 personal property except such tax shall not apply to the renting or leasing
34 of machinery, equipment or other personal property owned by a city and
35 purchased from the proceeds of industrial revenue bonds issued prior to
36 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through
37 12-1749, and amendments thereto, and any city or lessee renting or leas-
38 ing such machinery, equipment or other personal property purchased
39 with the proceeds of such bonds who shall have paid a tax under the
40 provisions of this section upon sales made prior to July 1, 1973, shall be
41 entitled to a refund from the sales tax refund fund of all taxes paid
42 thereon;

43 (i) the gross receipts from the rendering of dry cleaning, pressing,

- 1 dyeing and laundry services except laundry services rendered through a
2 coin-operated device whether automatic or manually operated;
- 3 (j) the gross receipts from the rendering of the services of washing
4 and washing and waxing of vehicles;
- 5 (k) the gross receipts from cable, community antennae and other sub-
6 scriber radio and television services;
- 7 (l) (1) except as otherwise provided by paragraph (2), the gross re-
8 cepts received from the sales of tangible personal property to all con-
9 tractors, subcontractors or repairmen for use by them in erecting struc-
10 tures, or building on, or otherwise improving, altering, or repairing real
11 or personal property.
- 12 (2) Any such contractor, subcontractor or repairman who maintains
13 an inventory of such property both for sale at retail and for use by them
14 for the purposes described by paragraph (1) shall be deemed a retailer
15 with respect to purchases for and sales from such inventory, except that
16 the gross receipts received from any such sale, other than a sale at retail,
17 shall be equal to the total purchase price paid for such property and the
18 tax imposed thereon shall be paid by the deemed retailer;
- 19 (m) the gross receipts received from fees and charges by public and
20 private clubs, drinking establishments, organizations and businesses for
21 participation in sports, games and other recreational activities, but such
22 tax shall not be levied and collected upon the gross receipts received from:
- 23 (1) Fees and charges by any political subdivision, by any organization
24 exempt from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-
25 201, and amendments thereto, or by any youth recreation organization
26 exclusively providing services to persons 18 years of age or younger which
27 is exempt from federal income taxation pursuant to section 501(c)(3) of
28 the federal internal revenue code of 1986, for participation in sports,
29 games and other recreational activities; ~~and~~ (2) entry fees and charges for
30 participation in a special event or tournament sanctioned by a national
31 sporting association to which spectators are charged an admission which
32 is taxable pursuant to subsection (e); ~~and~~ (3) *fees and charges for partic-*
33 *ipation in guided and non-guided hunts and ~~fees and charges for sporting~~*
34 *clays **fishing expeditions and excursions, clay shooting sports and***
35 ***hunting or fishing leases;***
- 36 (n) the gross receipts received from dues charged by public and pri-
37 vate clubs, drinking establishments, organizations and businesses, pay-
38 ment of which entitles a member to the use of facilities for recreation or
39 entertainment, but such tax shall not be levied and collected upon the
40 gross receipts received from: (1) Dues charged by any organization ex-
41 empt from property taxation pursuant to paragraphs *Eighth* and *Ninth* of
42 K.S.A. 79-201, and amendments thereto; and (2) sales of memberships
43 in a nonprofit organization which is exempt from federal income taxation

1 pursuant to section 501 (c)(3) of the federal internal revenue code of
2 1986, and whose purpose is to support the operation of a nonprofit zoo;
3 (o) the gross receipts received from the isolated or occasional sale of
4 motor vehicles or trailers but not including: (1) The transfer of motor
5 vehicles or trailers by a person to a corporation or limited liability com-
6 pany solely in exchange for stock securities or membership interest in
7 such corporation or limited liability company; or (2) the transfer of motor
8 vehicles or trailers by one corporation or limited liability company to
9 another when all of the assets of such corporation or limited liability
10 company are transferred to such other corporation or limited liability
11 company; or (3) the sale of motor vehicles or trailers which are subject
12 to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and
13 amendments thereto, by an immediate family member to another im-
14 mediate family member. For the purposes of clause (3), immediate family
15 member means lineal ascendants or descendants, and their spouses. Any
16 amount of sales tax paid pursuant to the Kansas retailers sales tax act on
17 the isolated or occasional sale of motor vehicles or trailers on and after
18 July 1, 2004, which the base for computing the tax was the value pursuant
19 to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5105, and amendments
20 thereto, when such amount was higher than the amount of sales tax which
21 would have been paid under the law as it existed on June 30, 2004, shall
22 be refunded to the taxpayer pursuant to the procedure prescribed by this
23 section. Such refund shall be in an amount equal to the difference be-
24 tween the amount of sales tax paid by the taxpayer and the amount of
25 sales tax which would have been paid by the taxpayer under the law as it
26 existed on June 30, 2004. Each claim for a sales tax refund shall be verified
27 and submitted not later than six months from the effective date of this
28 act to the director of taxation upon forms furnished by the director and
29 shall be accompanied by any additional documentation required by the
30 director. The director shall review each claim and shall refund that
31 amount of tax paid as provided by this act. All such refunds shall be paid
32 from the sales tax refund fund, upon warrants of the director of accounts
33 and reports pursuant to vouchers approved by the director of taxation or
34 the director's designee. No refund for an amount less than \$10 shall be
35 paid pursuant to this act. In determining the base for computing the tax
36 on such isolated or occasional sale, the fair market value of any motor
37 vehicle or trailer traded in by the purchaser to the seller may be deducted
38 from the selling price;

39 (p) the gross receipts received for the service of installing or applying
40 tangible personal property which when installed or applied is not being
41 held for sale in the regular course of business, and whether or not such
42 tangible personal property when installed or applied remains tangible
43 personal property or becomes a part of real estate, except that no tax shall

1 be imposed upon the service of installing or applying tangible personal
2 property in connection with the original construction of a building or
3 facility, the original construction, reconstruction, restoration, remodeling,
4 renovation, repair or replacement of a residence or the construction, re-
5 construction, restoration, replacement or repair of a bridge or highway.

6 For the purposes of this subsection:

7 (1) “Original construction” shall mean the first or initial construction
8 of a new building or facility. The term “original construction” shall include
9 the addition of an entire room or floor to any existing building or facility,
10 the completion of any unfinished portion of any existing building or fa-
11 cility and the restoration, reconstruction or replacement of a building,
12 facility or utility structure damaged or destroyed by fire, flood, tornado,
13 lightning, explosion, windstorm, ice loading and attendant winds, terror-
14 ism or earthquake, but such term, except with regard to a residence, shall
15 not include replacement, remodeling, restoration, renovation or recon-
16 struction under any other circumstances;

17 (2) “building” shall mean only those enclosures within which individ-
18 uals customarily are employed, or which are customarily used to house
19 machinery, equipment or other property, and including the land improve-
20 ments immediately surrounding such building;

21 (3) “facility” shall mean a mill, plant, refinery, oil or gas well, water
22 well, feedlot or any conveyance, transmission or distribution line of any
23 cooperative, nonprofit, membership corporation organized under or sub-
24 ject to the provisions of K.S.A. 17-4601 et seq., and amendments thereto,
25 or municipal or quasi-municipal corporation, including the land improve-
26 ments immediately surrounding such facility;

27 (4) “residence” shall mean only those enclosures within which indi-
28 viduals customarily live;

29 (5) “utility structure” shall mean transmission and distribution lines
30 owned by an independent transmission company or cooperative, the Kan-
31 sas electric transmission authority or natural gas or electric public utility;
32 and

33 (6) “windstorm” shall mean straight line winds of at least 80 miles
34 per hour as determined by a recognized meteorological reporting agency
35 or organization;

36 (q) the gross receipts received for the service of repairing, servicing,
37 altering or maintaining tangible personal property which when such serv-
38 ices are rendered is not being held for sale in the regular course of busi-
39 ness, and whether or not any tangible personal property is transferred in
40 connection therewith. The tax imposed by this subsection shall be appli-
41 cable to the services of repairing, servicing, altering or maintaining an
42 item of tangible personal property which has been and is fastened to,
43 connected with or built into real property;

