

HOUSE BILL No. 2154

By Committee on Taxation

Requested by Katherine Starr on behalf of Turo

1-29

1 AN ACT concerning taxation; relating to rental and leased motor vehicles;
2 imposing property tax on rental and leased vehicles and discontinuing
3 the excise tax on the rental or lease thereof; amending K.S.A. 8-1,189,
4 8-2802, 79-5101 and 79-5117 and K.S.A. 2024 Supp. 79-3606 and
5 repealing the existing sections.
6

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

8 Section 1. K.S.A. 8-1,189 is hereby amended to read as follows: 8-
9 1,189. (a) Any person registering in this state in excess of 250 motor
10 vehicles that are ~~subject to the taxation imposed pursuant to K.S.A. 79-~~
11 ~~5117, and amendments thereto, owned by a car rental company and used~~
12 *as a rental or lease vehicle* shall register such vehicles with the division of
13 vehicles. Such registration shall be submitted electronically with the
14 division.

15 (b) The division of vehicles shall register and issue a license plate for
16 any motor vehicle satisfying the provisions of subsection (a) upon
17 payment of all applicable registration fees provided in K.S.A. 8-143, and
18 amendments thereto. License plates issued under this subsection shall be
19 permanent in nature and designed in such a manner as to remain with the
20 motor vehicle so long as the motor vehicle is ~~subject to the taxation~~
21 ~~imposed pursuant to K.S.A. 79-5117, and amendments thereto~~ *owned by a*
22 *car rental company and used as a rental or lease vehicle*. The license
23 plates shall be designed by the division of vehicles and shall be distinct
24 from all other license plates and there shall be no year or date listed on the
25 license plate. There shall be a marking on the license plate that the license
26 plate is a rental fleet plate.

27 (c) For any vehicle registered pursuant to this section, the division of
28 vehicles shall issue to the person registering such vehicle a registration
29 receipt. The registration receipt shall contain the registration number and
30 any other statements of facts as may be determined by the division. Such
31 registration receipt shall immediately become invalid if the motor vehicle
32 is no longer ~~subject to the taxation imposed pursuant to K.S.A. 79-5117,~~
33 ~~and amendments thereto~~ *owned by a car rental company and used as a*
34 *rental or lease vehicle*.

35 (d) License plates and any unused registration fees issued pursuant to

1 this section may be transferable to any other motor vehicle owned by the
2 same person so long as such vehicle is ~~subject to the taxation imposed~~
3 ~~pursuant to K.S.A. 79-5117, and amendments thereto~~ *owned by a car*
4 *rental company and used as a rental or lease vehicle.*

5 (e) The division may impose an additional fee in an amount not
6 exceeding \$1 for each registration issued pursuant to this section. The
7 division shall remit all fees received by the division under this section to
8 the state treasurer in accordance with the provisions of K.S.A. 75-4215,
9 and amendments thereto. Upon receipt of each such remittance, the state
10 treasurer shall deposit the entire amount in the state treasury and credit
11 such fees in accordance with K.S.A. 8-145, and amendments thereto.

12 Sec. 2. K.S.A. 8-2802 is hereby amended to read as follows: 8-2802.
13 As used in this act:

14 (a) "Act" means the peer-to-peer vehicle sharing program act.

15 (b) "Peer-to-peer vehicle sharing" means the authorized use of a
16 shared vehicle by an individual other than the shared vehicle's owner
17 through a peer-to-peer vehicle sharing program. "Peer-to-peer vehicle
18 sharing" does not include:

19 (1) The rental or lease of a motor vehicle ~~for purposes of K.S.A. 79-~~
20 ~~5117, and amendments thereto~~ *from a car rental company;*

21 (2) the use of a vehicle for demonstrations purposes; or

22 (3) a leased, temporarily loaned or borrowed vehicle owned by a new
23 or used vehicle dealer licensed under the provisions of K.S.A. 8-2401 et
24 seq., and amendments thereto.

25 (c) "Peer-to-peer vehicle sharing program" means a business platform
26 that connects vehicle owners with drivers to enable the sharing of vehicles
27 for financial consideration. "Peer-to-peer vehicle sharing program" does
28 not include:

29 (1) A rental car company;

30 (2) a lessor, as defined in K.S.A. 50-656, and amendments thereto;

31 (3) a service provider who is solely providing hardware or software
32 as a service to a person or entity that is not effectuating payment of
33 financial consideration for use of a shared vehicle;

34 (4) the use of a vehicle for demonstration purposes; or

35 (5) a leased, temporarily loaned or borrowed vehicle owned by a new
36 or used vehicle dealer licensed under the provisions of K.S.A. 8-2401 et
37 seq., and amendments thereto.

38 (d) "Vehicle sharing program agreement" means the terms and
39 conditions applicable to a shared vehicle owner, a shared vehicle driver
40 and a peer-to-peer vehicle sharing program that govern the use of a shared
41 vehicle through a peer-to-peer vehicle sharing program. "Vehicle sharing
42 program agreement" does not include:

43 (1) A rental agreement, as defined in K.S.A. 50-656, and amendments

1 thereto;

2 (2) the use of a vehicle for demonstration purposes; or

3 (3) a leased, temporarily loaned or borrowed vehicle owned by a used
4 or new vehicle dealer licensed under the provisions of K.S.A. 8-2401 et
5 seq., and amendments thereto.

6 (e) "Shared vehicle" means a vehicle that is available for sharing
7 through a peer-to-peer vehicle sharing program. "Shared vehicle" does not
8 include:

9 (1) A rental vehicle, as defined in K.S.A. 50-656, and amendments
10 thereto;

11 (2) a vehicle that is used for demonstration purposes; or

12 (3) a lease, temporarily loaned or borrowed vehicle owned by a new
13 or used vehicle dealer licensed under the provisions of K.S.A. 8-2401 et
14 seq., and amendments thereto.

15 (f) "Shared vehicle driver" means an individual who has been
16 authorized to drive the shared vehicle by the shared vehicle owner under a
17 vehicle sharing program agreement. "Shared vehicle driver" does not
18 include:

19 (1) A lessee, as defined in K.S.A. 50-656, and amendments thereto;

20 (2) the operator of a vehicle that is used for demonstration purposes;
21 or

22 (3) the operator of a leased, temporarily loaned or borrowed vehicle
23 owned by a new or used vehicle dealer licensed under the provisions of
24 K.S.A. 8-2401 et seq., and amendments thereto.

25 (g) (1) "Shared vehicle owner" means the registered owner, or a
26 person or entity designated by the registered owner, of a vehicle made
27 available for sharing to shared vehicle drivers through a peer-to-peer
28 vehicle sharing program.

29 (2) "Shared vehicle owner" does not include:

30 (A) A lessor, as defined in K.S.A. 50-656, and amendments thereto;

31 (B) an owner of a vehicle that is used for demonstration purposes; or

32 (C) a leased, temporarily loaned or borrowed vehicle owned by a new
33 or used vehicle dealer licensed under the provisions of K.S.A. 8-2401 et
34 seq., and amendments thereto.

35 (3) A "shared vehicle owner" is not a rental car company, a leasing
36 company or any similar term, under any statute or rule and regulation.

37 (h) "Vehicle sharing delivery period" means the period of time during
38 which a shared vehicle is being delivered to the location of the vehicle
39 sharing start time, if applicable, as documented by the governing vehicle
40 sharing program agreement.

41 (i) "Vehicle sharing period" means the period of time that commences
42 with the vehicle sharing delivery period or, if there is no vehicle sharing
43 delivery period, that commences with the vehicle sharing start time and, in

1 either case, that ends at the vehicle sharing termination time.

2 (j) "Vehicle sharing start time" means the time when the shared
3 vehicle becomes subject to the control of the shared vehicle driver at or
4 after the time the reservation of a shared vehicle is scheduled to begin as
5 documented in the records of a peer-to-peer vehicle sharing program.

6 (k) "Vehicle sharing termination time" means the earliest of the
7 following events:

8 (1) The expiration of the agreed-upon period of time established for
9 the use of a shared vehicle according to the terms of the vehicle sharing
10 program agreement if the shared vehicle is delivered to the location agreed
11 upon in the vehicle sharing program agreement;

12 (2) when the shared vehicle is returned to a location as alternatively
13 agreed upon by the shared vehicle owner and shared vehicle driver as
14 communicated through a peer-to-peer vehicle sharing program and such
15 alternatively agreed upon location is incorporated into the vehicle sharing
16 program agreement; or

17 (3) when the shared vehicle owner or the shared vehicle owner's
18 authorized designee takes possession and control of the shared vehicle.

