

{As Amended by House on Final Action}

{As Amended by House Committee of the Whole}

Session of 2015

House Substitute for SENATE BILL No. 270

By Committee on Taxation

5-13

1 AN ACT concerning taxation; relating to income tax, ~~rates, itemized~~
2 ~~deductions; tax amnesty; sales and compensating use tax, rates, food~~
3 **{credits, individual development accounts; sales tax authority for**
4 **Bourbon, Douglas and Thomas counties; property taxation,**
5 **consolidated fire districts; tax amnesty; rural opportunity zones};**
6 amending K.S.A. 2014 Supp. ~~79-32,110, 79-32,120, 79-3602, 79-3603,~~
7 ~~79-3620, 79-3695, 79-3703 and 79-3710~~ **{12-187, 12-189, 12-192, 12-**
8 **3915, 74-50,208, 74-50,223 and 79-32,267}** and repealing the existing
9 sections.

10
11 *Be it enacted by the Legislature of the State of Kansas:*

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

33 (2) Amnesty under this section shall apply only to tax liabilities due
34 and unpaid for tax periods ending on or before December 31, 2013. For the

1 eligible taxes and tax periods, amnesty shall apply to the under-reporting
2 of such tax liabilities, the nonpayment of such taxes and the nonreporting
3 of such tax liabilities.

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

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

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

42 (d) If a taxpayer elects to participate in the amnesty program
43 established pursuant to this section as evidenced by full payment of the tax

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

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

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

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

17 ~~Sec. 2.—K.S.A. 2014 Supp. 79-32,110 is hereby amended to read as~~
18 ~~follows: 79-32,110.(a) *Resident Individuals*. Except as otherwise provided~~
19 ~~by subsection (a) of K.S.A. 79-3220(a), and amendments thereto, a tax is~~
20 ~~hereby imposed upon the Kansas taxable income of every resident~~
21 ~~individual, which tax shall be computed in accordance with the following~~
22 ~~tax schedules:~~

23 (1) ~~*Married individuals filing joint returns.*~~

24 (A) ~~For tax year 2012:~~

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

31 (B) ~~For tax year 2013:~~

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

36 (C) ~~For tax year 2014:~~

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

41 (D) ~~For tax year 2015:~~

If the taxable income is:	The tax is:
Not over \$30,000.....	2.7%2.55% of Kansas taxable income

1 Over \$30,000.....\$810\$765 plus 4.6% of excess over
2 _____ \$30,000

3 (E) For tax year 2016:

4 If the taxable income is: _____ The tax is:
5 Not over \$30,000.....2.4% of Kansas taxable income
6 Over \$30,000.....\$720 plus 4.6% of excess over
7 _____ \$30,000

8 (F) For tax year 2017:

9 If the taxable income is: _____ The tax is:
10 Not over \$30,000.....2.3% of Kansas taxable income
11 Over \$30,000.....\$690 plus 4.6% of excess over
12 _____ \$30,000

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

14 If the taxable income is: _____ The tax is:
15 Not over \$30,000.....2.3% of Kansas taxable income
16 Over \$30,000.....\$690 plus 3.9% of excess over
17 _____ \$30,000

18 (2) *All other individuals:*

19 (A) For tax year 2012:

20 If the taxable income is: _____ The tax is:
21 Not over \$15,000.....3.5% of Kansas taxable income
22 Over \$15,000 but not over _____ \$525 plus 6.25% of excess
23 \$30,000.....over \$15,000
24 Over \$30,000.....\$1,462.50 plus 6.45% of excess
25 _____ over \$30,000

26 (B) For tax year 2013:

27 If the taxable income is: _____ The tax is:
28 Not over \$15,000.....3.0% of Kansas taxable income
29 Over \$15,000.....\$450 plus 4.9% of excess over
30 _____ \$15,000

31 (C) For tax year 2014:

32 If the taxable income is: _____ The tax is:
33 Not over \$15,000.....2.7% of Kansas taxable income
34 Over \$15,000.....\$405 plus 4.8% of excess over
35 _____ \$15,000

36 (D) For tax year 2015:

37 If the taxable income is: _____ The tax is:
38 Not over \$15,000.....2.7%2.55% of Kansas taxable income
39 Over \$15,000.....\$405\$382.50 plus 4.6% of excess over
40 _____ \$15,000

41 (E) For tax year 2016:

42 If the taxable income is: _____ The tax is:
43 Not over \$15,000.....2.4% of Kansas taxable income

1 Over \$15,000.....\$360 plus 4.6% of excess over
2 _____ \$15,000

3 (F) For tax year 2017:

4 If the taxable income is: _____ The tax is:
5 Not over \$15,000.....2.3% of Kansas taxable income
6 Over \$15,000.....\$345 plus 4.6% of excess over
7 _____ \$15,000

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

9 If the taxable income is: _____ The tax is:
10 Not over \$15,000.....2.3% of Kansas taxable income
11 Over \$15,000.....\$345 plus 3.9% of excess over
12 _____ \$15,000

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

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

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

24 (2) (A) for tax year 2008, the surtax shall be in an amount equal to
25 3.1% of the Kansas taxable income of such corporation in excess of
26 \$50,000;

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

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

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

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

38 Sec. 3.—K.S.A. 2014 Supp. 79-32,120 is hereby amended to read as
39 follows: 79-32,120. (a) (1) If federal taxable income of an individual is
40 determined by itemizing deductions from such individual's federal
41 adjusted gross income, such individual may elect to deduct the Kansas
42 itemized deduction in lieu of the Kansas standard deduction.

43 (2) For the tax year commencing on January 1, 2013, the Kansas

1 itemized deduction of an individual means 70% of the total amount of
2 deductions from federal adjusted gross income, other than federal
3 deductions for personal exemptions, as provided in the federal internal
4 revenue code with the modifications specified in this section.

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

10 (4) For the tax year *years* commencing on *and after* January 1, 2015,
11 the Kansas itemized deduction of an individual means 60% of the total
12 amount of *following* deductions from federal adjusted gross income, other
13 than federal deductions for personal exemptions, as provided in the federal
14 internal revenue code *and* with the modifications specified in this section:
15 *(A) 100% of contributions that qualify as charitable contributions*
16 *allowable as deductions in section 170 of the federal internal revenue*
17 *code; (B) 50% of the amount of qualified residence interest as provided in*
18 *section 163(h) of the federal internal revenue code; and (C) 50% of the*
19 *amount of taxes on real and personal property as provided in section*
20 *164(a) of the federal internal revenue code.*

21 (5) For the tax year commencing on January 1, 2016, the Kansas
22 itemized deduction of an individual means 55% of the total amount of
23 deductions from federal adjusted gross income, other than federal
24 deductions for personal exemptions, as provided in the federal internal
25 revenue code with the modifications specified in this section.

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

31 (b) The total amount of deductions from federal adjusted gross
32 income shall be reduced by the total amount of income taxes imposed by
33 or paid to this state or any other taxing jurisdiction to the extent that the
34 same are deducted in determining the federal itemized deductions and by
35 the amount of all depreciation deductions claimed for any real or tangible
36 personal property upon which the deduction allowed by K.S.A. 2014
37 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250,
38 79-32,255 or 79-32,256, and amendments thereto, is or has been claimed.

39 (e) The provisions of this section that provide for a reduction in the
40 total amount of deductions from federal adjusted gross income shall not
41 apply to contributions that qualify as charitable contributions allowable as
42 deductions in section 170 of the federal internal revenue code, and
43 amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

39 (j) "Direct mail" means printed material delivered or distributed by
40 United States mail or other delivery services to a mass audience or to
41 addressees on a mailing list provided by the purchaser or at the direction of
42 the purchaser when the cost of the items are not billed directly to the
43 recipients. Direct mail includes tangible personal property supplied

1 directly or indirectly by the purchaser to the direct mail seller for inclusion
2 in the package containing the printed material. Direct mail does not
3 include multiple items of printed material delivered to a single address.

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

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

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

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

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

41 (p) "Ingredient or component part" means tangible personal property
42 which is necessary or essential to, and which is actually used in and
43 becomes an integral and material part of tangible personal property or

1 services produced, manufactured or compounded for sale by the producer,
2 manufacturer or compounder in its regular course of business. The
3 following items of tangible personal property are hereby declared to be
4 ingredients or component parts, but the listing of such property shall not be
5 deemed to be exclusive nor shall such listing be construed to be a
6 restriction upon, or an indication of, the type or types of property to be
7 included within the definition of "ingredient or component part" as herein
8 set forth:

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

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

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

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

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

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

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

42 (r) "Lease or rental" means any transfer of possession or control of
43 tangible personal property for a fixed or indeterminate term for

1 consideration. A lease or rental may include future options to purchase or
2 extend.

3 ~~(1) Lease or rental does not include: (A) A transfer of possession or~~
4 ~~control of property under a security agreement or deferred payment plan~~
5 ~~that requires the transfer of title upon completion of the required~~
6 ~~payments;~~

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

11 ~~(C) providing tangible personal property along with an operator for a~~
12 ~~fixed or indeterminate period of time. A condition of this exclusion is that~~
13 ~~the operator is necessary for the equipment to perform as designed. For the~~
14 ~~purpose of this subsection, an operator must do more than maintain,~~
15 ~~inspect or set up the tangible personal property.~~

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

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

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

28 ~~(s) "Load and leave" means delivery to the purchaser by use of a~~
29 ~~tangible storage media where the tangible storage media is not physically~~
30 ~~transferred to the purchaser.~~

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

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

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

39 ~~(w) "Model 3 seller" means a seller that has sales in at least five~~
40 ~~member states, has total annual sales revenue of at least \$500,000,000, has~~
41 ~~a proprietary system that calculates the amount of tax due each jurisdiction~~
42 ~~and has entered into a performance agreement with the member states that~~
43 ~~establishes a tax performance standard for the seller. As used in this~~

1 subsection a seller includes an affiliated group of sellers using the same
2 proprietary system.

3 ~~(x) "Municipal corporation" means any city incorporated under the~~
4 ~~laws of Kansas.~~

5 ~~(y) "Nonprofit blood bank" means any nonprofit place, organization,~~
6 ~~institution or establishment that is operated wholly or in part for the~~
7 ~~purpose of obtaining, storing, processing, preparing for transfusing,~~
8 ~~furnishing, donating or distributing human blood or parts or fractions of~~
9 ~~single blood units or products derived from single blood units, whether or~~
10 ~~not any remuneration is paid therefor, or whether such procedures are done~~
11 ~~for direct therapeutic use or for storage for future use of such products.~~

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

18 ~~(aa) "Political subdivision" means any municipality, agency or~~
19 ~~subdivision of the state which is, or shall hereafter be, authorized to levy~~
20 ~~taxes upon tangible property within the state or which certifies a levy to a~~
21 ~~municipality, agency or subdivision of the state which is, or shall hereafter~~
22 ~~be, authorized to levy taxes upon tangible property within the state. Such~~
23 ~~term also shall include any public building commission, housing, airport,~~
24 ~~port, metropolitan transit or similar authority established pursuant to law~~
25 ~~and the horsethief reservoir benefit district established pursuant to K.S.A.~~
26 ~~82a-2201, and amendments thereto.~~

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

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

1 specifications of a specific purchaser, remains prewritten computer
2 software, except that where there is a reasonable, separately stated charge
3 or an invoice or other statement of the price given to the purchaser for
4 such modification or enhancement, such modification or enhancement
5 shall not constitute prewritten computer software.