- 1 (r) the gross receipts from fees or charges made under service or
2 maintenance agreement contracts for services, charges for the providing
3 of which are taxable under the provisions of subsection (p) or (q);
- 4 (s) on and after January 1, 2005, the gross receipts received from the
5 sale of prewritten computer software and the sale of the services of mod-
6 ifying, altering, updating or maintaining prewritten computer software,
7 whether the prewritten computer software is installed or delivered elec-
8 tronically by tangible storage media physically transferred to the pur-
9 chaser or by load and leave;
- 10 (t) the gross receipts received for telephone answering services;
- 11 (u) the gross receipts received from the sale of prepaid calling service
12 and prepaid wireless calling service as defined in K.S.A. 2007 Supp. 79-
13 3673, and amendments thereto; and
- 14 (v) the gross receipts received from the sales of bingo cards, bingo
15 faces and instant bingo tickets by licensees under K.S.A. 79-4701, et seq.,
16 and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,
17 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before
18 July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo
19 faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,
20 and amendments thereto, shall be exempt from taxes imposed pursuant
21 to this section.
- 22 Sec. 2. K.S.A. 2007 Supp. 79-3606 is hereby amended to read as
23 follows: 79-3606. The following shall be exempt from the tax imposed by
24 this act:
- 25 (a) All sales of motor-vehicle fuel or other articles upon which a sales
26 or excise tax has been paid, not subject to refund, under the laws of this
27 state except cigarettes as defined by K.S.A. 79-3301 and amendments
28 thereto, cereal malt beverages and malt products as defined by K.S.A. 79-
29 3817 and amendments thereto, including wort, liquid malt, malt syrup
30 and malt extract, which is not subject to taxation under the provisions of
31 K.S.A. 79-41a02 and amendments thereto, motor vehicles taxed pursuant
32 to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to
33 K.S.A. 65-3424d, and amendments thereto, drycleaning and laundry serv-
34 ices taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and
35 gross receipts from regulated sports contests taxed pursuant to the Kansas
36 professional regulated sports act, and amendments thereto;
- 37 (b) all sales of tangible personal property or service, including the
38 renting and leasing of tangible personal property, purchased directly by
39 the state of Kansas, a political subdivision thereof, other than a school or
40 educational institution, or purchased by a public or private nonprofit hos-
41 pital or public hospital authority or nonprofit blood, tissue or organ bank
42 and used exclusively for state, political subdivision, hospital or public hos-
43 pital authority or nonprofit blood, tissue or organ bank purposes, except

1 when: (1) Such state, hospital or public hospital authority is engaged or
2 proposes to engage in any business specifically taxable under the provi-
3 sions of this act and such items of tangible personal property or service
4 are used or proposed to be used in such business, or (2) such political
5 subdivision is engaged or proposes to engage in the business of furnishing
6 gas, electricity or heat to others and such items of personal property or
7 service are used or proposed to be used in such business;

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

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

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

1 shall 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. 79-3615,
3 and amendments thereto;

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

35 (f) tangible personal property purchased by a railroad or public utility
36 for consumption or movement directly and immediately in interstate
37 commerce;

38 (g) sales of aircraft including remanufactured and modified aircraft
39 sold to persons using directly or through an authorized agent such aircraft
40 as certified or licensed carriers of persons or property in interstate or
41 foreign commerce under authority of the laws of the United States or any
42 foreign government or sold to any foreign government or agency or in-
43 strumentality of such foreign government and all sales of aircraft for use

- 1 outside of the United States and sales of aircraft repair, modification and
2 replacement parts and sales of services employed in the remanufacture,
3 modification and repair of aircraft;
- 4 (h) all rentals of nonsectarian textbooks by public or private elemen-
5 tary or secondary schools;
- 6 (i) the lease or rental of all films, records, tapes, or any type of sound
7 or picture transcriptions used by motion picture exhibitors;
- 8 (j) meals served without charge or food used in the preparation of
9 such meals to employees of any restaurant, eating house, dining car, hotel,
10 drugstore or other place where meals or drinks are regularly sold to the
11 public if such employees' duties are related to the furnishing or sale of
12 such meals or drinks;
- 13 (k) any motor vehicle, semitrailer or pole trailer, as such terms are
14 defined by K.S.A. 8-126 and amendments thereto, or aircraft sold and
15 delivered in this state to a bona fide resident of another state, which motor
16 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based
17 in this state and which vehicle, semitrailer, pole trailer or aircraft will not
18 remain in this state more than 10 days;
- 19 (l) all isolated or occasional sales of tangible personal property, serv-
20 ices, substances or things, except isolated or occasional sale of motor
21 vehicles specifically taxed under the provisions of subsection (o) of K.S.A.
22 79-3603 and amendments thereto;
- 23 (m) all sales of tangible personal property which become an ingre-
24 dient or component part of tangible personal property or services pro-
25 duced, manufactured or compounded for ultimate sale at retail within or
26 without the state of Kansas; and any such producer, manufacturer or
27 compounder may obtain from the director of taxation and furnish to the
28 supplier an exemption certificate number for tangible personal property
29 for use as an ingredient or component part of the property or services
30 produced, manufactured or compounded;
- 31 (n) all sales of tangible personal property which is consumed in the
32 production, manufacture, processing, mining, drilling, refining or com-
33 pounding of tangible personal property, the treating of by-products or
34 wastes derived from any such production process, the providing of serv-
35 ices or the irrigation of crops for ultimate sale at retail within or without
36 the state of Kansas; and any purchaser of such property may obtain from
37 the director of taxation and furnish to the supplier an exemption certifi-
38 cate number for tangible personal property for consumption in such pro-
39 duction, manufacture, processing, mining, drilling, refining, compound-
40 ing, treating, irrigation and in providing such services;
- 41 (o) all sales of animals, fowl and aquatic plants and animals, the pri-
42 mary purpose of which is use in agriculture or aquaculture, as defined in
43 K.S.A. 47-1901, and amendments thereto, the production of food for

1 human consumption, the production of animal, dairy, poultry or aquatic
2 plant and animal products, fiber or fur, or the production of offspring for
3 use for any such purpose or purposes;

4 (p) all sales of drugs dispensed pursuant to a prescription order by a
5 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
6 1626, and amendments thereto. As used in this subsection, “drug” means
7 a compound, substance or preparation and any component of a com-
8 pound, substance or preparation, other than food and food ingredients,
9 dietary supplements or alcoholic beverages, recognized in the official
10 United States pharmacopoeia, official homeopathic pharmacopoeia of the
11 United States or official national formulary, and supplement to any of
12 them, intended for use in the diagnosis, cure, mitigation, treatment or
13 prevention of disease or intended to affect the structure or any function
14 of the body;

15 (q) all sales of insulin dispensed by a person licensed by the state
16 board of pharmacy to a person for treatment of diabetes at the direction
17 of a person licensed to practice medicine by the board of healing arts;

18 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,
19 enteral feeding systems, prosthetic devices and mobility enhancing equip-
20 ment prescribed in writing by a person licensed to practice the healing
21 arts, dentistry or optometry, and in addition to such sales, all sales of
22 hearing aids, as defined by subsection (c) of K.S.A. 74-5807, and amend-
23 ments thereto, and repair and replacement parts therefor, including bat-
24 teries, by a person licensed in the practice of dispensing and fitting hear-
25 ing aids pursuant to the provisions of K.S.A. 74-5808, and amendments
26 thereto. For the purposes of this subsection: (1) “Mobility enhancing
27 equipment” means equipment including repair and replacement parts to
28 same, but does not include durable medical equipment, which is primarily
29 and customarily used to provide or increase the ability to move from one
30 place to another and which is appropriate for use either in a home or a
31 motor vehicle; is not generally used by persons with normal mobility; and
32 does not include any motor vehicle or equipment on a motor vehicle
33 normally provided by a motor vehicle manufacturer; and (2) “prosthetic
34 device” means a replacement, corrective or supportive device including
35 repair and replacement parts for same worn on or in the body to artificially
36 replace a missing portion of the body, prevent or correct physical deform-
37 ity or malfunction or support a weak or deformed portion of the body;