19 Sec. 3. K.S.A. 2024 Supp. 79-3606 is hereby amended to read as
20 follows: 79-3606. The following shall be exempt from the tax imposed by
21 this act:

22 (a) All sales of motor-vehicle fuel or other articles upon which a sales
23 or excise tax has been paid, not subject to refund, under the laws of this
24 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-
25 3301, and amendments thereto, including consumable material for such
26 electronic cigarettes, cereal malt beverages and malt products as defined
27 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,
28 malt syrup and malt extract, that is not subject to taxation under the
29 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles
30 ~~taxed pursuant to K.S.A. 79-5117, and amendments thereto~~ *owned by a*
31 *car rental company and used as a rental or lease vehicle*, tires taxed
32 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and
33 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments
34 thereto, and gross receipts from regulated sports contests taxed pursuant to
35 the Kansas professional regulated sports act, and amendments thereto;

36 (b) all sales of tangible personal property or service, including the
37 renting and leasing of tangible personal property, purchased directly by the
38 state of Kansas, a political subdivision thereof, other than a school or
39 educational institution, or purchased by a public or private nonprofit
40 hospital, public hospital authority, nonprofit blood, tissue or organ bank or
41 nonprofit integrated community care organization and used exclusively for
42 state, political subdivision, hospital, public hospital authority, nonprofit
43 blood, tissue or organ bank or nonprofit integrated community care

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

9 (c) all sales of tangible personal property or services, including the
10 renting and leasing of tangible personal property, purchased directly by a
11 public or private elementary or secondary school or public or private
12 nonprofit educational institution and used primarily by such school or
13 institution for nonsectarian programs and activities provided or sponsored
14 by such school or institution or in the erection, repair or enlargement of
15 buildings to be used for such purposes. The exemption herein provided
16 shall not apply to erection, construction, repair, enlargement or equipment
17 of buildings used primarily for human habitation, except that such
18 exemption shall apply to the erection, construction, repair, enlargement or
19 equipment of buildings used for human habitation by the cerebral palsy
20 research foundation of Kansas located in Wichita, Kansas, multi
21 community diversified services, incorporated, located in McPherson,
22 Kansas, the Kansas state school for the blind and the Kansas state school
23 for the deaf;

24 (d) all sales of tangible personal property or services purchased by a
25 contractor for the purpose of constructing, equipping, reconstructing,
26 maintaining, repairing, enlarging, furnishing or remodeling facilities for
27 any public or private nonprofit hospital or public hospital authority, public
28 or private elementary or secondary school, a public or private nonprofit
29 educational institution, state correctional institution including a privately
30 constructed correctional institution contracted for state use and ownership,
31 that would be exempt from taxation under the provisions of this act if
32 purchased directly by such hospital or public hospital authority, school,
33 educational institution or a state correctional institution; and all sales of
34 tangible personal property or services purchased by a contractor for the
35 purpose of constructing, equipping, reconstructing, maintaining, repairing,
36 enlarging, furnishing or remodeling facilities for any political subdivision
37 of the state or district described in subsection (s), the total cost of which is
38 paid from funds of such political subdivision or district and that would be
39 exempt from taxation under the provisions of this act if purchased directly
40 by such political subdivision or district. Nothing in this subsection or in
41 the provisions of K.S.A. 12-3418, and amendments thereto, shall be
42 deemed to exempt the purchase of any construction machinery, equipment
43 or tools used in the constructing, equipping, reconstructing, maintaining,

1 repairing, enlarging, furnishing or remodeling facilities for any political
2 subdivision of the state or any such district. As used in this subsection,
3 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
4 political subdivision" shall mean general tax revenues, the proceeds of any
5 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
6 purpose of constructing, equipping, reconstructing, repairing, enlarging,
7 furnishing or remodeling facilities that are to be leased to the donor. When
8 any political subdivision of the state, district described in subsection (s),
9 public or private nonprofit hospital or public hospital authority, public or
10 private elementary or secondary school, public or private nonprofit
11 educational institution, state correctional institution including a privately
12 constructed correctional institution contracted for state use and ownership
13 shall contract for the purpose of constructing, equipping, reconstructing,
14 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
15 shall obtain from the state and furnish to the contractor an exemption
16 certificate for the project involved, and the contractor may purchase
17 materials for incorporation in such project. The contractor shall furnish the
18 number of such certificate to all suppliers from whom such purchases are
19 made, and such suppliers shall execute invoices covering the same bearing
20 the number of such certificate. Upon completion of the project the
21 contractor shall furnish to the political subdivision, district described in
22 subsection (s), hospital or public hospital authority, school, educational
23 institution or department of corrections concerned a sworn statement, on a
24 form to be provided by the director of taxation, that all purchases so made
25 were entitled to exemption under this subsection. As an alternative to the
26 foregoing procedure, any such contracting entity may apply to the
27 secretary of revenue for agent status for the sole purpose of issuing and
28 furnishing project exemption certificates to contractors pursuant to rules
29 and regulations adopted by the secretary establishing conditions and
30 standards for the granting and maintaining of such status. All invoices
31 shall be held by the contractor for a period of five years and shall be
32 subject to audit by the director of taxation. If any materials purchased
33 under such a certificate are found not to have been incorporated in the
34 building or other project or not to have been returned for credit or the sales
35 or compensating tax otherwise imposed upon such materials that will not
36 be so incorporated in the building or other project reported and paid by
37 such contractor to the director of taxation not later than the 20th day of the
38 month following the close of the month in which it shall be determined
39 that such materials will not be used for the purpose for which such
40 certificate was issued, the political subdivision, district described in
41 subsection (s), hospital or public hospital authority, school, educational
42 institution or the contractor contracting with the department of corrections
43 for a correctional institution concerned shall be liable for tax on all

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

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

41 (f) tangible personal property purchased by a railroad or public utility
42 for consumption or movement directly and immediately in interstate
43 commerce;

1 (g) sales of aircraft including remanufactured and modified aircraft
2 sold to persons using directly or through an authorized agent such aircraft
3 as certified or licensed carriers of persons or property in interstate or
4 foreign commerce under authority of the laws of the United States or any
5 foreign government or sold to any foreign government or agency or
6 instrumentality of such foreign government and all sales of aircraft for use
7 outside of the United States and sales of aircraft repair, modification and
8 replacement parts and sales of services employed in the remanufacture,
9 modification and repair of aircraft;

10 (h) all rentals of nonsectarian textbooks by public or private
11 elementary or secondary schools;

12 (i) the lease or rental of all films, records, tapes, or any type of sound
13 or picture transcriptions used by motion picture exhibitors;

14 (j) meals served without charge or food used in the preparation of
15 such meals to employees of any restaurant, eating house, dining car, hotel,
16 drugstore or other place where meals or drinks are regularly sold to the
17 public if such employees' duties are related to the furnishing or sale of
18 such meals or drinks;

19 (k) any motor vehicle, semitrailer or pole trailer, as such terms are
20 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and
21 delivered in this state to a bona fide resident of another state, which motor
22 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based
23 in this state and which vehicle, semitrailer, pole trailer or aircraft will not
24 remain in this state more than 10 days;

25 (l) all isolated or occasional sales of tangible personal property,
26 services, substances or things, except isolated or occasional sale of motor
27 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and
28 amendments thereto;

29 (m) all sales of tangible personal property that become an ingredient
30 or component part of tangible personal property or services produced,
31 manufactured or compounded for ultimate sale at retail within or without
32 the state of Kansas; and any such producer, manufacturer or compounder
33 may obtain from the director of taxation and furnish to the supplier an
34 exemption certificate number for tangible personal property for use as an
35 ingredient or component part of the property or services produced,
36 manufactured or compounded;

37 (n) all sales of tangible personal property that is consumed in the
38 production, manufacture, processing, mining, drilling, refining or
39 compounding of tangible personal property, the treating of by-products or
40 wastes derived from any such production process, the providing of
41 services or the irrigation of crops for ultimate sale at retail within or
42 without the state of Kansas; and any purchaser of such property may
43 obtain from the director of taxation and furnish to the supplier an

1 exemption certificate number for tangible personal property for
2 consumption in such production, manufacture, processing, mining,
3 drilling, refining, compounding, treating, irrigation and in providing such
4 services;

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

11 (p) all sales of drugs dispensed pursuant to a prescription order by a
12 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
13 1626, and amendments thereto. As used in this subsection, "drug" means a
14 compound, substance or preparation and any component of a compound,
15 substance or preparation, other than food and food ingredients, dietary
16 supplements or alcoholic beverages, recognized in the official United
17 States pharmacopeia, official homeopathic pharmacopoeia of the United
18 States or official national formulary, and supplement to any of them,
19 intended for use in the diagnosis, cure, mitigation, treatment or prevention
20 of disease or intended to affect the structure or any function of the body,
21 except that for taxable years commencing after December 31, 2013, this
22 subsection shall not apply to any sales of drugs used in the performance or
23 induction of an abortion, as defined in K.S.A. 65-6701, and amendments
24 thereto;

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

28 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,
29 enteral feeding systems, prosthetic devices and mobility enhancing
30 equipment prescribed in writing by a person licensed to practice the
31 healing arts, dentistry or optometry, and in addition to such sales, all sales
32 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,
33 and repair and replacement parts therefor, including batteries, by a person
34 licensed in the practice of dispensing and fitting hearing aids pursuant to
35 the provisions of K.S.A. 74-5808, and amendments thereto. For the
36 purposes of this subsection: (1) "Mobility enhancing equipment" means
37 equipment including repair and replacement parts to same, but does not
38 include durable medical equipment, which is primarily and customarily
39 used to provide or increase the ability to move from one place to another
40 and which is appropriate for use either in a home or a motor vehicle; is not
41 generally used by persons with normal mobility; and does not include any
42 motor vehicle or equipment on a motor vehicle normally provided by a
43 motor vehicle manufacturer; and (2) "prosthetic device" means a

1 replacement, corrective or supportive device including repair and
2 replacement parts for same worn on or in the body to artificially replace a
3 missing portion of the body, prevent or correct physical deformity or
4 malfunction or support a weak or deformed portion of the body;

5 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,
6 all sales of tangible personal property or services purchased directly or
7 indirectly by a groundwater management district organized or operating
8 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,
9 by a rural water district organized or operating under the authority of
10 K.S.A. 82a-612, and amendments thereto, or by a water supply district
11 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-
12 3522 et seq. or 19-3545, and amendments thereto, which property or
13 services are used in the construction activities, operation or maintenance of
14 the district;

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

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

1 (v) all sales of tangible personal property to any contractor for use in
2 preparing meals for delivery to homebound elderly persons over 60 years
3 of age and to homebound disabled persons or to be served at a group-
4 sitting at a location outside of the home to otherwise homebound elderly
5 persons over 60 years of age and to otherwise homebound disabled
6 persons, as all or part of any food service project funded in whole or in
7 part by government or as part of a private nonprofit food service project
8 available to all such elderly or disabled persons residing within an area of
9 service designated by the private nonprofit organization, and all sales of
10 tangible personal property for use in preparing meals for consumption by
11 indigent or homeless individuals whether or not such meals are consumed
12 at a place designated for such purpose, and all sales of food products by or
13 on behalf of any such contractor or organization for any such purpose;

