

Substitute for HOUSE BILL No. 2450

By Committee on Commerce, Labor and Economic Development

2-14

1 AN ACT concerning sales taxation; relating to economic development;
2 providing a sales tax exemption for the construction or remodeling of a
3 qualified data center in Kansas, the purchase of data center equipment
4 and eligible data center costs, electricity and certain labor costs to
5 qualified firms that make a minimum investment of at least
6 \$600,000,000 and meet new Kansas jobs and other requirements;
7 amending K.S.A. 2023 Supp. 79-3606 and repealing the existing
8 section.
9

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

11 New Section 1. For purposes of sections 1 through 3, and
12 amendments thereto:

13 (a) "Commencement of construction" means the date that
14 construction, reconstruction, enlargement or remodeling of a qualified data
15 center by a qualified firm commences, as determined by the secretary.

16 (b) "Commencement of operations" means the date that the qualified
17 firm commences operations at a qualified data center, as determined by the
18 secretary.

19 (c) "Data center equipment" means computer equipment or software
20 purchased or leased for the processing, storage, retrieval or communication
21 of data, including the following:

22 (1) Servers, routers, connections, monitoring and security systems
23 and other enabling machinery, equipment and hardware, regardless of
24 whether the property is or is not affixed to or incorporated into real
25 property;

26 (2) equipment used in the operation of computer equipment or
27 software or for the benefit of the qualified data center, including, but not
28 limited to, component parts, installations, refreshments, replacements and
29 upgrades, regardless of whether the property is or is not affixed to or
30 incorporated into real property;

31 (3) all equipment necessary for the transformation, generation,
32 distribution or management of electricity that is required to operate
33 computer server equipment, including, but not limited to, substations,
34 generators, uninterruptible energy equipment, supplies, conduit, fuel
35 piping and storage, cabling, duct banks, switches, switchboards, batteries,
36 testing equipment and backup generators;

1 (4) all equipment necessary to cool and maintain a controlled
2 environment for the operation of the computer servers and other
3 components of the qualified data center, including, but not limited to,
4 chillers, mechanical equipment, refrigerant piping, fuel piping and storage,
5 adiabatic and free cooling systems, cooling towers, water softeners, air
6 handling units, indoor direct exchange units, fans, ducting and filters;

7 (5) all water conservation systems, including facilities or mechanisms
8 that are designed to collect, conserve and reuse water;

9 (6) all computer server equipment, chassis, networking equipment,
10 switches, racks, fiber optic and copper cabling, trays and conduit;

11 (7) all conduit, ducting and fiber optic and copper cabling directly
12 related to connecting one or more distributed qualified data center
13 locations regardless of whether located inside or outside a data center;

14 (8) all monitoring equipment and security systems;

15 (9) modular data centers and preassembled components of any item
16 described in paragraph (1), including components used in the
17 manufacturing of modular data centers;

18 (10) all software; and

19 (11) other tangible and intangible personal property that is essential to
20 the operations of a qualified data center, excluding such property used in
21 the administration of the qualified data center.

22 (d) "Department" means the department of commerce.

23 (e) "Eligible data center costs" means expenditures for the
24 development, acquisition, construction and operation of a qualified data
25 center, including, but not limited to, costs of land, buildings, site
26 improvements, modular data centers, computer data center equipment
27 acquisition and permitting, lease payments, site characterization and
28 assessment, engineering and design used directly and exclusively for a
29 qualified data center.

30 (f) "New jobs" means newly created jobs with a qualified firm at a
31 qualified data center or directly associated with a qualified data center
32 filled by Kansas residents and the primary work locations are in Kansas.

33 (g) "Qualified data center" means one or more buildings that are
34 constructed, reconstructed, enlarged or remodeled to house a group of
35 networked computer servers in this state to centralize the storage,
36 management and dissemination of data and information pertaining to a
37 particular business, taxonomy or body of knowledge.

38 (h) "Qualified firm" means a business that is subject to Kansas state
39 income tax and is engaged in data processing, storage and dissemination.

40 (i) "Secretary" means the secretary of commerce.

41 New Sec. 2. (a) A qualified firm that makes an investment in a
42 qualified data center of at least \$600,000,000 in the aggregate within the
43 first five calendar years after commencement of construction, and creates

1 and maintains at least 20 new jobs at the qualified data center within two
2 calendar years after the commencement of operations shall receive a sales
3 tax exemption, as provided by section 3, and amendments thereto, and
4 K.S.A. 79-3606(rrrr), and amendments thereto, for:

5 (1) Eligible data center costs of the qualified data center;
6 (2) data center equipment;
7 (3) all electricity used by a qualified data center; and
8 (4) labor services to install, apply, repair, service, alter or maintain
9 data center equipment.