38 (s) except as provided in K.S.A. 2007 Supp. 82a-2101, and amend-
39 ments thereto, all sales of tangible personal property or services pur-
40 chased directly or indirectly by a groundwater management district or-
41 ganized or operating under the authority of K.S.A. 82a-1020 et seq. and
42 amendments thereto, by a rural water district organized or operating un-
43 der the authority of K.S.A. 82a-612, and amendments thereto, or by a

1 water supply district organized or operating under the authority of K.S.A.
2 19-3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto,
3 which property or services are used in the construction activities, opera-
4 tion or maintenance of the district;

5 (t) all sales of farm machinery and equipment or aquaculture ma-
6 chinery and equipment, repair and replacement parts therefor and serv-
7 ices performed in the repair and maintenance of such machinery and
8 equipment. For the purposes of this subsection the term “farm machinery
9 and equipment or aquaculture machinery and equipment” shall include
10 a work-site utility vehicle, as defined in K.S.A. 8-126, and amendments
11 thereto, and is equipped with a bed or cargo box for hauling materials,
12 and shall also include machinery and equipment used in the operation of
13 Christmas tree farming but shall not include any passenger vehicle, truck,
14 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer,
15 as such terms are defined by K.S.A. 8-126 and amendments thereto.
16 “Farm machinery and equipment” includes precision farming equipment
17 that is portable or is installed or purchased to be installed on farm ma-
18 chinery and equipment. “Precision farming equipment” includes the fol-
19 lowing items used only in computer-assisted farming, ranching or aqua-
20 culture production operations: Soil testing sensors, yield monitors,
21 computers, monitors, software, global positioning and mapping systems,
22 guiding systems, modems, data communications equipment and any nec-
23 cessary mounting hardware, wiring and antennas. Each purchaser of farm
24 machinery and equipment or aquaculture machinery and equipment ex-
25 empted herein must certify in writing on the copy of the invoice or sales
26 ticket to be retained by the seller that the farm machinery and equipment
27 or aquaculture machinery and equipment purchased will be used only in
28 farming, ranching or aquaculture production. Farming or ranching shall
29 include the operation of a feedlot and farm and ranch work for hire and
30 the operation of a nursery;

31 (u) all leases or rentals of tangible personal property used as a dwell-
32 ing if such tangible personal property is leased or rented for a period of
33 more than 28 consecutive days;

34 (v) all sales of tangible personal property to any contractor for use in
35 preparing meals for delivery to homebound elderly persons over 60 years
36 of age and to homebound disabled persons or to be served at a group-
37 sitting at a location outside of the home to otherwise homebound elderly
38 persons over 60 years of age and to otherwise homebound disabled per-
39 sons, as all or part of any food service project funded in whole or in part
40 by government or as part of a private nonprofit food service project avail-
41 able to all such elderly or disabled persons residing within an area of
42 service designated by the private nonprofit organization, and all sales of
43 tangible personal property for use in preparing meals for consumption by

1 indigent or homeless individuals whether or not such meals are consumed
2 at a place designated for such purpose, and all sales of food products by
3 or on behalf of any such contractor or organization for any such purpose;
4 (w) all sales of natural gas, electricity, heat and water delivered
5 through mains, lines or pipes: (1) To residential premises for noncom-
6 mercial use by the occupant of such premises; (2) for agricultural use and
7 also, for such use, all sales of propane gas; (3) for use in the severing of
8 oil; and (4) to any property which is exempt from property taxation pur-
9 suant to K.S.A. 79-201b *Second* through *Sixth*. As used in this paragraph,
10 “severing” shall have the meaning ascribed thereto by subsection (k) of
11 K.S.A. 79-4216, and amendments thereto. For all sales of natural gas,
12 electricity and heat delivered through mains, lines or pipes pursuant to
13 the provisions of subsection (w)(1) and (w)(2), the provisions of this sub-
14 section shall expire on December 31, 2005;

15 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources
16 for the production of heat or lighting for noncommercial use of an oc-
17 cupant of residential premises occurring prior to January 1, 2006;

18 (y) all sales of materials and services used in the repairing, servicing,
19 altering, maintaining, manufacturing, remanufacturing, or modification of
20 railroad rolling stock for use in interstate or foreign commerce under
21 authority of the laws of the United States;

22 (z) all sales of tangible personal property and services purchased di-
23 rectly by a port authority or by a contractor therefor as provided by the
24 provisions of K.S.A. 12-3418 and amendments thereto;

25 (aa) all sales of materials and services applied to equipment which is
26 transported into the state from without the state for repair, service, al-
27 teration, maintenance, remanufacture or modification and which is sub-
28 sequently transported outside the state for use in the transmission of
29 liquids or natural gas by means of pipeline in interstate or foreign com-
30 merce under authority of the laws of the United States;

31 (bb) all sales of used mobile homes or manufactured homes. As used
32 in this subsection: (1) “Mobile homes” and “manufactured homes” shall
33 have the meanings ascribed thereto by K.S.A. 58-4202 and amendments
34 thereto; and (2) “sales of used mobile homes or manufactured homes”
35 means sales other than the original retail sale thereof;

36 (cc) all sales of tangible personal property or services purchased for
37 the purpose of and in conjunction with constructing, reconstructing, en-
38 larging or remodeling a business or retail business which meets the
39 requirements established in K.S.A. 74-50,115 and amendments thereto,
40 and the sale and installation of machinery and equipment purchased for
41 installation at any such business or retail business. When a person shall
42 contract for the construction, reconstruction, enlargement or remodeling
43 of any such business or retail business, such person shall obtain from the

1 state and furnish to the contractor an exemption certificate for the project
2 involved, and the contractor may purchase materials, machinery and
3 equipment for incorporation in such project. The contractor shall furnish
4 the number of such certificates to all suppliers from whom such purchases
5 are made, and such suppliers shall execute invoices covering the same
6 bearing the number of such certificate. Upon completion of the project
7 the contractor shall furnish to the owner of the business or retail business
8 a sworn statement, on a form to be provided by the director of taxation,
9 that all purchases so made were entitled to exemption under this subsection.
10 All invoices shall be held by the contractor for a period of five years
11 and shall be subject to audit by the director of taxation. Any contractor
12 or any agent, employee or subcontractor thereof, who shall use or otherwise
13 dispose of any materials, machinery or equipment purchased under
14 such a certificate for any purpose other than that for which such a
15 certificate is issued without the payment of the sales or compensating tax
16 otherwise imposed thereon, shall be guilty of a misdemeanor and, upon
17 conviction therefor, shall be subject to the penalties provided for in subsection
18 (g) of K.S.A. 79-3615 and amendments thereto. As used in this
19 subsection, “business” and “retail business” have the meanings respectively
20 ascribed thereto by K.S.A. 74-50,114 and amendments thereto;

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

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

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

31 (gg) all sales of tangible personal property purchased in accordance
32 with vouchers issued pursuant to the federal special supplemental food
33 program for women, infants and children;

34 (hh) all sales of medical supplies and equipment, including durable
35 medical equipment, purchased directly by a nonprofit skilled nursing
36 home or nonprofit intermediate nursing care home, as defined by K.S.A.
37 39-923, and amendments thereto, for the purpose of providing medical
38 services to residents thereof. This exemption shall not apply to tangible
39 personal property customarily used for human habitation purposes. As
40 used in this subsection, “durable medical equipment” means equipment
41 including repair and replacement parts for such equipment, which can
42 withstand repeated use, is primarily and customarily used to serve a medical
43 purpose, generally is not useful to a person in the absence of illness