14 (w) all sales of natural gas, electricity, heat and water delivered
15 through mains, lines or pipes: (1) To residential premises for
16 noncommercial use by the occupant of such premises; (2) for agricultural
17 use and also, for such use, all sales of propane gas; (3) for use in the
18 severing of oil; and (4) to any property which is exempt from property
19 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this
20 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),
21 and amendments thereto. For all sales of natural gas, electricity and heat
22 delivered through mains, lines or pipes pursuant to the provisions of
23 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire
24 on December 31, 2005;

25 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources
26 for the production of heat or lighting for noncommercial use of an
27 occupant of residential premises occurring prior to January 1, 2006;

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

32 (z) all sales of tangible personal property and services purchased
33 directly by a port authority or by a contractor therefor as provided by the
34 provisions of K.S.A. 12-3418, and amendments thereto;

35 (aa) all sales of materials and services applied to equipment that is
36 transported into the state from without the state for repair, service,
37 alteration, maintenance, remanufacture or modification and that is
38 subsequently transported outside the state for use in the transmission of
39 liquids or natural gas by means of pipeline in interstate or foreign
40 commerce under authority of the laws of the United States;

41 (bb) all sales of used mobile homes or manufactured homes. As used
42 in this subsection: (1) "Mobile homes" and "manufactured homes" mean
43 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)

1 "sales of used mobile homes or manufactured homes" means sales other
2 than the original retail sale thereof;

3 (cc) all sales of tangible personal property or services purchased prior
4 to January 1, 2012, except as otherwise provided, for the purpose of and in
5 conjunction with constructing, reconstructing, enlarging or remodeling a
6 business or retail business that meets the requirements established in
7 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
8 machinery and equipment purchased for installation at any such business
9 or retail business, and all sales of tangible personal property or services
10 purchased on or after January 1, 2012, for the purpose of and in
11 conjunction with constructing, reconstructing, enlarging or remodeling a
12 business that meets the requirements established in K.S.A. 74-50,115(e),
13 and amendments thereto, and the sale and installation of machinery and
14 equipment purchased for installation at any such business. When a person
15 shall contract for the construction, reconstruction, enlargement or
16 remodeling of any such business or retail business, such person shall
17 obtain from the state and furnish to the contractor an exemption certificate
18 for the project involved, and the contractor may purchase materials,
19 machinery and equipment for incorporation in such project. The contractor
20 shall furnish the number of such certificates to all suppliers from whom
21 such purchases are made, and such suppliers shall execute invoices
22 covering the same bearing the number of such certificate. Upon
23 completion of the project the contractor shall furnish to the owner of the
24 business or retail business a sworn statement, on a form to be provided by
25 the director of taxation, that all purchases so made were entitled to
26 exemption under this subsection. All invoices shall be held by the
27 contractor for a period of five years and shall be subject to audit by the
28 director of taxation. Any contractor or any agent, employee or
29 subcontractor thereof, who shall use or otherwise dispose of any materials,
30 machinery or equipment purchased under such a certificate for any
31 purpose other than that for which such a certificate is issued without the
32 payment of the sales or compensating tax otherwise imposed thereon, shall
33 be guilty of a misdemeanor and, upon conviction therefor, shall be subject
34 to the penalties provided for in K.S.A. 79-3615(h), and amendments
35 thereto. As used in this subsection, "business" and "retail business" mean
36 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project
37 exemption certificates that have been previously issued under this
38 subsection by the department of revenue pursuant to K.S.A. 74-50,115,
39 and amendments thereto, but not including K.S.A. 74-50,115(e), and
40 amendments thereto, prior to January 1, 2012, and have not expired will be
41 effective for the term of the project or two years from the effective date of
42 the certificate, whichever occurs earlier. Project exemption certificates that
43 are submitted to the department of revenue prior to January 1, 2012, and

1 are found to qualify will be issued a project exemption certificate that will
2 be effective for a two-year period or for the term of the project, whichever
3 occurs earlier;

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

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

8 (ff) on and after July 1, 1988, all sales of new mobile homes or
9 manufactured homes to the extent of 40% of the gross receipts, determined
10 without regard to any trade-in allowance, received from such sale. As used
11 in this subsection, "mobile homes" and "manufactured homes" mean the
12 same as defined in K.S.A. 58-4202, and amendments thereto;

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

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

29 (ii) all sales of tangible personal property purchased directly by a
30 nonprofit organization for nonsectarian comprehensive multidiscipline
31 youth development programs and activities provided or sponsored by such
32 organization, and all sales of tangible personal property by or on behalf of
33 any such organization. This exemption shall not apply to tangible personal
34 property customarily used for human habitation purposes;

35 (jj) all sales of tangible personal property or services, including the
36 renting and leasing of tangible personal property, purchased directly on
37 behalf of a community-based facility for people with intellectual disability
38 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and
39 amendments thereto, and licensed in accordance with the provisions of
40 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible
41 personal property or services purchased by contractors during the time
42 period from July, 2003, through June, 2006, for the purpose of
43 constructing, equipping, maintaining or furnishing a new facility for a

1 community-based facility for people with intellectual disability or mental
2 health center located in Riverton, Cherokee County, Kansas, that would
3 have been eligible for sales tax exemption pursuant to this subsection if
4 purchased directly by such facility or center. This exemption shall not
5 apply to tangible personal property customarily used for human habitation
6 purposes;

7 (kk) (1) (A) all sales of machinery and equipment that are used in this
8 state as an integral or essential part of an integrated production operation
9 by a manufacturing or processing plant or facility;

10 (B) all sales of installation, repair and maintenance services
11 performed on such machinery and equipment; and

12 (C) all sales of repair and replacement parts and accessories
13 purchased for such machinery and equipment.

14 (2) For purposes of this subsection:

15 (A) "Integrated production operation" means an integrated series of
16 operations engaged in at a manufacturing or processing plant or facility to
17 process, transform or convert tangible personal property by physical,
18 chemical or other means into a different form, composition or character
19 from that in which it originally existed. Integrated production operations
20 shall include: (i) Production line operations, including packaging
21 operations; (ii) preproduction operations to handle, store and treat raw
22 materials; (iii) post production handling, storage, warehousing and
23 distribution operations; and (iv) waste, pollution and environmental
24 control operations, if any;

25 (B) "production line" means the assemblage of machinery and
26 equipment at a manufacturing or processing plant or facility where the
27 actual transformation or processing of tangible personal property occurs;

28 (C) "manufacturing or processing plant or facility" means a single,
29 fixed location owned or controlled by a manufacturing or processing
30 business that consists of one or more structures or buildings in a
31 contiguous area where integrated production operations are conducted to
32 manufacture or process tangible personal property to be ultimately sold at
33 retail. Such term shall not include any facility primarily operated for the
34 purpose of conveying or assisting in the conveyance of natural gas,
35 electricity, oil or water. A business may operate one or more manufacturing
36 or processing plants or facilities at different locations to manufacture or
37 process a single product of tangible personal property to be ultimately sold
38 at retail;

39 (D) "manufacturing or processing business" means a business that
40 utilizes an integrated production operation to manufacture, process,
41 fabricate, finish or assemble items for wholesale and retail distribution as
42 part of what is commonly regarded by the general public as an industrial
43 manufacturing or processing operation or an agricultural commodity

1 processing operation. (i) Industrial manufacturing or processing operations
2 include, by way of illustration but not of limitation, the fabrication of
3 automobiles, airplanes, machinery or transportation equipment, the
4 fabrication of metal, plastic, wood or paper products, electricity power
5 generation, water treatment, petroleum refining, chemical production,
6 wholesale bottling, newspaper printing, ready mixed concrete production,
7 and the remanufacturing of used parts for wholesale or retail sale. Such
8 processing operations shall include operations at an oil well, gas well,
9 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
10 sand or gravel that has been extracted from the earth is cleaned, separated,
11 crushed, ground, milled, screened, washed or otherwise treated or prepared
12 before its transmission to a refinery or before any other wholesale or retail
13 distribution. (ii) Agricultural commodity processing operations include, by
14 way of illustration but not of limitation, meat packing, poultry slaughtering
15 and dressing, processing and packaging farm and dairy products in sealed
16 containers for wholesale and retail distribution, feed grinding, grain
17 milling, frozen food processing, and grain handling, cleaning, blending,
18 fumigation, drying and aeration operations engaged in by grain elevators
19 or other grain storage facilities. (iii) Manufacturing or processing
20 businesses do not include, by way of illustration but not of limitation,
21 nonindustrial businesses whose operations are primarily retail and that
22 produce or process tangible personal property as an incidental part of
23 conducting the retail business, such as retailers who bake, cook or prepare
24 food products in the regular course of their retail trade, grocery stores,
25 meat lockers and meat markets that butcher or dress livestock or poultry in
26 the regular course of their retail trade, contractors who alter, service, repair
27 or improve real property, and retail businesses that clean, service or
28 refurbish and repair tangible personal property for its owner;

29 (E) "repair and replacement parts and accessories" means all parts
30 and accessories for exempt machinery and equipment, including, but not
31 limited to, dies, jigs, molds, patterns and safety devices that are attached to
32 exempt machinery or that are otherwise used in production, and parts and
33 accessories that require periodic replacement such as belts, drill bits,
34 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
35 other refractory items for exempt kiln equipment used in production
36 operations;

37 (F) "primary" or "primarily" mean more than 50% of the time.