10 (b) To be eligible to receive such sales tax exemption, a qualified firm
11 shall:

12 (1) Submit an application to the secretary in the form and manner as
13 required by the secretary;

14 (2) commit to an investment of at least \$600,000,000 in the qualified
15 data center to be completed within five calendar years of the
16 commencement of construction or on such earlier date as specified in the
17 agreement pursuant to paragraph (4);

18 (3) commit to begin construction of the project within 10 years of the
19 date of the agreement with the secretary or on such earlier date as specified
20 in the agreement pursuant to paragraph (4); and

21 (4) if the application is approved by the secretary, enter into an
22 agreement with the secretary upon such terms and conditions as the
23 secretary may require, including the commitments or conditions required
24 by paragraphs (2) and (3) and subsections (c) and (d)(1) and (2). The
25 agreement shall be entered into before any sales tax exemption may be
26 provided under this act.

27 (c) if it is determined by the secretary that the qualified firm has
28 breached a term or condition of the agreement, the secretary shall provide
29 written notice to the qualified firm as to which terms or conditions were
30 breached and allow the qualified firm 60 days to cure the breached terms
31 or conditions. If the breached terms or conditions have not been cured
32 within such time, the secretary may require the qualified firm to repay all
33 or a part of the amount of the sales tax exemption received, terminate the
34 sales tax exemption or suspend all or a part of the sales tax exemption for
35 as long as the breach is not cured.

36 (d) As a condition of receiving the sales tax exemption, a qualified
37 firm shall agree to:

38 (1) Cooperate with any audit undertaken by the secretary of revenue
39 as provided by subsection (f); and

40 (2) provide the secretary of commerce information required:

41 (A) For publication in the economic development incentive program
42 information database pursuant to K.S.A. 74-50,226, and amendments
43 thereto;

1 (B) for the secretary's report pursuant to K.S.A. 74-50,320, and
2 amendments thereto; and

3 (C) by the secretary of commerce or the secretary of revenue pursuant
4 to subsection (e)(1).

5 (e) (1) The secretary shall conduct a review every five years of the
6 activities undertaken by a qualified firm to ensure that the qualified firm
7 remains in good standing with the state and in compliance with the
8 provisions of this act, any rules and regulations adopted by the secretary
9 with respect to this act and any agreement entered into pursuant to this
10 section and continues to meet the requirements for the sales tax exemption
11 provided under this act. The secretary of commerce shall certify every five
12 years to the secretary of revenue whether the qualified firm meets the
13 criteria for designation as a qualified firm and is eligible for such sales tax
14 exemption. The qualified firm shall provide the secretary of commerce all
15 information reasonably necessary to determine such eligibility. Except as
16 provided by paragraph (2), information obtained under this paragraph shall
17 not be subject to disclosure pursuant to K.S.A. 45-215 et seq., and
18 amendments thereto, unless subject to disclosure pursuant to subsection
19 (d)(1) or (2), but shall upon request be made available to the legislative
20 post audit division. The provisions of this paragraph providing for
21 confidentiality of records shall expire on July 1, 2029, unless the
22 legislature reviews and acts to continue such provisions pursuant to K.S.A.
23 45-229, and amendments thereto, prior to July 1, 2029.

24 (2) Confidential financial information, any trade secret or other
25 information that, if known, would place the qualified firm at a
26 disadvantage in the marketplace or would significantly interfere with the
27 purposes of this act in the judgment of the secretary that is obtained under
28 this section shall not be subject to disclosure pursuant to K.S.A. 45-215 et
29 seq., and amendments thereto, but shall upon request be made available to
30 the legislative post audit division. The provisions of this paragraph
31 providing for confidentiality of records shall expire on July 1, 2029, unless
32 the legislature reviews and acts to continue such provisions pursuant to
33 K.S.A. 45-229, and amendments thereto, prior to July 1, 2029.

34 (f) The books and records that pertain to eligibility for benefits or
35 compliance with the requirements of this act shall be available for
36 inspection by the secretary or the secretary's duly authorized agents or
37 employees during business hours on at least 30 days' prior written notice.
38 The secretary may request the department of revenue to audit the qualified
39 firm, or a third party if applicable, for compliance with the provisions of
40 this act.

41 (g) The secretary of commerce shall certify to the secretary of
42 revenue when the qualified firm has met the conditions to receive a sales
43 tax exemption as provided by section 2, and amendments thereto, and shall

1 provide notice when the sales tax exemption is modified, suspended or
2 terminated pursuant to subsection (c).

3 (h) The secretary of commerce or the secretary of revenue may adopt
4 rules and regulations for the implementation of this act.