- 1 or injury and is not worn in or on the body, but does not include mobility
2 enhancing equipment as defined in subsection (r), oxygen delivery equip-
3 ment, kidney dialysis equipment or enteral feeding systems;
- 4 (ii) all sales of tangible personal property purchased directly by a non-
5 profit organization for nonsectarian comprehensive multidiscipline youth
6 development programs and activities provided or sponsored by such or-
7 ganization, and all sales of tangible personal property by or on behalf of
8 any such organization. This exemption shall not apply to tangible personal
9 property customarily used for human habitation purposes;
- 10 (jj) all sales of tangible personal property or services, including the
11 renting and leasing of tangible personal property, purchased directly on
12 behalf of a community-based mental retardation facility or mental health
13 center organized pursuant to K.S.A. 19-4001 et seq., and amendments
14 thereto, and licensed in accordance with the provisions of K.S.A. 75-
15 3307b and amendments thereto and all sales of tangible personal property
16 or services purchased by contractors during the time period from July,
17 2003, through June, 2006, for the purpose of constructing, equipping,
18 maintaining or furnishing a new facility for a community-based mental
19 retardation facility or mental health center located in Riverton, Cherokee
20 County, Kansas, which would have been eligible for sales tax exemption
21 pursuant to this subsection if purchased directly by such facility or center.
22 This exemption shall not apply to tangible personal property customarily
23 used for human habitation purposes;
- 24 (kk) (1) (A) all sales of machinery and equipment which are used in
25 this state as an integral or essential part of an integrated production op-
26 eration by a manufacturing or processing plant or facility;
- 27 (B) all sales of installation, repair and maintenance services per-
28 formed on such machinery and equipment; and
- 29 (C) all sales of repair and replacement parts and accessories pur-
30 chased for such machinery and equipment.
- 31 (2) For purposes of this subsection:
- 32 (A) “Integrated production operation” means an integrated series of
33 operations engaged in at a manufacturing or processing plant or facility
34 to process, transform or convert tangible personal property by physical,
35 chemical or other means into a different form, composition or character
36 from that in which it originally existed. Integrated production operations
37 shall include: (i) Production line operations, including packaging opera-
38 tions; (ii) preproduction operations to handle, store and treat raw mate-
39 rials; (iii) post production handling, storage, warehousing and distribution
40 operations; and (iv) waste, pollution and environmental control opera-
41 tions, if any;
- 42 (B) “production line” means the assemblage of machinery and equip-
43 ment at a manufacturing or processing plant or facility where the actual

1 transformation or processing of tangible personal property occurs;

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

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

- 1 repair or improve real property, and retail businesses that clean, service
2 or refurbish and repair tangible personal property for its owner;
- 3 (E) “repair and replacement parts and accessories” means all parts
4 and accessories for exempt machinery and equipment, including, but not
5 limited to, dies, jigs, molds, patterns and safety devices that are attached
6 to exempt machinery or that are otherwise used in production, and parts
7 and accessories that require periodic replacement such as belts, drill bits,
8 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
9 other refractory items for exempt kiln equipment used in production
10 operations;
- 11 (F) “primary” or “primarily” mean more than 50% of the time.
- 12 (3) For purposes of this subsection, machinery and equipment shall
13 be deemed to be used as an integral or essential part of an integrated
14 production operation when used:
- 15 (A) To receive, transport, convey, handle, treat or store raw materials
16 in preparation of its placement on the production line;
- 17 (B) to transport, convey, handle or store the property undergoing
18 manufacturing or processing at any point from the beginning of the pro-
19 duction line through any warehousing or distribution operation of the
20 final product that occurs at the plant or facility;
- 21 (C) to act upon, effect, promote or otherwise facilitate a physical
22 change to the property undergoing manufacturing or processing;
- 23 (D) to guide, control or direct the movement of property undergoing
24 manufacturing or processing;
- 25 (E) to test or measure raw materials, the property undergoing man-
26 ufacturing or processing or the finished product, as a necessary part of
27 the manufacturer’s integrated production operations;
- 28 (F) to plan, manage, control or record the receipt and flow of inven-
29 tories of raw materials, consumables and component parts, the flow of
30 the property undergoing manufacturing or processing and the manage-
31 ment of inventories of the finished product;
- 32 (G) to produce energy for, lubricate, control the operating of or oth-
33 erwise enable the functioning of other production machinery and equip-
34 ment and the continuation of production operations;
- 35 (H) to package the property being manufactured or processed in a
36 container or wrapping in which such property is normally sold or
37 transported;
- 38 (I) to transmit or transport electricity, coke, gas, water, steam or sim-
39 ilar substances used in production operations from the point of genera-
40 tion, if produced by the manufacturer or processor at the plant site, to
41 that manufacturer’s production operation; or, if purchased or delivered
42 from offsite, from the point where the substance enters the site of the
43 plant or facility to that manufacturer’s production operations;

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

3 (K) to provide and control an environment required to maintain cer-
4 tain levels of air quality, humidity or temperature in special and limited
5 areas of the plant or facility, where such regulation of temperature or
6 humidity is part of and essential to the production process;

7 (L) to treat, transport or store waste or other byproducts of produc-
8 tion operations at the plant or facility; or

9 (M) to control pollution at the plant or facility where the pollution is
10 produced by the manufacturing or processing operation.

11 (4) The following machinery, equipment and materials shall be
12 deemed to be exempt even though it may not otherwise qualify as ma-
13 chinery and equipment used as an integral or essential part of an inte-
14 grated production operation: (A) Computers and related peripheral
15 equipment that are utilized by a manufacturing or processing business
16 for engineering of the finished product or for research and development
17 or product design; (B) machinery and equipment that is utilized by a
18 manufacturing or processing business to manufacture or rebuild tangible
19 personal property that is used in manufacturing or processing operations,
20 including tools, dies, molds, forms and other parts of qualifying machinery
21 and equipment; (C) portable plants for aggregate concrete, bulk cement
22 and asphalt including cement mixing drums to be attached to a motor
23 vehicle; (D) industrial fixtures, devices, support facilities and special foun-
24 dations necessary for manufacturing and production operations, and ma-
25 terials and other tangible personal property sold for the purpose of fab-
26 ricating such fixtures, devices, facilities and foundations. An exemption
27 certificate for such purchases shall be signed by the manufacturer or
28 processor. If the fabricator purchases such material, the fabricator shall
29 also sign the exemption certificate; and (E) a manufacturing or processing
30 business' laboratory equipment that is not located at the plant or facility,
31 but that would otherwise qualify for exemption under subsection (3)(E).

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

34 (A) Machinery and equipment used for nonproduction purposes, in-
35 cluding, but not limited to, machinery and equipment used for plant se-
36 curity, fire prevention, first aid, accounting, administration, record keep-
37 ing, advertising, marketing, sales or other related activities, plant cleaning,
38 plant communications, and employee work scheduling;

39 (B) machinery, equipment and tools used primarily in maintaining
40 and repairing any type of machinery and equipment or the building and
41 plant;

42 (C) transportation, transmission and distribution equipment not pri-
43 marily used in a production, warehousing or material handling operation

- 1 at the plant or facility, including the means of conveyance of natural gas,
2 electricity, oil or water, and equipment related thereto, located outside
3 the plant or facility;
- 4 (D) office machines and equipment including computers and related
5 peripheral equipment not used directly and primarily to control or mea-
6 sure the manufacturing process;
- 7 (E) furniture and other furnishings;
- 8 (F) buildings, other than exempt machinery and equipment that is
9 permanently affixed to or becomes a physical part of the building, and
10 any other part of real estate that is not otherwise exempt;
- 11 (G) building fixtures that are not integral to the manufacturing op-
12 eration, such as utility systems for heating, ventilation, air conditioning,
13 communications, plumbing or electrical;
- 14 (H) machinery and equipment used for general plant heating, cooling
15 and lighting;
- 16 (I) motor vehicles that are registered for operation on public high-
17 ways; or
- 18 (J) employee apparel, except safety and protective apparel that is pur-
19 chased by an employer and furnished gratuitously to employees who are
20 involved in production or research activities.
- 21 (6) Subsections (3) and (5) shall not be construed as exclusive listings
22 of the machinery and equipment that qualify or do not qualify as an
23 integral or essential part of an integrated production operation. When
24 machinery or equipment is used as an integral or essential part of pro-
25 duction operations part of the time and for nonproduction purpose at
26 other times, the primary use of the machinery or equipment shall deter-
27 mine whether or not such machinery or equipment qualifies for
28 exemption.
- 29 (7) The secretary of revenue shall adopt rules and regulations nec-
30 essary to administer the provisions of this subsection;
- 31 (ll) all sales of educational materials purchased for distribution to the
32 public at no charge by a nonprofit corporation organized for the purpose
33 of encouraging, fostering and conducting programs for the improvement
34 of public health;
- 35 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,
36 herbicides, germicides, pesticides and fungicides; and services, purchased
37 and used for the purpose of producing plants in order to prevent soil
38 erosion on land devoted to agricultural use;
- 39 (nn) except as otherwise provided in this act, all sales of services ren-
40 dered by an advertising agency or licensed broadcast station or any mem-
41 ber, agent or employee thereof;
- 42 (oo) all sales of tangible personal property purchased by a community
43 action group or agency for the exclusive purpose of repairing or weath-

