

**HOUSE BILL No. 2304**

By Representatives Whipple, Hodge and Ohaebosim

2-13

1 AN ACT concerning sales taxation; relating to exemptions; certain sales of  
2 school supplies, computers and clothing during sales tax holiday;  
3 amending K.S.A. 2018 Supp. 79-3606 and repealing the existing  
4 section.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 New Section 1. (a) As used in this section and K.S.A. 79-  
8 3606(mmmm), and amendments thereto:

9 (1) "Clothing" means all human wearing apparel suitable for general  
10 use. Clothing includes, but is not limited to: Aprons, household and shop;  
11 athletic supporters; baby receiving blankets; bathing suits and caps; beach  
12 capes and coats; belts and suspenders; boots; coats and jackets; costumes;  
13 diapers, children and adult, including disposable diapers; ear muffs;  
14 footlets; formal wear; garters and garter belts; girdles; gloves and mittens  
15 for general use; hats and caps; hosiery; insoles for shoes; lab coats;  
16 neckties; overshoes; pantyhose; rainwear; rubber pants; sandals; scarves;  
17 shoes and shoe laces; slippers; sneakers; socks and stockings; steel-toed  
18 shoes; underwear; uniforms, athletic and non-athletic; and wedding  
19 apparel. Clothing shall not include: Belt buckles sold separately; costume  
20 masks sold separately; patches and emblems sold separately; sewing  
21 equipment and supplies including, but not limited to, knitting needles,  
22 patterns, pins, scissors, sewing machines, sewing needles, tape measures  
23 and thimbles; and sewing materials that become part of clothing including,  
24 but not limited to, buttons, fabric, lace, thread, yarn and zippers;

25 (2) "clothing accessories or equipment" means incidental items worn  
26 on the person or in conjunction with clothing. Clothing accessories or  
27 equipment includes, but is not limited to: Briefcases; cosmetics; hair  
28 notions, including, but not limited to, barrettes, hair bows, and hair nets;  
29 handbags; handkerchiefs; jewelry; sunglasses, non-prescription; umbrellas;  
30 wallets; watches and wigs and hair pieces;

31 (3) "eligible property" means an item of a type, such as clothing, that  
32 qualifies for the sales tax exemption as provided in K.S.A. 79-  
33 3606(mmmm), and amendments thereto;

34 (4) "layaway sale" means a transaction in which property is set aside  
35 for future delivery to a customer who makes a deposit, agrees to pay the  
36 balance of the purchase over a period of time and, at the end of the

1 payment period, receives the property. An order is accepted for layaway by  
2 the seller, when the seller removes the property from normal inventory or  
3 clearly identifies the property as sold to the purchaser;

4 (5) "rain check" means the seller allows a customer to purchase an  
5 item at a certain price at a later time because the particular item was out of  
6 stock;

7 (6) "school art supply" means an item commonly used by a student in  
8 a course of study for artwork. The following is an all-inclusive list: Clay  
9 and glazes; paints, acrylic, tempera and oil; paintbrushes for artwork;  
10 sketch and drawing pads; and watercolors;

11 (7) "school computer supply" means an item commonly used by a  
12 student in a course of study in which a computer is used. The following is  
13 an all-inclusive list: Computer storage media, diskettes, compact disks;  
14 handheld electronic schedulers, except devices that are cellular phones;  
15 personal digital assistants, except devices that are cellular phones;  
16 computer printers; and printer supplies for computers, printer paper and  
17 printer ink;

18 (8) "school instructional material" means written material commonly  
19 used by a student in a course of study as a reference and to learn the  
20 subject being taught. The following is an all-inclusive list: Reference  
21 books; reference maps and globes; textbooks; and workbooks; and

22 (9) "school supply" means an item commonly used by a student in a  
23 course of study. The following is an all-inclusive list: Binders; book bags;  
24 calculators; cellophane tape; blackboard chalk; compasses; composition  
25 books; crayons; erasers; folders, expandable, pocket, plastic and manila;  
26 glue, paste and paste sticks; highlighters; index cards; index card boxes;  
27 legal pads; lunch boxes; markers; notebooks; paper; loose leaf ruled  
28 notebook paper, copy paper, graph paper, tracing paper, manila paper,  
29 colored paper, poster board and construction paper; pencil boxes and other  
30 school supply boxes; pencil sharpeners; pencils; pens; protractors; rulers;  
31 scissors; and writing tablets.

32 (b) The secretary of revenue shall provide notice of the exemption  
33 period to retailers at least 60 days prior to the first day of the calendar  
34 quarter in which the exemption period established in K.S.A. 79-  
35 3606(mmmm), and amendments thereto, commences.

36 (c) The following procedures are to be used in administering the  
37 exemption as provided in K.S.A. 79-3606(mmmm), and amendments  
38 thereto:

39 (1) A sale of eligible property under a layaway sale qualifies for the  
40 exemption if:

41 (A) Final payment on a layaway order is made by, and the property is  
42 given to, the purchaser during the exemption period; or

43 (B) the purchaser selects the property and the retailer accepts the

1 order for the item during the exemption period for immediate delivery  
2 upon full payment, even if delivery is made after the exemption period;

3 (2) there shall be no change during the period of exemption for the  
4 handling of a bundled sale as treated for sales tax purposes at times other  
5 than the exemption period;

6 (3) a discount by the seller reduces the sales price of the property and  
7 the discounted sales price determines whether the sales price is within the  
8 price threshold provided in K.S.A. 79-3606(mmmm), and amendments  
9 thereto. A coupon that reduces the sales price is treated as a discount if the  
10 seller is not reimbursed for the coupon amount by a third party. If a  
11 discount applies to the total amount paid by a purchaser rather than to the  
12 sales price of a particular item and the purchaser has purchased both  
13 eligible property and taxable property, the seller should allocate the  
14 discount based on the total sales prices of the taxable property compared to  
15 the total sales prices of all property sold in that same transaction;

16 (4) articles that are normally sold as a single unit must continue to be  
17 sold in that manner. Such articles cannot be priced separately and sold as  
18 individual items in order to obtain the exemption;

19 (5) a rain check allows a customer to purchase an item at a certain  
20 price at a later time because the particular item was out of stock. Eligible  
21 property that customers purchase during the exemption period with use of  
22 a rain check will qualify for the exemption regardless of when the rain  
23 check was issued. Issuance of a rain check during the exemption period  
24 shall not qualify eligible property for the exemption if the property is  
25 actually purchased after the exemption period;

26 (6) the procedure for an exchange in regards to an exemption is as  
27 follows:

28 (A) If a customer purchases an item of eligible property during the  
29 exemption period, but later exchanges the item for a similar eligible item,  
30 even if a different size, different color or other feature, no additional tax is  
31 due even if the exchange is made after the exemption period;

32 (B) if a customer purchases an item of eligible property during the  
33 exemption period, but after the exemption period has ended, the customer  
34 returns the item and receives credit on the purchase of a different item, the  
35 appropriate sales tax is due on the sale of the new item; and

36 (C) if a customer purchases an item of eligible property before the  
37 exemption period, but during the exemption period the customer returns  
38 the item and receives credit on the purchase of a different item of eligible  
39 property, no sales tax is due on the sale of the new item if the new item is  
40 purchased during the exemption period;

