

**HOUSE BILL No. 2491**

By Representatives Highberger, Benson, Clayton, Gartner, Horn, S. Ruiz and Xu

1 AN ACT concerning taxation; relating to income tax, rates; sales and  
2 compensating use tax, providing for sales tax exemptions for food and  
3 food ingredients and feminine hygiene products, authorizing local sales  
4 tax on food and food ingredients; amending K.S.A. 79-32,110, 79-3602  
5 and 79-3606 and K.S.A. 2019 Supp. 12-189a and repealing the existing  
6 sections.

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

9 Section 1. K.S.A. 2019 Supp. 12-189a is hereby amended to read as  
10 follows: 12-189a. The following sales shall be subject to the taxes levied  
11 and collected by all cities and counties under the provisions of K.S.A. 12-  
12 187 et seq., and amendments thereto:

13 (a) All sales of natural gas, electricity, heat and water delivered  
14 through mains, lines or pipes to residential premises for noncommercial  
15 use by the occupant of such premises and all sales of natural gas,  
16 electricity, heat and water delivered through mains, lines or pipes for  
17 agricultural use, except that effective January 1, 2006, the provisions of  
18 this subsection shall expire for sales of water pursuant to this subsection;

19 (b) all sales of propane gas, LP-gas, coal, wood and other fuel sources  
20 for the production of heat or lighting for noncommercial use of an  
21 occupant of residential premises; ~~and~~

22 (c) all sales of intrastate telephone and telegraph services for  
23 noncommercial use; *and*

24 (d) *all sales of food and food ingredients.*

25 Sec. 2. K.S.A. 79-32,110 is hereby amended to read as follows: 79-  
26 32,110. (a) *Resident Individuals.* Except as otherwise provided by K.S.A.  
27 79-3220(a), and amendments thereto, a tax is hereby imposed upon the  
28 Kansas taxable income of every resident individual, which tax shall be  
29 computed in accordance with the following tax schedules:

30 (1) *Married individuals filing joint returns.*

31 (A) For tax year 2012:

If the taxable income is:	The tax is:
32 Not over \$30,000.....	3.5% of Kansas taxable income
33 Over \$30,000 but not over \$60,000.....	\$1,050 plus 6.25% of excess
34	35 over \$30,000
36 Over \$60,000.....	\$2,925 plus 6.45% of excess

1 over \$60,000

2 (B) For tax year 2013:

3 If the taxable income is:	The tax is:
4 Not over \$30,000.....	3.0% of Kansas taxable income
5 Over \$30,000.....	\$900 plus 4.9% of excess over
6	\$30,000

7 (C) For tax year 2014:

8 If the taxable income is:	The tax is:
9 Not over \$30,000.....	2.7% of Kansas taxable income
10 Over \$30,000.....	\$810 plus 4.8% of excess over
11	\$30,000

12 (D) For tax years 2015 and 2016:

13 If the taxable income is:	The tax is:
14 Not over \$30,000.....	2.7% of Kansas taxable income
15 Over \$30,000.....	\$810 plus 4.6% of excess over
16	\$30,000

17 (E) For tax year 2017:

18 If the taxable income is:	The tax is:
19 Not over \$30,000.....	2.9% of Kansas taxable income
20 Over \$30,000 but not over \$60,000.....	\$870 plus 4.9% of excess over
21	\$30,000
22 Over \$60,000.....	\$2,340 plus 5.2% of excess over
23	\$60,000

24 (F) For tax-year years 2018, and all tax years thereafter and 2019:

25 If the taxable income is:	The tax is:
26 Not over \$30,000.....	3.1% of Kansas taxable income
27 Over \$30,000 but not over \$60,000.....	\$930 plus 5.25% of excess
28	over \$30,000
29 Over \$60,000.....	\$2,505 plus 5.7% of excess
30	over \$60,000

31 (G) For tax year 2020, and all tax years thereafter:

32 If the taxable income is:	The tax is:
33 Not over \$30,000	3.1% of Kansas taxable income
34 Over \$30,000 but not over \$60,000	\$930 plus 5.25% of excess
35	over \$30,000
36 Over \$60,000 but not over \$500,000	\$2,505 plus 5.7% of excess
37	over \$60,000
38 Over \$500,000 but not over \$1,000,000	\$27,585 plus 7.7% of excess
39	over \$500,000
40 Over \$1,000,000	\$66,085 plus 8.7% of excess
41	over \$1,000,000

42 (2) All other individuals.