- 1 erizing housing occupied by low income individuals;
- 2 (pp) all sales of drill bits and explosives actually utilized in the explo-
3 ration and production of oil or gas;
- 4 (qq) all sales of tangible personal property and services purchased by
5 a nonprofit museum or historical society or any combination thereof, in-
6 cluding a nonprofit organization which is organized for the purpose of
7 stimulating public interest in the exploration of space by providing edu-
8 cational information, exhibits and experiences, which is exempt from fed-
9 eral income taxation pursuant to section 501(c)(3) of the federal internal
10 revenue code of 1986;
- 11 (rr) all sales of tangible personal property which will admit the pur-
12 chaser thereof to any annual event sponsored by a nonprofit organization
13 which is exempt from federal income taxation pursuant to section
14 501(c)(3) of the federal internal revenue code of 1986;
- 15 (ss) all sales of tangible personal property and services purchased by
16 a public broadcasting station licensed by the federal communications
17 commission as a noncommercial educational television or radio station;
- 18 (tt) all sales of tangible personal property and services purchased by
19 or on behalf of a not-for-profit corporation which is exempt from federal
20 income taxation pursuant to section 501(c)(3) of the federal internal rev-
21 enue code of 1986, for the sole purpose of constructing a Kansas Korean
22 War memorial;
- 23 (uu) all sales of tangible personal property and services purchased by
24 or on behalf of any rural volunteer fire-fighting organization for use ex-
25 clusively in the performance of its duties and functions;
- 26 (vv) all sales of tangible personal property purchased by any of the
27 following organizations which are exempt from federal income taxation
28 pursuant to section 501 (c)(3) of the federal internal revenue code of
29 1986, for the following purposes, and all sales of any such property by or
30 on behalf of any such organization for any such purpose:
- 31 (1) The American Heart Association, Kansas Affiliate, Inc. for the
32 purposes of providing education, training, certification in emergency car-
33 diac care, research and other related services to reduce disability and
34 death from cardiovascular diseases and stroke;
- 35 (2) the Kansas Alliance for the Mentally Ill, Inc. for the purpose of
36 advocacy for persons with mental illness and to education, research and
37 support for their families;
- 38 (3) the Kansas Mental Illness Awareness Council for the purposes of
39 advocacy for persons who are mentally ill and to education, research and
40 support for them and their families;
- 41 (4) the American Diabetes Association Kansas Affiliate, Inc. for the
42 purpose of eliminating diabetes through medical research, public edu-
43 cation focusing on disease prevention and education, patient education

- 1 including information on coping with diabetes, and professional education
2 and training;
- 3 (5) the American Lung Association of Kansas, Inc. for the purpose of
4 eliminating all lung diseases through medical research, public education
5 including information on coping with lung diseases, professional educa-
6 tion and training related to lung disease and other related services to
7 reduce the incidence of disability and death due to lung disease;
- 8 (6) the Kansas chapters of the Alzheimer’s Disease and Related Dis-
9 orders Association, Inc. for the purpose of providing assistance and sup-
10 port to persons in Kansas with Alzheimer’s disease, and their families and
11 caregivers;
- 12 (7) the Kansas chapters of the Parkinson’s disease association for the
13 purpose of eliminating Parkinson’s disease through medical research and
14 public and professional education related to such disease;
- 15 (8) the National Kidney Foundation of Kansas and Western Missouri
16 for the purpose of eliminating kidney disease through medical research
17 and public and private education related to such disease;
- 18 (9) the heartstrings community foundation for the purpose of provid-
19 ing training, employment and activities for adults with developmental
20 disabilities;
- 21 (10) the Cystic Fibrosis Foundation, Heart of America Chapter, for
22 the purposes of assuring the development of the means to cure and con-
23 trol cystic fibrosis and improving the quality of life for those with the
24 disease;
- 25 (11) the spina bifida association of Kansas for the purpose of provid-
26 ing financial, educational and practical aid to families and individuals with
27 spina bifida. Such aid includes, but is not limited to, funding for medical
28 devices, counseling and medical educational opportunities;
- 29 (12) the CHWC, Inc., for the purpose of rebuilding urban core neigh-
30 borhoods through the construction of new homes, acquiring and reno-
31 vating existing homes and other related activities, and promoting eco-
32 nomic development in such neighborhoods;
- 33 (13) the cross-lines cooperative council for the purpose of providing
34 social services to low income individuals and families;
- 35 (14) the Dreams Work, Inc., for the purpose of providing young adult
36 day services to individuals with developmental disabilities and assisting
37 families in avoiding institutional or nursing home care for a developmen-
38 tally disabled member of their family;
- 39 (15) the KSDS, Inc., for the purpose of promoting the independence
40 and inclusion of people with disabilities as fully participating and contrib-
41 uting members of their communities and society through the training and
42 providing of guide and service dogs to people with disabilities, and pro-
43 viding disability education and awareness to the general public;

- 1 (16) the lyme association of greater Kansas City, Inc., for the purpose
2 of providing support to persons with lyme disease and public education
3 relating to the prevention, treatment and cure of lyme disease;
- 4 (17) the Dream Factory, Inc., for the purpose of granting the dreams
5 of children with critical and chronic illnesses;
- 6 (18) the Ottawa Suzuki Strings, Inc., for the purpose of providing
7 students and families with education and resources necessary to enable
8 each child to develop fine character and musical ability to the fullest
9 potential;
- 10 (19) the International Association of Lions Clubs for the purpose of
11 creating and fostering a spirit of understanding among all people for hu-
12 manitarian needs by providing voluntary services through community in-
13 volvement and international cooperation;
- 14 (20) the Johnson county young matrons, inc., for the purpose of pro-
15 moting a positive future for members of the community through volun-
16 teerism, financial support and education through the efforts of an all
17 volunteer organization;
- 18 (21) the American Cancer Society, Inc., for the purpose of eliminat-
19 ing cancer as a major health problem by preventing cancer, saving lives
20 and diminishing suffering from cancer, through research, education, ad-
21 vocacy and service;
- 22 (22) the community services of Shawnee, inc., for the purpose of
23 providing food and clothing to those in need; and
- 24 (23) the angel babies association, for the purpose of providing assis-
25 tance, support and items of necessity to teenage mothers and their babies;
- 26 (ww) all sales of tangible personal property purchased by the Habitat
27 for Humanity for the exclusive use of being incorporated within a housing
28 project constructed by such organization;
- 29 (xx) all sales of tangible personal property and services purchased by
30 a nonprofit zoo which is exempt from federal income taxation pursuant
31 to section 501(c)(3) of the federal internal revenue code of 1986, or on
32 behalf of such zoo by an entity itself exempt from federal income taxation
33 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
34 contracted with to operate such zoo and all sales of tangible personal
35 property or services purchased by a contractor for the purpose of con-
36 structing, equipping, reconstructing, maintaining, repairing, enlarging,
37 furnishing or remodeling facilities for any nonprofit zoo which would be
38 exempt from taxation under the provisions of this section if purchased
39 directly by such nonprofit zoo or the entity operating such zoo. Nothing
40 in this subsection shall be deemed to exempt the purchase of any con-
41 struction machinery, equipment or tools used in the constructing, equip-
42 ping, reconstructing, maintaining, repairing, enlarging, furnishing or re-
43 modeling facilities for any nonprofit zoo. When any nonprofit zoo shall