41 (7) delivery charges, including shipping, handling and service  
42 charges, are part of the sales price of eligible property. For the purpose of  
43 determining the price threshold, if all the property in a shipment qualifies

1 as eligible property and the sales price for each item in the shipment is  
2 within the price threshold, then the seller does not have to allocate the  
3 delivery, handling or service charge to determine if the price threshold is  
4 exceeded. The shipment will be considered a sale of eligible products. If  
5 the shipment includes eligible property and taxable property, including an  
6 eligible item with a sales price in excess of the price threshold, the seller  
7 should allocate the delivery charge by using:

8 (A) A percentage based on the total sales prices of the taxable  
9 property compared to the total sales prices of all property in the shipment;  
10 or

11 (B) a percentage based on the total weight of the taxable property  
12 compared to the total weight of all property in the shipment; and

13 (C) the seller must tax the percentage of the delivery charge allocated  
14 to the taxable property but does not have to tax the percentage allocated to  
15 the eligible property;

16 (8) for the purpose of an exemption, eligible property qualifies for the  
17 exemption if:

18 (A) The item is both delivered to and paid for by the customer during  
19 the exemption period; or

20 (B) the customer orders and pays for the item and the seller accepts  
21 the order during the exemption period for immediate shipment, even if  
22 delivery is made after the exemption period. The seller accepts an order  
23 when the seller has taken action to fill the order for immediate shipment.  
24 Actions to fill an order include placement of an in date stamp on a mail  
25 order or assignment of an order number to a telephone order. An order is  
26 for immediate shipment when the customer does not request delayed  
27 shipment. An order is for immediate shipment, notwithstanding that the  
28 shipment may be delayed because of a backlog of orders or because stock  
29 is currently unavailable to, or on back order by, the seller;

30 (9) for a 60-day period immediately after the exemption period, when  
31 a customer returns an item that would qualify for the exemption, no credit  
32 for or refund of sales tax shall be given unless the customer provides a  
33 receipt or invoice that shows tax was paid, or the seller has sufficient  
34 documentation to show that tax was paid on the specific item. This 60-day  
35 period is set solely for the purpose of designating a time period during  
36 which the customer must provide documentation that shows that sales tax  
37 was paid on returned merchandise. The 60-day period is not intended to  
38 change a seller's policy on the time period during which the seller will  
39 accept returns; and

40 (10) the time zone of the seller's location determines the authorized  
41 time period for a sales tax holiday when the purchaser is located in one  
42 time zone and a seller is located in another.

43 (d) The provisions of this section shall be a part of and supplemental

1 to the Kansas retailers' sales tax act.

2 Sec. 2. K.S.A. 2018 Supp. 79-3606 is hereby amended to read as  
3 follows: 79-3606. The following shall be exempt from the tax imposed by  
4 this act:

5 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
6 or excise tax has been paid, not subject to refund, under the laws of this  
7 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
8 3301, and amendments thereto, including consumable material for such  
9 electronic cigarettes, cereal malt beverages and malt products as defined  
10 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
11 malt syrup and malt extract, that is not subject to taxation under the  
12 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles  
13 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
14 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
15 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
16 thereto, and gross receipts from regulated sports contests taxed pursuant to  
17 the Kansas professional regulated sports act, and amendments thereto;

18 (b) all sales of tangible personal property or service, including the  
19 renting and leasing of tangible personal property, purchased directly by the  
20 state of Kansas, a political subdivision thereof, other than a school or  
21 educational institution, or purchased by a public or private nonprofit  
22 hospital or public hospital authority or nonprofit blood, tissue or organ  
23 bank and used exclusively for state, political subdivision, hospital or  
24 public hospital authority or nonprofit blood, tissue or organ bank purposes,  
25 except when: (1) Such state, hospital or public hospital authority is  
26 engaged or proposes to engage in any business specifically taxable under  
27 the provisions of this act and such items of tangible personal property or  
28 service are used or proposed to be used in such business; or (2) such  
29 political subdivision is engaged or proposes to engage in the business of  
30 furnishing gas, electricity or heat to others and such items of personal  
31 property or service are used or proposed to be used in such business;

32 (c) all sales of tangible personal property or services, including the  
33 renting and leasing of tangible personal property, purchased directly by a  
34 public or private elementary or secondary school or public or private  
35 nonprofit educational institution and used primarily by such school or  
36 institution for nonsectarian programs and activities provided or sponsored  
37 by such school or institution or in the erection, repair or enlargement of  
38 buildings to be used for such purposes. The exemption herein provided  
39 shall not apply to erection, construction, repair, enlargement or equipment  
40 of buildings used primarily for human habitation;

41 (d) all sales of tangible personal property or services purchased by a  
42 contractor for the purpose of constructing, equipping, reconstructing,  
43 maintaining, repairing, enlarging, furnishing or remodeling facilities for

1 any public or private nonprofit hospital or public hospital authority, public  
2 or private elementary or secondary school, a public or private nonprofit  
3 educational institution, state correctional institution including a privately  
4 constructed correctional institution contracted for state use and ownership,  
5 that would be exempt from taxation under the provisions of this act if  
6 purchased directly by such hospital or public hospital authority, school,  
7 educational institution or a state correctional institution; and all sales of  
8 tangible personal property or services purchased by a contractor for the  
9 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
10 enlarging, furnishing or remodeling facilities for any political subdivision  
11 of the state or district described in subsection (s), the total cost of which is  
12 paid from funds of such political subdivision or district and that would be  
13 exempt from taxation under the provisions of this act if purchased directly  
14 by such political subdivision or district. Nothing in this subsection or in  
15 the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
16 deemed to exempt the purchase of any construction machinery, equipment  
17 or tools used in the constructing, equipping, reconstructing, maintaining,  
18 repairing, enlarging, furnishing or remodeling facilities for any political  
19 subdivision of the state or any such district. As used in this subsection,  
20 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
21 political subdivision" shall mean general tax revenues, the proceeds of any  
22 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the  
23 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
24 furnishing or remodeling facilities that are to be leased to the donor. When  
25 any political subdivision of the state, district described in subsection (s),  
26 public or private nonprofit hospital or public hospital authority, public or  
27 private elementary or secondary school, public or private nonprofit  
28 educational institution, state correctional institution including a privately  
29 constructed correctional institution contracted for state use and ownership  
30 shall contract for the purpose of constructing, equipping, reconstructing,  
31 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
32 shall obtain from the state and furnish to the contractor an exemption  
33 certificate for the project involved, and the contractor may purchase  
34 materials for incorporation in such project. The contractor shall furnish the  
35 number of such certificate to all suppliers from whom such purchases are  
36 made, and such suppliers shall execute invoices covering the same bearing  
37 the number of such certificate. Upon completion of the project the  
38 contractor shall furnish to the political subdivision, district described in  
39 subsection (s), hospital or public hospital authority, school, educational  
40 institution or department of corrections concerned a sworn statement, on a  
41 form to be provided by the director of taxation, that all purchases so made  
42 were entitled to exemption under this subsection. As an alternative to the  
43 foregoing procedure, any such contracting entity may apply to the