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

17 (A) ~~Insecticides, herbicides, germicides, pesticides, fungicides,~~
18 ~~fumigants, antibiotics, biologicals, pharmaceuticals, vitamins and~~
19 ~~chemicals for use in commercial or agricultural production, processing or~~
20 ~~storage of fruit, vegetables, feeds, seeds, grains, animals or animal~~
21 ~~products whether fed, injected, applied, combined with or otherwise used;~~

22 (B) ~~electricity, gas and water; and~~

23 (C) ~~petroleum products, lubricants, chemicals, solvents, reagents and~~
24 ~~catalysts.~~

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

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

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

32 (hh) "~~Registered under this agreement~~" means registration by a seller
33 with the member states under the central registration system provided in
34 article IV of the agreement.

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

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

41 (kk) "~~Sale~~" or "~~sales~~" means the exchange of tangible personal
42 property, as well as the sale thereof for money, and every transaction,
43 conditional or otherwise, for a consideration, constituting a sale, including

1 ~~the sale or furnishing of electrical energy, gas, water, services or~~
2 ~~entertainment taxable under the terms of this act and including, except as~~
3 ~~provided in the following provision, the sale of the use of tangible personal~~
4 ~~property by way of a lease, license to use or the rental thereof regardless of~~
5 ~~the method by which the title, possession or right to use the tangible~~
6 ~~personal property is transferred. The term "sale" or "sales" shall not mean~~
7 ~~the sale of the use of any tangible personal property used as a dwelling by~~
8 ~~way of a lease or rental thereof for a term of more than 28 consecutive~~
9 ~~days.~~

10 (H) (1) ~~"Sales or selling price" applies to the measure subject to sales~~
11 ~~tax and means the total amount of consideration, including cash, credit,~~
12 ~~property and services, for which personal property or services are sold,~~
13 ~~leased or rented, valued in money, whether received in money or~~
14 ~~otherwise, without any deduction for the following:~~

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

16 (B) ~~the cost of materials used, labor or service cost, interest, losses,~~
17 ~~all costs of transportation to the seller, all taxes imposed on the seller and~~
18 ~~any other expense of the seller;~~

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

21 (D) ~~delivery charges; and~~

22 (E) ~~installation charges.~~

23 (2) ~~"Sales or selling price" includes consideration received by the~~
24 ~~seller from third parties if:~~

25 (A) ~~The seller actually receives consideration from a party other than~~
26 ~~the purchaser and the consideration is directly related to a price reduction~~
27 ~~or discount on the sale;~~

28 (B) ~~the seller has an obligation to pass the price reduction or discount~~
29 ~~through to the purchaser;~~

30 (C) ~~the amount of the consideration attributable to the sale is fixed~~
31 ~~and determinable by the seller at the time of the sale of the item to the~~
32 ~~purchaser; and~~

33 (D) ~~one of the following criteria is met:~~

34 (i) ~~The purchaser presents a coupon, certificate or other~~
35 ~~documentation to the seller to claim a price reduction or discount where~~
36 ~~the coupon, certificate or documentation is authorized, distributed or~~
37 ~~granted by a third party with the understanding that the third party will~~
38 ~~reimburse any seller to whom the coupon, certificate or documentation is~~
39 ~~presented;~~

40 (ii) ~~the purchaser identifies to the seller that the purchaser is a~~
41 ~~member of a group or organization entitled to a price reduction or~~
42 ~~discount. A preferred customer card that is available to any patron does not~~
43 ~~constitute membership in such a group; or~~

1 ~~(iii) the price reduction or discount is identified as a third party price~~
2 ~~reduction or discount on the invoice received by the purchaser or on a~~
3 ~~coupon, certificate or other documentation presented by the purchaser.~~

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

5 ~~(A) Discounts, including cash, term or coupons that are not~~
6 ~~reimbursed by a third party that are allowed by a seller and taken by a~~
7 ~~purchaser on a sale;~~

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

11 ~~(C) any taxes legally imposed directly on the consumer that are~~
12 ~~separately stated on the invoice, bill of sale or similar document given to~~
13 ~~the purchaser;~~

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

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

20 ~~(mm) "Seller" means a person making sales, leases or rentals of~~
21 ~~personal property or services.~~

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

24 ~~(oo) "Sourcing rules" means the rules set forth in K.S.A. 2014 Supp.~~
25 ~~79-3670 through 79-3673, K.S.A. 12-191 and 12-191a, and amendments~~
26 ~~thereto, which shall apply to identify and determine the state and local~~
27 ~~taxing jurisdiction sales or use taxes to pay, or collect and remit on a~~
28 ~~particular retail sale.~~

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

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

35 ~~(rr) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco or~~
36 ~~any other item that contains tobacco.~~

37 ~~(ss) "Entity-based exemption" means an exemption based on who~~
38 ~~purchases the product or who sells the product. An exemption that is~~
39 ~~available to all individuals shall not be considered an entity-based~~
40 ~~exemption.~~

41 ~~(tt) "Over-the-counter" drug means a drug that contains a label that~~
42 ~~identifies the product as a drug as required by 21 C.F.R. § 201.66. The~~
43 ~~over-the-counter drug label includes: (1) A drug facts panel; or (2) a~~

1 ~~statement of the active ingredients with a list of those ingredients~~
2 ~~contained in the compound, substance or preparation. Over the counter~~
3 ~~drugs do not include grooming and hygiene products such as soaps,~~
4 ~~cleaning solutions, shampoo, toothpaste, antiperspirants and sun tan~~
5 ~~lotions and screens.~~

6 ~~(uu) "Ancillary services" means services that are associated with or~~
7 ~~incidental to the provision of telecommunications services, including, but~~
8 ~~not limited to, detailed telecommunications billing, directory assistance,~~
9 ~~vertical service and voice mail services.~~

10 ~~(vv) "Conference bridging service" means an ancillary service that~~
11 ~~links two or more participants of an audio or video conference call and~~
12 ~~may include the provision of a telephone number. Conference bridging~~
13 ~~service does not include the telecommunications services used to reach the~~
14 ~~conference bridge.~~

15 ~~(ww) "Detailed telecommunications billing service" means an~~
16 ~~ancillary service of separately stating information pertaining to individual~~
17 ~~calls on a customer's billing statement.~~

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

20 ~~(yy) "Vertical service" means an ancillary service that is offered in~~
21 ~~connection with one or more telecommunications services, which offers~~
22 ~~advanced calling features that allow customers to identify callers and to~~
23 ~~manage multiple calls and call connections, including conference bridging~~
24 ~~services.~~

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

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

39 ~~(1) Data processing and information services that allow data to be~~
40 ~~generated, acquired, stored, processed or retrieved and delivered by an~~
41 ~~electronic transmission to a purchaser where such purchaser's primary~~
42 ~~purpose for the underlying transaction is the processed data or~~
43 ~~information;~~

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

3 ~~(3) tangible personal property;~~

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

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

6 ~~(6) internet access service;~~

7 ~~(7) radio and television audio and video programming services,~~
8 ~~regardless of the medium, including the furnishing of transmission,~~
9 ~~conveyance and routing of such services by the programming service~~
10 ~~provider. Radio and television audio and video programming services shall~~
11 ~~include, but not be limited to, cable service as defined in 47 U.S.C. §~~
12 ~~522(6) and audio and video programming services delivered by~~
13 ~~commercial mobile radio service providers, as defined in 47 C.F.R. § 20.3;~~

14 ~~(8) ancillary services; or~~

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

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

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

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

35 ~~(eee) "International" means a telecommunications service that~~
36 ~~originates or terminates in the United States and terminates or originates~~
37 ~~outside the United States, respectively. United States includes the District~~
38 ~~of Columbia or a U.S. territory or possession.~~

39 ~~(fff) "Interstate" means a telecommunications service that originates~~
40 ~~in one United States state, or a United States territory or possession, and~~
41 ~~terminates in a different United States state or a United States territory or~~
42 ~~possession.~~

43 ~~(ggg) "Intrastate" means a telecommunications service that originates~~

1 in one United States state or a United States territory or possession, and
2 terminates in the same United States state or a United States territory or
3 possession.

4 ~~(hhh) "Candy" means a preparation of sugar, honey or other natural
5 or artificial sweeteners in combination with chocolate, fruits, nuts or other
6 ingredients or flavorings in the form of bars, drops or pieces. Candy shall
7 not include any preparation containing flour and shall require no
8 refrigeration.~~

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

11 ~~(jjj) (1) "Prepared food" means any of the following:~~

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

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

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

18 ~~(2) "Prepared food" does not include:~~

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

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

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

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

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

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

37 Sec. 5. K.S.A. 2014 Supp. 79-3603 is hereby amended to read as
38 follows: 79-3603. For the privilege of engaging in the business of selling
39 tangible personal property at retail in this state or rendering or furnishing
40 any of the services taxable under this act, there is hereby levied and there
41 shall be collected and paid a tax at the rate of 6.15%, and commencing
42 July 1, 2015, at the rate of 6.85%. Within a redevelopment district
43 established pursuant to K.S.A. 74-8921, and amendments thereto, there is

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 For the purposes of this subsection:

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

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

41 (3) "facility" shall mean a mill, plant, refinery, oil or gas well, water
42 well, feedlot or any conveyance, transmission or distribution line of any
43 cooperative, nonprofit, membership corporation organized under or subject

1 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or
2 municipal or quasi-municipal corporation, including the land
3 improvements immediately surrounding such facility;

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

6 (5) "utility structure" shall mean transmission and distribution lines
7 owned by an independent transmission company or cooperative, the
8 Kansas electric transmission authority or natural gas or electric public
9 utility; and

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

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

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

24 (s) on and after January 1, 2005, the gross receipts received from the
25 sale of prewritten computer software and the sale of the services of
26 modifying, altering, updating or maintaining prewritten computer
27 software, whether the prewritten computer software is installed or
28 delivered electronically by tangible storage media physically transferred to
29 the purchaser or by load and leave;

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

31 (u) the gross receipts received from the sale of prepaid calling service
32 and prepaid wireless calling service as defined in K.S.A. 2014 Supp. 79-
33 3673, and amendments thereto; and

34 (v) the gross receipts received from the sales of bingo cards, bingo
35 faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,
36 and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,
37 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before
38 July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo
39 faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,
40 and amendments thereto, shall be exempt from taxes imposed pursuant to
41 this section; and

42 (w) commencing July 1, 2015, and thereafter, the gross receipts from
43 the sale of food and food ingredients shall be taxed at the rate of 5.90%.