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

31 (yy) all sales of tangible personal property and services purchased by
32 a parent-teacher association or organization, and all sales of tangible per-
33 sonal property by or on behalf of such association or organization;

34 (zz) all sales of machinery and equipment purchased by over-the-air,
35 free access radio or television station which is used directly and primarily
36 for the purpose of producing a broadcast signal or is such that the failure
37 of the machinery or equipment to operate would cause broadcasting to
38 cease. For purposes of this subsection, machinery and equipment shall
39 include, but not be limited to, that required by rules and regulations of
40 the federal communications commission, and all sales of electricity which
41 are essential or necessary for the purpose of producing a broadcast signal
42 or is such that the failure of the electricity would cause broadcasting to
43 cease;

1 (aaa) all sales of tangible personal property and services purchased
2 by a religious organization which is exempt from federal income taxation
3 pursuant to section 501(c)(3) of the federal internal revenue code, and
4 used exclusively for religious purposes, and all sales of tangible personal
5 property or services purchased by a contractor for the purpose of con-
6 structing, equipping, reconstructing, maintaining, repairing, enlarging,
7 furnishing or remodeling facilities for any such organization which would
8 be exempt from taxation under the provisions of this section if purchased
9 directly by such organization. Nothing in this subsection shall be deemed
10 to exempt the purchase of any construction machinery, equipment or
11 tools used in the constructing, equipping, reconstructing, maintaining,
12 repairing, enlarging, furnishing or remodeling facilities for any such or-
13 ganization. When any such organization shall contract for the purpose of
14 constructing, equipping, reconstructing, maintaining, repairing, enlarg-
15 ing, furnishing or remodeling facilities, it shall obtain from the state and
16 furnish to the contractor an exemption certificate for the project involved,
17 and the contractor may purchase materials for incorporation in such pro-
18 ject. The contractor shall furnish the number of such certificate to all
19 suppliers from whom such purchases are made, and such suppliers shall
20 execute invoices covering the same bearing the number of such certifi-
21 cate. Upon completion of the project the contractor shall furnish to such
22 organization concerned a sworn statement, on a form to be provided by
23 the director of taxation, that all purchases so made were entitled to ex-
24 emption under this subsection. All invoices shall be held by the contractor
25 for a period of five years and shall be subject to audit by the director of
26 taxation. If any materials purchased under such a certificate are found
27 not to have been incorporated in the building or other project or not to
28 have been returned for credit or the sales or compensating tax otherwise
29 imposed upon such materials which will not be so incorporated in the
30 building or other project reported and paid by such contractor to the
31 director of taxation not later than the 20th day of the month following
32 the close of the month in which it shall be determined that such materials
33 will not be used for the purpose for which such certificate was issued,
34 such organization concerned shall be liable for tax on all materials pur-
35 chased for the project, and upon payment thereof it may recover the same
36 from the contractor together with reasonable attorney fees. Any contrac-
37 tor or any agent, employee or subcontractor thereof, who shall use or
38 otherwise dispose of any materials purchased under such a certificate for
39 any purpose other than that for which such a certificate is issued without
40 the payment of the sales or compensating tax otherwise imposed upon
41 such materials, shall be guilty of a misdemeanor and, upon conviction
42 therefor, shall be subject to the penalties provided for in subsection (g)
43 of K.S.A. 79-3615, and amendments thereto. Sales tax paid on and after

1 July 1, 1998, but prior to the effective date of this act upon the gross
2 receipts received from any sale exempted by the amendatory provisions
3 of this subsection shall be refunded. Each claim for a sales tax refund
4 shall be verified and submitted to the director of taxation upon forms
5 furnished by the director and shall be accompanied by any additional
6 documentation required by the director. The director shall review each
7 claim 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 sales
9 tax refund fund upon warrants of the director of accounts and reports
10 pursuant to vouchers approved by the director or the director's designee;

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

17 (ccc) on and after July 1, 1999, all sales of tangible personal property
18 and services purchased by a primary care clinic or health center the pri-
19 mary purpose of which is to provide services to medically underserved
20 individuals and families, and which is exempt from federal income taxa-
21 tion pursuant to section 501 (c)(3) of the federal internal revenue code,
22 and all sales of tangible personal property or services purchased by a
23 contractor for the purpose of constructing, equipping, reconstructing,
24 maintaining, repairing, enlarging, furnishing or remodeling facilities for
25 any such clinic or center which would be exempt from taxation under the
26 provisions of this section if purchased directly by such clinic or center.
27 Nothing in this subsection shall be deemed to exempt the purchase of
28 any construction machinery, equipment or tools used in the constructing,
29 equipping, reconstructing, maintaining, repairing, enlarging, furnishing
30 or remodeling facilities for any such clinic or center. When any such clinic
31 or center shall contract for the purpose of constructing, equipping, re-
32 constructing, maintaining, repairing, enlarging, furnishing or remodeling
33 facilities, it shall obtain from the state and furnish to the contractor an
34 exemption certificate for the project involved, and the contractor may
35 purchase materials for incorporation in such project. The contractor shall
36 furnish the number of such certificate to all suppliers from whom such
37 purchases are made, and such suppliers shall execute invoices covering
38 the same bearing the number of such certificate. Upon completion of the
39 project the contractor shall furnish to such clinic or center concerned a
40 sworn statement, on a form to be provided by the director of taxation,
41 that all purchases so made were entitled to exemption under this subsec-
42 tion. All invoices shall be held by the contractor for a period of five years
43 and shall be subject to audit by the director of taxation. If any materials

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

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

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

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

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

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

12 (hhh) all sales of tangible personal property and services purchased
13 by or on behalf of all domestic violence shelters that are member agencies
14 of the Kansas coalition against sexual and domestic violence;

15 (iii) all sales of personal property and services purchased by an or-
16 ganization which is exempt from federal income taxation pursuant to sec-
17 tion 501(c)(3) of the federal internal revenue code of 1986, and which
18 such personal property and services are used by any such organization in
19 the collection, storage and distribution of food products to nonprofit or-
20 ganizations which distribute such food products to persons pursuant to a
21 food distribution program on a charitable basis without fee or charge, and
22 all sales of tangible personal property or services purchased by a contrac-
23 tor for the purpose of constructing, equipping, reconstructing, maintain-
24 ing, repairing, enlarging, furnishing or remodeling facilities used for the
25 collection and storage of such food products for any such organization
26 which is exempt from federal income taxation pursuant to section
27 501(c)(3) of the federal internal revenue code of 1986, which would be
28 exempt from taxation under the provisions of this section if purchased
29 directly by such organization. Nothing in this subsection shall be deemed
30 to exempt the purchase of any construction machinery, equipment or
31 tools used in the constructing, equipping, reconstructing, maintaining,
32 repairing, enlarging, furnishing or remodeling facilities for any such or-
33 ganization. When any such organization shall contract for the purpose of
34 constructing, equipping, reconstructing, maintaining, repairing, enlarg-
35 ing, furnishing or remodeling facilities, it shall obtain from the state and
36 furnish to the contractor an exemption certificate for the project involved,
37 and the contractor may purchase materials for incorporation in such pro-
38 ject. The contractor shall furnish the number of such certificate to all
39 suppliers from whom such purchases are made, and such suppliers shall
40 execute invoices covering the same bearing the number of such certifi-
41 cate. Upon completion of the project the contractor shall furnish to such
42 organization concerned a sworn statement, on a form to be provided by
43 the director of taxation, that all purchases so made were entitled to ex-