1 secretary of revenue for agent status for the sole purpose of issuing and  
2 furnishing project exemption certificates to contractors pursuant to rules  
3 and regulations adopted by the secretary establishing conditions and  
4 standards for the granting and maintaining of such status. All invoices  
5 shall be held by the contractor for a period of five years and shall be  
6 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 other project or not to have been returned for credit or the sales  
9 or compensating tax otherwise imposed upon such materials that will not  
10 be so incorporated in the building or other project reported and paid by  
11 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
12 month following the close of the month in which it shall be determined  
13 that such materials will not be used for the purpose for which such  
14 certificate was issued, the political subdivision, district described in  
15 subsection (s), hospital or public hospital authority, school, educational  
16 institution or the contractor contracting with the department of corrections  
17 for a correctional institution concerned shall be liable for tax on all  
18 materials purchased for the project, and upon payment thereof it may  
19 recover the same from the contractor together with reasonable attorney  
20 fees. Any contractor or any agent, employee or subcontractor thereof, who  
21 shall use or otherwise dispose of any materials purchased under such a  
22 certificate for any purpose other than that for which such a certificate is  
23 issued without the payment of the sales or compensating tax otherwise  
24 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
25 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
26 79-3615(h), and amendments thereto;

27 (e) all sales of tangible personal property or services purchased by a  
28 contractor for the erection, repair or enlargement of buildings or other  
29 projects for the government of the United States, its agencies or  
30 instrumentalities, that would be exempt from taxation if purchased directly  
31 by the government of the United States, its agencies or instrumentalities.  
32 When the government of the United States, its agencies or  
33 instrumentalities shall contract for the erection, repair, or enlargement of  
34 any building or other project, it shall obtain from the state and furnish to  
35 the 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 certificates to all suppliers  
38 from whom such purchases are made, and such suppliers shall execute  
39 invoices covering the same bearing the number of such certificate. Upon  
40 completion of the project the contractor shall furnish to the government of  
41 the United States, its agencies or instrumentalities concerned a sworn  
42 statement, on a form to be provided by the director of taxation, that all  
43 purchases so made were entitled to exemption under this subsection. As an

1 alternative to the foregoing procedure, any such contracting entity may  
2 apply to the secretary of revenue for agent status for the sole purpose of  
3 issuing and furnishing project exemption certificates to contractors  
4 pursuant to rules and regulations adopted by the secretary establishing  
5 conditions and standards for the granting and maintaining of such status.  
6 All invoices shall be held by the contractor for a period of five years and  
7 shall be subject to audit by the director of taxation. Any contractor or any  
8 agent, employee or subcontractor thereof, who shall use or otherwise  
9 dispose of any materials purchased under such a certificate for any purpose  
10 other than that for which such a certificate is issued without the payment  
11 of the sales or compensating tax otherwise imposed upon such materials,  
12 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
13 subject to the penalties provided for in K.S.A. 79-3615(h), and  
14 amendments thereto;

15 (f) tangible personal property purchased by a railroad or public utility  
16 for consumption or movement directly and immediately in interstate  
17 commerce;

18 (g) sales of aircraft including remanufactured and modified aircraft  
19 sold to persons using directly or through an authorized agent such aircraft  
20 as certified or licensed carriers of persons or property in interstate or  
21 foreign commerce under authority of the laws of the United States or any  
22 foreign government or sold to any foreign government or agency or  
23 instrumentality of such foreign government and all sales of aircraft for use  
24 outside of the United States and sales of aircraft repair, modification and  
25 replacement parts and sales of services employed in the remanufacture,  
26 modification and repair of aircraft;

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

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

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

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

42 (l) all isolated or occasional sales of tangible personal property,  
43 services, substances or things, except isolated or occasional sale of motor



1 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and  
2 amendments thereto;

3 (m) all sales of tangible personal property that become an ingredient  
4 or component part of tangible personal property or services produced,  
5 manufactured or compounded for ultimate sale at retail within or without  
6 the state of Kansas; and any such producer, manufacturer or compounder  
7 may obtain from the director of taxation and furnish to the supplier an  
8 exemption certificate number for tangible personal property for use as an  
9 ingredient or component part of the property or services produced,  
10 manufactured or compounded;

11 (n) all sales of tangible personal property that is consumed in the  
12 production, manufacture, processing, mining, drilling, refining or  
13 compounding of tangible personal property, the treating of by-products or  
14 wastes derived from any such production process, the providing of  
15 services or the irrigation of crops for ultimate sale at retail within or  
16 without the state of Kansas; and any purchaser of such property may  
17 obtain from the director of taxation and furnish to the supplier an  
18 exemption certificate number for tangible personal property for  
19 consumption in such production, manufacture, processing, mining,  
20 drilling, refining, compounding, treating, irrigation and in providing such  
21 services;

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

28 (p) all sales of drugs dispensed pursuant to a prescription order by a  
29 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
30 1626, and amendments thereto. As used in this subsection, "drug" means a  
31 compound, substance or preparation and any component of a compound,  
32 substance or preparation, other than food and food ingredients, dietary  
33 supplements or alcoholic beverages, recognized in the official United  
34 States pharmacopeia, official homeopathic pharmacopoeia of the United  
35 States or official national formulary, and supplement to any of them,  
36 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
37 of disease or intended to affect the structure or any function of the body,  
38 except that for taxable years commencing after December 31, 2013, this  
39 subsection shall not apply to any sales of drugs used in the performance or  
40 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
41 thereto;

42 (q) all sales of insulin dispensed by a person licensed by the state  
43 board of pharmacy to a person for treatment of diabetes at the direction of

1 a person licensed to practice medicine by the state board of healing arts;

2 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
3 enteral feeding systems, prosthetic devices and mobility enhancing  
4 equipment prescribed in writing by a person licensed to practice the  
5 healing arts, dentistry or optometry, and in addition to such sales, all sales  
6 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,  
7 and repair and replacement parts therefor, including batteries, by a person  
8 licensed in the practice of dispensing and fitting hearing aids pursuant to  
9 the provisions of K.S.A. 74-5808, and amendments thereto. For the  
10 purposes of this subsection: (1) "Mobility enhancing equipment" means  
11 equipment including repair and replacement parts to same, but does not  
12 include durable medical equipment, which is primarily and customarily  
13 used to provide or increase the ability to move from one place to another  
14 and which is appropriate for use either in a home or a motor vehicle; is not  
15 generally used by persons with normal mobility; and does not include any  
16 motor vehicle or equipment on a motor vehicle normally provided by a  
17 motor vehicle manufacturer; and (2) "prosthetic device" means a  
18 replacement, corrective or supportive device including repair and  
19 replacement parts for same worn on or in the body to artificially replace a  
20 missing portion of the body, prevent or correct physical deformity or  
21 malfunction or support a weak or deformed portion of the body;

22 (s) except as provided in K.S.A. 2018 Supp. 82a-2101, and  
23 amendments thereto, all sales of tangible personal property or services  
24 purchased directly or indirectly by a groundwater management district  
25 organized or operating under the authority of K.S.A. 82a-1020 et seq., and  
26 amendments thereto, by a rural water district organized or operating under  
27 the authority of K.S.A. 82a-612, and amendments thereto, or by a water  
28 supply district organized or operating under the authority of K.S.A. 19-  
29 3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto, which  
30 property or services are used in the construction activities, operation or  
31 maintenance of the district;