43 (A) For tax year 2012:

1	If the taxable income is:	The tax is:
2	Not over \$15,000.....	3.5% of Kansas taxable income
3	Over \$15,000 but not over \$30,000.....	\$525 plus 6.25% of excess
4		over \$15,000
5	Over \$30,000.....	\$1,462.50 plus 6.45% of excess
6		over \$30,000

7 (B) For tax year 2013:

8	If the taxable income is:	The tax is:
9	Not over \$15,000.....	3.0% of Kansas taxable income
10	Over \$15,000.....	\$450 plus 4.9% of excess over
11		\$15,000

12 (C) For tax year 2014:

13	If the taxable income is:	The tax is:
14	Not over \$15,000.....	2.7% of Kansas taxable income
15	Over \$15,000.....	\$405 plus 4.8% of excess over
16		\$15,000

17 (D) For tax years 2015 and 2016:

18	If the taxable income is:	The tax is:
19	Not over \$15,000.....	2.7% of Kansas taxable income
20	Over \$15,000.....	\$405 plus 4.6% of excess over
21		\$15,000

22 (E) For tax year 2017:

23	If the taxable income is:	The tax is:
24	Not over \$15,000.....	2.9% of Kansas taxable income
25	Over \$15,000 but not over \$30,000.....	\$435 plus 4.9% of excess over
26		\$15,000
27	Over \$30,000.....	\$1,170 plus 5.2% of excess over
28		\$30,000

29 (F) For tax ~~year~~ years 2018, ~~and all tax years thereafter~~ and 2019:

30	If the taxable income is:	The tax is:
31	Not over \$15,000.....	3.1% of Kansas taxable income
32	Over \$15,000 but not over \$30,000.....	\$465 plus 5.25% of excess
33		over \$15,000
34	Over \$30,000.....	\$1,252.50 plus 5.7% of excess
35		over \$30,000

36 (G) For tax year 2020, and all tax years thereafter:

37	<i>If the taxable income is:</i>	<i>The tax is:</i>
38	<i>Not over \$15,000</i>	<i>3.1% of Kansas taxable income</i>
39	<i>Over \$15,000 but not over \$30,000</i>	<i>\$465 plus 5.25% of excess</i>
40		<i>over \$15,000</i>
41	<i>Over \$30,000 but not over \$250,000</i>	<i>\$1,252.50 plus 5.7% of excess</i>
42		<i>over \$30,000</i>
43	<i>Over \$250,000 but not over \$500,000</i>	<i>\$13,792.50 plus 7.7% of excess</i>

1		<i>over \$250,000</i>
2	<i>Over \$500,000</i>	<i>\$33,042.50 plus 8.7% of excess</i>
3		<i>over \$500,000</i>

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

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

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

15 (2) (A) for tax year 2008, the surtax shall be in an amount equal to  
16 3.1% of the Kansas taxable income of such corporation in excess of  
17 \$50,000;

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

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

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

27 (e) Notwithstanding the provisions of subsections (a) and (b): (1) For  
28 tax years 2016 and 2017, married individuals filing joint returns with  
29 taxable income of \$12,500 or less, and all other individuals with taxable  
30 income of \$5,000 or less, shall have a tax liability of zero; and (2) for tax  
31 year 2018, and all tax years thereafter, married individuals filing joint  
32 returns with taxable income of \$5,000 or less, and all other individuals  
33 with taxable income of \$2,500 or less, shall have a tax liability of zero.

34 (f) No taxpayer shall be assessed penalties and interest arising from  
35 the underpayment of taxes due to changes to the rates in subsection (a) that  
36 became law on July 1, 2017, so long as such underpayment is rectified on  
37 or before April 17, 2018.

38 Sec. 3. K.S.A. 79-3602 is hereby amended to read as follows: 79-  
39 3602. Except as otherwise provided, as used in the Kansas retailers' sales  
40 tax act:

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

43 (b) "Agreement" means the multistate agreement entitled the

1 streamlined sales and use tax agreement approved by the streamlined sales  
2 tax implementing states at Chicago, Illinois, on November 12, 2002.

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

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

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

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

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

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

20 (i) "Delivery charges" means charges by the seller of personal  
21 property or services for preparation and delivery to a location designated  
22 by the purchaser of personal property or services including, but not limited  
23 to, transportation, shipping, postage, handling, crating and packing.  
24 Delivery charges shall not include charges for delivery of direct mail if the  
25 charges are separately stated on an invoice or similar billing document  
26 given to the purchaser.

27 (j) "Direct mail" means printed material delivered or distributed by  
28 United States mail or other delivery services to a mass audience or to  
29 addressees on a mailing list provided by the purchaser or at the direction of  
30 the purchaser when the cost of the items are not billed directly to the  
31 recipients. Direct mail includes tangible personal property supplied  
32 directly or indirectly by the purchaser to the direct mail seller for inclusion  
33 in the package containing the printed material. Direct mail does not  
34 include multiple items of printed material delivered to a single address.

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

36 (l) "Educational institution" means any nonprofit school, college and  
37 university that offers education at a level above the 12<sup>th</sup> grade, and  
38 conducts regular classes and courses of study required for accreditation by,  
39 or membership in, the higher learning commission, the state board of  
40 education, or that otherwise qualify as an "educational institution," as  
41 defined by K.S.A. 74-50,103, and amendments thereto. Such phrase shall  
42 include: (1) A group of educational institutions that operates exclusively  
43 for an educational purpose; (2) nonprofit endowment associations and

1 foundations organized and operated exclusively to receive, hold, invest  
2 and administer moneys and property as a permanent fund for the support  
3 and sole benefit of an educational institution; (3) nonprofit trusts,  
4 foundations and other entities organized and operated principally to hold  
5 and own receipts from intercollegiate sporting events and to disburse such  
6 receipts, as well as grants and gifts, in the interest of collegiate and  
7 intercollegiate athletic programs for the support and sole benefit of an  
8 educational institution; and (4) nonprofit trusts, foundations and other  
9 entities organized and operated for the primary purpose of encouraging,  
10 fostering and conducting scholarly investigations and industrial and other  
11 types of research for the support and sole benefit of an educational  
12 institution.