1 emption under this subsection. All invoices shall be held by the contractor
2 for a period of five years and shall be subject to audit by the director of
3 taxation. If any materials purchased under such a certificate are found
4 not to have been incorporated in such facilities or not to have been re-
5 turned for credit or the sales or compensating tax otherwise imposed upon
6 such materials which will not be so incorporated in such facilities reported
7 and paid by such contractor to the director of taxation not later than the
8 20th day of the month following the close of the month in which it shall
9 be determined that such materials will not be used for the purpose for
10 which such certificate was issued, such organization concerned shall be
11 liable for tax on all materials purchased for the project, and upon payment
12 thereof it may recover the same from the contractor together with rea-
13 sonable attorney fees. Any contractor or any agent, employee or subcon-
14 tractor thereof, who shall use or otherwise dispose of any materials pur-
15 chased under such a certificate for any purpose other than that for which
16 such a certificate is issued without the payment of the sales or compen-
17 sating tax otherwise imposed upon such materials, shall be guilty of a
18 misdemeanor and, upon conviction therefor, shall be subject to the pen-
19 alties provided for in subsection (g) of K.S.A. 79-3615, and amendments
20 thereto. Sales tax paid on and after July 1, 2005, but prior to the effective
21 date of this act upon the gross receipts received from any sale exempted
22 by the amendatory provisions of this subsection shall be refunded. Each
23 claim for a sales tax refund shall be verified and submitted to the director
24 of taxation upon forms furnished by the director and shall be accompanied
25 by any additional documentation required by the director. The director
26 shall review each claim and shall refund that amount of sales tax paid as
27 determined under the provisions of this subsection. All refunds shall be
28 paid from the sales tax refund fund upon warrants of the director of
29 accounts and reports pursuant to vouchers approved by the director or
30 the director's designee;

31 (jjj) all sales of dietary supplements dispensed pursuant to a prescrip-
32 tion order by a licensed practitioner or a mid-level practitioner as defined
33 by K.S.A. 65-1626, and amendments thereto. As used in this subsection,
34 “dietary supplement” means any product, other than tobacco, intended
35 to supplement the diet that: (1) Contains one or more of the following
36 dietary ingredients: A vitamin, a mineral, an herb or other botanical, an
37 amino acid, a dietary substance for use by humans to supplement the diet
38 by increasing the total dietary intake or a concentrate, metabolite, con-
39 stituent, extract or combination of any such ingredient; (2) is intended
40 for ingestion in tablet, capsule, powder, softgel, gelcap or liquid form, or
41 if not intended for ingestion, in such a form, is not represented as con-
42 ventional food and is not represented for use as a sole item of a meal or
43 of the diet; and (3) is required to be labeled as a dietary supplement,

1 identifiable by the supplemental facts box found on the label and as re-
2 quired pursuant to 21 C.F.R. § 101.36;

3 (lll) all sales of tangible personal property and services purchased by
4 special olympics Kansas, inc. for the purpose of providing year-round
5 sports training and athletic competition in a variety of olympic-type sports
6 for individuals with intellectual disabilities by giving them continuing op-
7 portunities to develop physical fitness, demonstrate courage, experience
8 joy and participate in a sharing of gifts, skills and friendship with their
9 families, other special olympics athletes and the community, and activities
10 provided or sponsored by such organization, and all sales of tangible per-
11 sonal property by or on behalf of any such organization;

12 (mmm) all sales of tangible personal property purchased by or on
13 behalf of the Marillac Center, Inc., which is exempt from federal income
14 taxation pursuant to section 501(c)(3) of the federal internal revenue
15 code, for the purpose of providing psycho-social-biological and special
16 education services to children, and all sales of any such property by or on
17 behalf of such organization for such purpose;

18 (nnn) all sales of tangible personal property and services purchased
19 by the West Sedgwick County-Sunrise Rotary Club and Sunrise Char-
20 itable Fund for the purpose of constructing a boundless playground which
21 is an integrated, barrier free and developmentally advantageous play en-
22 vironment for children of all abilities and disabilities;

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

27 (ppp) all sales of tangible personal property and services purchased
28 by or on behalf of a homeless shelter which is exempt from federal income
29 taxation pursuant to section 501(c)(3) of the federal income tax code of
30 1986, and used by any such homeless shelter to provide emergency and
31 transitional housing for individuals and families experiencing homeles-
32 ness, and all sales of any such property by or on behalf of any such home-
33 less shelter for any such purpose;

34 (qqq) all sales of tangible personal property and services purchased
35 by TLC for children and families, inc., hereinafter referred to as TLC,
36 which is exempt from federal income taxation pursuant to section
37 501(c)(3) of the federal internal revenue code of 1986, and which such
38 property and services are used for the purpose of providing emergency
39 shelter and treatment for abused and neglected children as well as meet-
40 ing additional critical needs for children, juveniles and family, and all sales
41 of any such property by or on behalf of TLC for any such purpose; and
42 all sales of tangible personal property or services purchased by a contrac-
43 tor for the purpose of constructing, maintaining, repairing, enlarging, fur-

1 nishing or remodeling facilities for the operation of services for TLC for
2 any such purpose which would be exempt from taxation under the pro-
3 visions of this section if purchased directly by TLC. Nothing in this sub-
4 section shall be deemed to exempt the purchase of any construction ma-
5 chinery, equipment or tools used in the constructing, maintaining,
6 repairing, enlarging, furnishing or remodeling such facilities for TLC.
7 When TLC contracts for the purpose of constructing, maintaining, re-
8 pairing, enlarging, furnishing or remodeling such facilities, it shall obtain
9 from the state and furnish to the contractor an exemption certificate for
10 the project involved, and the contractor may purchase materials for in-
11 corporation in such project. The contractor shall furnish the number of
12 such certificate to all suppliers from whom such purchases are made, and
13 such suppliers shall execute invoices covering the same bearing the num-
14 ber of such certificate. Upon completion of the project the contractor
15 shall furnish to TLC a sworn statement, on a form to be provided by the
16 director of taxation, that all purchases so made were entitled to exemption
17 under this subsection. All invoices shall be held by the contractor for a
18 period of five years and shall be subject to audit by the director of taxation.
19 If any materials purchased under such a certificate are found not to have
20 been incorporated in the building or other project or not to have been
21 returned for credit or the sales or compensating tax otherwise imposed
22 upon such materials which will not be so incorporated in the building or
23 other project reported and paid by such contractor to the director of
24 taxation not later than the 20th day of the month following the close of
25 the month in which it shall be determined that such materials will not be
26 used for the purpose for which such certificate was issued, TLC shall be
27 liable for tax on all materials purchased for the project, and upon payment
28 thereof it may recover the same from the contractor together with rea-
29 sonable attorney fees. Any contractor or any agent, employee or subcon-
30 tractor thereof, who shall use or otherwise dispose of any materials pur-
31 chased under such a certificate for any purpose other than that for which
32 such a certificate is issued without the payment of the sales or compen-
33 sating tax otherwise imposed upon such materials, shall be guilty of a
34 misdemeanor and, upon conviction therefor, shall be subject to the pen-
35 alties provided for in subsection (g) of K.S.A. 79-3615, and amendments
36 thereto;

37 (rrr) all sales of tangible personal property and services purchased by
38 any county law library maintained pursuant to law and sales of tangible
39 personal property and services purchased by an organization which would
40 have been exempt from taxation under the provisions of this subsection
41 if purchased directly by the county law library for the purpose of providing
42 legal resources to attorneys, judges, students and the general public, and
43 all sales of any such property by or on behalf of any such county law

1 library;