32 (t) all sales of farm machinery and equipment or aquaculture  
33 machinery and equipment, repair and replacement parts therefor and  
34 services performed in the repair and maintenance of such machinery and  
35 equipment. For the purposes of this subsection the term "farm machinery  
36 and equipment or aquaculture machinery and equipment" shall include a  
37 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
38 thereto, and is equipped with a bed or cargo box for hauling materials, and  
39 shall also include machinery and equipment used in the operation of  
40 Christmas tree farming but shall not include any passenger vehicle, truck,  
41 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
42 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
43 machinery and equipment" includes precision farming equipment that is

1 portable or is installed or purchased to be installed on farm machinery and  
2 equipment. "Precision farming equipment" includes the following items  
3 used only in computer-assisted farming, ranching or aquaculture  
4 production operations: Soil testing sensors, yield monitors, computers,  
5 monitors, software, global positioning and mapping systems, guiding  
6 systems, modems, data communications equipment and any necessary  
7 mounting hardware, wiring and antennas. Each purchaser of farm  
8 machinery and equipment or aquaculture machinery and equipment  
9 exempted herein must certify in writing on the copy of the invoice or sales  
10 ticket to be retained by the seller that the farm machinery and equipment  
11 or aquaculture machinery and equipment purchased will be used only in  
12 farming, ranching or aquaculture production. Farming or ranching shall  
13 include the operation of a feedlot and farm and ranch work for hire and the  
14 operation of a nursery;

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

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

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

42 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources  
43 for the production of heat or lighting for noncommercial use of an

1 occupant of residential premises occurring prior to January 1, 2006;

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

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

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

15 (bb) all sales of used mobile homes or manufactured homes. As used  
16 in this subsection: (1) "Mobile homes" and "manufactured homes" mean  
17 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)  
18 "sales of used mobile homes or manufactured homes" means sales other  
19 than the original retail sale thereof;

20 (cc) all sales of tangible personal property or services purchased prior  
21 to January 1, 2012, except as otherwise provided, for the purpose of and in  
22 conjunction with constructing, reconstructing, enlarging or remodeling a  
23 business or retail business that meets the requirements established in  
24 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
25 machinery and equipment purchased for installation at any such business  
26 or retail business, and all sales of tangible personal property or services  
27 purchased on or after January 1, 2012, for the purpose of and in  
28 conjunction with constructing, reconstructing, enlarging or remodeling a  
29 business that meets the requirements established in K.S.A. 74-50,115(e),  
30 and amendments thereto, and the sale and installation of machinery and  
31 equipment purchased for installation at any such business. When a person  
32 shall contract for the construction, reconstruction, enlargement or  
33 remodeling of any such business or retail business, such person shall  
34 obtain from the state and furnish to the contractor an exemption certificate  
35 for the project involved, and the contractor may purchase materials,  
36 machinery and equipment for incorporation in such project. The contractor  
37 shall furnish the number of such certificates to all suppliers from whom  
38 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 the owner of the  
41 business or retail business a sworn statement, on a form to be provided by  
42 the director of taxation, that all purchases so made were entitled to  
43 exemption under this subsection. All invoices shall be held by the

1 contractor for a period of five years and shall be subject to audit by the  
2 director of taxation. Any contractor or any agent, employee or  
3 subcontractor thereof, who shall use or otherwise dispose of any materials,  
4 machinery or equipment purchased under such a certificate for any  
5 purpose other than that for which such a certificate is issued without the  
6 payment of the sales or compensating tax otherwise imposed thereon, shall  
7 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
8 to the penalties provided for in K.S.A. 79-3615(h), and amendments  
9 thereto. As used in this subsection, "business" and "retail business" mean  
10 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project  
11 exemption certificates that have been previously issued under this  
12 subsection by the department of revenue pursuant to K.S.A. 74-50,115,  
13 and amendments thereto, but not including K.S.A. 74-50,115(e), and  
14 amendments thereto, prior to January 1, 2012, and have not expired will be  
15 effective for the term of the project or two years from the effective date of  
16 the certificate, whichever occurs earlier. Project exemption certificates that  
17 are submitted to the department of revenue prior to January 1, 2012, and  
18 are found to qualify will be issued a project exemption certificate that will  
19 be effective for a two-year period or for the term of the project, whichever  
20 occurs earlier;

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

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

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

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

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

1 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
2 dialysis equipment or enteral feeding systems;

3 (ii) all sales of tangible personal property purchased directly by a  
4 nonprofit organization for nonsectarian comprehensive multidiscipline  
5 youth development programs and activities provided or sponsored by such  
6 organization, and all sales of tangible personal property by or on behalf of  
7 any such organization. This exemption shall not apply to tangible personal  
8 property customarily used for human habitation purposes;

9 (jj) all sales of tangible personal property or services, including the  
10 renting and leasing of tangible personal property, purchased directly on  
11 behalf of a community-based facility for people with intellectual disability  
12 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
13 amendments thereto, and licensed in accordance with the provisions of  
14 K.S.A. 2018 Supp. 39-2001 et seq., and amendments thereto, and all sales  
15 of tangible personal property or services purchased by contractors during  
16 the time period from July, 2003, through June, 2006, for the purpose of  
17 constructing, equipping, maintaining or furnishing a new facility for a  
18 community-based facility for people with intellectual disability or mental  
19 health center located in Riverton, Cherokee County, Kansas, that would  
20 have been eligible for sales tax exemption pursuant to this subsection if  
21 purchased directly by such facility or center. This exemption shall not  
22 apply to tangible personal property customarily used for human habitation  
23 purposes;

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

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

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

31 (2) For purposes of this subsection:

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

42 (B) "production line" means the assemblage of machinery and  
43 equipment at a manufacturing or processing plant or facility where the

1 actual transformation or processing of tangible personal property occurs;

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

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

1 or improve real property, and retail businesses that clean, service or  
2 refurbish and repair tangible personal property for its owner;

3 (E) "repair and replacement parts and accessories" means all parts  
4 and accessories for exempt machinery and equipment, including, but not  
5 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
6 exempt machinery or that are otherwise used in production, and parts and  
7 accessories that require periodic replacement such as belts, drill bits,  
8 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
9 other refractory items for exempt kiln equipment used in production  
10 operations;

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

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

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

17 (B) to transport, convey, handle or store the property undergoing  
18 manufacturing or processing at any point from the beginning of the  
19 production line through any warehousing or distribution operation of the  
20 final product that occurs at the plant or facility;

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

23 (D) to guide, control or direct the movement of property undergoing  
24 manufacturing or processing;

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

28 (F) to plan, manage, control or record the receipt and flow of  
29 inventories of raw materials, consumables and component parts, the flow  
30 of the property undergoing manufacturing or processing and the  
31 management of inventories of the finished product;

32 (G) to produce energy for, lubricate, control the operating of or  
33 otherwise enable the functioning of other production machinery and  
34 equipment and the continuation of production operations;