5 New Sec. 3. (a) On and after July 1, 2024, a qualified firm that meets
6 the requirements of section 2, and amendments thereto, may be eligible for
7 a sales tax exemption as provided by this section and the provisions of
8 K.S.A. 79-3606(rrrr), and amendments thereto.

9 (b) Qualified firms shall be eligible for such sales tax exemption
10 commencing on the date that the qualified firm commences construction of
11 the qualified data center, as determined by the secretary of commerce, or
12 an earlier date if provided by the agreement pursuant to section 2, and
13 amendments thereto.

14 (c) To be eligible to receive the sales tax exemption, the qualified
15 firm shall have been approved by and entered into an agreement with the
16 secretary to make an investment in a qualified data center of at least
17 \$600,000,000 as provided by section 2, and amendments thereto.

18 (d) The sales tax exemption shall be valid:

19 (1) For 30 years after the date of commencement of construction for
20 qualified firms making an investment of at least \$600,000,000 in a
21 qualified data center;

22 (2) for 40 years after the date of commencement of construction for
23 qualified firms making an investment of at least \$800,000,000 in a
24 qualified data center; or

25 (3) indefinitely after the date of commencement of construction for
26 qualified firms making an investment of at least \$1,000,000,000 in a
27 qualified data center.

28 (e) The secretary of commerce shall provide notice to the secretary of
29 revenue regarding an approval of a sales tax exemption under this section.
30 No sales tax exemption shall be approved by the secretary of revenue
31 unless the qualified firm has been certified by the secretary of commerce,
32 as provided in section 2, and amendments thereto, as meeting all
33 requirements of this act, of the rules and regulations of the secretary, if
34 any, and of the agreement executed pursuant to section 2, and amendments
35 thereto.

36 (f) A sales tax exemption shall be revoked, suspended or modified by
37 the secretary of revenue as requested by the secretary of commerce upon
38 notification that the qualified firm has been disapproved by the secretary
39 of commerce as provided by section 2, and amendments thereto.

40 Sec. 4. K.S.A. 2023 Supp. 79-3606 is hereby amended to read as
41 follows: 79-3606. The following shall be exempt from the tax imposed by
42 this act:

43 (a) All sales of motor-vehicle fuel or other articles upon which a sales

1 or excise tax has been paid, not subject to refund, under the laws of this
2 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-
3 3301, and amendments thereto, including consumable material for such
4 electronic cigarettes, cereal malt beverages and malt products as defined
5 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,
6 malt syrup and malt extract, that is not subject to taxation under the
7 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles
8 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed
9 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and
10 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments
11 thereto, and gross receipts from regulated sports contests taxed pursuant to
12 the Kansas professional regulated sports act, and amendments thereto;

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

29 (c) all sales of tangible personal property or services, including the
30 renting and leasing of tangible personal property, purchased directly by a
31 public or private elementary or secondary school or public or private
32 nonprofit educational institution and used primarily by such school or
33 institution for nonsectarian programs and activities provided or sponsored
34 by such school or institution or in the erection, repair or enlargement of
35 buildings to be used for such purposes. The exemption herein provided
36 shall not apply to erection, construction, repair, enlargement or equipment
37 of buildings used primarily for human habitation, except that such
38 exemption shall apply to the erection, construction, repair, enlargement or
39 equipment of buildings used for human habitation by the cerebral palsy
40 research foundation of Kansas located in Wichita, Kansas, and multi
41 community diversified services, incorporated, located in McPherson,
42 Kansas;

43 (d) all sales of tangible personal property or services purchased by a

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

1 were entitled to exemption under this subsection. As an alternative to the
2 foregoing procedure, any such contracting entity may apply to the
3 secretary of revenue for agent status for the sole purpose of issuing and
4 furnishing project exemption certificates to contractors pursuant to rules
5 and regulations adopted by the secretary establishing conditions and
6 standards for the granting and maintaining of such status. All invoices
7 shall be held by the contractor for a period of five years and shall be
8 subject to audit by the director of taxation. If any materials purchased
9 under such a certificate are found not to have been incorporated in the
10 building or other project or not to have been returned for credit or the sales
11 or compensating tax otherwise imposed upon such materials that will not
12 be so incorporated in the building or other project reported and paid by
13 such contractor to the director of taxation not later than the 20th day of the
14 month following the close of the month in which it shall be determined
15 that such materials will not be used for the purpose for which such
16 certificate was issued, the political subdivision, district described in
17 subsection (s), hospital or public hospital authority, school, educational
18 institution or the contractor contracting with the department of corrections
19 for a correctional institution concerned shall be liable for tax on all
20 materials purchased for the project, and upon payment thereof it may
21 recover the same from the contractor together with reasonable attorney
22 fees. Any contractor or any agent, employee or subcontractor thereof, who
23 shall use or otherwise dispose of any materials purchased under such a
24 certificate for any purpose other than that for which such a certificate is
25 issued without the payment of the sales or compensating tax otherwise
26 imposed upon such materials, shall be guilty of a misdemeanor and, upon
27 conviction therefor, shall be subject to the penalties provided for in K.S.A.
28 79-3615(h), and amendments thereto;