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

15 (n) "Food and food ingredients" means substances, whether in liquid,  
16 concentrated, solid, frozen, dried or dehydrated form, that are sold for  
17 ingestion or chewing by humans and are consumed for their taste or  
18 nutritional value. *"Food and food ingredients" does include bottled water,*  
19 *candy, food sold through vending machines or soft drinks.* "Food and food  
20 ingredients" does not include alcoholic beverages, *dietary supplements,*  
21 *prepared food* or tobacco.

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

30 (p) "Ingredient or component part" means tangible personal property  
31 which is necessary or essential to, and which is actually used in and  
32 becomes an integral and material part of tangible personal property or  
33 services produced, manufactured or compounded for sale by the producer,  
34 manufacturer or compounder in its regular course of business. The  
35 following items of tangible personal property are hereby declared to be  
36 ingredients or component parts, but the listing of such property shall not be  
37 deemed to be exclusive nor shall such listing be construed to be a  
38 restriction upon, or an indication of, the type or types of property to be  
39 included within the definition of "ingredient or component part" as herein  
40 set forth:

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

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

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

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

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

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

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

31 (r) "Lease or rental" means any transfer of possession or control of  
32 tangible personal property for a fixed or indeterminate term for  
33 consideration. A lease or rental may include future options to purchase or  
34 extend.

35 (1) Lease or rental does not include:

36 (A) A transfer of possession or control of property under a security  
37 agreement or deferred payment plan that requires the transfer of title upon  
38 completion of the required payments;

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

43 (C) providing tangible personal property along with an operator for a

1 fixed or indeterminate period of time. A condition of this exclusion is that  
2 the operator is necessary for the equipment to perform as designed. For the  
3 purpose of this subsection, an operator must do more than maintain,  
4 inspect or set-up the tangible personal property.

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

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

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

17 (s) "Load and leave" means delivery to the purchaser by use of a  
18 tangible storage media where the tangible storage media is not physically  
19 transferred to the purchaser.

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

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

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

28 (w) "Model 3 seller" means a seller that has sales in at least five  
29 member states, has total annual sales revenue of at least \$500,000,000, has  
30 a proprietary system that calculates the amount of tax due each jurisdiction  
31 and has entered into a performance agreement with the member states that  
32 establishes a tax performance standard for the seller. As used in this  
33 subsection a seller includes an affiliated group of sellers using the same  
34 proprietary system.

35 (x) "Municipal corporation" means any city incorporated under the  
36 laws of Kansas.

37 (y) "Nonprofit blood bank" means any nonprofit place, organization,  
38 institution or establishment that is operated wholly or in part for the  
39 purpose of obtaining, storing, processing, preparing for transfusing,  
40 furnishing, donating or distributing human blood or parts or fractions of  
41 single blood units or products derived from single blood units, whether or  
42 not any remuneration is paid therefor, or whether such procedures are done  
43 for direct therapeutic use or for storage for future use of such products.



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

7 (aa) "Political subdivision" means any municipality, agency or  
8 subdivision of the state which is, or shall hereafter be, authorized to levy  
9 taxes upon tangible property within the state or which certifies a levy to a  
10 municipality, agency or subdivision of the state which is, or shall hereafter  
11 be, authorized to levy taxes upon tangible property within the state. Such  
12 term also shall include any public building commission, housing, airport,  
13 port, metropolitan transit or similar authority established pursuant to law  
14 and the horsethief reservoir benefit district established pursuant to K.S.A.  
15 82a-2201, and amendments thereto.

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

19 (cc) "Prewritten computer software" means computer software,  
20 including prewritten upgrades, which is not designed and developed by the  
21 author or other creator to the specifications of a specific purchaser. The  
22 combining of two or more prewritten computer software programs or  
23 prewritten portions thereof does not cause the combination to be other than  
24 prewritten computer software. Prewritten computer software includes  
25 software designed and developed by the author or other creator to the  
26 specifications of a specific purchaser when it is sold to a person other than  
27 the purchaser. Where a person modifies or enhances computer software of  
28 which the person is not the author or creator, the person shall be deemed to  
29 be the author or creator only of such person's modifications or  
30 enhancements. Prewritten computer software or a prewritten portion  
31 thereof that is modified or enhanced to any degree, where such  
32 modification or enhancement is designed and developed to the  
33 specifications of a specific purchaser, remains prewritten computer  
34 software, except that where there is a reasonable, separately stated charge  
35 or an invoice or other statement of the price given to the purchaser for  
36 such modification or enhancement, such modification or enhancement  
37 shall not constitute prewritten computer software.