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

41 (A) Receive, transport, convey, handle, treat or store raw materials in
42 preparation of its placement on the production line;

43 (B) transport, convey, handle or store the property undergoing

1 manufacturing or processing at any point from the beginning of the
2 production line through any warehousing or distribution operation of the
3 final product that occurs at the plant or facility;

4 (C) act upon, effect, promote or otherwise facilitate a physical change
5 to the property undergoing manufacturing or processing;

6 (D) guide, control or direct the movement of property undergoing
7 manufacturing or processing;

8 (E) test or measure raw materials, the property undergoing
9 manufacturing or processing or the finished product, as a necessary part of
10 the manufacturer's integrated production operations;

11 (F) plan, manage, control or record the receipt and flow of inventories
12 of raw materials, consumables and component parts, the flow of the
13 property undergoing manufacturing or processing and the management of
14 inventories of the finished product;

15 (G) produce energy for, lubricate, control the operating of or
16 otherwise enable the functioning of other production machinery and
17 equipment and the continuation of production operations;

18 (H) package the property being manufactured or processed in a
19 container or wrapping in which such property is normally sold or
20 transported;

21 (I) transmit or transport electricity, coke, gas, water, steam or similar
22 substances used in production operations from the point of generation, if
23 produced by the manufacturer or processor at the plant site, to that
24 manufacturer's production operation; or, if purchased or delivered from
25 off-site, from the point where the substance enters the site of the plant or
26 facility to that manufacturer's production operations;

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

29 (K) provide and control an environment required to maintain certain
30 levels of air quality, humidity or temperature in special and limited areas
31 of the plant or facility, where such regulation of temperature or humidity is
32 part of and essential to the production process;

33 (L) treat, transport or store waste or other byproducts of production
34 operations at the plant or facility; or

35 (M) control pollution at the plant or facility where the pollution is
36 produced by the manufacturing or processing operation.

37 (4) The following machinery, equipment and materials shall be
38 deemed to be exempt even though it may not otherwise qualify as
39 machinery and equipment used as an integral or essential part of an
40 integrated production operation: (A) Computers and related peripheral
41 equipment that are utilized by a manufacturing or processing business for
42 engineering of the finished product or for research and development or
43 product design; (B) machinery and equipment that is utilized by a

1 manufacturing or processing business to manufacture or rebuild tangible
2 personal property that is used in manufacturing or processing operations,
3 including tools, dies, molds, forms and other parts of qualifying machinery
4 and equipment; (C) portable plants for aggregate concrete, bulk cement
5 and asphalt including cement mixing drums to be attached to a motor
6 vehicle; (D) industrial fixtures, devices, support facilities and special
7 foundations necessary for manufacturing and production operations, and
8 materials and other tangible personal property sold for the purpose of
9 fabricating such fixtures, devices, facilities and foundations. An exemption
10 certificate for such purchases shall be signed by the manufacturer or
11 processor. If the fabricator purchases such material, the fabricator shall
12 also sign the exemption certificate; (E) a manufacturing or processing
13 business' laboratory equipment that is not located at the plant or facility,
14 but that would otherwise qualify for exemption under subsection (3)(E);
15 (F) all machinery and equipment used in surface mining activities as
16 described in K.S.A. 49-601 et seq., and amendments thereto, beginning
17 from the time a reclamation plan is filed to the acceptance of the
18 completed final site reclamation.

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

21 (A) Machinery and equipment used for nonproduction purposes,
22 including, but not limited to, machinery and equipment used for plant
23 security, fire prevention, first aid, accounting, administration, record
24 keeping, advertising, marketing, sales or other related activities, plant
25 cleaning, plant communications and employee work scheduling;

26 (B) machinery, equipment and tools used primarily in maintaining
27 and repairing any type of machinery and equipment or the building and
28 plant;

29 (C) transportation, transmission and distribution equipment not
30 primarily used in a production, warehousing or material handling
31 operation at the plant or facility, including the means of conveyance of
32 natural gas, electricity, oil or water, and equipment related thereto, located
33 outside the plant or facility;

34 (D) office machines and equipment including computers and related
35 peripheral equipment not used directly and primarily to control or measure
36 the manufacturing process;

37 (E) furniture and other furnishings;

38 (F) buildings, other than exempt machinery and equipment that is
39 permanently affixed to or becomes a physical part of the building, and any
40 other part of real estate that is not otherwise exempt;

41 (G) building fixtures that are not integral to the manufacturing
42 operation, such as utility systems for heating, ventilation, air conditioning,
43 communications, plumbing or electrical;

1 (H) machinery and equipment used for general plant heating, cooling
2 and lighting;

3 (I) motor vehicles that are registered for operation on public
4 highways; or

5 (J) employee apparel, except safety and protective apparel that is
6 purchased by an employer and furnished gratuitously to employees who
7 are involved in production or research activities.

8 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings
9 of the machinery and equipment that qualify or do not qualify as an
10 integral or essential part of an integrated production operation. When
11 machinery or equipment is used as an integral or essential part of
12 production operations part of the time and for nonproduction purposes at
13 other times, the primary use of the machinery or equipment shall
14 determine whether or not such machinery or equipment qualifies for
15 exemption.

16 (7) The secretary of revenue shall adopt rules and regulations
17 necessary to administer the provisions of this subsection;

18 (ll) all sales of educational materials purchased for distribution to the
19 public at no charge by a nonprofit corporation organized for the purpose of
20 encouraging, fostering and conducting programs for the improvement of
21 public health, except that for taxable years commencing after December
22 31, 2013, this subsection shall not apply to any sales of such materials
23 purchased by a nonprofit corporation which performs any abortion, as
24 defined in K.S.A. 65-6701, and amendments thereto;

25 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,
26 herbicides, germicides, pesticides and fungicides; and services, purchased
27 and used for the purpose of producing plants in order to prevent soil
28 erosion on land devoted to agricultural use;

29 (nn) except as otherwise provided in this act, all sales of services
30 rendered by an advertising agency or licensed broadcast station or any
31 member, agent or employee thereof;

32 (oo) all sales of tangible personal property purchased by a community
33 action group or agency for the exclusive purpose of repairing or
34 weatherizing housing occupied by low-income individuals;

35 (pp) all sales of drill bits and explosives actually utilized in the
36 exploration and production of oil or gas;

37 (qq) all sales of tangible personal property and services purchased by
38 a nonprofit museum or historical society or any combination thereof,
39 including a nonprofit organization that is organized for the purpose of
40 stimulating public interest in the exploration of space by providing
41 educational information, exhibits and experiences, that is exempt from
42 federal income taxation pursuant to section 501(c)(3) of the federal
43 internal revenue code of 1986;

1 (rr) all sales of tangible personal property that will admit the
2 purchaser thereof to any annual event sponsored by a nonprofit
3 organization that is exempt from federal income taxation pursuant to
4 section 501(c)(3) of the federal internal revenue code of 1986, except that
5 for taxable years commencing after December 31, 2013, this subsection
6 shall not apply to any sales of such tangible personal property purchased
7 by a nonprofit organization which performs any abortion, as defined in
8 K.S.A. 65-6701, and amendments thereto;

9 (ss) all sales of tangible personal property and services purchased by
10 a public broadcasting station licensed by the federal communications
11 commission as a noncommercial educational television or radio station;

12 (tt) all sales of tangible personal property and services purchased by
13 or on behalf of a not-for-profit corporation that is exempt from federal
14 income taxation pursuant to section 501(c)(3) of the federal internal
15 revenue code of 1986, for the sole purpose of constructing a Kansas
16 Korean War memorial;

17 (uu) all sales of tangible personal property and services purchased by
18 or on behalf of any rural volunteer fire-fighting organization for use
19 exclusively in the performance of its duties and functions;

20 (vv) all sales of tangible personal property purchased by any of the
21 following organizations that are exempt from federal income taxation
22 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
23 for the following purposes, and all sales of any such property by or on
24 behalf of any such organization for any such purpose:

25 (1) The American heart association, Kansas affiliate, inc. for the
26 purposes of providing education, training, certification in emergency
27 cardiac care, research and other related services to reduce disability and
28 death from cardiovascular diseases and stroke;

29 (2) the Kansas alliance for the mentally ill, inc. for the purpose of
30 advocacy for persons with mental illness and to education, research and
31 support for their families;

32 (3) the Kansas mental illness awareness council for the purposes of
33 advocacy for persons who are mentally ill and for education, research and
34 support for them and their families;

35 (4) the American diabetes association Kansas affiliate, inc. for the
36 purpose of eliminating diabetes through medical research, public education
37 focusing on disease prevention and education, patient education including
38 information on coping with diabetes, and professional education and
39 training;

40 (5) the American lung association of Kansas, inc. for the purpose of
41 eliminating all lung diseases through medical research, public education
42 including information on coping with lung diseases, professional education
43 and training related to lung disease and other related services to reduce the

1 incidence of disability and death due to lung disease;

2 (6) the Kansas chapters of the Alzheimer's disease and related
3 disorders association, inc. for the purpose of providing assistance and
4 support to persons in Kansas with Alzheimer's disease, and their families
5 and caregivers;

6 (7) the Kansas chapters of the Parkinson's disease association for the
7 purpose of eliminating Parkinson's disease through medical research and
8 public and professional education related to such disease;

9 (8) the national kidney foundation of Kansas and western Missouri
10 for the purpose of eliminating kidney disease through medical research
11 and public and private education related to such disease;

12 (9) the heartstrings community foundation for the purpose of
13 providing training, employment and activities for adults with
14 developmental disabilities;

15 (10) the cystic fibrosis foundation, heart of America chapter, for the
16 purposes of assuring the development of the means to cure and control
17 cystic fibrosis and improving the quality of life for those with the disease;

18 (11) the spina bifida association of Kansas for the purpose of
19 providing financial, educational and practical aid to families and
20 individuals with spina bifida. Such aid includes, but is not limited to,
21 funding for medical devices, counseling and medical educational
22 opportunities;

23 (12) the CHWC, Inc., for the purpose of rebuilding urban core
24 neighborhoods through the construction of new homes, acquiring and
25 renovating existing homes and other related activities, and promoting
26 economic development in such neighborhoods;

27 (13) the cross-lines cooperative council for the purpose of providing
28 social services to low income individuals and families;