29 (e) all sales of tangible personal property or services purchased by a
30 contractor for the erection, repair or enlargement of buildings or other
31 projects for the government of the United States, its agencies or
32 instrumentalities, that would be exempt from taxation if purchased directly
33 by the government of the United States, its agencies or instrumentalities.
34 When the government of the United States, its agencies or
35 instrumentalities shall contract for the erection, repair, or enlargement of
36 any building or other project, it shall obtain from the state and furnish to
37 the contractor an exemption certificate for the project involved, and the
38 contractor may purchase materials for incorporation in such project. The
39 contractor shall furnish the number of such certificates to all suppliers
40 from whom such purchases are made, and such suppliers shall execute
41 invoices covering the same bearing the number of such certificate. Upon
42 completion of the project the contractor shall furnish to the government of
43 the United States, its agencies or instrumentalities concerned a sworn

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm
2 machinery and equipment" includes precision farming equipment that is
3 portable or is installed or purchased to be installed on farm machinery and
4 equipment. "Precision farming equipment" includes the following items
5 used only in computer-assisted farming, ranching or aquaculture
6 production operations: Soil testing sensors, yield monitors, computers,
7 monitors, software, global positioning and mapping systems, guiding
8 systems, modems, data communications equipment and any necessary
9 mounting hardware, wiring and antennas. Each purchaser of farm
10 machinery and equipment or aquaculture machinery and equipment
11 exempted herein must certify in writing on the copy of the invoice or sales
12 ticket to be retained by the seller that the farm machinery and equipment
13 or aquaculture machinery and equipment purchased will be used only in
14 farming, ranching or aquaculture production. Farming or ranching shall
15 include the operation of a feedlot and farm and ranch work for hire and the
16 operation of a nursery;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 generally is not useful to a person in the absence of illness or injury and is
2 not worn in or on the body, but does not include mobility enhancing
3 equipment as defined in subsection (r), oxygen delivery equipment, kidney
4 dialysis equipment or enteral feeding systems;

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

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

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

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

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

33 (2) For purposes of this subsection:

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

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

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

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

1 meat lockers and meat markets that butcher or dress livestock or poultry in
2 the regular course of their retail trade, contractors who alter, service, repair
3 or improve real property, and retail businesses that clean, service or
4 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

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

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

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

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

1 off-site, from the point where the substance enters the site of the plant or
2 facility to that manufacturer's production operations;

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

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

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

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

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

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

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

1 cleaning, plant communications and employee work scheduling;

2 (B) machinery, equipment and tools used primarily in maintaining
3 and repairing any type of machinery and equipment or the building and
4 plant;

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

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

13 (E) furniture and other furnishings;

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

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

20 (H) machinery and equipment used for general plant heating, cooling
21 and lighting;

22 (I) motor vehicles that are registered for operation on public
23 highways; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 1 (1) The American heart association, Kansas affiliate, inc. for the
2 purposes of providing education, training, certification in emergency
3 cardiac care, research and other related services to reduce disability and
4 death from cardiovascular diseases and stroke;
- 5 (2) the Kansas alliance for the mentally ill, inc. for the purpose of
6 advocacy for persons with mental illness and to education, research and
7 support for their families;
- 8 (3) the Kansas mental illness awareness council for the purposes of
9 advocacy for persons who are mentally ill and for education, research and
10 support for them and their families;
- 11 (4) the American diabetes association Kansas affiliate, inc. for the
12 purpose of eliminating diabetes through medical research, public education
13 focusing on disease prevention and education, patient education including
14 information on coping with diabetes, and professional education and
15 training;
- 16 (5) the American lung association of Kansas, inc. for the purpose of
17 eliminating all lung diseases through medical research, public education
18 including information on coping with lung diseases, professional education
19 and training related to lung disease and other related services to reduce the
20 incidence of disability and death due to lung disease;
- 21 (6) the Kansas chapters of the Alzheimer's disease and related
22 disorders association, inc. for the purpose of providing assistance and
23 support to persons in Kansas with Alzheimer's disease, and their families
24 and caregivers;
- 25 (7) the Kansas chapters of the Parkinson's disease association for the
26 purpose of eliminating Parkinson's disease through medical research and
27 public and professional education related to such disease;
- 28 (8) the national kidney foundation of Kansas and western Missouri
29 for the purpose of eliminating kidney disease through medical research
30 and public and private education related to such disease;
- 31 (9) the heartstrings community foundation for the purpose of
32 providing training, employment and activities for adults with
33 developmental disabilities;
- 34 (10) the cystic fibrosis foundation, heart of America chapter, for the
35 purposes of assuring the development of the means to cure and control
36 cystic fibrosis and improving the quality of life for those with the disease;
- 37 (11) the spina bifida association of Kansas for the purpose of
38 providing financial, educational and practical aid to families and
39 individuals with spina bifida. Such aid includes, but is not limited to,
40 funding for medical devices, counseling and medical educational
41 opportunities;
- 42 (12) the CHWC, Inc., for the purpose of rebuilding urban core
43 neighborhoods through the construction of new homes, acquiring and