38 (dd) "Property which is consumed" means tangible personal property  
39 which is essential or necessary to and which is used in the actual process  
40 of and consumed, depleted or dissipated within one year in: (1) The  
41 production, manufacture, processing, mining, drilling, refining or  
42 compounding of tangible personal property; (2) the providing of services;  
43 (3) the irrigation of crops, for sale in the regular course of business; or (4)

1 the storage or processing of grain by a public grain warehouse or other  
2 grain storage facility, and which is not reusable for such purpose. The  
3 following is a listing of tangible personal property, included by way of  
4 illustration but not of limitation, which qualifies as property which is  
5 consumed:

6 (A) Insecticides, herbicides, germicides, pesticides, fungicides,  
7 fumigants, antibiotics, biologicals, pharmaceuticals, vitamins and  
8 chemicals for use in commercial or agricultural production, processing or  
9 storage of fruit, vegetables, feeds, seeds, grains, animals or animal  
10 products whether fed, injected, applied, combined with or otherwise used;

11 (B) electricity, gas and water; and

12 (C) petroleum products, lubricants, chemicals, solvents, reagents and  
13 catalysts.

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

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

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

21 (hh) "Registered under this agreement" means registration by a seller  
22 with the member states under the central registration system provided in  
23 article IV of the agreement.

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

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

30 (kk) "Sale" or "sales" means the exchange of tangible personal  
31 property, as well as the sale thereof for money, and every transaction,  
32 conditional or otherwise, for a consideration, constituting a sale, including  
33 the sale or furnishing of electrical energy, gas, water, services or  
34 entertainment taxable under the terms of this act and including, except as  
35 provided in the following provision, the sale of the use of tangible personal  
36 property by way of a lease, license to use or the rental thereof regardless of  
37 the method by which the title, possession or right to use the tangible  
38 personal property is transferred. The term "sale" or "sales" shall not mean  
39 the sale of the use of any tangible personal property used as a dwelling by  
40 way of a lease or rental thereof for a term of more than 28 consecutive  
41 days.

42 (ll) (1) "Sales or selling price" applies to the measure subject to sales  
43 tax and means the total amount of consideration, including cash, credit,

- 1 property and services, for which personal property or services are sold,  
2 leased or rented, valued in money, whether received in money or  
3 otherwise, without any deduction for the following:
- 4 (A) The seller's cost of the property sold;
  - 5 (B) the cost of materials used, labor or service cost, interest, losses,  
6 all costs of transportation to the seller, all taxes imposed on the seller and  
7 any other expense of the seller;
  - 8 (C) charges by the seller for any services necessary to complete the  
9 sale, other than delivery and installation charges;
  - 10 (D) delivery charges; and
  - 11 (E) installation charges.
- 12 (2) "Sales or selling price" includes consideration received by the  
13 seller from third parties if:
- 14 (A) The seller actually receives consideration from a party other than  
15 the purchaser and the consideration is directly related to a price reduction  
16 or discount on the sale;
  - 17 (B) the seller has an obligation to pass the price reduction or discount  
18 through to the purchaser;
  - 19 (C) the amount of the consideration attributable to the sale is fixed  
20 and determinable by the seller at the time of the sale of the item to the  
21 purchaser; and
  - 22 (D) one of the following criteria is met:
    - 23 (i) The purchaser presents a coupon, certificate or other  
24 documentation to the seller to claim a price reduction or discount where  
25 the coupon, certificate or documentation is authorized, distributed or  
26 granted by a third party with the understanding that the third party will  
27 reimburse any seller to whom the coupon, certificate or documentation is  
28 presented;
    - 29 (ii) the purchaser identifies to the seller that the purchaser is a  
30 member of a group or organization entitled to a price reduction or  
31 discount. A preferred customer card that is available to any patron does not  
32 constitute membership in such a group; or
    - 33 (iii) the price reduction or discount is identified as a third party price  
34 reduction or discount on the invoice received by the purchaser or on a  
35 coupon, certificate or other documentation presented by the purchaser.
- 36 (3) "Sales or selling price" shall not include:
- 37 (A) Discounts, including cash, term or coupons that are not  
38 reimbursed by a third party that are allowed by a seller and taken by a  
39 purchaser on a sale;
  - 40 (B) interest, financing and carrying charges from credit extended on  
41 the sale of personal property or services, if the amount is separately stated  
42 on the invoice, bill of sale or similar document given to the purchaser;
  - 43 (C) any taxes legally imposed directly on the consumer that are

1 separately stated on the invoice, bill of sale or similar document given to  
2 the purchaser;

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

6 (E) commencing on July 1, 2018, and ending on June 30, 2021, cash  
7 rebates granted by a manufacturer to a purchaser or lessee of a new motor  
8 vehicle if paid directly to the retailer as a result of the original sale.

9 (mm) "Seller" means a person making sales, leases or rentals of  
10 personal property or services.

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

13 (oo) "Sourcing rules" means the rules set forth in K.S.A. 79-3670  
14 through 79-3673, K.S.A. 12-191 and 12-191a, and amendments thereto,  
15 which shall apply to identify and determine the state and local taxing  
16 jurisdiction sales or use taxes to pay, or collect and remit on a particular  
17 retail sale.

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

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

24 (rr) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco or  
25 any other item that contains tobacco.

26 (ss) "Entity-based exemption" means an exemption based on who  
27 purchases the product or who sells the product. An exemption that is  
28 available to all individuals shall not be considered an entity-based  
29 exemption.