29 (14) the dreams work, inc., for the purpose of providing young adult
30 day services to individuals with developmental disabilities and assisting
31 families in avoiding institutional or nursing home care for a
32 developmentally disabled member of their family;

33 (15) the KSDS, Inc., for the purpose of promoting the independence
34 and inclusion of people with disabilities as fully participating and
35 contributing members of their communities and society through the
36 training and providing of guide and service dogs to people with
37 disabilities, and providing disability education and awareness to the
38 general public;

39 (16) the lyme association of greater Kansas City, Inc., for the purpose
40 of providing support to persons with lyme disease and public education
41 relating to the prevention, treatment and cure of lyme disease;

42 (17) the dream factory, inc., for the purpose of granting the dreams of
43 children with critical and chronic illnesses;

1 (18) the Ottawa Suzuki strings, inc., for the purpose of providing
2 students and families with education and resources necessary to enable
3 each child to develop fine character and musical ability to the fullest
4 potential;

5 (19) the international association of lions clubs for the purpose of
6 creating and fostering a spirit of understanding among all people for
7 humanitarian needs by providing voluntary services through community
8 involvement and international cooperation;

9 (20) the Johnson county young matrons, inc., for the purpose of
10 promoting a positive future for members of the community through
11 volunteerism, financial support and education through the efforts of an all
12 volunteer organization;

13 (21) the American cancer society, inc., for the purpose of eliminating
14 cancer as a major health problem by preventing cancer, saving lives and
15 diminishing suffering from cancer, through research, education, advocacy
16 and service;

17 (22) the community services of Shawnee, inc., for the purpose of
18 providing food and clothing to those in need;

19 (23) the angel babies association, for the purpose of providing
20 assistance, support and items of necessity to teenage mothers and their
21 babies; and

22 (24) the Kansas fairgrounds foundation for the purpose of the
23 preservation, renovation and beautification of the Kansas state fairgrounds;

24 (ww) all sales of tangible personal property purchased by the habitat
25 for humanity for the exclusive use of being incorporated within a housing
26 project constructed by such organization;

27 (xx) all sales of tangible personal property and services purchased by
28 a nonprofit zoo that is exempt from federal income taxation pursuant to
29 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
30 of such zoo by an entity itself exempt from federal income taxation
31 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
32 contracted with to operate such zoo and all sales of tangible personal
33 property or services purchased by a contractor for the purpose of
34 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
35 furnishing or remodeling facilities for any nonprofit zoo that would be
36 exempt from taxation under the provisions of this section if purchased
37 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
38 this subsection shall be deemed to exempt the purchase of any construction
39 machinery, equipment or tools used in the constructing, equipping,
40 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
41 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for
42 the purpose of constructing, equipping, reconstructing, maintaining,
43 repairing, enlarging, furnishing or remodeling facilities, it shall obtain

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

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

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

41 (aaa) all sales of tangible personal property and services purchased by
42 a religious organization that is exempt from federal income taxation
43 pursuant to section 501(c)(3) of the federal internal revenue code, and used

1 exclusively for religious purposes, and all sales of tangible personal
2 property or services purchased by a contractor for the purpose of
3 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
4 furnishing or remodeling facilities for any such organization that would be
5 exempt from taxation under the provisions of this section if purchased
6 directly by such organization. Nothing in this subsection shall be deemed
7 to exempt the purchase of any construction machinery, equipment or tools
8 used in the constructing, equipping, reconstructing, maintaining, repairing,
9 enlarging, furnishing or remodeling facilities for any such organization.
10 When any such organization shall contract for the purpose of constructing,
11 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
12 remodeling facilities, it shall obtain from the state and furnish to the
13 contractor an exemption certificate for the project involved, and the
14 contractor may purchase materials for incorporation in such project. The
15 contractor shall furnish the number of such certificate to all suppliers from
16 whom such purchases are made, and such suppliers shall execute invoices
17 covering the same bearing the number of such certificate. Upon
18 completion of the project the contractor shall furnish to such organization
19 concerned a sworn statement, on a form to be provided by the director of
20 taxation, that all purchases so made were entitled to exemption under this
21 subsection. All invoices shall be held by the contractor for a period of five
22 years and shall be subject to audit by the director of taxation. If any
23 materials purchased under such a certificate are found not to have been
24 incorporated in the building or other project or not to have been returned
25 for credit or the sales or compensating tax otherwise imposed upon such
26 materials that will not be so incorporated in the building or other project
27 reported and paid by such contractor to the director of taxation not later
28 than the 20th day of the month following the close of the month in which it
29 shall be determined that such materials will not be used for the purpose for
30 which such certificate was issued, such organization concerned shall be
31 liable for tax on all materials purchased for the project, and upon payment
32 thereof it may recover the same from the contractor together with
33 reasonable attorney fees. Any contractor or any agent, employee or
34 subcontractor thereof, who shall use or otherwise dispose of any materials
35 purchased under such a certificate for any purpose other than that for
36 which such a certificate is issued without the payment of the sales or
37 compensating tax otherwise imposed upon such materials, shall be guilty
38 of a misdemeanor and, upon conviction therefor, shall be subject to the
39 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
40 Sales tax paid on and after July 1, 1998, but prior to the effective date of
41 this act upon the gross receipts received from any sale exempted by the
42 amendatory provisions of this subsection shall be refunded. Each claim for
43 a sales tax refund shall be verified and submitted to the director of taxation

1 upon forms furnished by the director and shall be accompanied by any
2 additional documentation required by the director. The director shall
3 review each claim and shall refund that amount of sales tax paid as
4 determined under the provisions of this subsection. All refunds shall be
5 paid from the sales tax refund fund upon warrants of the director of
6 accounts and reports pursuant to vouchers approved by the director or the
7 director's designee;

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

13 (ccc) on and after July 1, 1999, all sales of tangible personal property
14 and services purchased by a primary care clinic or health center the
15 primary purpose of which is to provide services to medically underserved
16 individuals and families, and that is exempt from federal income taxation
17 pursuant to section 501(c)(3) of the federal internal revenue code, and all
18 sales of tangible personal property or services purchased by a contractor
19 for the purpose of constructing, equipping, reconstructing, maintaining,
20 repairing, enlarging, furnishing or remodeling facilities for any such clinic
21 or center that would be exempt from taxation under the provisions of this
22 section if purchased directly by such clinic or center, except that for
23 taxable years commencing after December 31, 2013, this subsection shall
24 not apply to any sales of such tangible personal property and services
25 purchased by a primary care clinic or health center which performs any
26 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing
27 in this subsection shall be deemed to exempt the purchase of any
28 construction machinery, equipment or tools used in the constructing,
29 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
30 remodeling facilities for any such clinic or center. When any such clinic or
31 center shall contract for the purpose of constructing, equipping,
32 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
33 facilities, it shall obtain from the state and furnish to the contractor an
34 exemption certificate for the project involved, and the contractor may
35 purchase materials for incorporation in such project. The contractor shall
36 furnish the number of such certificate to all suppliers from whom such
37 purchases are made, and such suppliers shall execute invoices covering the
38 same bearing the number of such certificate. Upon completion of the
39 project the contractor shall furnish to such clinic or center concerned a
40 sworn statement, on a form to be provided by the director of taxation, that
41 all purchases so made were entitled to exemption under this subsection.
42 All invoices shall be held by the contractor for a period of five years and
43 shall be subject to audit by the director of taxation. If any materials

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

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

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

33 (fff) all sales of material handling equipment, racking systems and
34 other related machinery and equipment that is used for the handling,
35 movement or storage of tangible personal property in a warehouse or
36 distribution facility in this state; all sales of installation, repair and
37 maintenance services performed on such machinery and equipment; and
38 all sales of repair and replacement parts for such machinery and
39 equipment. For purposes of this subsection, a warehouse or distribution
40 facility means a single, fixed location that consists of buildings or
41 structures in a contiguous area where storage or distribution operations are
42 conducted that are separate and apart from the business' retail operations,
43 if any, and that do not otherwise qualify for exemption as occurring at a

1 manufacturing or processing plant or facility. Material handling and
2 storage equipment shall include aeration, dust control, cleaning, handling
3 and other such equipment that is used in a public grain warehouse or other
4 commercial grain storage facility, whether used for grain handling, grain
5 storage, grain refining or processing, or other grain treatment operation;

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

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

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

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

29 (jjj) all sales of dietary supplements dispensed pursuant to a
30 prescription order by a licensed practitioner or a mid-level practitioner as
31 defined by K.S.A. 65-1626, and amendments thereto. As used in this
32 subsection, "dietary supplement" means any product, other than tobacco,
33 intended to supplement the diet that: (1) Contains one or more of the
34 following dietary ingredients: A vitamin, a mineral, an herb or other
35 botanical, an amino acid, a dietary substance for use by humans to
36 supplement the diet by increasing the total dietary intake or a concentrate,
37 metabolite, constituent, extract or combination of any such ingredient; (2)
38 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or
39 liquid form, or if not intended for ingestion, in such a form, is not
40 represented as conventional food and is not represented for use as a sole
41 item of a meal or of the diet; and (3) is required to be labeled as a dietary
42 supplement, identifiable by the supplemental facts box found on the label
43 and as required pursuant to 21 C.F.R. § 101.36;

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

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

16 (nnn) all sales of tangible personal property and services purchased
17 by the west Sedgwick county-sunrise rotary club and sunrise charitable
18 fund for the purpose of constructing a boundless playground which is an
19 integrated, barrier free and developmentally advantageous play
20 environment for children of all abilities and disabilities;