1 renovating existing homes and other related activities, and promoting
2 economic development in such neighborhoods;

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

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

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

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

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

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

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

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

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

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

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

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

43 (ww) all sales of tangible personal property purchased by the habitat

1 for humanity for the exclusive use of being incorporated within a housing
2 project constructed by such organization;

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

1 of the sales or compensating tax otherwise imposed upon such materials,
2 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
3 subject to the penalties provided for in K.S.A. 79-3615(h), and
4 amendments thereto;

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

8 (zz) all sales of machinery and equipment purchased by over-the-air,
9 free access radio or television station that is used directly and primarily for
10 the purpose of producing a broadcast signal or is such that the failure of
11 the machinery or equipment to operate would cause broadcasting to cease.
12 For purposes of this subsection, machinery and equipment shall include,
13 but not be limited to, that required by rules and regulations of the federal
14 communications commission, and all sales of electricity which are
15 essential or necessary for the purpose of producing a broadcast signal or is
16 such that the failure of the electricity would cause broadcasting to cease;

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

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

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

32 (ccc) on and after July 1, 1999, all sales of tangible personal property
33 and services purchased by a primary care clinic or health center the
34 primary purpose of which is to provide services to medically underserved
35 individuals and families, and that is exempt from federal income taxation
36 pursuant to section 501(c)(3) of the federal internal revenue code, and all
37 sales of tangible personal property or services purchased by a contractor
38 for the purpose of constructing, equipping, reconstructing, maintaining,
39 repairing, enlarging, furnishing or remodeling facilities for any such clinic
40 or center that would be exempt from taxation under the provisions of this
41 section if purchased directly by such clinic or center, except that for
42 taxable years commencing after December 31, 2013, this subsection shall
43 not apply to any sales of such tangible personal property and services

1 purchased by a primary care clinic or health center which performs any
2 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing
3 in this subsection shall be deemed to exempt the purchase of any
4 construction machinery, equipment or tools used in the constructing,
5 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
6 remodeling facilities for any such clinic or center. When any such clinic or
7 center shall contract for the purpose of constructing, equipping,
8 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
9 facilities, it shall obtain from the state and furnish to the contractor an
10 exemption certificate for the project involved, and the contractor may
11 purchase materials for incorporation in such project. The contractor shall
12 furnish the number of such certificate to all suppliers from whom such
13 purchases are made, and such suppliers shall execute invoices covering the
14 same bearing the number of such certificate. Upon completion of the
15 project the contractor shall furnish to such clinic or center concerned a
16 sworn statement, on a form to be provided by the director of taxation, that
17 all purchases so made were entitled to exemption under this subsection.
18 All invoices shall be held by the contractor for a period of five years and
19 shall be subject to audit by the director of taxation. If any materials
20 purchased under such a certificate are found not to have been incorporated
21 in the building or other project or not to have been returned for credit or
22 the sales or compensating tax otherwise imposed upon such materials that
23 will not be so incorporated in the building or other project reported and
24 paid by such contractor to the director of taxation not later than the 20th
25 day of the month following the close of the month in which it shall be
26 determined that such materials will not be used for the purpose for which
27 such certificate was issued, such clinic or center concerned shall be liable
28 for tax on all materials purchased for the project, and upon payment
29 thereof it may recover the same from the contractor together with
30 reasonable attorney fees. Any contractor or any agent, employee or
31 subcontractor thereof, who shall use or otherwise dispose of any materials
32 purchased under such a certificate for any purpose other than that for
33 which such a certificate is issued without the payment of the sales or
34 compensating tax otherwise imposed upon such materials, shall be guilty
35 of a misdemeanor and, upon conviction therefor, shall be subject to the
36 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

37 (ddd) on and after January 1, 1999, and before January 1, 2000, all
38 sales of materials and services purchased by any class II or III railroad as
39 classified by the federal surface transportation board for the construction,
40 renovation, repair or replacement of class II or III railroad track and
41 facilities used directly in interstate commerce. In the event any such track
42 or facility for which materials and services were purchased sales tax
43 exempt is not operational for five years succeeding the allowance of such