30 (tt) "Over-the-counter drug" means a drug that contains a label that  
31 identifies the product as a drug as required by 21 C.F.R. § 201.66. The  
32 over-the-counter drug label includes: (1) A drug facts panel; or (2) a  
33 statement of the active ingredients with a list of those ingredients  
34 contained in the compound, substance or preparation. Over-the-counter  
35 drugs do not include grooming and hygiene products such as soaps,  
36 cleaning solutions, shampoo, toothpaste, antiperspirants and sun tan  
37 lotions and screens.

38 (uu) "Ancillary services" means services that are associated with or  
39 incidental to the provision of telecommunications services, including, but  
40 not limited to, detailed telecommunications billing, directory assistance,  
41 vertical service and voice mail services.

42 (vv) "Conference bridging service" means an ancillary service that  
43 links two or more participants of an audio or video conference call and

1 may include the provision of a telephone number. Conference bridging  
2 service does not include the telecommunications services used to reach the  
3 conference bridge.

4 (ww) "Detailed telecommunications billing service" means an  
5 ancillary service of separately stating information pertaining to individual  
6 calls on a customer's billing statement.

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

9 (yy) "Vertical service" means an ancillary service that is offered in  
10 connection with one or more telecommunications services, which offers  
11 advanced calling features that allow customers to identify callers and to  
12 manage multiple calls and call connections, including conference bridging  
13 services.

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

18 (aaa) "Telecommunications service" means the electronic  
19 transmission, conveyance or routing of voice, data, audio, video or any  
20 other information or signals to a point, or between or among points. The  
21 term telecommunications service includes such transmission, conveyance  
22 or routing in which computer processing applications are used to act on the  
23 form, code or protocol of the content for purposes of transmissions,  
24 conveyance or routing without regard to whether such service is referred to  
25 as voice over internet protocol services or is classified by the federal  
26 communications commission as enhanced or value added.  
27 Telecommunications service does not include:

28 (1) Data processing and information services that allow data to be  
29 generated, acquired, stored, processed or retrieved and delivered by an  
30 electronic transmission to a purchaser where such purchaser's primary  
31 purpose for the underlying transaction is the processed data or  
32 information;

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

35 (3) tangible personal property;

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

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

38 (6) internet access service;

39 (7) radio and television audio and video programming services,  
40 regardless of the medium, including the furnishing of transmission,  
41 conveyance and routing of such services by the programming service  
42 provider. Radio and television audio and video programming services shall  
43 include, but not be limited to, cable service as defined in 47 U.S.C. §

1 522(6) and audio and video programming services delivered by  
2 commercial mobile radio service providers, as defined in 47 C.F.R. § 20.3;

3 (8) ancillary services; or

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

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

11 (ccc) "900 service" means an inbound toll telecommunications  
12 service purchased by a subscriber that allows the subscriber's customers to  
13 call in to the subscriber's prerecorded announcement or live service. 900  
14 service does not include the charge for collection services provided by the  
15 seller of the telecommunications services to the subscriber, or service or  
16 product sold by the subscriber to the subscriber's customer. The service is  
17 typically marketed under the name 900 service, and any subsequent  
18 numbers designated by the federal communications commission.

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

24 (eee) "International" means a telecommunications service that  
25 originates or terminates in the United States and terminates or originates  
26 outside the United States, respectively. United States includes the District  
27 of Columbia or a U.S. territory or possession.

28 (fff) "Interstate" means a telecommunications service that originates  
29 in one United States state, or a United States territory or possession, and  
30 terminates in a different United States state or a United States territory or  
31 possession.

32 (ggg) "Intrastate" means a telecommunications service that originates  
33 in one United States state or a United States territory or possession, and  
34 terminates in the same United States state or a United States territory or  
35 possession.

36 (hhh) "Cereal malt beverage" shall have the same meaning as such  
37 term is defined in K.S.A. 41-2701, and amendments thereto, except that  
38 for the purposes of the Kansas retailers sales tax act and for no other  
39 purpose, such term shall include beer containing not more than 6% alcohol  
40 by volume when such beer is sold by a retailer licensed under the Kansas  
41 cereal malt beverage act.

42 (iii) (l) *"Bottled water" means water that is placed in a safety sealed*  
43 *container or package for human consumption. "Bottled water" is calorie*

1 *free and does not contain sweeteners or other additives, except that it may*  
2 *contain:*

3 (A) *Antimicrobial agents;*

4 (B) *fluoride;*

5 (C) *carbonation;*

6 (D) *vitamins, minerals and electrolytes;*

7 (E) *oxygen;*

8 (F) *preservatives; or*

9 (G) *only those flavors, extracts or essences derived from a spice or*  
10 *fruit.*

11 (2) *"Bottled water" includes water that is delivered to the buyer in a*  
12 *reusable container that is not sold with the water.*

13 (jjj) *"Candy" means a preparation of sugar, honey or other natural or*  
14 *artificial sweeteners in combination with chocolate, fruits, nuts or other*  
15 *ingredients or flavorings in the form of bars, drops or pieces. "Candy"*  
16 *does not include any preparation containing flour and shall require no*  
17 *refrigeration.*

18 (lll) *"Food sold through vending machines" means food dispensed*  
19 *from a machine or other mechanical device that accepts payment.*

20 (mmm) (1) *"Prepared food" means:*

21 (A) *Food sold in a heated state or heated by the seller;*

22 (B) *two or more food ingredients mixed or combined by the seller for*  
23 *sale as a single item; or*