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

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

32 (qqq) all sales of tangible personal property and services purchased
33 by TLC for children and families, inc., hereinafter referred to as TLC,
34 which is exempt from federal income taxation pursuant to section 501(c)
35 (3) of the federal internal revenue code of 1986, and such property and
36 services are used for the purpose of providing emergency shelter and
37 treatment for abused and neglected children as well as meeting additional
38 critical needs for children, juveniles and family, and all sales of any such
39 property by or on behalf of TLC for any such purpose; and all sales of
40 tangible personal property or services purchased by a contractor for the
41 purpose of constructing, maintaining, repairing, enlarging, furnishing or
42 remodeling facilities for the operation of services for TLC for any such
43 purpose that would be exempt from taxation under the provisions of this

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

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

42 (sss) all sales of tangible personal property and services purchased by
43 catholic charities or youthville, hereinafter referred to as charitable family

1 providers, which is exempt from federal income taxation pursuant to
2 section 501(c)(3) of the federal internal revenue code of 1986, and which
3 such property and services are used for the purpose of providing
4 emergency shelter and treatment for abused and neglected children as well
5 as meeting additional critical needs for children, juveniles and family, and
6 all sales of any such property by or on behalf of charitable family
7 providers for any such purpose; and all sales of tangible personal property
8 or services purchased by a contractor for the purpose of constructing,
9 maintaining, repairing, enlarging, furnishing or remodeling facilities for
10 the operation of services for charitable family providers for any such
11 purpose which would be exempt from taxation under the provisions of this
12 section if purchased directly by charitable family providers. Nothing in
13 this subsection shall be deemed to exempt the purchase of any construction
14 machinery, equipment or tools used in the constructing, maintaining,
15 repairing, enlarging, furnishing or remodeling such facilities for charitable
16 family providers. When charitable family providers contracts for the
17 purpose of constructing, maintaining, repairing, enlarging, furnishing or
18 remodeling such facilities, it shall obtain from the state and furnish to the
19 contractor an exemption certificate for the project involved, and the
20 contractor may purchase materials for incorporation in such project. The
21 contractor shall furnish the number of such certificate to all suppliers from
22 whom such purchases are made, and such suppliers shall execute invoices
23 covering the same bearing the number of such certificate. Upon
24 completion of the project the contractor shall furnish to charitable family
25 providers a sworn statement, on a form to be provided by the director of
26 taxation, that all purchases so made were entitled to exemption under this
27 subsection. All invoices shall be held by the contractor for a period of five
28 years and shall be subject to audit by the director of taxation. If any
29 materials purchased under such a certificate are found not to have been
30 incorporated in the building or other project or not to have been returned
31 for credit or the sales or compensating tax otherwise imposed upon such
32 materials that will not be so incorporated in the building or other project
33 reported and paid by such contractor to the director of taxation not later
34 than the 20th day of the month following the close of the month in which it
35 shall be determined that such materials will not be used for the purpose for
36 which such certificate was issued, charitable family providers shall be
37 liable for tax on all materials purchased for the project, and upon payment
38 thereof it may recover the same from the contractor together with
39 reasonable attorney fees. Any contractor or any agent, employee or
40 subcontractor thereof, who shall use or otherwise dispose of any materials
41 purchased under such a certificate for any purpose other than that for
42 which such a certificate is issued without the payment of the sales or
43 compensating tax otherwise imposed upon such materials, shall be guilty

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

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

1 which such a certificate is issued without the payment of the sales or
2 compensating tax otherwise imposed upon such materials, shall be guilty
3 of a misdemeanor and, upon conviction therefor, shall be subject to the
4 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

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

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

7 (vvv) all sales of tangible personal property or services, including the
8 renting and leasing of tangible personal property or services, purchased by
9 jazz in the woods, inc., a Kansas corporation that is exempt from federal
10 income taxation pursuant to section 501(c)(3) of the federal internal
11 revenue code, for the purpose of providing jazz in the woods, an event
12 benefiting children-in-need and other nonprofit charities assisting such
13 children, and all sales of any such property by or on behalf of such
14 organization for such purpose;

15 (www) all sales of tangible personal property purchased by or on
16 behalf of the Frontenac education foundation, which is exempt from
17 federal income taxation pursuant to section 501(c)(3) of the federal
18 internal revenue code, for the purpose of providing education support for
19 students, and all sales of any such property by or on behalf of such
20 organization for such purpose;

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

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

34 (yyy) all sales of tangible personal property and services purchased
35 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
36 which is exempt from federal income taxation pursuant to section 501(c)
37 (3) of the federal internal revenue code of 1986, and which such property
38 and services are used for the purpose of encouraging private philanthropy
39 to further the vision, values, and goals of TLC for children and families,
40 inc.; and all sales of such property and services by or on behalf of TLC
41 charities for any such purpose and all sales of tangible personal property or
42 services purchased by a contractor for the purpose of constructing,
43 maintaining, repairing, enlarging, furnishing or remodeling facilities for

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

36 (zzz) all sales of tangible personal property purchased by the rotary
37 club of shawnee foundation, which is exempt from federal income taxation
38 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
39 as amended, used for the purpose of providing contributions to community
40 service organizations and scholarships;

41 (aaaa) all sales of personal property and services purchased by or on
42 behalf of victory in the valley, inc., which is exempt from federal income
43 taxation pursuant to section 501(c)(3) of the federal internal revenue code,

1 for the purpose of providing a cancer support group and services for
2 persons with cancer, and all sales of any such property by or on behalf of
3 any such organization for any such purpose;

4 (bbbb) all sales of entry or participation fees, charges or tickets by
5 Guadalupe health foundation, which is exempt from federal income
6 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
7 for such organization's annual fundraising event which purpose is to
8 provide health care services for uninsured workers;

9 (cccc) all sales of tangible personal property or services purchased by
10 or on behalf of wayside waifs, inc., which is exempt from federal income
11 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
12 for the purpose of providing such organization's annual fundraiser, an
13 event whose purpose is to support the care of homeless and abandoned
14 animals, animal adoption efforts, education programs for children and
15 efforts to reduce animal over-population and animal welfare services, and
16 all sales of any such property, including entry or participation fees or
17 charges, by or on behalf of such organization for such purpose;

18 (dddd) all sales of tangible personal property or services purchased
19 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
20 of which are exempt from federal income taxation pursuant to section
21 501(c)(3) of the federal internal revenue code, for the purpose of providing
22 education, training and employment opportunities for people with
23 disabilities and other barriers to employment;

24 (eeee) all sales of tangible personal property or services purchased by
25 or on behalf of all American beef battalion, inc., which is exempt from
26 federal income taxation pursuant to section 501(c)(3) of the federal
27 internal revenue code, for the purpose of educating, promoting and
28 participating as a contact group through the beef cattle industry in order to
29 carry out such projects that provide support and morale to members of the
30 United States armed forces and military services;

31 (ffff) all sales of tangible personal property and services purchased by
32 sheltered living, inc., which is exempt from federal income taxation
33 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
34 and which such property and services are used for the purpose of
35 providing residential and day services for people with developmental
36 disabilities or intellectual disability, or both, and all sales of any such
37 property by or on behalf of sheltered living, inc., for any such purpose; and
38 all sales of tangible personal property or services purchased by a
39 contractor for the purpose of rehabilitating, constructing, maintaining,
40 repairing, enlarging, furnishing or remodeling homes and facilities for
41 sheltered living, inc., for any such purpose that would be exempt from
42 taxation under the provisions of this section if purchased directly by
43 sheltered living, inc. Nothing in this subsection shall be deemed to exempt

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

34 (gggg) all sales of game birds for which the primary purpose is use in
35 hunting;

36 (hhhh) all sales of tangible personal property or services purchased
37 on or after July 1, 2014, for the purpose of and in conjunction with
38 constructing, reconstructing, enlarging or remodeling a business identified
39 under the North American industry classification system (NAICS)
40 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
41 installation of machinery and equipment purchased for installation at any
42 such business. The exemption provided in this subsection shall not apply
43 to projects that have actual total costs less than \$50,000. When a person

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

21 (iiii) all sales of tangible personal property or services purchased by a
22 contractor for the purpose of constructing, maintaining, repairing,
23 enlarging, furnishing or remodeling facilities for the operation of services
24 for Wichita children's home for any such purpose that would be exempt
25 from taxation under the provisions of this section if purchased directly by
26 Wichita children's home. Nothing in this subsection shall be deemed to
27 exempt the purchase of any construction machinery, equipment or tools
28 used in the constructing, maintaining, repairing, enlarging, furnishing or
29 remodeling such facilities for Wichita children's home. When Wichita
30 children's home contracts for the purpose of constructing, maintaining,
31 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain
32 from the state and furnish to the contractor an exemption certificate for the
33 project involved, and the contractor may purchase materials for
34 incorporation in such project. The contractor shall furnish the number of
35 such certificate to all suppliers from whom such purchases are made, and
36 such suppliers shall execute invoices covering the same bearing the
37 number of such certificate. Upon completion of the project, the contractor
38 shall furnish to Wichita children's home a sworn statement, on a form to be
39 provided by the director of taxation, that all purchases so made were
40 entitled to exemption under this subsection. All invoices shall be held by
41 the contractor for a period of five years and shall be subject to audit by the
42 director of taxation. If any materials purchased under such a certificate are
43 found not to have been incorporated in the building or other project or not

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

16 (jjjj) all sales of tangible personal property or services purchased by
17 or on behalf of the beacon, inc., that is exempt from federal income
18 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
19 for the purpose of providing those desiring help with food, shelter, clothing
20 and other necessities of life during times of special need;

21 (kkkk) all sales of tangible personal property and services purchased
22 by or on behalf of reaching out from within, inc., which is exempt from
23 federal income taxation pursuant to section 501(c)(3) of the federal
24 internal revenue code, for the purpose of sponsoring self-help programs for
25 incarcerated persons that will enable such incarcerated persons to become
26 role models for non-violence while in correctional facilities and productive
27 family members and citizens upon return to the community;