2 (sss) all sales of tangible personal property and services purchased by
3 catholic charities or youthville, hereinafter referred to as charitable family
4 providers, which is exempt from federal income taxation pursuant to sec-
5 tion 501(c)(3) of the federal internal revenue code of 1986, and which
6 such property and services are used for the purpose of providing emer-
7 gency shelter and treatment for abused and neglected children as well as
8 meeting additional critical needs for children, juveniles and family, and
9 all sales of any such property by or on behalf of charitable family providers
10 for any such purpose; and all sales of tangible personal property or serv-
11 ices purchased by a contractor for the purpose of constructing, maintain-
12 ing, repairing, enlarging, furnishing or remodeling facilities for the op-
13 eration of services for charitable family providers for any such purpose
14 which would be exempt from taxation under the provisions of this section
15 if purchased directly by charitable family providers. Nothing in this sub-
16 section shall be deemed to exempt the purchase of any construction ma-
17 chinery, equipment or tools used in the constructing, maintaining, re-
18 pairing, enlarging, furnishing or remodeling such facilities for charitable
19 family providers. When charitable family providers contracts for the pur-
20 pose of constructing, maintaining, repairing, enlarging, furnishing or re-
21 modeling such facilities, it shall obtain from the state and furnish to the
22 contractor an exemption certificate for the project involved, and the con-
23 tractor may purchase materials for incorporation in such project. The
24 contractor shall furnish the number of such certificate to all suppliers
25 from whom such purchases are made, and such suppliers shall execute
26 invoices covering the same bearing the number of such certificate. Upon
27 completion of the project the contractor shall furnish to charitable family
28 providers a sworn statement, on a form to be provided by the director of
29 taxation, that all purchases so made were entitled to exemption under
30 this subsection. All invoices shall be held by the contractor for a period
31 of five years and shall be subject to audit by the director of taxation. If
32 any materials purchased under such a certificate are found not to have
33 been incorporated in the building or other project or not to have been
34 returned for credit or the sales or compensating tax otherwise imposed
35 upon such materials which will not be so incorporated in the building or
36 other project reported and paid by such contractor to the director of
37 taxation not later than the 20th day of the month following the close of
38 the month in which it shall be determined that such materials will not be
39 used for the purpose for which such certificate was issued, charitable
40 family providers shall be liable for tax on all materials purchased for the
41 project, and upon payment thereof it may recover the same from the
42 contractor together with reasonable attorney fees. Any contractor or any
43 agent, employee or subcontractor thereof, who shall use or otherwise

1 dispose of any materials purchased under such a certificate for any pur-
2 pose other than that for which such a certificate is issued without the
3 payment of the sales or compensating tax otherwise imposed upon such
4 materials, shall be guilty of a misdemeanor and, upon conviction therefor,
5 shall be subject to the penalties provided for in subsection (g) of K.S.A.
6 79-3615, and amendments thereto;

7 (ttt) all sales of tangible personal property or services purchased by
8 a contractor for a project for the purpose of restoring, constructing, equip-
9 ping, reconstructing, maintaining, repairing, enlarging, furnishing or re-
10 modeling a home or facility owned by a nonprofit museum which has
11 been granted an exemption pursuant to subsection (qq), which such home
12 or facility is located in a city which has been designated as a qualified
13 hometown pursuant to the provisions of K.S.A. 75-5071, et seq., and
14 amendments thereto, and which such project is related to the purposes
15 of K.S.A. 75-5071, et seq., and amendments thereto, and which would
16 be exempt from taxation under the provisions of this section if purchased
17 directly by such nonprofit museum. Nothing in this subsection shall be
18 deemed to exempt the purchase of any construction machinery, equip-
19 ment or tools used in the restoring, constructing, equipping, reconstruct-
20 ing, maintaining, repairing, enlarging, furnishing or remodeling a home
21 or facility for any such nonprofit museum. When any such nonprofit mu-
22 seum shall contract for the purpose of restoring, constructing, equipping,
23 reconstructing, maintaining, repairing, enlarging, furnishing or remodel-
24 ing a home or facility, it shall obtain from the state and furnish to the
25 contractor an exemption certificate for the project involved, and the con-
26 tractor may purchase materials for incorporation in such project. The
27 contractor shall furnish the number of such certificates to all suppliers
28 from whom such purchases are made, and such suppliers shall execute
29 invoices covering the same bearing the number of such certificate. Upon
30 completion of the project, the contractor shall furnish to such nonprofit
31 museum a sworn statement on a form to be provided by the director of
32 taxation that all purchases so made were entitled to exemption under this
33 subsection. All invoices shall be held by the contractor for a period of five
34 years and shall be subject to audit by the director of taxation. If any
35 materials purchased under such a certificate are found not to have been
36 incorporated in the building or other project or not to have been returned
37 for credit or the sales or compensating tax otherwise imposed upon such
38 materials which will not be so incorporated in a home or facility or other
39 project reported and paid by such contractor to the director of taxation
40 not later than the 20th day of the month following the close of the month
41 in which it shall be determined that such materials will not be used for
42 the purpose for which such certificate was issued, such nonprofit museum
43 shall be liable for tax on all materials purchased for the project, and upon

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

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

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

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

21 (www) all sales of tangible personal property purchased by or on be-
22 half of the Frontenac Education Foundation, which is exempt from fed-
23 eral income taxation pursuant to section 501 (c)(3) of the federal internal
24 revenue code, for the purpose of providing education support for stu-
25 dents, and all sales of any such property by or on behalf of such organi-
26 zation for such purpose;

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

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

41 (yyy) all sales of tangible personal property and services purchased
42 by TLC charities foundation, inc., hereinafter referred to as TLC chari-
43 ties, which is exempt from federal income taxation pursuant to section

1 501(c)(3) of the federal internal revenue code of 1986, and which such
2 property and services are used for the purpose of encouraging private
3 philanthropy to further the vision, values, and goals of TLC for children
4 and families, inc.; and all sales of such property and services by or on
5 behalf of TLC charities for any such purpose and all sales of tangible
6 personal property or services purchased by a contractor for the purpose
7 of constructing, maintaining, repairing, enlarging, furnishing or remodel-
8 eling facilities for the operation of services for TLC charities for any such
9 purpose which would be exempt from taxation under the provisions of
10 this section if purchased directly by TLC charities. Nothing in this sub-
11 section shall be deemed to exempt the purchase of any construction ma-
12 chinery, equipment or tools used in the constructing, maintaining, re-
13 pairing, enlarging, furnishing or remodeling such facilities for TLC
14 charities. When TLC charities contracts for the purpose of constructing,
15 maintaining, repairing, enlarging, furnishing or remodeling such facilities,
16 it shall obtain from the state and furnish to the contractor an exemption
17 certificate for the project involved, and the contractor may purchase ma-
18 terials for incorporation in such project. The contractor shall furnish the
19 number of such certificate to all suppliers from whom such purchases are
20 made, and such suppliers shall execute invoices covering the same bearing
21 the number of such certificate. Upon completion of the project the con-
22 tractor shall furnish to TLC charities a sworn statement, on a form to be
23 provided by the director of taxation, that all purchases so made were
24 entitled to exemption under this subsection. All invoices shall be held by
25 the contractor for a period of five years and shall be subject to audit by
26 the director of taxation. If any materials purchased under such a certifi-
27 cate are found not to have been incorporated in the building or other
28 project or not to have been returned for credit or the sales or compen-
29 sating tax otherwise imposed upon such materials which will not be in-
30 corporated into the building or other project reported and paid by such
31 contractor to the director of taxation not later than the 20th day of the
32 month following the close of the month in which it shall be determined
33 that such materials will not be used for the purpose for which such cer-
34 tificate was issued, TLC charities shall be liable for tax on all materials
35 purchased for the project, and upon payment thereof it may recover the
36 same from the contractor together with reasonable attorney fees. Any
37 contractor or any agent, employee or subcontractor thereof, who shall use
38 or otherwise dispose of any materials purchased under such a certificate
39 for any purpose other than that for which such a certificate is issued
40 without the payment of the sales or compensating tax otherwise imposed
41 upon such materials, shall be guilty of a misdemeanor and, upon convic-
42 tion therefor, shall be subject to the penalties provided for in subsection
43 (g) of K.S.A. 79-3615, and amendments thereto;

- 1 (zzz) all sales of tangible personal property purchased by the rotary
2 club of shawnee foundation which is exempt from federal income taxation
3 pursuant to section 501 (c)(3) of the federal internal revenue code of
4 1986, as amended, used for the purpose of providing contributions to
5 community service organizations and scholarships; ~~and~~
- 6 (aaaa) all sales of personal property and services purchased by or on
7 behalf of victory in the valley, inc., which is exempt from federal income
8 taxation pursuant to section 501 (c)(3) of the federal internal revenue
9 code, for the purpose of providing a cancer support group and services
10 for persons with cancer, and all sales of any such property by or on behalf
11 of any such organization for any such purpose; *and*
- 12 (bbbb) *all sales of game birds the primary purpose of which is use in*
13 *hunting.*
- 14 Sec. 3. K.S.A. 2007 Supp. 79-3603 and 79-3606 are hereby repealed.
- 15 Sec. 4. This act shall take effect and be in force from and after its
16 publication in the statute book.