1 Sec. 6. ~~K.S.A. 2014 Supp. 79-3620 is hereby amended to read as~~
2 ~~follows: 79-3620.(a) All revenue collected or received by the director of~~
3 ~~taxation from the taxes imposed by this act shall be remitted to the state~~
4 ~~treasurer in accordance with the provisions of K.S.A. 75-4215, and~~
5 ~~amendments thereto. Upon receipt of each such remittance, the state~~
6 ~~treasurer shall deposit the entire amount in the state treasury, less amounts~~
7 ~~withheld as provided in subsection (b) and amounts credited as provided in~~
8 ~~subsections (c), (d) and (e), to the credit of the state general fund.~~

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

21 ~~(e) (1) The state treasurer shall credit ⁵/₉₈ of the revenue collected or~~
22 ~~received from the tax imposed by K.S.A. 79-3603, and amendments~~
23 ~~thereto, at the rate of 4.9%, and deposited as provided in subsection (a),~~
24 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
25 ~~highway fund.~~

26 ~~(2) The state treasurer shall credit ⁵/₁₀₆ of the revenue collected or~~
27 ~~received from the tax imposed by K.S.A. 79-3603, and amendments~~
28 ~~thereto, at the rate of 5.3%, and deposited as provided in subsection (a),~~
29 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
30 ~~highway fund.~~

31 ~~(3) On July 1, 2006, the state treasurer shall credit ¹⁹/₃₆₅ of the revenue~~
32 ~~collected and received from the tax imposed by K.S.A. 79-3603, and~~
33 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~
34 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
35 ~~the state highway fund.~~

36 ~~(4) On July 1, 2007, the state treasurer shall credit ¹³/₁₀₆ of the revenue~~
37 ~~collected and received from the tax imposed by K.S.A. 79-3603, and~~
38 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~
39 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
40 ~~the state highway fund.~~

41 ~~(5) On July 1, 2010, the state treasurer shall credit 11.427% of the~~
42 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
43 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~

1 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
2 the state highway fund.

3 ~~(6)(2) On July 1, 2011, the state treasurer shall credit 11.26% of the~~
4 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
5 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
6 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
7 ~~the state highway fund.~~

8 ~~(7)(3) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
9 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
10 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
11 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
12 ~~the state highway fund.~~

13 ~~(8)(4) On July 1, 2013, and thereafter, the state treasurer shall credit~~
14 ~~17.073% of the revenue collected and received from the tax imposed by~~
15 ~~K.S.A. 79-3603, and amendments thereto, at the rate of 6.15%, and~~
16 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
17 ~~pursuant to subsection (d), in the state highway fund.~~

18 ~~(5) On July 1, 2015, the state treasurer shall credit 15.516%~~
19 ~~{15.720%} of the revenue collected and received from the tax imposed by~~
20 ~~K.S.A. 79-3603, and amendments thereto, at the rate {rates} of 6.85%~~
21 ~~{and 5.90%}, and deposited as provided by subsection (a), exclusive of~~
22 ~~amounts credited pursuant to subsection (d), in the state highway fund.~~

23 ~~(6) On July 1, 2016, and thereafter, the state treasurer shall credit~~
24 ~~15.385% {15.607%} of the revenue collected and received from the tax~~
25 ~~imposed by K.S.A. 79-3603, and amendments thereto, at the rate {rates} of~~
26 ~~6.85% {and 5.90%}, and deposited as provided by subsection (a),~~
27 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
28 ~~highway fund.~~

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

1 STAR bond project.

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

34 ~~Sec. 7. K.S.A. 2014 Supp. 79-3695 is hereby amended to read as~~
35 ~~follows: 79-3695. If any contractor has entered into a written binding~~
36 ~~contract prior to May 1, 2010 2015, for the original construction,~~
37 ~~reconstruction, restoration, remodeling, renovation, repair or replacement~~
38 ~~of a building, facility or residential structure, or for the construction,~~
39 ~~reconstruction, restoration, replacement or repair of a bridge or highway,~~
40 ~~the state sales tax applicable to such contracts shall be remitted at the rate~~
41 ~~in effect prior to the state sales tax increase scheduled to take effect on~~
42 ~~July 1, 2010 2015, if the contractor gives notice and proof of such contract~~
43 ~~to the director of taxation on or before July 10, 2010 2015, which notice~~

1 and proof shall be in such form and of such sufficiency as the director shall
2 prescribe.

3 Sec. 8. ~~K.S.A. 2014 Supp. 79-3703 is hereby amended to read as~~
4 ~~follows: 79-3703. There is hereby levied and there shall be collected from~~
5 ~~every person in this state a tax or excise for the privilege of using, storing,~~
6 ~~or consuming within this state any article of tangible personal property.~~
7 ~~Such tax shall be levied and collected in an amount equal to the~~
8 ~~consideration paid by the taxpayer multiplied by the rate of 6.15%, and~~
9 ~~commencing July 1, 2015, at the rate of 6.85%{, except that such rate~~
10 ~~shall be 5.90% upon food and food ingredients, as defined by K.S.A.~~
11 ~~79-3602, and amendments thereto}. Within a redevelopment district~~
12 ~~established pursuant to K.S.A. 74-8921, and amendments thereto, there is~~
13 ~~hereby levied and there shall be collected and paid an additional tax of 2%~~
14 ~~until the earlier of: (1) The date the bonds issued to finance or refinance~~
15 ~~the redevelopment project undertaken in the district have been paid in full;~~
16 ~~or (2) the final scheduled maturity of the first series of bonds issued to~~
17 ~~finance the redevelopment project. All property purchased or leased within~~
18 ~~or without this state and subsequently used, stored or consumed in this~~
19 ~~state shall be subject to the compensating tax if the same property or~~
20 ~~transaction would have been subject to the Kansas retailers' sales tax had~~
21 ~~the transaction been wholly within this state.~~

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

30 (b) ~~A revolving fund, designated as "compensating tax refund fund"~~
31 ~~not to exceed \$10,000 shall be set apart and maintained by the director~~
32 ~~from compensating tax collections and estimated tax collections and held~~
33 ~~by the state treasurer for prompt payment of all compensating tax refunds.~~
34 ~~Such fund shall be in such amount, within the limit set by this section, as~~
35 ~~the director shall determine is necessary to meet current refunding~~
36 ~~requirements under this act.~~

37 (c) (1) ~~The state treasurer shall credit ^{5/98} of the revenue collected or~~
38 ~~received from the tax imposed by K.S.A. 79-3703, and amendments~~
39 ~~thereto, at the rate of 4.9%, and deposited as provided in subsection (a),~~
40 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
41 ~~highway fund.~~

42 (2) ~~The state treasurer shall credit ^{5/106} of the revenue collected or~~
43 ~~received from the tax imposed by K.S.A. 79-3703, and amendments~~

1 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
2 exclusive of amounts credited pursuant to subsection (d), in the state
3 highway fund.

4 ~~(3) On July 1, 2006, the state treasurer shall credit ¹⁹/₂₆₅ of the revenue~~
5 ~~collected or received from the tax imposed by K.S.A. 79-3703, and~~
6 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~
7 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
8 ~~the state highway fund.~~

9 ~~(4) On July 1, 2007, the state treasurer shall credit ¹³/₁₀₆ of the revenue~~
10 ~~collected or received from the tax imposed by K.S.A. 79-3703, and~~
11 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~
12 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
13 ~~the state highway fund.~~

14 ~~(5) On July 1, 2010, the state treasurer shall credit 11.427% of the~~
15 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
16 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
17 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
18 ~~the state highway fund.~~

19 ~~(6)(2) On July 1, 2011, the state treasurer shall credit 11.26% of the~~
20 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
21 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
22 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
23 ~~the state highway fund.~~

24 ~~(7)(3) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
25 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
26 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
27 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
28 ~~the state highway fund.~~

29 ~~(8)(4) On July 1, 2013, and thereafter, the state treasurer shall credit~~
30 ~~17.073% of the revenue collected and received from the tax imposed by~~
31 ~~K.S.A. 79-3703, and amendments thereto, at the rate of 6.15%, and~~
32 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
33 ~~pursuant to subsection (d), in the state highway fund.~~

34 ~~(5) On July 1, 2015, the state treasurer shall credit 15.516%~~
35 ~~{15.720%} of the revenue collected and received from the tax imposed by~~
36 ~~K.S.A. 79-3703, and amendments thereto, at the rate {rates} of 6.85%~~
37 ~~{and 5.90%}, and deposited as provided by subsection (a), exclusive of~~
38 ~~amounts credited pursuant to subsection (d), in the state highway fund.~~

39 ~~(6) On July 1, 2016, and thereafter, the state treasurer shall credit~~
40 ~~15.385% {15.607%} of the revenue collected and received from the tax~~
41 ~~imposed by K.S.A. 79-3703, and amendments thereto, at the rate {rates} of~~
42 ~~6.85% {and 5.90%}, and deposited as provided by subsection (a),~~
43 ~~exclusive of amounts credited pursuant to subsection (d), in the state-~~

1 *highway fund.*

2 ~~(d) The state treasurer shall credit all revenue collected or received~~
3 ~~from the tax imposed by K.S.A. 79-3703, and amendments thereto, as~~
4 ~~certified by the director, from taxpayers doing business within that portion~~
5 ~~of a redevelopment district occupied by a redevelopment project that was~~
6 ~~determined by the secretary of commerce to be of statewide as well as~~
7 ~~local importance or will create a major tourism area for the state as defined~~
8 ~~in K.S.A. 12-1770a, and amendments thereto, to the city bond finance~~
9 ~~fund created by subsection (d) of K.S.A. 79-3620(d), and amendments~~
10 ~~thereto. The provisions of this subsection shall expire when the total of all~~
11 ~~amounts credited hereunder and under subsection (d) of K.S.A. 79-~~
12 ~~3620(d), and amendments thereto, is sufficient to retire the special~~
13 ~~obligation bonds issued for the purpose of financing all or a portion of the~~
14 ~~costs of such redevelopment project.~~

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

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

1 ~~having Poplar Road as the eastern boundary, 183rd Street as the southern~~
2 ~~boundary, Waverly Road as the western boundary, and the BNSF mainline~~
3 ~~track as the northern boundary, that includes capital investment in an~~
4 ~~amount exceeding \$150 million for the construction of an intermodal~~
5 ~~facility to handle the transfer, storage and distribution of freight through~~
6 ~~railway and trucking operations.~~

7 ~~Sec. 10. K.S.A. 2014 Supp. 79-32,110, 79-32,120, 79-3602, 79-3603,~~
8 ~~79-3620, 79-3695, 79-3703 and 79-3710 are hereby repealed.~~