1 exemption, the total amount of sales tax that would have been payable
2 except for the operation of this subsection shall be recouped in accordance
3 with rules and regulations adopted for such purpose by the secretary of
4 revenue;

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

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

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

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

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

1 organization which is exempt from federal income taxation pursuant to
2 section 501(c)(3) of the federal internal revenue code of 1986, that would
3 be exempt from taxation under the provisions of this section if purchased
4 directly by such organization. Nothing in this subsection shall be deemed
5 to exempt the purchase of any construction machinery, equipment or tools
6 used in the constructing, equipping, reconstructing, maintaining, repairing,
7 enlarging, furnishing or remodeling facilities for any such organization.
8 When any such organization shall contract for the purpose of constructing,
9 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
10 remodeling facilities, it shall obtain from the state and furnish to the
11 contractor an exemption certificate for the project involved, and the
12 contractor may purchase materials for incorporation in such project. The
13 contractor shall furnish the number of such certificate to all suppliers from
14 whom such purchases are made, and such suppliers shall execute invoices
15 covering the same bearing the number of such certificate. Upon
16 completion of the project the contractor shall furnish to such organization
17 concerned a sworn statement, on a form to be provided by the director of
18 taxation, that all purchases so made were entitled to exemption under this
19 subsection. All invoices shall be held by the contractor for a period of five
20 years and shall be subject to audit by the director of taxation. If any
21 materials purchased under such a certificate are found not to have been
22 incorporated in such facilities or not to have been returned for credit or the
23 sales or compensating tax otherwise imposed upon such materials that will
24 not be so incorporated in such facilities reported and paid by such
25 contractor to the director of taxation not later than the 20th day of the
26 month following the close of the month in which it shall be determined
27 that such materials will not be used for the purpose for which such
28 certificate was issued, such organization concerned shall be liable for tax
29 on all materials purchased for the project, and upon payment thereof it
30 may recover the same from the contractor together with reasonable
31 attorney fees. Any contractor or any agent, employee or subcontractor
32 thereof, who shall use or otherwise dispose of any materials purchased
33 under such a certificate for any purpose other than that for which such a
34 certificate is issued without the payment of the sales or compensating tax
35 otherwise imposed upon such materials, shall be guilty of a misdemeanor
36 and, upon conviction therefor, shall be subject to the penalties provided for
37 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after
38 July 1, 2005, but prior to the effective date of this act upon the gross
39 receipts received from any sale exempted by the amendatory provisions of
40 this subsection shall be refunded. Each claim for a sales tax refund shall be
41 verified and submitted to the director of taxation upon forms furnished by
42 the director and shall be accompanied by any additional documentation
43 required by the director. The director shall review each claim and shall

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

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

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

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

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

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

1 (ppp) all sales of tangible personal property and services purchased
2 by or on behalf of a homeless shelter that is exempt from federal income
3 taxation pursuant to section 501(c)(3) of the federal income tax code of
4 1986, and used by any such homeless shelter to provide emergency and
5 transitional housing for individuals and families experiencing
6 homelessness, and all sales of any such property by or on behalf of any
7 such homeless shelter for any such purpose;

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

1 purchased for the project, and upon payment thereof it may recover the
2 same from the contractor together with reasonable attorney fees. Any
3 contractor or any agent, employee or subcontractor thereof, who shall use
4 or otherwise dispose of any materials purchased under such a certificate
5 for any purpose other than that for which such a certificate is issued
6 without the payment of the sales or compensating tax otherwise imposed
7 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 (rrr) all sales of tangible personal property and services purchased by
11 any county law library maintained pursuant to law and sales of tangible
12 personal property and services purchased by an organization that would
13 have been exempt from taxation under the provisions of this subsection if
14 purchased directly by the county law library for the purpose of providing
15 legal resources to attorneys, judges, students and the general public, and
16 all sales of any such property by or on behalf of any such county law
17 library;