35 (H) to package the property being manufactured or processed in a  
36 container or wrapping in which such property is normally sold or  
37 transported;

38 (I) to transmit or transport electricity, coke, gas, water, steam or  
39 similar substances used in production operations from the point of  
40 generation, if produced by the manufacturer or processor at the plant site,  
41 to that manufacturer's production operation; or, if purchased or delivered  
42 from off-site, from the point where the substance enters the site of the  
43 plant or facility to that manufacturer's production operations;



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

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

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

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

11 (4) The following machinery, equipment and materials shall be  
12 deemed to be exempt even though it may not otherwise qualify as  
13 machinery and equipment used as an integral or essential part of an  
14 integrated production operation: (A) Computers and related peripheral  
15 equipment that are utilized by a manufacturing or processing business for  
16 engineering of the finished product or for research and development or  
17 product design; (B) machinery and equipment that is utilized by a  
18 manufacturing or processing business to manufacture or rebuild tangible  
19 personal property that is used in manufacturing or processing operations,  
20 including tools, dies, molds, forms and other parts of qualifying machinery  
21 and equipment; (C) portable plants for aggregate concrete, bulk cement  
22 and asphalt including cement mixing drums to be attached to a motor  
23 vehicle; (D) industrial fixtures, devices, support facilities and special  
24 foundations necessary for manufacturing and production operations, and  
25 materials and other tangible personal property sold for the purpose of  
26 fabricating such fixtures, devices, facilities and foundations. An exemption  
27 certificate for such purchases shall be signed by the manufacturer or  
28 processor. If the fabricator purchases such material, the fabricator shall  
29 also sign the exemption certificate; (E) a manufacturing or processing  
30 business' laboratory equipment that is not located at the plant or facility,  
31 but that would otherwise qualify for exemption under subsection (3)(E);  
32 (F) all machinery and equipment used in surface mining activities as  
33 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
34 from the time a reclamation plan is filed to the acceptance of the  
35 completed final site reclamation.

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

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

43 (B) machinery, equipment and tools used primarily in maintaining

1 and repairing any type of machinery and equipment or the building and  
2 plant;

3 (C) transportation, transmission and distribution equipment not  
4 primarily used in a production, warehousing or material handling  
5 operation at the plant or facility, including the means of conveyance of  
6 natural gas, electricity, oil or water, and equipment related thereto, located  
7 outside the plant or facility;

8 (D) office machines and equipment including computers and related  
9 peripheral equipment not used directly and primarily to control or measure  
10 the manufacturing process;

11 (E) furniture and other furnishings;

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

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

18 (H) machinery and equipment used for general plant heating, cooling  
19 and lighting;

20 (I) motor vehicles that are registered for operation on public  
21 highways; or

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

25 (6) Subsections (3) and (5) shall not be construed as exclusive listings  
26 of the machinery and equipment that qualify or do not qualify as an  
27 integral or essential part of an integrated production operation. When  
28 machinery or equipment is used as an integral or essential part of  
29 production operations part of the time and for nonproduction purposes at  
30 other times, the primary use of the machinery or equipment shall  
31 determine whether or not such machinery or equipment qualifies for  
32 exemption.

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

35 (II) all sales of educational materials purchased for distribution to the  
36 public at no charge by a nonprofit corporation organized for the purpose of  
37 encouraging, fostering and conducting programs for the improvement of  
38 public health, except that for taxable years commencing after December  
39 31, 2013, this subsection shall not apply to any sales of such materials  
40 purchased by a nonprofit corporation which performs any abortion, as  
41 defined in K.S.A. 65-6701, and amendments thereto;

42 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,  
43 herbicides, germicides, pesticides and fungicides; and services, purchased

1 and used for the purpose of producing plants in order to prevent soil  
2 erosion on land devoted to agricultural use;

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

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

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

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

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

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

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

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

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

42 (1) The American heart association, Kansas affiliate, inc. for the  
43 purposes of providing education, training, certification in emergency

1 cardiac care, research and other related services to reduce disability and  
2 death from cardiovascular diseases and stroke;

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

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

9 (4) the American diabetes association Kansas affiliate, inc. for the  
10 purpose of eliminating diabetes through medical research, public education  
11 focusing on disease prevention and education, patient education including  
12 information on coping with diabetes, and professional education and  
13 training;

14 (5) the American lung association of Kansas, inc. for the purpose of  
15 eliminating all lung diseases through medical research, public education  
16 including information on coping with lung diseases, professional education  
17 and training related to lung disease and other related services to reduce the  
18 incidence of disability and death due to lung disease;

19 (6) the Kansas chapters of the Alzheimer's disease and related  
20 disorders association, inc. for the purpose of providing assistance and  
21 support to persons in Kansas with Alzheimer's disease, and their families  
22 and caregivers;

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

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

29 (9) the heartstrings community foundation for the purpose of  
30 providing training, employment and activities for adults with  
31 developmental disabilities;

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

35 (11) the spina bifida association of Kansas for the purpose of  
36 providing financial, educational and practical aid to families and  
37 individuals with spina bifida. Such aid includes, but is not limited to,  
38 funding for medical devices, counseling and medical educational  
39 opportunities;

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

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

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

7 (15) the KSDS, Inc., for the purpose of promoting the independence  
8 and inclusion of people with disabilities as fully participating and  
9 contributing members of their communities and society through the  
10 training and providing of guide and service dogs to people with  
11 disabilities, and providing disability education and awareness to the  
12 general public;

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

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

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

22 (19) the international association of lions clubs for the purpose of  
23 creating and fostering a spirit of understanding among all people for  
24 humanitarian needs by providing voluntary services through community  
25 involvement and international cooperation;

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

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

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

36 (23) the angel babies association, for the purpose of providing  
37 assistance, support and items of necessity to teenage mothers and their  
38 babies; and

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

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

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

1 subject to the penalties provided for in K.S.A. 79-3615(h), and  
2 amendments thereto;

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

6 (zz) all sales of machinery and equipment purchased by over-the-air,  
7 free access radio or television station that is used directly and primarily for  
8 the purpose of producing a broadcast signal or is such that the failure of  
9 the machinery or equipment to operate would cause broadcasting to cease.