9 **{Sec. 2. K.S.A. 2014 Supp. 12-187 is hereby amended to read as**
10 **follows: 12-187. (a) No city shall impose a retailers' sales tax under the**
11 **provisions of this act without the governing body of such city having**
12 **first submitted such proposition to and having received the approval**
13 **of a majority of the electors of the city voting thereon at an election**
14 **called and held therefor. The governing body of any city may submit**
15 **the question of imposing a retailers' sales tax and the governing body**
16 **shall be required to submit the question upon submission of a petition**
17 **signed by electors of such city equal in number to not less than 10% of**
18 **the electors of such city.**

19 **(b) (1) The board of county commissioners of any county may**
20 **submit the question of imposing a countywide retailers' sales tax to the**
21 **electors at an election called and held thereon, and any such board**
22 **shall be required to submit the question upon submission of a petition**
23 **signed by electors of such county equal in number to not less than**
24 **10% of the electors of such county who voted at the last preceding**
25 **general election for the office of secretary of state, or upon receiving**
26 **resolutions requesting such an election passed by not less than $\frac{2}{3}$ of**
27 **the membership of the governing body of each of one or more cities**
28 **within such county which contains a population of not less than 25%**
29 **of the entire population of the county, or upon receiving resolutions**
30 **requesting such an election passed by $\frac{2}{3}$ of the membership of the**
31 **governing body of each of one or more taxing subdivisions within such**
32 **county which levy not less than 25% of the property taxes levied by all**
33 **taxing subdivisions within the county.**

34 **(2) The board of county commissioners of Anderson, Atchison,**
35 **Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford,**
36 **Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery,**
37 **Neosho, Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, *Thomas,***
38 **Wabaunsee, Wilson and Wyandotte counties may submit the question**
39 **of imposing a countywide retailers' sales tax and pledging the revenue**
40 **received therefrom for the purpose of financing the construction or**
41 **remodeling of a courthouse, jail, law enforcement center facility or**
42 **other county administrative facility, to the electors at an election**
43 **called and held thereon. The tax imposed pursuant to this paragraph**

1 shall expire when sales tax sufficient to pay all of the costs incurred in
2 the financing of such facility has been collected by retailers as
3 determined by the secretary of revenue. Nothing in this paragraph
4 shall be construed to allow the rate of tax imposed by Butler, Chase,
5 Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson county
6 pursuant to this paragraph to exceed or be imposed at any rate other
7 than the rates prescribed in K.S.A. 12-189, and amendments thereto.

8 (3) (A) Except as otherwise provided in this paragraph, the result
9 of the election held on November 8, 1988, on the question submitted by
10 the board of county commissioners of Jackson county for the purpose
11 of increasing its countywide retailers' sales tax by 1% is hereby
12 declared valid, and the revenue received therefrom by the county shall
13 be expended solely for the purpose of financing the Banner Creek
14 reservoir project. The tax imposed pursuant to this paragraph shall
15 take effect on the effective date of this act and shall expire not later
16 than five years after such date.

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

24 (C) Except as otherwise provided in this paragraph, the result of
25 the election held on November 2, 2004, on the question submitted by
26 the board of county commissioners of Sedgwick county for the
27 purpose of increasing its countywide retailers' sales tax by 1% is
28 hereby declared valid, and the revenue received therefrom by the
29 county shall be used only to pay the costs of: (i) Acquisition of a site
30 and constructing and equipping thereon a new regional events center,
31 associated parking and infrastructure improvements and related
32 appurtenances thereto, to be located in the downtown area of the city
33 of Wichita, Kansas, (the "downtown arena"); (ii) design for the
34 Kansas coliseum complex and construction of improvements to the
35 pavilions; and (iii) establishing an operating and maintenance reserve
36 for the downtown arena and the Kansas coliseum complex. The tax
37 imposed pursuant to this paragraph shall commence on July 1, 2005,
38 and shall terminate not later than 30 months after the commencement
39 thereof.

40 (D) Except as otherwise provided in this paragraph, the result of
41 the election held on August 5, 2008, on the question submitted by the
42 board of county commissioners of Lyon county for the purpose of
43 increasing its countywide retailers' sales tax by 1% is hereby declared

1 valid, and the revenue received therefrom by the county shall be
2 expended for the purposes of ad valorem tax reduction and capital
3 outlay. The tax imposed pursuant to this paragraph shall terminate
4 not later than five years after the commencement thereof.

5 (E) Except as otherwise provided in this paragraph, the result of
6 the election held on August 5, 2008, on the question submitted by the
7 board of county commissioners of Rawlins county for the purpose of
8 increasing its countywide retailers' sales tax by 0.75% is hereby
9 declared valid, and the revenue received therefrom by the county shall
10 be expended for the purposes of financing the costs of a swimming
11 pool. The tax imposed pursuant to this paragraph shall terminate not
12 later than 15 years after the commencement thereof or upon payment
13 of all costs authorized pursuant to this paragraph in the financing of
14 such project.

15 (F) The result of the election held on December 1, 2009, on the
16 question submitted by the board of county commissioners of
17 Chautauqua county for the purpose of increasing its countywide
18 retailers' sales tax by 1% is hereby declared valid, and the revenue
19 received from such tax by the county shall be expended for the
20 purposes of financing the costs of constructing, furnishing and
21 equipping a county jail and law enforcement center and necessary
22 improvements appurtenant to such jail and law enforcement center.
23 Any tax imposed pursuant to authority granted in this paragraph
24 shall terminate upon payment of all costs authorized pursuant to this
25 paragraph incurred in the financing of the project described in this
26 paragraph.

27 (G) *The result of the election held on April 7, 2015, on the question*
28 *submitted by the board of county commissioners of Bourbon county for the*
29 *purpose of increasing its retailers' sales tax by 0.4% is hereby declared*
30 *valid, and the revenue received therefrom by the county shall be expended*
31 *solely for the purpose of financing the costs of constructing, furnishing*
32 *and operating a courthouse, law enforcement center or jail facility*
33 *improvements. Any tax imposed pursuant to authority granted in this*
34 *paragraph shall terminate upon payment of all costs authorized pursuant*
35 *to this paragraph incurred in the financing of the project described in this*
36 *paragraph.*

37 (4) The board of county commissioners of Finney and Ford
38 counties may submit the question of imposing a countywide retailers'
39 sales tax at the rate of 0.25% and pledging the revenue received
40 therefrom for the purpose of financing all or any portion of the cost to
41 be paid by Finney or Ford county for construction of highway projects
42 identified as system enhancements under the provisions of ~~paragraph~~
43 ~~(5) of subsection (b) of K.S.A. 68-2314(b)(5), and amendments thereto,~~

1 to the electors at an election called and held thereon. Such election
2 shall be called and held in the manner provided by the general bond
3 law. The tax imposed pursuant to this paragraph shall expire upon the
4 payment of all costs authorized pursuant to this paragraph in the
5 financing of such highway projects. Nothing in this paragraph shall be
6 construed to allow the rate of tax imposed by Finney or Ford county
7 pursuant to this paragraph to exceed the maximum rate prescribed in
8 K.S.A. 12-189, and amendments thereto. If any funds remain upon the
9 payment of all costs authorized pursuant to this paragraph in the
10 financing of such highway projects in Finney county, the state
11 treasurer shall remit such funds to the treasurer of Finney county and
12 upon receipt of such moneys shall be deposited to the credit of the
13 county road and bridge fund. If any funds remain upon the payment
14 of all costs authorized pursuant to this paragraph in the financing of
15 such highway projects in Ford county, the state treasurer shall remit
16 such funds to the treasurer of Ford county and upon receipt of such
17 moneys shall be deposited to the credit of the county road and bridge
18 fund.

19 (5) The board of county commissioners of any county may submit
20 the question of imposing a retailers' sales tax at the rate of 0.25%,
21 0.5%, 0.75% or 1% and pledging the revenue received therefrom for
22 the purpose of financing the provision of health care services, as
23 enumerated in the question, to the electors at an election called and
24 held thereon. Whenever any county imposes a tax pursuant to this
25 paragraph, any tax imposed pursuant to ~~paragraph (2)~~ of subsection (a)
26 (2) by any city located in such county shall expire upon the effective
27 date of the imposition of the countywide tax, and thereafter the state
28 treasurer shall remit to each such city that portion of the countywide
29 tax revenue collected by retailers within such city as certified by the
30 director of taxation. The tax imposed pursuant to this paragraph shall
31 be deemed to be in addition to the rate limitations prescribed in
32 K.S.A. 12-189, and amendments thereto. As used in this paragraph,
33 health care services shall include, but not be limited to, the following:
34 Local health departments, city or county hospitals, city or county
35 nursing homes, preventive health care services including
36 immunizations, prenatal care and the postponement of entry into
37 nursing homes by home care services, mental health services, indigent
38 health care, physician or health care worker recruitment, health
39 education, emergency medical services, rural health clinics,
40 integration of health care services, home health services and rural
41 health networks.

42 (6) The board of county commissioners of Allen county may
43 submit the question of imposing a countywide retailers' sales tax at the

1 rate of 0.5% and pledging the revenue received therefrom for the
2 purpose of financing the costs of operation and construction of a solid
3 waste disposal area or the modification of an existing landfill to
4 comply with federal regulations to the electors at an election called
5 and held thereon. The tax imposed pursuant to this paragraph shall
6 expire upon the payment of all costs incurred in the financing of the
7 project undertaken. Nothing in this paragraph shall be construed to
8 allow the rate of tax imposed by Allen county pursuant to this
9 paragraph to exceed or be imposed at any rate other than the rates
10 prescribed in K.S.A. 12-189, and amendments thereto.

11 (7) The board of county commissioners of Clay, Dickinson and
12 Miami county may submit the question of imposing a countywide
13 retailers' sales tax at the rate of 0.50% in the case of Clay and
14 Dickinson county and at a rate of up to 1% in the case of Miami
15 county, and pledging the revenue received therefrom for the purpose
16 of financing the costs of roadway construction and improvement to the
17 electors at an election called and held thereon. Except as otherwise
18 provided, the tax imposed pursuant to this paragraph shall expire
19 after five years from the date such tax is first collected. The result of
20 the election held on November 2, 2004, on the question submitted by
21 the board of county commissioners of Miami county for the purpose of
22 extending for an additional five-year period the countywide retailers'
23 sales tax imposed pursuant to this subsection in Miami county is
24 hereby declared valid. The countywide retailers' sales tax imposed
25 pursuant to this subsection in Clay and Miami county may be
26 extended or reenacted for additional five-year periods upon the board
27 of county commissioners of Clay and Miami county submitting such
28 question to the electors at an election called and held thereon for each
29 additional five-year period as provided by law.