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

1 providers 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 the building or other project
9 reported and paid by such contractor to the director of taxation not later
10 than the 20th day of the month following the close of the month in which it
11 shall be determined that such materials will not be used for the purpose for
12 which such certificate was issued, charitable family providers shall be
13 liable for tax on all materials purchased for the project, and upon payment
14 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 (ttt) all sales of tangible personal property or services purchased by a
23 contractor for a project for the purpose of restoring, constructing,
24 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
25 remodeling a home or facility owned by a nonprofit museum that has been
26 granted an exemption pursuant to subsection (qq), which such home or
27 facility is located in a city that has been designated as a qualified
28 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
29 amendments thereto, and which such project is related to the purposes of
30 K.S.A. 75-5071 et seq., and amendments thereto, and that would be
31 exempt from taxation under the provisions of this section if purchased
32 directly by such nonprofit museum. Nothing in this subsection shall be
33 deemed to exempt the purchase of any construction machinery, equipment
34 or tools used in the restoring, constructing, equipping, reconstructing,
35 maintaining, repairing, enlarging, furnishing or remodeling a home or
36 facility for any such nonprofit museum. When any such nonprofit museum
37 shall contract for the purpose of restoring, constructing, equipping,
38 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
39 a home or facility, it shall obtain from the state and furnish to the
40 contractor an exemption certificate for the project involved, and the
41 contractor may purchase materials for incorporation in such project. The
42 contractor shall furnish the number of such certificates to all suppliers
43 from whom such purchases are made, and such suppliers shall execute

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

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

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

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

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

40 (xxx) all sales of personal property and services purchased by the
41 booth theatre foundation, inc., an organization, which is exempt from
42 federal income taxation pursuant to section 501(c)(3) of the federal
43 internal revenue code of 1986, and which such personal property and

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

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

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

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

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

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

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

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

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

43 (eeee) all sales of tangible personal property or services purchased by

1 or on behalf of all American beef battalion, inc., which is exempt from
2 federal income taxation pursuant to section 501(c)(3) of the federal
3 internal revenue code, for the purpose of educating, promoting and
4 participating as a contact group through the beef cattle industry in order to
5 carry out such projects that provide support and morale to members of the
6 United States armed forces and military services;

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

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

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

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

40 (iiii) all sales of tangible personal property or services purchased by a
41 contractor for the purpose of constructing, maintaining, repairing,
42 enlarging, furnishing or remodeling facilities for the operation of services
43 for Wichita children's home for any such purpose that would be exempt

1 from taxation under the provisions of this section if purchased directly by
2 Wichita children's home. Nothing in this subsection shall be deemed to
3 exempt the purchase of any construction machinery, equipment or tools
4 used in the constructing, maintaining, repairing, enlarging, furnishing or
5 remodeling such facilities for Wichita children's home. When Wichita
6 children's home contracts for the purpose of constructing, maintaining,
7 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain
8 from the state and furnish to the contractor an exemption certificate for the
9 project involved, and the contractor may purchase materials for
10 incorporation in such project. The contractor shall furnish the number of
11 such certificate to all suppliers from whom such purchases are made, and
12 such suppliers shall execute invoices covering the same bearing the
13 number of such certificate. Upon completion of the project, the contractor
14 shall furnish to Wichita children's home a sworn statement, on a form to be
15 provided by the director of taxation, that all purchases so made were
16 entitled to exemption under this subsection. All invoices shall be held by
17 the contractor for a period of five years and shall be subject to audit by the
18 director of taxation. If any materials purchased under such a certificate are
19 found not to have been incorporated in the building or other project or not
20 to have been returned for credit or the sales or compensating tax otherwise
21 imposed upon such materials that will not be so incorporated in the
22 building or other project reported and paid by such contractor to the
23 director of taxation not later than the 20th day of the month following the
24 close of the month in which it shall be determined that such materials will
25 not be used for the purpose for which such certificate was issued, Wichita
26 children's home shall be liable for the tax on all materials purchased for the
27 project, and upon payment, it may recover the same from the contractor
28 together with reasonable attorney fees. Any contractor or any agent,
29 employee or subcontractor, who shall use or otherwise dispose of any
30 materials purchased under such a certificate for any purpose other than that
31 for 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, shall be subject to the penalties
34 provided for in K.S.A. 79-3615(h), and amendments thereto;

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

40 (kkkk) all sales of tangible personal property and services purchased
41 by or on behalf of reaching out from within, inc., which is exempt from
42 federal income taxation pursuant to section 501(c)(3) of the federal
43 internal revenue code, for the purpose of sponsoring self-help programs for

1 incarcerated persons that will enable such incarcerated persons to become
2 role models for non-violence while in correctional facilities and productive
3 family members and citizens upon return to the community;

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

1 subsection shall expire and have no effect on and after July 1, 2019;

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

7 (nnnn) all sales of tangible personal property or services purchased
8 by friends of hospice of Jefferson county, an organization that is exempt
9 from federal income taxation pursuant to section 501(c)(3) of the federal
10 internal revenue code of 1986, for the purpose of providing support to the
11 Jefferson county hospice agency in end-of-life care of Jefferson county
12 families, friends and neighbors, and all sales of entry or participation fees,
13 charges or tickets by friends of hospice of Jefferson county for such
14 organization's fundraising event for such purpose;