24 (C) *food sold with eating utensils provided by the seller, including,*  
25 *but not limited to, plates, knives, forks, spoons, glasses, cups, napkins or*  
26 *straws. A plate does not include a container or packaging used to*  
27 *transport the food.*

28 (2) *"Prepared food" does not include food that is only cut,*  
29 *repackaged or pasteurized by the seller; and eggs, fish, meat, poultry and*  
30 *foods containing these raw animal foods requiring cooking by the*  
31 *consumer as recommended by the food and drug administration in chapter*  
32 *3, part 401.11 of the food and drug administration food code so as to*  
33 *prevent food borne illnesses.*

34 (nnn) *"Soft drinks" means nonalcoholic beverages that contain*  
35 *natural or artificial sweeteners. "Soft drinks" does not include beverages*  
36 *that contain milk or milk products, soy, rice or similar milk substitutes, or*  
37 *greater than 50% vegetable or fruit juice by volume.*

38 (ooo) *"Dietary supplement" means the same as defined in K.S.A. 79-*  
39 *3606(jjj), and amendments thereto.*

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

42 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
43 or excise tax has been paid, not subject to refund, under the laws of this

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

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

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

35 (d) all sales of tangible personal property or services purchased by a  
36 contractor for the purpose of constructing, equipping, reconstructing,  
37 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
38 any public or private nonprofit hospital or public hospital authority, public  
39 or private elementary or secondary school, a public or private nonprofit  
40 educational institution, state correctional institution including a privately  
41 constructed correctional institution contracted for state use and ownership,  
42 that would be exempt from taxation under the provisions of this act if  
43 purchased directly by such hospital or public hospital authority, school,



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

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

21 (e) all sales of tangible personal property or services purchased by a  
22 contractor for the erection, repair or enlargement of buildings or other  
23 projects for the government of the United States, its agencies or  
24 instrumentalities, that would be exempt from taxation if purchased directly  
25 by the government of the United States, its agencies or instrumentalities.  
26 When the government of the United States, its agencies or  
27 instrumentalities shall contract for the erection, repair, or enlargement of  
28 any building or other project, it shall obtain from the state and furnish to  
29 the contractor an exemption certificate for the project involved, and the  
30 contractor may purchase materials for incorporation in such project. The  
31 contractor shall furnish the number of such certificates to all suppliers  
32 from whom such purchases are made, and such suppliers shall execute  
33 invoices covering the same bearing the number of such certificate. Upon  
34 completion of the project the contractor shall furnish to the government of  
35 the United States, its agencies or instrumentalities concerned a sworn  
36 statement, on a form to be provided by the director of taxation, that all  
37 purchases so made were entitled to exemption under this subsection. As an  
38 alternative to the foregoing procedure, any such contracting entity may  
39 apply to the secretary of revenue for agent status for the sole purpose of  
40 issuing and furnishing project exemption certificates to contractors  
41 pursuant to rules and regulations adopted by the secretary establishing  
42 conditions and standards for the granting and maintaining of such status.  
43 All invoices shall be held by the contractor for a period of five years and

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

9 (f) tangible personal property purchased by a railroad or public utility  
10 for consumption or movement directly and immediately in interstate  
11 commerce;

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

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

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

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

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

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

40 (m) all sales of tangible personal property that become an ingredient  
41 or component part of tangible personal property or services produced,  
42 manufactured or compounded for ultimate sale at retail within or without  
43 the state of Kansas; and any such producer, manufacturer or compounder

1 may obtain from the director of taxation and furnish to the supplier an  
2 exemption certificate number for tangible personal property for use as an  
3 ingredient or component part of the property or services produced,  
4 manufactured or compounded;

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

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

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

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

39 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
40 enteral feeding systems, prosthetic devices and mobility enhancing  
41 equipment prescribed in writing by a person licensed to practice the  
42 healing arts, dentistry or optometry, and in addition to such sales, all sales  
43 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,

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

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

26 (t) all sales of farm machinery and equipment or aquaculture  
27 machinery and equipment, repair and replacement parts therefor and  
28 services performed in the repair and maintenance of such machinery and  
29 equipment. For the purposes of this subsection the term "farm machinery  
30 and equipment or aquaculture machinery and equipment" shall include a  
31 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
32 thereto, and is equipped with a bed or cargo box for hauling materials, and  
33 shall also include machinery and equipment used in the operation of  
34 Christmas tree farming but shall not include any passenger vehicle, truck,  
35 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
36 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
37 machinery and equipment" includes precision farming equipment that is  
38 portable or is installed or purchased to be installed on farm machinery and  
39 equipment. "Precision farming equipment" includes the following items  
40 used only in computer-assisted farming, ranching or aquaculture  
41 production operations: Soil testing sensors, yield monitors, computers,  
42 monitors, software, global positioning and mapping systems, guiding  
43 systems, modems, data communications equipment and any necessary

1 mounting hardware, wiring and antennas. Each purchaser of farm  
2 machinery and equipment or aquaculture machinery and equipment  
3 exempted herein must certify in writing on the copy of the invoice or sales  
4 ticket to be retained by the seller that the farm machinery and equipment  
5 or aquaculture machinery and equipment purchased will be used only in  
6 farming, ranching or aquaculture production. Farming or ranching shall  
7 include the operation of a feedlot and farm and ranch work for hire and the  
8 operation of a nursery;