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

38 (9) The board of county commissioners of Cowley, Crawford,
39 Russell and Woodson county may submit the question of imposing a
40 countywide retailers' sales tax at the rate of 0.5% in the case of
41 Crawford, Russell and Woodson county and at a rate of up to 0.25%,
42 in the case of Cowley county and pledging the revenue received
43 therefrom for the purpose of financing economic development

1 initiatives or public infrastructure projects. The tax imposed pursuant
2 to this paragraph shall expire after five years from the date such tax is
3 first collected.

4 (10) The board of county commissioners of Franklin county may
5 submit the question of imposing a countywide retailers' sales tax at the
6 rate of 0.25% and pledging the revenue received therefrom for the
7 purpose of financing recreational facilities. The tax imposed pursuant
8 to this paragraph shall expire upon payment of all costs authorized in
9 financing such facilities.

10 (11) The board of county commissioners of Douglas county may
11 submit the question of imposing a countywide retailers' sales tax at the
12 rate of 0.25% and pledging the revenue received therefrom for the
13 purposes of conservation, access and management of open space;
14 preservation of cultural heritage; and economic development projects
15 and activities.

16 (12) The board of county commissioners of Shawnee county may
17 submit the question of imposing a countywide retailers' sales tax at the
18 rate of 0.25% and pledging the revenue received therefrom to the city
19 of Topeka for the purpose of financing the costs of rebuilding the
20 Topeka boulevard bridge and other public infrastructure
21 improvements associated with such project to the electors at an
22 election called and held thereon. The tax imposed pursuant to this
23 paragraph shall expire upon payment of all costs authorized in
24 financing such project.

25 (13) The board of county commissioners of Jackson county may
26 submit the question of imposing a countywide retailers' sales tax at a
27 rate of 0.4% and pledging the revenue received therefrom as follows:
28 50% of such revenues for the purpose of financing for economic
29 development initiatives; and 50% of such revenues for the purpose of
30 financing public infrastructure projects to the electors at an election
31 called and held thereon. The tax imposed pursuant to this paragraph
32 shall expire after seven years from the date such tax is first collected.
33 The board of county commissioners of Jackson county may submit the
34 question of imposing a countywide retailers' sales tax at a rate of 0.4%
35 which such tax shall take effect after the expiration of the tax imposed
36 pursuant to this paragraph prior to the effective date of this act, and
37 pledging the revenue received therefrom for the purpose of financing
38 public infrastructure projects to the electors at an election called and
39 held thereon. Such tax shall expire after seven years from the date
40 such tax is first collected.

41 (14) The board of county commissioners of Neosho county may
42 submit the question of imposing a countywide retailers' sales tax at the
43 rate of 0.5% and pledging the revenue received therefrom for the

1 purpose of financing the costs of roadway construction and
2 improvement to the electors at an election called and held thereon.
3 The tax imposed pursuant to this paragraph shall expire upon
4 payment of all costs authorized pursuant to this paragraph in the
5 financing of such project.

6 (15) The board of county commissioners of Saline county may
7 submit the question of imposing a countywide retailers' sales tax at the
8 rate of up to 0.5% and pledging the revenue received therefrom for
9 the purpose of financing the costs of construction and operation of an
10 expo center to the electors at an election called and held thereon. The
11 tax imposed pursuant to this paragraph shall expire after five years
12 from the date such tax is first collected.

13 (16) The board of county commissioners of Harvey county may
14 submit the question of imposing a countywide retailers' sales tax at the
15 rate of 1.0% and pledging the revenue received therefrom for the
16 purpose of financing the costs of property tax relief, economic
17 development initiatives and public infrastructure improvements to the
18 electors at an election called and held thereon.

19 (17) The board of county commissioners of Atchison county may
20 submit the question of imposing a countywide retailers' sales tax at the
21 rate of 0.25% and pledging the revenue received therefrom for the
22 purpose of financing the costs of construction and maintenance of
23 sports and recreational facilities to the electors at an election called
24 and held thereon. The tax imposed pursuant to this paragraph shall
25 expire upon payment of all costs authorized in financing such
26 facilities.

27 (18) The board of county commissioners of Wabaunsee county
28 may submit the question of imposing a countywide retailers' sales tax
29 at the rate of 0.5% and pledging the revenue received therefrom for
30 the purpose of financing the costs of bridge and roadway construction
31 and improvement to the electors at an election called and held
32 thereon. The tax imposed pursuant to this paragraph shall expire after
33 15 years from the date such tax is first collected.

34 (19) The board of county commissioners of Jefferson county may
35 submit the question of imposing a countywide retailers' sales tax at the
36 rate of 1% and pledging the revenue received therefrom for the
37 purpose of financing the costs of roadway construction and
38 improvement to the electors at an election called and held thereon.
39 The tax imposed pursuant to this paragraph shall expire after six
40 years from the date such tax is first collected. The countywide
41 retailers' sales tax imposed pursuant to this paragraph may be
42 extended or reenacted for additional six-year periods upon the board
43 of county commissioners of Jefferson county submitting such question

1 to the electors at an election called and held thereon for each
2 additional six-year period as provided by law.

3 (20) The board of county commissioners of Riley county may
4 submit the question of imposing a countywide retailers' sales tax at the
5 rate of up to 1% and pledging the revenue received therefrom for the
6 purpose of financing the costs of bridge and roadway construction and
7 improvement to the electors at an election called and held thereon.
8 The tax imposed pursuant to this paragraph shall expire after five
9 years from the date such tax is first collected.

10 (21) The board of county commissioners of Johnson county may
11 submit the question of imposing a countywide retailers' sales tax at the
12 rate of 0.25% and pledging the revenue received therefrom for the
13 purpose of financing the construction and operation costs of public
14 safety projects, including, but not limited to, a jail, detention center,
15 sheriff's resource center, crime lab or other county administrative or
16 operational facility dedicated to public safety, to the electors at an
17 election called and held thereon. The tax imposed pursuant to this
18 paragraph shall expire after 10 years from the date such tax is first
19 collected. The countywide retailers' sales tax imposed pursuant to this
20 subsection may be extended or reenacted for additional periods not
21 exceeding 10 years upon the board of county commissioners of
22 Johnson county submitting such question to the electors at an election
23 called and held thereon for each additional ten-year period as
24 provided by law.

25 (22) The board of county commissioners of Wilson county may
26 submit the question of imposing a countywide retailers' sales tax at the
27 rate of up to 1% and pledging the revenue received therefrom for the
28 purpose of financing the costs of roadway construction and
29 improvements to federal highways, the development of a new
30 industrial park and other public infrastructure improvements to the
31 electors at an election called and held thereon. The tax imposed
32 pursuant to this paragraph shall expire upon payment of all costs
33 authorized pursuant to this paragraph in the financing of such project
34 or projects.

35 (23) The board of county commissioners of Butler county may
36 submit the question of imposing a countywide retailers' sales tax at the
37 rate of either 0.25%, 0.5%, 0.75% or 1% and pledging the revenue
38 received therefrom for the purpose of financing the costs of public
39 safety capital projects or bridge and roadway construction projects, or
40 both, to the electors at an election called and held thereon. The tax
41 imposed pursuant to this paragraph shall expire upon payment of all
42 costs authorized in financing such projects.

43 (24) The board of county commissioners of Barton county may

1 submit the question of imposing a countywide retailers' sales tax at the
2 rate of up to 0.5% and pledging the revenue received therefrom for
3 the purpose of financing the costs of roadway and bridge construction
4 and improvement and infrastructure development and improvement
5 to the electors at an election called and held thereon. The tax imposed
6 pursuant to this paragraph shall expire after 10 years from the date
7 such tax is first collected.

8 (25) The board of county commissioners of Jefferson county may
9 submit the question of imposing a countywide retailers' sales tax at the
10 rate of 0.25% and pledging the revenue received therefrom for the
11 purpose of financing the costs of the county's obligation as
12 participating employer to make employer contributions and other
13 required contributions to the Kansas public employees retirement
14 system for eligible employees of the county who are members of the
15 Kansas police and firemen's retirement system, to the electors at an
16 election called and held thereon. The tax imposed pursuant to this
17 paragraph shall expire upon payment of all costs authorized in
18 financing such purpose.

19 (26) The board of county commissioners of Pottawatomie county
20 may submit the question of imposing a countywide retailers' sales tax
21 at the rate of up to 0.5% and pledging the revenue received therefrom
22 for the purpose of financing the costs of construction or remodeling of
23 a courthouse, jail, law enforcement center facility or other county
24 administrative facility, or public infrastructure improvements, or
25 both, to the electors at an election called and held thereon. The tax
26 imposed pursuant to this paragraph shall expire upon payment of all
27 costs authorized in financing such project or projects.

28 (27) The board of county commissioners of Kingman county may
29 submit the question of imposing a countywide retailers' sales tax at the
30 rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received
31 therefrom for the purpose of financing the costs of constructing and
32 furnishing a law enforcement center and jail facility and the costs of
33 roadway and bridge improvements to the electors at an election called
34 and held thereon. The tax imposed pursuant to this paragraph shall
35 expire not later than 20 years from the date such tax is first collected.

36 (28) The board of county commissioners of Edwards county may
37 submit the question of imposing a countywide retailers' sales tax at the
38 rate of 0.375% and pledging the revenue therefrom for the purpose of
39 financing the costs of economic development initiatives to the electors
40 at an election called and held thereon.

41 (29) The board of county commissioners of Rooks county may
42 submit the question of imposing a countywide retailers' sales tax at the
43 rate of 0.5% and pledging the revenue therefrom for the purpose of

1 **financing the costs of constructing or remodeling and furnishing a jail**
2 **facility to the electors at an election called and held thereon. The tax**
3 **imposed pursuant to this paragraph shall expire upon the payment of**
4 **all costs authorized in financing such project or projects.**

5 *(30) The board of county commissioners of Douglas county may*
6 *submit the question of imposing a countywide retailers' sales tax at the*
7 *rate of 0.5% and pledging the revenue received therefrom for the purpose*
8 *of financing the construction or remodeling of a courthouse, jail, law*
9 *enforcement center facility, detention facility or other county*
10 *administrative facility, specifically including mental health and for the*
11 *operation thereof.*

12 *(31) The board of county commissioners of Bourbon county may*
13 *submit the question of imposing a countywide retailers' sales tax at the*
14 *rate of up to 1%, in increments of 0.05%, and pledging the revenue*
15 *received therefrom for the purpose of financing the costs of constructing,*
16 *furnishing and operating a courthouse, law enforcement center or jail*
17 *facility improvements to the electors at an election called and held*
18 *thereon.*

19 **(c) The boards of county commissioners of any two or more**
20 **contiguous counties, upon adoption of a joint resolution by such**
21 **boards, may submit the question of imposing a retailers' sales tax**
22 **within such counties to the electors of such counties at an election**
23 **called and held thereon and such boards of any two or more**
24 **contiguous counties shall be required to submit such question upon**
25 **submission of a petition in each of such counties, signed by a number**
26 **of electors of each of such counties where submitted equal in number**
27 **to not less than 10% of the electors of each of such counties who voted**
28 **at the last preceding general election for the office of secretary of state,**
29 **or upon receiving resolutions requesting such an election passed by**
30 **not less than $\frac{2}{3}$ of the membership of the governing body of each of**
31 **one or more cities within each of such counties which contains a**
32 **population of not less than 25% of the entire population of each of**
33 **such counties, or upon receiving resolutions requesting such an**
34 **election passed by $\frac{2}{3}$ of the membership of the governing body of each**
35 **of one or more taxing subdivisions within each of such counties which**
36 **levy not less than 25% of the property taxes levied by all taxing**
37 **subdivisions within each of such counties.**

38 **(d) Any city retailers' sales tax being levied by a city prior to July**
39 **1, 2006, shall continue in effect until repealed in the manner provided**
40 **herein for the adoption and approval of such tax or until repealed by**
41 **the adoption of an ordinance for such repeal. Any countywide**
42 **retailers' sales tax in the amount of 0.5% or 1% in effect on July 1,**
43 **1990, shall continue in effect until repealed in the manner provided**

1 herein for the adoption and approval of such tax.