10 For purposes of this subsection, machinery and equipment shall include,  
11 but not be limited to, that required by rules and regulations of the federal  
12 communications commission, and all sales of electricity which are  
13 essential or necessary for the purpose of producing a broadcast signal or is  
14 such that the failure of the electricity would cause broadcasting to cease;

15 (aaa) all sales of tangible personal property and services purchased by  
16 a religious organization that is exempt from federal income taxation  
17 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
18 exclusively for religious purposes, and all sales of tangible personal  
19 property or services purchased by a contractor for the purpose of  
20 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
21 furnishing or remodeling facilities for any such organization that would be  
22 exempt from taxation under the provisions of this section if purchased  
23 directly by such organization. Nothing in this subsection shall be deemed  
24 to exempt the purchase of any construction machinery, equipment or tools  
25 used in the constructing, equipping, reconstructing, maintaining, repairing,  
26 enlarging, furnishing or remodeling facilities for any such organization.  
27 When any such organization shall contract for the purpose of constructing,  
28 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
29 remodeling facilities, it shall obtain from the state and furnish to the  
30 contractor an exemption certificate for the project involved, and the  
31 contractor may purchase materials for incorporation in such project. The  
32 contractor shall furnish the number of such certificate to all suppliers from  
33 whom such purchases are made, and such suppliers shall execute invoices  
34 covering the same bearing the number of such certificate. Upon  
35 completion of the project the contractor shall furnish to such organization  
36 concerned a sworn statement, on a form to be provided by the director of  
37 taxation, that all purchases so made were entitled to exemption under this  
38 subsection. All invoices shall be held by the contractor for a period of five  
39 years and shall be subject to audit by the director of taxation. If any  
40 materials purchased under such a certificate are found not to have been  
41 incorporated in the building or other project or not to have been returned  
42 for credit or the sales or compensating tax otherwise imposed upon such  
43 materials that will not be so incorporated in the building or other project

1 reported and paid by such contractor to the director of taxation not later  
2 than the 20<sup>th</sup> day of the month following the close of the month in which it  
3 shall be determined that such materials will not be used for the purpose for  
4 which such certificate was issued, such organization concerned shall be  
5 liable for tax on all materials purchased for the project, and upon payment  
6 thereof it may recover the same from the contractor together with  
7 reasonable attorney fees. Any contractor or any agent, employee or  
8 subcontractor thereof, who shall use or otherwise dispose of any materials  
9 purchased under such a certificate for any purpose other than that for  
10 which such a certificate is issued without the payment of the sales or  
11 compensating tax otherwise imposed upon such materials, shall be guilty  
12 of a misdemeanor and, upon conviction therefor, shall be subject to the  
13 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
14 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
15 this act upon the gross receipts received from any sale exempted by the  
16 amendatory provisions of this subsection shall be refunded. Each claim for  
17 a sales tax refund shall be verified and submitted to the director of taxation  
18 upon forms furnished by the director and shall be accompanied by any  
19 additional documentation required by the director. The director shall  
20 review each claim and shall refund that amount of sales tax paid as  
21 determined under the provisions of this subsection. All refunds shall be  
22 paid from the sales tax refund fund upon warrants of the director of  
23 accounts and reports pursuant to vouchers approved by the director or the  
24 director's designee;

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

30 (ccc) on and after July 1, 1999, all sales of tangible personal property  
31 and services purchased by a primary care clinic or health center the  
32 primary purpose of which is to provide services to medically underserved  
33 individuals and families, and that is exempt from federal income taxation  
34 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
35 sales of tangible personal property or services purchased by a contractor  
36 for the purpose of constructing, equipping, reconstructing, maintaining,  
37 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
38 or center that would be exempt from taxation under the provisions of this  
39 section if purchased directly by such clinic or center, except that for  
40 taxable years commencing after December 31, 2013, this subsection shall  
41 not apply to any sales of such tangible personal property and services  
42 purchased by a primary care clinic or health center which performs any  
43 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing



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

35 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
36 sales of materials and services purchased by any class II or III railroad as  
37 classified by the federal surface transportation board for the construction,  
38 renovation, repair or replacement of class II or III railroad track and  
39 facilities used directly in interstate commerce. In the event any such track  
40 or facility for which materials and services were purchased sales tax  
41 exempt is not operational for five years succeeding the allowance of such  
42 exemption, the total amount of sales tax that would have been payable  
43 except for the operation of this subsection shall be recouped in accordance

1 with rules and regulations adopted for such purpose by the secretary of  
2 revenue;

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

7 (fff) all sales of material handling equipment, racking systems and  
8 other related machinery and equipment that is used for the handling,  
9 movement or storage of tangible personal property in a warehouse or  
10 distribution facility in this state; all sales of installation, repair and  
11 maintenance services performed on such machinery and equipment; and  
12 all sales of repair and replacement parts for such machinery and  
13 equipment. For purposes of this subsection, a warehouse or distribution  
14 facility means a single, fixed location that consists of buildings or  
15 structures in a contiguous area where storage or distribution operations are  
16 conducted that are separate and apart from the business' retail operations,  
17 if any, and that do not otherwise qualify for exemption as occurring at a  
18 manufacturing or processing plant or facility. Material handling and  
19 storage equipment shall include aeration, dust control, cleaning, handling  
20 and other such equipment that is used in a public grain warehouse or other  
21 commercial grain storage facility, whether used for grain handling, grain  
22 storage, grain refining or processing, or other grain treatment operation;

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

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

31 (iii) all sales of personal property and services purchased by an  
32 organization that is exempt from federal income taxation pursuant to  
33 section 501(c)(3) of the federal internal revenue code of 1986, and such  
34 personal property and services are used by any such organization in the  
35 collection, storage and distribution of food products to nonprofit  
36 organizations that distribute such food products to persons pursuant to a  
37 food distribution program on a charitable basis without fee or charge, and  
38 all sales of tangible personal property or services purchased by a  
39 contractor for the purpose of constructing, equipping, reconstructing,  
40 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
41 for the collection and storage of such food products for any such  
42 organization which is exempt from federal income taxation pursuant to  
43 section 501(c)(3) of the federal internal revenue code of 1986, that would

1 be exempt from taxation under the provisions of this section if purchased  
2 directly by such organization. Nothing in this subsection shall be deemed  
3 to exempt the purchase of any construction machinery, equipment or tools  
4 used in the constructing, equipping, reconstructing, maintaining, repairing,  
5 enlarging, furnishing or remodeling facilities for any such organization.  
6 When any such organization shall contract for the purpose of constructing,  
7 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
8 remodeling facilities, it shall obtain from the state and furnish to the  
9 contractor an exemption certificate for the project involved, and the  
10 contractor may purchase materials for incorporation in such project. The  
11 contractor shall furnish the number of such certificate to all suppliers from  
12 whom such purchases are made, and such suppliers shall execute invoices  
13 covering the same bearing the number of such certificate. Upon  
14 completion of the project the contractor shall furnish to such organization  
15 concerned 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 such facilities or not to have been returned for credit or the  
21 sales or compensating tax otherwise imposed upon such materials that will  
22 not be so incorporated in such facilities reported and paid by such  
23 contractor to the director of taxation not later than the 20<sup>th</sup> 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, such organization concerned shall be liable for tax  
27 on all materials purchased for the project, and upon payment thereof it  
28 may recover the same from the contractor together with reasonable  
29 attorney fees. Any contractor or any agent, employee or subcontractor  
30 thereof, who shall use or otherwise dispose of any materials purchased  
31 under such a certificate for any purpose other than that for which such a  
32 certificate is issued without the payment of the sales or compensating tax  
33 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
34 and, upon conviction therefor, shall be subject to the penalties provided for  
35 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
36 July 1, 2005, but prior to the effective date of this act upon the gross  
37 receipts received from any sale exempted by the amendatory provisions of  
38 this subsection shall be refunded. Each claim for a sales tax refund shall be  
39 verified and submitted to the director of taxation upon forms furnished by  
40 the director and shall be accompanied by any additional documentation  
41 required by the director. The director shall review each claim and shall  
42 refund that amount of sales tax paid as determined under the provisions of  
43 this subsection. All refunds shall be paid from the sales tax refund fund