15 (oooo) all sales of tangible personal property or services purchased
16 for the purpose of and in conjunction with constructing, reconstructing,
17 enlarging or remodeling a qualified business facility by a qualified firm or
18 qualified supplier that meets the requirements established in K.S.A. 2023
19 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has
20 been approved for a project exemption certificate by the secretary of
21 commerce, and the sale and installation of machinery and equipment
22 purchased by such qualified firm or qualified supplier for installation at
23 any such qualified business facility. When a person shall contract for the
24 construction, reconstruction, enlargement or remodeling of any such
25 qualified business facility, such person 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, machinery and equipment for
28 incorporation in such project. The contractor shall furnish the number of
29 such certificates to all suppliers from whom such purchases are made, and
30 such suppliers shall execute invoices covering the same bearing the
31 number of such certificate. Upon completion of the project, the contractor
32 shall furnish to the owner of the qualified firm or qualified supplier a
33 sworn statement, on a form to be provided by the director of taxation, that
34 all purchases so made were entitled to exemption under this subsection.
35 All invoices shall be held by the contractor for a period of five years and
36 shall be subject to audit by the director of taxation. Any contractor or any
37 agent, employee or subcontractor thereof who shall use or otherwise
38 dispose of any materials, machinery or equipment purchased under such a
39 certificate for any purpose other than that for which such a certificate is
40 issued without the payment of the sales or compensating tax otherwise
41 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
42 therefor, shall be subject to the penalties provided for in K.S.A. 79-
43 3615(h), and amendments thereto. As used in this subsection, "qualified

1 business facility," "qualified firm" and "qualified supplier" mean the same
2 as defined in K.S.A. 2023 Supp. 74-50,311, and amendments thereto;

3 (pppp) (1) all sales of tangible personal property or services
4 purchased by a not-for-profit corporation that is designated as an area
5 agency on aging by the secretary for aging and disabilities services and is
6 exempt from federal income taxation pursuant to section 501(c)(3) of the
7 federal internal revenue code for the purpose of coordinating and
8 providing seniors and those living with disabilities with services that
9 promote person-centered care, including home-delivered meals,
10 congregate meal settings, long-term case management, transportation,
11 information, assistance and other preventative and intervention services to
12 help service recipients remain in their homes and communities or for the
13 purpose of constructing, equipping, reconstructing, maintaining, repairing,
14 enlarging, furnishing or remodeling facilities for such area agency on
15 aging; and

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

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

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

18 *(rrrr) all sales of tangible personal property or services purchased for*
19 *the purpose of and in conjunction with constructing, reconstructing,*
20 *enlarging or remodeling a qualified data center by a qualified firm that*
21 *meets the requirements established in sections 1 through 3, and*
22 *amendments thereto, and that has been approved and certified for a*
23 *project exemption certificate by the secretary of commerce, the sale and*
24 *installation of machinery and equipment data center equipment and*
25 *eligible data center costs purchased by such qualified firm for such*
26 *qualified data center, electricity used by such qualified data center and*
27 *labor services to install, apply, repair, service, alter or maintain data*
28 *center equipment. When a person shall contract for the construction,*
29 *reconstruction, enlargement or remodeling of any such qualified data*
30 *center, such person shall obtain from the state and furnish to the*
31 *contractor an exemption certificate for the project involved, and the*
32 *contractor may purchase materials, machinery and equipment for*
33 *incorporation in such project. The contractor shall furnish the number of*
34 *such certificates to all suppliers from whom such purchases are made, and*
35 *such suppliers shall execute invoices covering such purchases bearing the*
36 *number of such certificates. Upon completion of the project, the*
37 *contractor shall furnish to the owner of the qualified firm a sworn*
38 *statement, on a form to be provided by the director of taxation, that all*
39 *purchases so made were entitled to exemption under this subsection. All*
40 *invoices shall be held by the contractor for a period of five years and shall*
41 *be subject to audit by the director of taxation. Any contractor or any*
42 *agent, employee or subcontractor thereof who shall use or otherwise*
43 *dispose of any materials, machinery or equipment purchased under such a*

1 *certificate for any purpose other than that for which such a certificate is*
2 *issued without the payment of the sales or compensating tax otherwise*
3 *imposed thereon, shall be guilty of a misdemeanor and, upon conviction*
4 *thereof, shall be subject to the penalties provided for in K.S.A. 79-3615(h),*
5 *and amendments thereto. As used in this subsection, "data center*
6 *equipment," "eligible data center costs," "qualified data center" and*
7 *"qualified firm" mean the same as defined in section 1, and amendments*
8 *thereto.*

9 Sec. 5. K.S.A. 2023 Supp. 79-3606 is hereby repealed.

10 Sec. 6. This act shall take effect and be in force from and after its
11 publication in the statute book.