2 (e) Any city or county proposing to adopt a retailers' sales tax
3 shall give notice of its intention to submit such proposition for
4 approval by the electors in the manner required by K.S.A. 10-120, and
5 amendments thereto. The notices shall state the time of the election
6 and the rate and effective date of the proposed tax. If a majority of the
7 electors voting thereon at such election fail to approve the proposition,
8 such proposition may be resubmitted under the conditions and in the
9 manner provided in this act for submission of the proposition. If a
10 majority of the electors voting thereon at such election shall approve
11 the levying of such tax, the governing body of any such city or county
12 shall provide by ordinance or resolution, as the case may be, for the
13 levy of the tax. Any repeal of such tax or any reduction or increase in
14 the rate thereof, within the limits prescribed by K.S.A. 12-189, and
15 amendments thereto, shall be accomplished in the manner provided
16 herein for the adoption and approval of such tax except that the repeal
17 of any such city retailers' sales tax may be accomplished by the
18 adoption of an ordinance so providing.

19 (f) The sufficiency of the number of signers of any petition filed
20 under this section shall be determined by the county election officer.
21 Every election held under this act shall be conducted by the county
22 election officer.

23 (g) The governing body of the city or county proposing to levy
24 any retailers' sales tax shall specify the purpose or purposes for which
25 the revenue would be used, and a statement generally describing such
26 purpose or purposes shall be included as a part of the ballot
27 proposition.

28 Sec. 3. K.S.A. 2014 Supp. 12-189 is hereby amended to read as
29 follows: 12-189. The rate of any city retailers' sales tax shall be fixed in
30 increments of 0.05% and in an amount not to exceed 2% for general
31 purposes and not to exceed 1% for special purposes which shall be
32 determined by the governing body of the city. For any retailers' sales
33 tax imposed by a city for special purposes, such city shall specify the
34 purposes for which such tax is imposed. All such special purpose
35 retailers' sales taxes imposed by a city shall expire after 10 years from
36 the date such tax is first collected. The rate of any countywide
37 retailers' sales tax shall be fixed in an amount not to exceed 1% and
38 shall be fixed in increments of 0.25%, and which amount shall be
39 determined by the board of county commissioners, except that:

40 (a) The board of county commissioners of Wabaunsee county, for
41 the purposes of ~~paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2),~~
42 and amendments thereto, may fix such rate at 1.25%; the board of
43 county commissioners of Osage or Reno county, for the purposes of

1 ~~paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2), and amendments~~
2 ~~thereto, may fix such rate at 1.25% or 1.5%; the board of county~~
3 ~~commissioners of Cherokee, Crawford, Ford, Saline, Seward, Thomas~~
4 ~~or Wyandotte county, for the purposes of paragraph (2) of subsection (b)~~
5 ~~of K.S.A. 12-187(b)(2), and amendments thereto, may fix such rate at~~
6 ~~1.5%, the board of county commissioners of Atchison county, for the~~
7 ~~purposes of paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2), and~~
8 ~~amendments thereto, may fix such rate at 1.5% or 1.75%; the board~~
9 ~~of county commissioners of Anderson, Barton, Jefferson or Ottawa~~
10 ~~county, for the purposes of paragraph (2) of subsection (b) of K.S.A. 12-~~
11 ~~187(b)(2), and amendments thereto, may fix such rate at 2%; the~~
12 ~~board of county commissioners of Marion county, for the purposes of~~
13 ~~paragraph (2) of subsection (b) of K.S.A. 12-187(b)(2), and amendments~~
14 ~~thereto, may fix such rate at 2.5%; the board of county commissioners~~
15 ~~of Franklin, Linn and Miami counties, for the purposes of paragraph~~
16 ~~(2) of subsection (b) of K.S.A. 12-187(b)(2), and amendments thereto,~~
17 ~~may fix such rate at a percentage which is equal to the sum of the rate~~
18 ~~allowed to be imposed by the respective board of county~~
19 ~~commissioners on July 1, 2007, plus up to 1.0%; and the board of~~
20 ~~county commissioners of Brown county, for the purposes of paragraph~~
21 ~~(2) of subsection (b) of K.S.A. 12-187(b)(2), and amendments thereto,~~
22 ~~may fix such rate at up to 2%;~~

23 (b) ~~the board of county commissioners of Jackson county, for the~~
24 ~~purposes of paragraph (3) of subsection (b) of K.S.A. 12-187(b)(3), and~~
25 ~~amendments thereto, may fix such rate at 2%;~~

26 (c) ~~the boards of county commissioners of Finney and Ford~~
27 ~~counties, for the purposes of paragraph (4) of subsection (b) of K.S.A.~~
28 ~~12-187(b)(4), and amendments thereto, may fix such rate at 0.25%;~~

29 (d) ~~the board of county commissioners of any county for the~~
30 ~~purposes of paragraph (5) of subsection (b) of K.S.A. 12-187(b)(5), and~~
31 ~~amendments thereto, may fix such rate at a percentage which is equal~~
32 ~~to the sum of the rate allowed to be imposed by a board of county~~
33 ~~commissioners on the effective date of this act plus 0.25%, 0.5%,~~
34 ~~0.75% or 1%, as the case requires;~~

35 (e) ~~the board of county commissioners of Dickinson county, for~~
36 ~~the purposes of paragraph (7) of subsection (b) of K.S.A. 12-187(b)(7),~~
37 ~~and amendments thereto, may fix such rate at 1.5%, and the board of~~
38 ~~county commissioners of Miami county, for the purposes of paragraph~~
39 ~~(7) of subsection (b) of K.S.A. 12-187(b)(7), and amendments thereto,~~
40 ~~may fix such rate at 1.25%, 1.5%, 1.75% or 2%;~~

41 (f) ~~the board of county commissioners of Sherman county, for the~~
42 ~~purposes of paragraph (8) of subsection (b) of K.S.A. 12-187(b)(8), and~~
43 ~~amendments thereto, may fix such rate at 2.25%;~~

1 (g) the board of county commissioners of Crawford or Russell
2 county for the purposes of ~~paragraph (9) of subsection (b) of K.S.A. 12-~~
3 ~~187(b)(9), and amendments thereto, may fix such rate at 1.5%;~~

4 (h) the board of county commissioners of Franklin county, for the
5 purposes of ~~paragraph (10) of subsection (b) of K.S.A. 12-187(b)(10),~~
6 ~~and amendments thereto, may fix such rate at 1.75%;~~

7 (i) the board of county commissioners of Douglas county, for the
8 purposes of ~~paragraph (11) of subsection (b) of K.S.A. 12-187(b)(11) and~~
9 ~~(b)(30), and amendments thereto, may fix such rate at ~~1.25%~~ 1.75%;~~

10 (j) the board of county commissioners of Jackson county, for the
11 purposes of ~~subsection (b)(13) of K.S.A. 12-187(b)(13), and~~
12 ~~amendments thereto, may fix such rate at 1.4%;~~

13 (k) the board of county commissioners of Sedgwick county, for
14 the purposes of ~~paragraph (3)(C) of subsection (b) of K.S.A. 12-187(b)~~
15 ~~(3)(C), and amendments thereto, may fix such rate at 2%;~~

16 (l) the board of county commissioners of Neosho county, for the
17 purposes of ~~paragraph (14) of subsection (b) of K.S.A. 12-187(b)(14),~~
18 ~~and amendments thereto, may fix such rate at 1.0% or 1.5%;~~

19 (m) the board of county commissioners of Saline county, for the
20 purposes of ~~paragraph (15) of subsection (b) of K.S.A. 12-187(b)(15),~~
21 ~~and amendments thereto, may fix such rate at up to 1.5%;~~

22 (n) the board of county commissioners of Harvey county, for the
23 purposes of ~~paragraph (16) of subsection (b) of K.S.A. 12-187(b)(16),~~
24 ~~and amendments thereto, may fix such rate at 2.0%;~~

25 (o) the board of county commissioners of Atchison county, for the
26 purpose of ~~paragraph (17) of subsection (b) of K.S.A. 12-187(b)(17), and~~
27 ~~amendments thereto, may fix such rate at a percentage which is equal~~
28 ~~to the sum of the rate allowed to be imposed by the board of county~~
29 ~~commissioners of Atchison county on the effective date of this act plus~~
30 ~~0.25%;~~

31 (p) the board of county commissioners of Wabaunsee county, for
32 the purpose of ~~paragraph (18) of subsection (b) of K.S.A. 12-187(b)(18),~~
33 ~~and amendments thereto, may fix such rate at a percentage which is~~
34 ~~equal to the sum of the rate allowed to be imposed by the board of~~
35 ~~county commissioners of Wabaunsee county on July 1, 2007, plus~~
36 ~~0.5%;~~

37 (q) the board of county commissioners of Jefferson county, for
38 the purpose of ~~paragraphs (19) and (25) of subsection (b) of K.S.A. 12-~~
39 ~~187(b)(19) and (25), and amendments thereto, may fix such rate at~~
40 ~~2.25%;~~

41 (r) the board of county commissioners of Riley county, for the
42 purpose of ~~paragraph (20) of subsection (b) of K.S.A. 12-187(b)(20), and~~
43 ~~amendments thereto, may fix such rate at a percentage which is equal~~

1 to the sum of the rate allowed to be imposed by the board of county
2 commissioners of Riley county on July 1, 2007, plus up to 1%;

3 (s) the board of county commissioners of Johnson county for the
4 purposes of ~~paragraph (21) of subsection (b) of K.S.A. 12-187(b)(21),~~
5 and amendments thereto, may fix such rate at a percentage which is
6 equal to the sum of the rate allowed to be imposed by the board of
7 county commissioners of Johnson county on July 1, 2007, plus 0.25%;

8 (t) the board of county commissioners of Wilson county for the
9 purposes of ~~paragraph (22) of subsection (b) of K.S.A. 12-187(b)(22),~~
10 and amendments thereto, may fix such rate at up to 2%;