1 upon warrants of the director of accounts and reports pursuant to vouchers  
2 approved by the director or the director's designee;

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

18 (lll) all sales of tangible personal property and services purchased by  
19 special olympics Kansas, inc. for the purpose of providing year-round  
20 sports training and athletic competition in a variety of olympic-type sports  
21 for individuals with intellectual disabilities by giving them continuing  
22 opportunities to develop physical fitness, demonstrate courage, experience  
23 joy and participate in a sharing of gifts, skills and friendship with their  
24 families, other special olympics athletes and the community, and activities  
25 provided or sponsored by such organization, and all sales of tangible  
26 personal property by or on behalf of any such organization;

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

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

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

42 (ppp) all sales of tangible personal property and services purchased  
43 by or on behalf of a homeless shelter that is exempt from federal income

1 taxation pursuant to section 501(c)(3) of the federal income tax code of  
2 1986, and used by any such homeless shelter to provide emergency and  
3 transitional housing for individuals and families experiencing  
4 homelessness, and all sales of any such property by or on behalf of any  
5 such homeless shelter for any such purpose;

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

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

8 (rrr) all sales of tangible personal property and services purchased by  
9 any county law library maintained pursuant to law and sales of tangible  
10 personal property and services purchased by an organization that would  
11 have been exempt from taxation under the provisions of this subsection if  
12 purchased directly by the county law library for the purpose of providing  
13 legal resources to attorneys, judges, students and the general public, and  
14 all sales of any such property by or on behalf of any such county law  
15 library;

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

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

20 (ttt) all sales of tangible personal property or services purchased by a  
21 contractor for a project for the purpose of restoring, constructing,  
22 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
23 remodeling a home or facility owned by a nonprofit museum that has been  
24 granted an exemption pursuant to subsection (qq), which such home or  
25 facility is located in a city that has been designated as a qualified  
26 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
27 amendments thereto, and which such project is related to the purposes of  
28 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
29 exempt from taxation under the provisions of this section if purchased  
30 directly by such nonprofit museum. Nothing in this subsection shall be  
31 deemed to exempt the purchase of any construction machinery, equipment  
32 or tools used in the restoring, constructing, equipping, reconstructing,  
33 maintaining, repairing, enlarging, furnishing or remodeling a home or  
34 facility for any such nonprofit museum. When any such nonprofit museum  
35 shall contract for the purpose of restoring, constructing, equipping,  
36 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
37 a home or facility, it shall obtain from the state and furnish to the  
38 contractor an exemption certificate for the project involved, and the  
39 contractor may purchase materials for incorporation in such project. The  
40 contractor shall furnish the number of such certificates to all suppliers  
41 from whom such purchases are made, and such suppliers shall execute  
42 invoices covering the same bearing the number of such certificate. Upon  
43 completion of the project, the contractor shall furnish to such nonprofit

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

22 (uuu) all sales of tangible personal property and services purchased  
23 by Kansas children's service league, hereinafter referred to as KCSL,  
24 which is exempt from federal income taxation pursuant to section 501(c)  
25 (3) of the federal internal revenue code of 1986, and which such property  
26 and services are used for the purpose of providing for the prevention and  
27 treatment of child abuse and maltreatment as well as meeting additional  
28 critical needs for children, juveniles and family, and all sales of any such  
29 property by or on behalf of KCSL for any such purpose; and all sales of  
30 tangible personal property or services purchased by a contractor for the  
31 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
32 remodeling facilities for the operation of services for KCSL for any such  
33 purpose that would be exempt from taxation under the provisions of this  
34 section if purchased directly by KCSL. Nothing in this subsection shall be  
35 deemed to exempt the purchase of any construction machinery, equipment  
36 or tools used in the constructing, maintaining, repairing, enlarging,  
37 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
38 for the purpose of constructing, maintaining, repairing, enlarging,  
39 furnishing or remodeling such facilities, it shall obtain from the state and  
40 furnish to the contractor an exemption certificate for the project involved,  
41 and the contractor may purchase materials for incorporation in such  
42 project. The contractor shall furnish the number of such certificate to all  
43 suppliers from whom such purchases are made, and such suppliers shall



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

24 (vvv) all sales of tangible personal property or services, including the  
25 renting and leasing of tangible personal property or services, purchased by  
26 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
27 income taxation pursuant to section 501(c)(3) of the federal internal  
28 revenue code, for the purpose of providing jazz in the woods, an event  
29 benefiting children-in-need and other nonprofit charities assisting such  
30 children, and all sales of any such property by or on behalf of such  
31 organization for such purpose;

32 (www) all sales of tangible personal property purchased by or on  
33 behalf of the Frontenac education foundation, which is exempt from  
34 federal income taxation pursuant to section 501(c)(3) of the federal  
35 internal revenue code, for the purpose of providing education support for  
36 students, and all sales of any such property by or on behalf of such  
37 organization for such purpose;

38 (xxx) all sales of personal property and services purchased by the  
39 booth theatre foundation, inc., an organization, which is exempt from  
40 federal income taxation pursuant to section 501(c)(3) of the federal  
41 internal revenue code of 1986, and which such personal property and  
42 services are used by any such organization in the constructing, equipping,  
43 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling

1 of the booth theatre, and all sales of tangible personal property or services  
2 purchased by a contractor for the purpose of constructing, equipping,  
3 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
4 the booth theatre for such organization, that would be exempt from  
5 taxation under the provisions of this section if purchased directly by such  
6 organization. Nothing in this subsection shall be deemed to exempt the  
7 purchase of any construction machinery, equipment or tools used in the  
8 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
9 furnishing or remodeling facilities for any such organization. When any  
10 such organization shall contract for the purpose of constructing, equipping,  
11 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
12 facilities, it shall obtain from the state and furnish to the contractor an  
13 exemption certificate for the project involved, and the contractor may  
14 purchase materials for incorporation in such project. The contractor shall  
15 furnish the number of such certificate to all suppliers from whom such  
16 purchases are made, and such suppliers shall execute invoices covering the  
17 same bearing the number of such certificate. Upon completion of the  
18 project the contractor shall furnish to such organization concerned a sworn  
19 statement, on a form to be provided by the director of taxation, that all  
20 purchases so made were entitled to exemption under this subsection. All  
21 invoices shall be held by the contractor for a period of five years and shall  
22 be subject to audit by the director of taxation. If any materials purchased  
23 under such a certificate are found not to have been incorporated in such  
24 facilities or not to have been returned for credit or the sales or  
25 compensating tax otherwise imposed upon such materials that will not be  
26 so incorporated in such facilities reported and paid by such contractor to  
27 the director of taxation not later than the 20<sup>th</sup> day of the month following  
28 the close of the month in which it shall be determined that such materials  
29 will not be used for the purpose for which such certificate was issued, such  
30 organization concerned shall be liable for tax on all materials purchased  
31 for the project, and upon payment thereof it may recover the same from  
32 the contractor together with reasonable attorney fees. Any contractor or  
33 any agent, employee or subcontractor thereof, who shall use or otherwise  
34 dispose of any materials purchased under such a certificate for any purpose  
35 other than that for which such a certificate is issued without the payment  
36 of the sales or compensating tax otherwise imposed upon such materials,  
37 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
38 subject to the penalties provided for in K.S.A. 79-3615(h), and  
39 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
40 to the effective date of this act upon the gross receipts received from any  
41 sale which would have been exempted by the provisions of this subsection  
42 had such sale occurred after the effective date of this act shall be refunded.  
43 Each claim for a sales tax refund shall be verified and submitted to the