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

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

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

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

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

43 (z) all sales of tangible personal property and services purchased

1 directly by a port authority or by a contractor therefor as provided by the  
2 provisions of K.S.A. 12-3418, and amendments thereto;

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

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

14 (cc) all sales of tangible personal property or services purchased prior  
15 to January 1, 2012, except as otherwise provided, for the purpose of and in  
16 conjunction with constructing, reconstructing, enlarging or remodeling a  
17 business or retail business that meets the requirements established in  
18 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
19 machinery and equipment purchased for installation at any such business  
20 or retail business, and all sales of tangible personal property or services  
21 purchased on or after January 1, 2012, for the purpose of and in  
22 conjunction with constructing, reconstructing, enlarging or remodeling a  
23 business that meets the requirements established in K.S.A. 74-50,115(e),  
24 and amendments thereto, and the sale and installation of machinery and  
25 equipment purchased for installation at any such business. When a person  
26 shall contract for the construction, reconstruction, enlargement or  
27 remodeling of any such business or retail business, such person shall  
28 obtain from the state and furnish to the contractor an exemption certificate  
29 for the project involved, and the contractor may purchase materials,  
30 machinery and equipment for incorporation in such project. The contractor  
31 shall furnish the number of such certificates to all suppliers from whom  
32 such purchases are made, and such suppliers shall execute invoices  
33 covering the same bearing the number of such certificate. Upon  
34 completion of the project the contractor shall furnish to the owner of the  
35 business or retail business a sworn statement, on a form to be provided by  
36 the director of taxation, that all purchases so made were entitled to  
37 exemption under this subsection. All invoices shall be held by the  
38 contractor for a period of five years and shall be subject to audit by the  
39 director of taxation. Any contractor or any agent, employee or  
40 subcontractor thereof, who shall use or otherwise dispose of any materials,  
41 machinery or equipment purchased under such a certificate for any  
42 purpose other than that for which such a certificate is issued without the  
43 payment of the sales or compensating tax otherwise imposed thereon, shall

1 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
2 to the penalties provided for in K.S.A. 79-3615(h), and amendments  
3 thereto. As used in this subsection, "business" and "retail business" mean  
4 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project  
5 exemption certificates that have been previously issued under this  
6 subsection by the department of revenue pursuant to K.S.A. 74-50,115,  
7 and amendments thereto, but not including K.S.A. 74-50,115(e), and  
8 amendments thereto, prior to January 1, 2012, and have not expired will be  
9 effective for the term of the project or two years from the effective date of  
10 the certificate, whichever occurs earlier. Project exemption certificates that  
11 are submitted to the department of revenue prior to January 1, 2012, and  
12 are found to qualify will be issued a project exemption certificate that will  
13 be effective for a two-year period or for the term of the project, whichever  
14 occurs earlier;

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

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

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

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

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

40 (ii) all sales of tangible personal property purchased directly by a  
41 nonprofit organization for nonsectarian comprehensive multidiscipline  
42 youth development programs and activities provided or sponsored by such  
43 organization, and all sales of tangible personal property by or on behalf of



1 any such organization. This exemption shall not apply to tangible personal  
2 property customarily used for human habitation purposes;

3 (jj) all sales of tangible personal property or services, including the  
4 renting and leasing of tangible personal property, purchased directly on  
5 behalf of a community-based facility for people with intellectual disability  
6 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
7 amendments thereto, and licensed in accordance with the provisions of  
8 K.S.A. 2019 Supp. 39-2001 et seq., and amendments thereto, and all sales  
9 of tangible personal property or services purchased by contractors during  
10 the time period from July, 2003, through June, 2006, for the purpose of  
11 constructing, equipping, maintaining or furnishing a new facility for a  
12 community-based facility for people with intellectual disability or mental  
13 health center located in Riverton, Cherokee County, Kansas, that would  
14 have been eligible for sales tax exemption pursuant to this subsection if  
15 purchased directly by such facility or center. This exemption shall not  
16 apply to tangible personal property customarily used for human habitation  
17 purposes;

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

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

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

25 (2) For purposes of this subsection:

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

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

39 (C) "manufacturing or processing plant or facility" means a single,  
40 fixed location owned or controlled by a manufacturing or processing  
41 business that consists of one or more structures or buildings in a  
42 contiguous area where integrated production operations are conducted to  
43 manufacture or process tangible personal property to be ultimately sold at

1 retail. Such term shall not include any facility primarily operated for the  
2 purpose of conveying or assisting in the conveyance of natural gas,  
3 electricity, oil or water. A business may operate one or more manufacturing  
4 or processing plants or facilities at different locations to manufacture or  
5 process a single product of tangible personal property to be ultimately sold  
6 at retail;

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

40 (E) "repair and replacement parts and accessories" means all parts  
41 and accessories for exempt machinery and equipment, including, but not  
42 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
43 exempt machinery or that are otherwise used in production, and parts and

1 accessories that require periodic replacement such as belts, drill bits,  
2 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
3 other refractory items for exempt kiln equipment used in production  
4 operations;