28 (llll) all sales of tangible personal property and services purchased by
29 Gove county healthcare endowment foundation, inc., which is exempt
30 from federal income taxation pursuant to section 501(c)(3) of the federal
31 internal revenue code of 1986, and which such property and services are
32 used for the purpose of constructing and equipping an airport in Quinter,
33 Kansas, and all sales of tangible personal property or services purchased
34 by a contractor for the purpose of constructing and equipping an airport in
35 Quinter, Kansas, for such organization, that would be exempt from
36 taxation under the provisions of this section if purchased directly by such
37 organization. Nothing in this subsection shall be deemed to exempt the
38 purchase of any construction machinery, equipment or tools used in the
39 constructing or equipping of facilities for such organization. When such
40 organization shall contract for the purpose of constructing or equipping an
41 airport in Quinter, Kansas, it shall obtain from the state and furnish to the
42 contractor an exemption certificate for the project involved, and the
43 contractor may purchase materials for incorporation in such project. The

1 contractor shall furnish the number of such certificate to all suppliers from
2 whom such purchases are made, and such suppliers shall execute invoices
3 covering the same bearing the number of such certificate. Upon
4 completion of the project, the contractor shall furnish to such organization
5 concerned a sworn statement, on a form to be provided by the director of
6 taxation, that all purchases so made were entitled to exemption under this
7 subsection. All invoices shall be held by the contractor for a period of five
8 years and shall be subject to audit by the director of taxation. If any
9 materials purchased under such a certificate are found not to have been
10 incorporated in such facilities or not to have been returned for credit or the
11 sales or compensating tax otherwise imposed upon such materials that will
12 not be so incorporated in such facilities reported and paid by such
13 contractor to the director of taxation no later than the 20th day of the month
14 following the close of the month in which it shall be determined that such
15 materials will not be used for the purpose for which such certificate was
16 issued, such organization concerned shall be liable for tax on all materials
17 purchased for the project, and upon payment thereof it may recover the
18 same from the contractor together with reasonable attorney fees. Any
19 contractor or any agent, employee or subcontractor thereof, who purchased
20 under such a certificate for any purpose other than that for which such a
21 certificate is issued without the payment of the sales or compensating tax
22 otherwise imposed upon such materials, shall be guilty of a misdemeanor
23 and, upon conviction therefor, shall be subject to the penalties provided for
24 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
25 subsection shall expire and have no effect on and after July 1, 2019;

26 (mmmm) all sales of gold or silver coins; and palladium, platinum,
27 gold or silver bullion. For the purposes of this subsection, "bullion" means
28 bars, ingots or commemorative medallions of gold, silver, platinum,
29 palladium, or a combination thereof, for which the value of the metal
30 depends on its content and not the form;

31 (nnnn) all sales of tangible personal property or services purchased
32 by friends of hospice of Jefferson county, an organization that is exempt
33 from federal income taxation pursuant to section 501(c)(3) of the federal
34 internal revenue code of 1986, for the purpose of providing support to the
35 Jefferson county hospice agency in end-of-life care of Jefferson county
36 families, friends and neighbors, and all sales of entry or participation fees,
37 charges or tickets by friends of hospice of Jefferson county for such
38 organization's fundraising event for such purpose;

39 (oooo) all sales of tangible personal property or services purchased
40 for the purpose of and in conjunction with constructing, reconstructing,
41 enlarging or remodeling a qualified business facility by a qualified firm or
42 qualified supplier that meets the requirements established in K.S.A. 2024
43 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has

1 been approved for a project exemption certificate by the secretary of
2 commerce, and the sale and installation of machinery and equipment
3 purchased by such qualified firm or qualified supplier for installation at
4 any such qualified business facility. When a person shall contract for the
5 construction, reconstruction, enlargement or remodeling of any such
6 qualified business facility, such person shall obtain from the state and
7 furnish to the contractor an exemption certificate for the project involved,
8 and the contractor may purchase materials, machinery and equipment for
9 incorporation in such project. The contractor shall furnish the number of
10 such certificates to all suppliers from whom such purchases are made, and
11 such suppliers shall execute invoices covering the same bearing the
12 number of such certificate. Upon completion of the project, the contractor
13 shall furnish to the owner of the qualified firm or qualified supplier a
14 sworn statement, on a form to be provided by the director of taxation, that
15 all purchases so made were entitled to exemption under this subsection.
16 All invoices shall be held by the contractor for a period of five years and
17 shall be subject to audit by the director of taxation. Any contractor or any
18 agent, employee or subcontractor thereof who shall use or otherwise
19 dispose of any materials, machinery or equipment purchased under such a
20 certificate for any purpose other than that for which such a certificate is
21 issued without the payment of the sales or compensating tax otherwise
22 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
23 therefor, shall be subject to the penalties provided for in K.S.A. 79-
24 3615(h), and amendments thereto. As used in this subsection, "qualified
25 business facility," "qualified firm" and "qualified supplier" mean the same
26 as defined in K.S.A. 2024 Supp. 74-50,311, and amendments thereto;

27 (pppp) (1) all sales of tangible personal property or services
28 purchased by a not-for-profit corporation that is designated as an area
29 agency on aging by the secretary for aging and disabilities services and is
30 exempt from federal income taxation pursuant to section 501(c)(3) of the
31 federal internal revenue code for the purpose of coordinating and
32 providing seniors and those living with disabilities with services that
33 promote person-centered care, including home-delivered meals,
34 congregate meal settings, long-term case management, transportation,
35 information, assistance and other preventative and intervention services to
36 help service recipients remain in their homes and communities or for the
37 purpose of constructing, equipping, reconstructing, maintaining, repairing,
38 enlarging, furnishing or remodeling facilities for such area agency on
39 aging; and

40 (2) all sales of tangible personal property or services purchased by a
41 contractor for the purpose of constructing, equipping, reconstructing,
42 maintaining, repairing, enlarging, furnishing or remodeling facilities for an
43 area agency on aging that would be exempt from taxation under the

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

37 (qqqq) all sales of tangible personal property or services purchased
38 by Kansas suicide prevention HQ, inc., an organization that is exempt
39 from federal income taxation pursuant to section 501(c)(3) of the federal
40 internal revenue code of 1986, for the purpose of bringing suicide
41 prevention training and awareness to communities across the state;

42 (rrrr) all sales of the services of slaughtering, butchering, custom
43 cutting, dressing, processing and packaging of an animal for human

1 consumption when the animal is delivered or furnished by a customer that
2 owns the animal and such meat or poultry is for use or consumption by
3 such customer;

4 (ssss) all sales of tangible personal property or services purchased by
5 or on behalf of doorstep inc., an organization that is exempt from federal
6 income taxation pursuant to section 501(c)(3) of the federal internal
7 revenue code of 1986, for the purpose of providing short-term emergency
8 aid to families and individuals in need, including assistance with food,
9 clothing, rent, prescription medications, transportation and utilities, and
10 providing information on services to promote long-term self-sufficiency;

11 (tttt) on and after January 1, 2024, all sales of tangible personal
12 property or services purchased by exploration place, inc., an organization
13 that is exempt from federal income taxation pursuant to section 501(c)(3)
14 of the federal internal revenue code, and which such property and services
15 are used for the purpose of constructing, remodeling, furnishing or
16 equipping a riverfront amphitheater, a destination playscape, an education
17 center and indoor renovations at exploration place in Wichita, Kansas, all
18 sales of tangible personal property or services purchased by Kansas
19 children's discovery center inc. in Topeka, Kansas, and which such
20 property and services are used for the purpose of constructing, remodeling,
21 furnishing or equipping projects that include indoor-outdoor classrooms,
22 an expanded multi-media gallery, a workshop and loading dock and safety
23 upgrades such as a tornado shelter, lactation room, first aid room and
24 sensory room and all sales of tangible personal property or services
25 purchased by a contractor for the purpose of constructing, remodeling,
26 furnishing or equipping such projects, for such organizations, that would
27 be exempt from taxation under the provisions of this section if purchased
28 directly by such organizations. Nothing in this subsection shall be deemed
29 to exempt the purchase of any construction machinery, equipment or tools
30 used in the constructing, remodeling, furnishing or equipping of facilities
31 for such organization. When such organization shall contract for the
32 purpose of constructing, remodeling, furnishing or equipping such
33 projects, it shall obtain from the state and furnish to the contractor an
34 exemption certificate for the project involved, and the contractor may
35 purchase materials for incorporation in such project. The contractor shall
36 furnish the number of such certificate to all suppliers from whom such
37 purchases are made, and such suppliers shall execute invoices covering the
38 same bearing the number of such certificate. Upon completion of the
39 project, the contractor shall furnish to such organization a sworn statement,
40 on a form to be provided by the director of taxation, that all purchases so
41 made were entitled to exemption under this subsection. All invoices shall
42 be held by the contractor for a period of five years and shall be subject to
43 audit by the director of taxation. If any materials purchased under such a

1 certificate are found not to have been incorporated in such facilities or not
2 to have been returned for credit or the sales or compensating tax otherwise
3 imposed upon such materials that will not be so incorporated in such
4 facilities reported and paid by such contractor to the director of taxation no
5 later than the 20th day of the month following the close of the month in
6 which it shall be determined that such materials will not be used for the
7 purpose for which such certificate was issued, such organization shall be
8 liable for tax on all materials purchased for the project, and upon payment
9 thereof may recover the same from the contractor together with reasonable
10 attorney fees. Any contractor or agent, employee or subcontractor thereof,
11 who purchased under such a certificate for any purpose other than that for
12 which such a certificate is issued without the payment of the sales or
13 compensating tax otherwise imposed upon such materials, shall be guilty
14 of a misdemeanor and, upon conviction therefor, shall be subject to the
15 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
16 Sales tax paid on and after January 1, 2024, but prior to the effective date
17 of this act, upon the gross receipts received from any sale exempted by the
18 amendatory provisions of this subsection shall be refunded. Each claim for
19 a sales tax refund shall be verified and submitted to the director of taxation
20 upon forms furnished by the director and shall be accompanied by any
21 additional documentation required by the director. The director shall
22 review each claim and shall refund that amount of sales tax paid as
23 determined under the provisions of this subsection. All refunds shall be
24 paid from the sales tax refund fund upon warrants of the director of
25 accounts and reports pursuant to vouchers approved by the director or the
26 director's designee. The provisions of this subsection shall expire and have
27 no effect on and after December 31, 2030;

28 (uuuu) (1) (A) all sales of equipment, machinery, software, ancillary
29 components, appurtenances, accessories or other infrastructure purchased
30 for use in the provision of communications services; and

31 (B) all services purchased by a provider in the provision of the
32 communications service used in the repair, maintenance or installation in
33 such communications service.