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

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

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

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

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

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

35 (dddd) all sales of tangible personal property or services purchased  
36 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
37 of which are exempt from federal income taxation pursuant to section  
38 501(c)(3) of the federal internal revenue code, for the purpose of providing  
39 education, training and employment opportunities for people with  
40 disabilities and other barriers to employment;

41 (eeee) all sales of tangible personal property or services purchased by  
42 or on behalf of all American beef battalion, inc., which is exempt from  
43 federal income taxation pursuant to section 501(c)(3) of the federal

1 internal revenue code, for the purpose of educating, promoting and  
2 participating as a contact group through the beef cattle industry in order to  
3 carry out such projects that provide support and morale to members of the  
4 United States armed forces and military services;

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

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

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

10 (hhhh) all sales of tangible personal property or services purchased  
11 on or after July 1, 2014, for the purpose of and in conjunction with  
12 constructing, reconstructing, enlarging or remodeling a business identified  
13 under the North American industry classification system (NAICS)  
14 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
15 installation of machinery and equipment purchased for installation at any  
16 such business. The exemption provided in this subsection shall not apply  
17 to projects that have actual total costs less than \$50,000. When a person  
18 contracts for the construction, reconstruction, enlargement or remodeling  
19 of any such business, such person shall obtain from the state and furnish to  
20 the contractor an exemption certificate for the project involved, and the  
21 contractor may purchase materials, machinery and equipment for  
22 incorporation in such project. The contractor shall furnish the number of  
23 such certificates to all suppliers from whom such purchases are made, and  
24 such suppliers shall execute invoices covering the same bearing the  
25 number of such certificate. Upon completion of the project, the contractor  
26 shall furnish to the owner of the business a sworn statement, on a form to  
27 be provided by the director of taxation, that all purchases so made were  
28 entitled to exemption under this subsection. All invoices shall be held by  
29 the contractor for a period of five years and shall be subject to audit by the  
30 director of taxation. Any contractor or any agent, employee or  
31 subcontractor of the contractor, who shall use or otherwise dispose of any  
32 materials, machinery or equipment purchased under such a certificate for  
33 any purpose other than that for which such a certificate is issued without  
34 the payment of the sales or compensating tax otherwise imposed thereon,  
35 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
36 subject to the penalties provided for in K.S.A. 79-3615(h), and  
37 amendments thereto;

38 (iiii) all sales of tangible personal property or services purchased by a  
39 contractor for the purpose of constructing, maintaining, repairing,  
40 enlarging, furnishing or remodeling facilities for the operation of services  
41 for Wichita children's home for any such purpose that would be exempt  
42 from taxation under the provisions of this section if purchased directly by  
43 Wichita children's home. Nothing in this subsection shall be deemed to

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

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

38 (kkkk) all sales of tangible personal property and services purchased  
39 by or on behalf of reaching out from within, inc., which is exempt from  
40 federal income taxation pursuant to section 501(c)(3) of the federal  
41 internal revenue code, for the purpose of sponsoring self-help programs for  
42 incarcerated persons that will enable such incarcerated persons to become  
43 role models for non-violence while in correctional facilities and productive

1 family members and citizens upon return to the community; ~~and~~  
2 (III) all sales of tangible personal property and services purchased by  
3 Gove county healthcare endowment foundation, inc., which is exempt  
4 from federal income taxation pursuant to section 501(c)(3) of the federal  
5 internal revenue code of 1986, and which such property and services are  
6 used for the purpose of constructing and equipping an airport in Quinter,  
7 Kansas, and all sales of tangible personal property or services purchased  
8 by a contractor for the purpose of constructing and equipping an airport in  
9 Quinter, Kansas, for such organization, that would be exempt from  
10 taxation under the provisions of this section if purchased directly by such  
11 organization. Nothing in this subsection shall be deemed to exempt the  
12 purchase of any construction machinery, equipment or tools used in the  
13 constructing or equipping of facilities for such organization. When such  
14 organization shall contract for the purpose of constructing or equipping an  
15 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
16 contractor an exemption certificate for the project involved, and the  
17 contractor may purchase materials for incorporation in such project. The  
18 contractor shall furnish the number of such certificate to all suppliers from  
19 whom such purchases are made, and such suppliers shall execute invoices  
20 covering the same bearing the number of such certificate. Upon  
21 completion of the project, the contractor shall furnish to such organization  
22 concerned a sworn statement, on a form to be provided by the director of  
23 taxation, that all purchases so made were entitled to exemption under this  
24 subsection. All invoices shall be held by the contractor for a period of five  
25 years and shall be subject to audit by the director of taxation. If any  
26 materials purchased under such a certificate are found not to have been  
27 incorporated in such facilities or not to have been returned for credit or the  
28 sales or compensating tax otherwise imposed upon such materials that will  
29 not be so incorporated in such facilities reported and paid by such  
30 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
31 following the close of the month in which it shall be determined that such  
32 materials will not be used for the purpose for which such certificate was  
33 issued, such organization concerned shall be liable for tax on all materials  
34 purchased for the project, and upon payment thereof it may recover the  
35 same from the contractor together with reasonable attorney fees. Any  
36 contractor or any agent, employee or subcontractor thereof, who purchased  
37 under such a certificate for any purpose other than that for which such a  
38 certificate is issued without the payment of the sales or compensating tax  
39 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
40 and, upon conviction therefor, shall be subject to the penalties provided for  
41 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
42 subsection shall expire and have no effect on and after July 1, 2019; *and*  
43 *(mmmm) on and after July 1, 2020, all back-to-school-related sales*



1 *of clothing or clothing accessories or equipment having a taxable value of*  
2 *\$300 or less, school supplies, school instructional materials or school art*  
3 *supplies not to exceed \$100 per item, prewritten computer software with a*  
4 *taxable value of \$300 or less and personal computers or school computer*  
5 *supplies not to exceed \$2,000, during the period beginning at 12:01 a.m.*  
6 *on the first Thursday in August and ending at midnight on the Sunday*  
7 *following. Only items priced below the price threshold established in this*  
8 *subsection shall be exempt from taxation pursuant to this subsection. The*  
9 *seller of items specified in this subsection is not required to obtain an*  
10 *exemption certificate from the purchaser of such items as provided*  
11 *pursuant to K.S.A. 79-3692, and amendments thereto, during the period of*  
12 *time specified in this subsection. There shall be no exemption pursuant to*  
13 *this subsection for only a portion of the price of an individual item. The*  
14 *provisions of section 1, and amendments thereto, shall apply to the*  
15 *exemption contained in this subsection.*

16       Sec. 3. K.S.A. 2018 Supp. 79-3606 is hereby repealed.

17       Sec. 4. This act shall take effect and be in force from and after its  
18 publication in the statute book.