11 (u) the board of county commissioners of Butler county for the
12 purposes of ~~paragraph (23) of subsection (b) of K.S.A. 12-187(b)(23),~~
13 and amendments thereto, may fix such rate at a percentage which is
14 equal to the sum of the rate otherwise allowed pursuant to this section,
15 plus 0.25%, 0.5%, 0.75% or 1%;

16 (v) the board of county commissioners of Barton county, for the
17 purposes of ~~paragraph (24) of subsection (b) of K.S.A. 12-187(b)(24),~~
18 and amendments thereto, may fix such rate at up to 1.5%;

19 (w) the board of county commissioners of Lyon county, for the
20 purposes of ~~paragraph (3)(D) of subsection (b) of K.S.A. 12-187(b)(3)~~
21 *(D)*, and amendments thereto, may fix such rate at 1.5%;

22 (x) the board of county commissioners of Rawlins county, for the
23 purposes of ~~paragraph (3)(E) of subsection (b) of K.S.A. 12-187(b)(3)(E),~~
24 and amendments thereto, may fix such rate at 1.75%;

25 (y) the board of county commissioners of Chautauqua county, for
26 the purposes of ~~paragraph (3)(F) of subsection (b) of K.S.A. 12-187(b)(3)~~
27 *(F)*, and amendments thereto, may fix such rate at 2.0%;

28 (z) the board of county commissioners of Pottawatomie county,
29 for the purposes of ~~paragraph (26) of subsection (b) of K.S.A. 12-187(b)~~
30 *(26)*, and amendments thereto, may fix such rate at up to 1.5%;

31 (aa) the board of county commissioners of Kingman county, for
32 the purposes of ~~paragraph (27) of subsection (b) of K.S.A. 12-187(b)(27),~~
33 and amendments thereto, may fix such rate at a percentage which is
34 equal to the sum of the rate otherwise allowed pursuant to this section,
35 plus 0.25%, 0.5%, 0.75%, or 1%;

36 (bb) the board of county commissioners of Edwards county, for
37 the purposes of ~~paragraph (28) of subsection (b) of K.S.A. 12-187(b)(28),~~
38 and amendments thereto, may fix such rate at 1.375%; and

39 (cc) the board of county commissioners of Rooks county, for the
40 purposes of ~~paragraph (29) of subsection (b) of K.S.A. 12-187(b)(29),~~
41 and amendments thereto, may fix such rate at up to 1.5%; and

42 *(dd) the board of county commissioners of Bourbon county, for the*
43 *purposes of K.S.A. 12-187(b)(3)(G) and (b)(31), and amendments thereto,*

1 *may fix such rate at up to 2.0%.*

2 **Any county or city levying a retailers' sales tax is hereby prohibited**
3 **from administering or collecting such tax locally, but shall utilize the**
4 **services of the state department of revenue to administer, enforce and**
5 **collect such tax. Except as otherwise specifically provided in K.S.A.**
6 **12-189a, and amendments thereto, such tax shall be identical in its**
7 **application, and exemptions therefrom, to the Kansas retailers' sales**
8 **tax act and all laws and administrative rules and regulations of the**
9 **state department of revenue relating to the Kansas retailers' sales tax**
10 **shall apply to such local sales tax insofar as such laws and rules and**
11 **regulations may be made applicable. The state director of taxation is**
12 **hereby authorized to administer, enforce and collect such local sales**
13 **taxes and to adopt such rules and regulations as may be necessary for**
14 **the efficient and effective administration and enforcement thereof.**

15 **Upon receipt of a certified copy of an ordinance or resolution**
16 **authorizing the levy of a local retailers' sales tax, the director of**
17 **taxation shall cause such taxes to be collected within or without the**
18 **boundaries of such taxing subdivision at the same time and in the**
19 **same manner provided for the collection of the state retailers' sales**
20 **tax. Such copy shall be submitted to the director of taxation within 30**
21 **days after adoption of any such ordinance or resolution. All moneys**
22 **collected by the director of taxation under the provisions of this**
23 **section shall be credited to a county and city retailers' sales tax fund**
24 **which fund is hereby established in the state treasury, except that all**
25 **moneys collected by the director of taxation pursuant to the authority**
26 **granted in ~~paragraph (22) of subsection (b) of K.S.A. 12-187(b)(22), and~~**
27 **amendments thereto, shall be credited to the Wilson county capital**
28 **improvements fund. Any refund due on any county or city retailers'**
29 **sales tax collected pursuant to this act shall be paid out of the sales tax**
30 **refund fund and reimbursed by the director of taxation from**
31 **collections of local retailers' sales tax revenue. Except for local**
32 **retailers' sales tax revenue required to be deposited in the**
33 **redevelopment bond fund established under K.S.A. 74-8927, and**
34 **amendments thereto, all local retailers' sales tax revenue collected**
35 **within any county or city pursuant to this act shall be apportioned and**
36 **remitted at least quarterly by the state treasurer, on instruction from**
37 **the director of taxation, to the treasurer of such county or city.**

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

42 **The director of taxation shall provide, upon request by a city or**
43 **county clerk or treasurer or finance officer of any city or county**

1 levying a local retailers' sales tax, monthly reports identifying each
2 retailer doing business in such city or county or making taxable sales
3 sourced to such city or county, setting forth the tax liability and the
4 amount of such tax remitted by each retailer during the preceding
5 month and identifying each business location maintained by the
6 retailer and such retailer's sales or use tax registration or account
7 number. Such report shall be made available to the clerk or treasurer
8 or finance officer of such city or county within a reasonable time after
9 it has been requested from the director of taxation. The director of
10 taxation shall be allowed to assess a reasonable fee for the issuance of
11 such report. Information received by any city or county pursuant to
12 this section shall be confidential, and it shall be unlawful for any
13 officer or employee of such city or county to divulge any such
14 information in any manner. Any violation of this paragraph by a city
15 or county officer or employee is a class A misdemeanor, and such
16 officer or employee shall be dismissed from office. Reports of
17 violations of this paragraph shall be investigated by the attorney
18 general. The district attorney or county attorney and the attorney
19 general shall have authority to prosecute violations of this paragraph.

20 Sec. 4. K.S.A. 2014 Supp. 12-192 is hereby amended to read as
21 follows: 12-192. (a) Except as otherwise provided by subsection (b), (d)
22 or (h), all revenue received by the director of taxation from a
23 countywide retailers' sales tax shall be apportioned among the county
24 and each city located in such county in the following manner: (1) One-
25 half of all revenue received by the director of taxation shall be
26 apportioned among the county and each city located in such county in
27 the proportion that the total tangible property tax levies made in such
28 county in the preceding year for all funds of each such governmental
29 unit bear to the total of all such levies made in the preceding year; and
30 (2) one-half of all revenue received by the director of taxation from
31 such countywide retailers' sales tax shall be apportioned among the
32 county and each city located in such county, first to the county that
33 portion of the revenue equal to the proportion that the population of
34 the county residing in the unincorporated area of the county bears to
35 the total population of the county, and second to the cities in the
36 proportion that the population of each city bears to the total
37 population of the county, except that no persons residing within the
38 Fort Riley military reservation shall be included in the determination
39 of the population of any city located within Riley county. All revenue
40 apportioned to a county shall be paid to its county treasurer and shall
41 be credited to the general fund of the county.

42 (b) (1) In lieu of the apportionment formula provided in
43 subsection (a), all revenue received by the director of taxation from a

1 countywide retailers' sales tax imposed within Johnson county at the
2 rate of 0.75%, 1% or 1.25% after July 1, 2007, shall be apportioned
3 among the county and each city located in such county in the following
4 manner: (A) The revenue received from the first 0.5% rate of tax shall
5 be apportioned in the manner prescribed by subsection (a); and (B)
6 the revenue received from the rate of tax exceeding 0.5% shall be
7 apportioned as follows: (i) One-fourth shall be apportioned among the
8 county and each city located in such county in the proportion that the
9 total tangible property tax levies made in such county in the preceding
10 year for all funds of each such governmental unit bear to the total of
11 all such levies made in the preceding year; (ii) one-fourth shall be
12 apportioned among the county and each city located in such county,
13 first to the county that portion of the revenue equal to the proportion
14 that the population of the county residing in the unincorporated area
15 of the county bears to the total population of the county, and second to
16 the cities in the proportion that the population of each city bears to the
17 total population of the county; and (iii) one-half shall be retained by
18 the county for its sole use and benefit.

19 (2) In lieu of the apportionment formula provided in subsection
20 (a), all money received by the director of taxation from a countywide
21 sales tax imposed within Montgomery county pursuant to the election
22 held on November 8, 1994, shall be remitted to and shall be retained
23 by the county and expended only for the purpose for which the
24 revenue received from the tax was pledged. All revenue apportioned
25 and paid from the imposition of such tax to the treasurer of any city
26 prior to the effective date of this act shall be remitted to the county
27 treasurer and expended only for the purpose for which the revenue
28 received from the tax was pledged.

29 (3) In lieu of the apportionment formula provided in subsection
30 (a), on and after the effective date of this act, all moneys received by
31 the director of taxation from a countywide retailers' sales tax imposed
32 within Phillips county pursuant to the election held on September 20,
33 2005, shall be remitted to and shall be retained by the county and
34 expended only for the purpose for which the revenue received from
35 the tax was pledged.

36 (c) (1) Except as otherwise provided by paragraph (2) of this
37 subsection, for purposes of subsections (a) and (b), the term "total
38 tangible property tax levies" means the aggregate dollar amount of
39 tax revenue derived from ad valorem tax levies applicable to all
40 tangible property located within each such city or county. The ad
41 valorem property tax levy of any county or city district entity or
42 subdivision shall be included within this term if the levy of any such
43 district entity or subdivision is applicable to all tangible property

1 located within each such city or county.

2 (2) For the purposes of subsections (a) and (b), any ad valorem
3 property tax levied on property located in a city in Johnson county for
4 the purpose of providing fire protection service in such city shall be
5 included within the term "total tangible property tax levies" for such
6 city regardless of its applicability to all tangible property located
7 within each such city. If the tax is levied by a district which extends
8 across city boundaries, for purposes of this computation, the amount
9 of such levy shall be apportioned among each city in which such
10 district extends in the proportion that such tax levied within each city
11 bears to the total tax levied by the district.