34 (2) As used in this subsection:

35 (A) "Communications service" means internet access service,
36 telecommunications service, video service or any combination thereof.

37 (B) "Equipment, machinery, software, ancillary components,
38 appurtenances, accessories or other infrastructure" includes, but is not
39 limited to:

40 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,
41 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,
42 transmitters, circuit cards, insulating and protective materials and cases,
43 power equipment, backup power equipment, diagnostic equipment, storage

1 devices, modems, cable modem termination systems and servers;

2 (ii) other general central office or headend equipment, such as
3 channel cards, frames and cabinets;

4 (iii) equipment used in successor technologies, including items used
5 to monitor, test, maintain, enable or facilitate qualifying equipment,
6 machinery, software, ancillary components, appurtenances and
7 accessories; and

8 (iv) other infrastructure that is used in whole or in part to provide
9 communications services, including broadcasting, distributing, sending,
10 receiving, storing, transmitting, retransmitting, amplifying, switching,
11 providing connectivity for or routing communications services.

12 (C) "Internet access service" means the same as internet access as
13 defined in section 1105 of the internet tax freedom act amendments of
14 2007, public law 110-108.

15 (D) "Provider" means a person or entity that sells communications
16 service, including an affiliate or subsidiary.

17 (E) "Telecommunications service" means the same as defined in
18 K.S.A. 79-3602, and amendments thereto.

19 (F) "Video service" means the same as defined in K.S.A. 12-2022,
20 and amendments thereto.

21 (3) The provisions of this subsection shall expire and have no effect
22 on and after July 1, 2029;

23 (vvvv) (1) all sales of tangible personal property or services
24 purchased by a contractor for the purpose of constructing, equipping,
25 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
26 a building that is operated by, or is intended to be operated by, the Kansas
27 fairgrounds foundation, a not-for-profit corporation exempt from federal
28 income taxation pursuant to section 501(c)(3) of the federal internal
29 revenue code of 1986, and located on the grounds of the Kansas state fair,
30 and such tangible personal property would be exempt from taxation under
31 the provisions of this paragraph if purchased directly by such eligible not-
32 for-profit corporation. Nothing in this subsection shall be deemed to
33 exempt the purchase of any construction machinery, equipment or tools
34 used in the constructing, equipping, reconstructing, maintaining, repairing,
35 enlarging, furnishing or remodeling a building for such eligible not-for-
36 profit corporation. When such eligible not-for-profit corporation contracts
37 for the purpose of constructing, equipping, reconstructing, maintaining,
38 repairing, enlarging, furnishing or remodeling a building, such corporation
39 shall obtain from the state and furnish to the contractor an exemption
40 certificate for the project involved, and such contractor may purchase
41 materials for incorporation in such project. The contractor shall furnish the
42 number of such certificate to all suppliers from whom such purchases are
43 made, and such suppliers shall execute invoices covering such purchases

1 bearing the number of such certificate. Upon completion of the project, the
2 contractor shall furnish to such eligible not-for-profit corporation a sworn
3 statement, on a form to be provided by the director of taxation, that all
4 purchases so made were entitled to exemption under this subsection. All
5 invoices shall be held by the contractor for a period of five years and shall
6 be subject to audit by the director of taxation. If any materials purchased
7 under such a certificate are found not to have been incorporated in the
8 building or returned for credit, the contractor shall report and pay the sales
9 or compensating tax to the director of taxation not later than the 20th day of
10 the month following the close of the month in which it is determined that
11 such materials will not be used for the purpose for which such certificate
12 was issued. The eligible not-for-profit corporation concerned shall be
13 liable for tax on all materials purchased for the project, and upon payment
14 thereof, the eligible not-for-profit corporation may recover the same from
15 the contractor together with reasonable attorney fees. Any contractor or
16 any agent, employee or subcontractor thereof who shall use or otherwise
17 dispose of any materials purchased under such a certificate for any purpose
18 other than that for which such a certificate is issued without the payment
19 of the sales or compensating tax otherwise imposed upon such materials
20 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
21 subject to the penalties provided for in K.S.A. 79-3615(h), and
22 amendments thereto.

23 (2) Sales tax paid on and after May 19, 2023, but prior to the effective
24 date of this act upon the gross receipts received from any sale which would
25 have been exempted by the provisions of this subsection had such sale
26 occurred after the effective date of this act shall be refunded. Each claim
27 for a sales tax refund shall be verified and submitted to the director of
28 taxation upon forms furnished by the director and shall be accompanied by
29 any additional documentation required by the director. The director shall
30 review each claim and shall refund that amount of sales tax paid as
31 determined under the provisions of this subsection. All refunds shall be
32 paid from the sales tax refund fund upon warrants of the director of
33 accounts and reports pursuant to vouchers approved by the director or the
34 director's designee; and

35 (www) (1) All sales of tangible personal property or services
36 purchased by a pregnancy resource center or residential maternity facility.

37 (2) As used in this subsection, "pregnancy resource center" or
38 "residential maternity facility" means an organization that is:

39 (A) Exempt from federal income taxation pursuant to section 501(c)
40 (3) of the federal internal revenue code of 1986;

41 (B) a nonprofit organization organized under the laws of this state;
42 and

43 (C) a pregnancy resource center or residential maternity facility that:

- 1 (i) Maintains a dedicated phone number for clients;
- 2 (ii) maintains in this state its primary physical office, clinic or
3 residential home that is open for clients for a minimum of 20 hours per
4 week, excluding state holidays;
- 5 (iii) offers services, at no cost to the client, for the express purpose of
6 providing assistance to women in order to carry their pregnancy to term,
7 encourage parenting or adoption, prevent abortion and promote healthy
8 childbirth; and
- 9 (iv) utilizes trained healthcare providers, as defined by K.S.A. 2024
10 Supp. 79-32,316, and amendments thereto, to perform any available
11 medical procedures.

12 Sec. 4. K.S.A. 79-5101 is hereby amended to read as follows: 79-
13 5101. As used in this act the term "motor vehicle" means and includes all
14 motor vehicles required to be registered under the provisions of article 1 of
15 chapter 8 of the Kansas Statutes Annotated, and amendments thereto,
16 except:

- 17 (a) Motor vehicles assessed and taxed by the director of property
18 valuation under the provisions of chapter 79, article 6a, of the Kansas
19 Statutes Annotated, and amendments thereto;
- 20 (b) motor vehicles of public service companies whose property is
21 assessed by the director of property valuation under the provisions of
22 article 5a of chapter 79 of the Kansas Statutes Annotated, and amendments
23 thereto;
- 24 (c) motor vehicles registered for a gross weight of more than 12,000
25 pounds;
- 26 ~~(d) motor vehicles owned by a car rental company upon which the tax~~
27 ~~imposed under K.S.A. 79-5117, and amendments thereto, has been paid;~~
- 28 (e) recreational vehicles, as defined by K.S.A. 79-5118, and
29 amendments thereto;
- 30 ~~(f)~~(e) motor vehicles ~~which~~ that are exempted from property taxation
31 under the provisions of ~~the Kansas Statutes Annotated~~ *Kansas law* or the
32 Kansas constitution; and
- 33 ~~(g)~~(f) commercial motor vehicles as defined in K.S.A. 8-143m, and
34 amendments thereto.

35 Sec. 5. K.S.A. 79-5117 is hereby amended to read as follows: 79-
36 5117. (a) In addition to the tax imposed pursuant to the Kansas retailers'
37 sales tax act, there is hereby imposed an excise tax at the rate of 3½%
38 upon the gross receipts received from the rental or lease for a period of
39 time not exceeding 28 days of motor vehicles ~~which~~ that, except for the
40 operation of K.S.A. 79-5101, and amendments thereto, would be subject to
41 taxation pursuant to K.S.A. 79-5101 et seq., and amendments thereto. *The*
42 *tax imposed pursuant to this subsection shall expire and shall not be in*
43 *effect on and after July 1, 2025.*

1 (b) The director of taxation shall administer, enforce and collect the
2 tax imposed by ~~this section~~ *subsection (a)*. All laws and rules and
3 regulations of the secretary of revenue relating to the administration,
4 enforcement and collection of the retailers' sales tax shall apply to such tax
5 insofar as they can be made applicable, and the secretary shall adopt such
6 additional rules and regulations as necessary for the efficient and effective
7 administration, enforcement and collection thereof.

8 (c) The director of taxation shall remit all moneys collected from the
9 tax imposed by this section to the state treasurer in accordance with the
10 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
11 each such remittance, the state treasurer shall deposit the entire amount in
12 the state treasury to the credit of the state general fund. On June 30 and
13 November 30 of each year, the state treasurer shall remit to the county
14 treasurer of each county wherein a transaction taxable pursuant to this
15 section took place all moneys attributable to such transaction. Upon receipt
16 thereof, each county treasurer shall apportion and distribute all moneys
17 received to all tax levy units of the county in the same manner as provided
18 by K.S.A. 79-5110 and 79-5111, and amendments thereto.

19 Sec. 6. K.S.A. 8-1,189, 8-2802, 79-5101 and 79-5117 and K.S.A.
20 2024 Supp. 79-3606 are hereby repealed.

21 Sec. 7. This act shall take effect and be in force from and after its
22 publication in the statute book.