12 (d) (1) All revenue received from a countywide retailers' sales tax
13 imposed pursuant to ~~paragraphs (2), (3)(C), (3)(F), (6), (7), (8), (9), (12),~~
14 ~~(14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27), (28) and (29)~~
15 ~~of subsection (b) of K.S.A. 12-187(b)(2), (3)(C), (3)(F), (3)(G), (6), (7),~~
16 ~~(8), (9), (12), (14), (15), (16), (17), (18), (19), (20), (22), (23), (25), (27),~~
17 ~~(28), (29), (30) and (31), and amendments thereto, shall be remitted to~~
18 ~~and shall be retained by the county and expended only for the purpose~~
19 ~~for which the revenue received from the tax was pledged.~~

20 (2) Except as otherwise provided in ~~paragraph (5) of subsection (b)~~
21 ~~of K.S.A. 12-187(b)(5), and amendments thereto, all revenues received~~
22 ~~from a countywide retailers' sales tax imposed pursuant to paragraph~~
23 ~~(5) of subsection (b) of K.S.A. 12-187(b)(5), and amendments thereto,~~
24 ~~shall be remitted to and shall be retained by the county and expended~~
25 ~~only for the purpose for which the revenue received from the tax was~~
26 ~~pledged.~~

27 (3) All revenue received from a countywide retailers' sales tax
28 imposed pursuant to ~~paragraph (26) of subsection (b) of K.S.A. 12-~~
29 ~~187(b)(26), and amendments thereto, shall be remitted to and shall be~~
30 ~~retained by the county and expended only for the purpose for which~~
31 ~~the revenue received from the tax was pledged unless the question of~~
32 ~~imposing a countywide retailers' sales tax authorized by paragraph (26)~~
33 ~~of subsection (b) of K.S.A. 12-187(b)(26), and amendments thereto,~~
34 ~~includes the apportionment of revenue prescribed in subsection (a).~~

35 (e) All revenue apportioned to the several cities of the county
36 shall be paid to the respective treasurers thereof and deposited in the
37 general fund of the city. Whenever the territory of any city is located
38 in two or more counties and any one or more of such counties do not
39 levy a countywide retailers' sales tax, or whenever such counties do
40 not levy countywide retailers' sales taxes at a uniform rate, the
41 revenue received by such city from the proceeds of the countywide
42 retailers' sales tax, as an alternative to depositing the same in the
43 general fund, may be used for the purpose of reducing the tax levies of

1 such city upon the taxable tangible property located within the county
2 levying such countywide retailers' sales tax.

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

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

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

19 Sec. 5. K.S.A. 2014 Supp. 12-3915 is hereby amended to read as
20 follows: 12-3915. The governing body of any fire district created
21 pursuant to this act shall have the authority to:

22 (a) Levy taxes and special assessments as provided by law. Except
23 as provided by K.S.A. 12-3913, and amendments thereto, the
24 governing body shall fix the amount of the tax, ~~not to exceed 15 mills,~~
25 to be levied upon all taxable tangible property in the consolidated fire
26 district;

27 (b) enter into contracts;

28 (c) acquire and dispose of real and personal property;

29 (d) acquire, construct, reconstruct, equip, operate, maintain and
30 furnish buildings to house fire-fighting equipment;

31 (e) acquire, operate and maintain fire-fighting equipment;

32 (f) issue general obligation bonds and no-fund warrants;

33 (g) pay compensation and salaries to fire district employees;

34 (h) exercise eminent domain;

35 (i) pay the operation and maintenance expenses of the fire district
36 and other expenses legally incurred by the district;

37 (j) select regular employees, provide for their compensation and
38 furnish quarters for such employees if deemed desirable;

39 (k) provide for the organization of volunteer members who may
40 be compensated for fighting fires, responding to emergencies or
41 attending meetings;

42 (l) provide special clothing and equipment for such employees
43 and volunteers;

1 (m) insure such employees and volunteers against accidental
2 death and injury in the performance of their duties;

3 (n) pay for the acquisition, installation or maintenance of one or
4 more fire hydrants, or similar devices for fighting fires, including
5 necessary equipment, services or supplies related thereto.

6 The acquisition, installation and maintenance shall be subject to
7 the mutual agreement of the governing body of the fire district and the
8 governing body of the rural water district which owns, operates or
9 maintains the water line on which the fire hydrant, or other similar
10 device for fighting fires, is to be installed; and

11 (o) do all things necessary or desirable to maintain and operate
12 such department so as to furnish fire protection for the inhabitants of
13 the district and otherwise effectuate the purposes of this act.

14 Sec. 6. K.S.A. 2014 Supp. 74-50,208 is hereby amended to read as
15 follows: 74-50,208. (a) A program contributor shall be allowed a credit
16 against state income tax imposed under the Kansas income tax act in
17 an amount not to exceed 75% of the contribution amount. If the
18 amount of the credit allowed by this section exceeds the taxpayer's
19 income tax liability imposed under the Kansas income tax act, such
20 excess amount shall be refunded to the taxpayer. No credit pursuant to
21 this section shall be allowed for any contribution made by a program
22 contributor which also qualified for a community services tax credit
23 pursuant to the provisions of K.S.A. 79-32,195 et seq., and
24 amendments thereto.

25 (b) The administration of the community-based organization,
26 with the cooperation of the participating financial institutions, shall
27 submit the names of contributors and the total amount each
28 contributor contributes to the individual development account reserve
29 fund for the calendar year. The secretary of revenue shall determine
30 the date by which such information shall be submitted to the
31 department of revenue by the local administrator.

32 (c) The total tax credits authorized pursuant to this section shall
33 not exceed \$500,000 in any fiscal year.

34 (d) The provisions of this section shall be applicable to all taxable
35 years commencing after December 31, ~~2010~~ 2014.

36 ~~(e) For tax year 2013 and all tax years thereafter, the income tax~~
37 ~~credit provided by this section shall only be available to taxpayers subject~~
38 ~~to the income tax on corporations imposed pursuant to subsection (e) of~~
39 ~~K.S.A. 79-32,110, and amendments thereto, and shall be applied only~~
40 ~~against such taxpayer's corporate income tax liability.~~

41 Sec. 7. K.S.A. 2014 Supp. 74-50,223 is hereby amended to read as
42 follows: 74-50,223. (a) Any county that has been designated a rural
43 opportunity zone pursuant to K.S.A. 74-50,222, and amendments

1 thereto, may participate in the program provided in this section by
2 authorizing such participation by the county commission of such
3 county through a duly enacted written resolution. Such county shall
4 provide a certified copy of such resolution to the secretary of
5 commerce on or before January 1, 2012, for calendar year 2012, or on
6 or before January 1 for each calendar year thereafter, in which a
7 county chooses to participate. Such resolution shall obligate the county
8 to participate in the program provided by this section for a period of
9 five years, and shall be irrevocable. Such resolution shall specify the
10 maximum amount of outstanding student loan balance for each
11 resident individual to be repaid as provided in subsection (b), except
12 the maximum amount of such balance shall be \$15,000.

13 (b) If a county submits a resolution as provided in subsection (a),
14 under the program provided in this section, subject to subsection (d),
15 the state of Kansas and such county which chooses to participate as
16 provided in subsection (a), shall agree to pay in equal shares the
17 outstanding student loan balance of any resident individual who
18 qualifies to have such individual's student loans repaid under the
19 provisions of subsection (c) over a five-year period, except that the
20 maximum amount of such balance shall be \$15,000. The amount of
21 such repayment shall be equal to 20% of the outstanding student loan
22 balance of the individual in a year over the five-year repayment
23 period. The state of Kansas is not obligated to pay the student loan
24 balance of any resident individual who qualifies pursuant to
25 subsection (c) prior to the county submitting a resolution to the
26 secretary pursuant to subsection (a). Each such county shall certify to
27 the secretary that such county has made the payment required by this
28 subsection.

29 (c) A resident individual shall be entitled to have such individual's
30 outstanding student loan balance paid for attendance at an institution
31 of higher education where such resident individual earned an
32 associate, bachelor or post-graduate degree under the provisions of
33 this section when such resident individual establishes domicile in a
34 county designated as a rural opportunity zone which participates in
35 the program as provided in subsection (a), on and after the date in
36 which such county commenced such participation, ~~and prior to July 1,~~
37 ~~2016.~~ Such resident individual may enroll in this program in a form
38 and manner prescribed by the secretary. Subject to subsection (d),
39 once enrolled such resident individual shall be entitled to full
40 participation in the program for five years, except that if the resident
41 individual relocates outside the rural opportunity zone for which the
42 resident individual first qualified, such resident individual forfeits
43 such individual's eligibility to participate, and obligations under this

1 ~~section of the state and the county terminate. No resident individual~~
2 ~~shall enroll and be eligible to participate in this program after June 30,~~
3 ~~2016.~~

4 (d) The provisions of this act shall be subject to appropriation
5 acts. Nothing in this act guarantees a resident individual a right to the
6 benefits provided in this section. The county may continue to
7 participate even if the state does not participate.

8 (e) The secretary shall adopt rules and regulations necessary to
9 administer the provisions of this section.

10 (f) On January 1, 2012, and annually thereafter ~~until January 1,~~
11 ~~2017,~~ the secretary of commerce shall report to the senate committee
12 on assessment and taxation and the house of representatives
13 committee on taxation as to how many residents applied for the rural
14 opportunity zone tax credit.

15 Sec. 8. K.S.A. 2014 Supp. 79-32,267 is hereby amended to read as
16 follows: 79-32,267. (a) For taxable years commencing after December
17 31, 2011, ~~and before January 1, 2017,~~ there shall be allowed as a credit
18 against the tax liability of a resident individual taxpayer an amount
19 equal to the resident individual's income tax liability under the
20 provisions of the Kansas income tax act, when the resident individual:

21 (1) Establishes domicile in a rural opportunity zone on or after
22 July 1, 2011, ~~and prior to January 1, 2016,~~ and was domiciled outside
23 this state for five or more years immediately prior to establishing their
24 domicile in a rural opportunity zone in this state;

25 (2) had Kansas source income less than \$10,000 in any one year
26 for five or more years immediately prior to establishing their domicile
27 in a rural opportunity zone in this state; and

28 (3) was domiciled in a rural opportunity zone during the entire
29 taxable year for which such credit is claimed.

30 (b) A resident individual may claim the credit authorized by this
31 section for not more than five consecutive years following
32 establishment of their domicile in a rural opportunity zone.

33 (c) The maximum amount of any refund under this section shall
34 be equal to the amount withheld from the resident individual's wages
35 or payments other than wages pursuant to K.S.A. 79-3294 et seq., and
36 amendments thereto, or paid by the resident individual as estimated
37 taxes pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

38 (d) No credit shall be allowed under this section if:

39 (1) The resident individual's income tax return on which the
40 credit is claimed is not timely filed, including any extension; or

41 (2) the resident individual is delinquent in filing any return with,
42 or paying any tax due to, the state of Kansas or any political
43 subdivision thereof.

1 (e) This section shall be part of and supplemental to the Kansas
2 income tax act.

3 Sec. 9. K.S.A. 2014 Supp. 12-187, 12-189, 12-192, 12-3915, 74-
4 50,208, 74-50,223 and 79-32,267 are hereby repealed.}

5 ~~See—H. {Sec. 10.}~~ This act shall take effect and be in force from and
6 after its publication in the statute book.