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

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

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

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

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

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

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

22 (F) to plan, manage, control or record the receipt and flow of  
23 inventories of raw materials, consumables and component parts, the flow  
24 of the property undergoing manufacturing or processing and the  
25 management of inventories of the finished product;

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

29 (H) to package the property being manufactured or processed in a  
30 container or wrapping in which such property is normally sold or  
31 transported;

32 (I) to transmit or transport electricity, coke, gas, water, steam or  
33 similar substances used in production operations from the point of  
34 generation, if produced by the manufacturer or processor at the plant site,  
35 to that manufacturer's production operation; or, if purchased or delivered  
36 from off-site, from the point where the substance enters the site of the  
37 plant or facility to that manufacturer's production operations;

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

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

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

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

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

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

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

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

40 (C) transportation, transmission and distribution equipment not  
41 primarily used in a production, warehousing or material handling  
42 operation at the plant or facility, including the means of conveyance of  
43 natural gas, electricity, oil or water, and equipment related thereto, located

1 outside the plant or facility;

2 (D) office machines and equipment including computers and related  
3 peripheral equipment not used directly and primarily to control or measure  
4 the manufacturing process;

5 (E) furniture and other furnishings;

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

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

12 (H) machinery and equipment used for general plant heating, cooling  
13 and lighting;

14 (I) motor vehicles that are registered for operation on public  
15 highways; or

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

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

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

29 (ll) all sales of educational materials purchased for distribution to the  
30 public at no charge by a nonprofit corporation organized for the purpose of  
31 encouraging, fostering and conducting programs for the improvement of  
32 public health, except that for taxable years commencing after December  
33 31, 2013, this subsection shall not apply to any sales of such materials  
34 purchased by a nonprofit corporation which performs any abortion, as  
35 defined in K.S.A. 65-6701, and amendments thereto;

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

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

43 (oo) all sales of tangible personal property purchased by a community

1 action group or agency for the exclusive purpose of repairing or  
2 weatherizing housing occupied by low-income individuals;

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

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

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

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

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

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

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

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

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

43 (3) the Kansas mental illness awareness council for the purposes of

1 advocacy for persons who are mentally ill and for education, research and  
2 support for them and their families;

3 (4) the American diabetes association Kansas affiliate, inc. for the  
4 purpose of eliminating diabetes through medical research, public education  
5 focusing on disease prevention and education, patient education including  
6 information on coping with diabetes, and professional education and  
7 training;

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

13 (6) the Kansas chapters of the Alzheimer's disease and related  
14 disorders association, inc. for the purpose of providing assistance and  
15 support to persons in Kansas with Alzheimer's disease, and their families  
16 and caregivers;

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

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

23 (9) the heartstrings community foundation for the purpose of  
24 providing training, employment and activities for adults with  
25 developmental disabilities;

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

29 (11) the spina bifida association of Kansas for the purpose of  
30 providing financial, educational and practical aid to families and  
31 individuals with spina bifida. Such aid includes, but is not limited to,  
32 funding for medical devices, counseling and medical educational  
33 opportunities;

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

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

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

1 (15) the KSDS, Inc., for the purpose of promoting the independence  
2 and inclusion of people with disabilities as fully participating and  
3 contributing members of their communities and society through the  
4 training and providing of guide and service dogs to people with  
5 disabilities, and providing disability education and awareness to the  
6 general public;

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

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

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

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

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

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

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

30 (23) the angel babies association, for the purpose of providing  
31 assistance, support and items of necessity to teenage mothers and their  
32 babies; and

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

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

38 (xx) all sales of tangible personal property and services purchased by  
39 a nonprofit zoo that is exempt from federal income taxation pursuant to  
40 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
41 of such zoo by an entity itself exempt from federal income taxation  
42 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
43 contracted with to operate such zoo and all sales of tangible personal



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

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

43 (zz) all sales of machinery and equipment purchased by over-the-air,

1 free access radio or television station that is used directly and primarily for  
2 the purpose of producing a broadcast signal or is such that the failure of  
3 the machinery or equipment to operate would cause broadcasting to cease.  
4 For purposes of this subsection, machinery and equipment shall include,  
5 but not be limited to, that required by rules and regulations of the federal  
6 communications commission, and all sales of electricity which are  
7 essential or necessary for the purpose of producing a broadcast signal or is  
8 such that the failure of the electricity would cause broadcasting to cease;

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

1 reasonable attorney fees. Any contractor or any agent, employee or  
2 subcontractor thereof, who shall use or otherwise dispose of any materials  
3 purchased under such a certificate for any purpose other than that for  
4 which such a certificate is issued without the payment of the sales or  
5 compensating tax otherwise imposed upon such materials, shall be guilty  
6 of a misdemeanor and, upon conviction therefor, shall be subject to the  
7 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
8 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
9 this act upon the gross receipts received from any sale exempted by the  
10 amendatory provisions of this subsection shall be refunded. Each claim for  
11 a sales tax refund shall be verified and submitted to the director of taxation  
12 upon forms furnished by the director and shall be accompanied by any  
13 additional documentation required by the director. The director shall  
14 review each claim and shall refund that amount of sales tax paid as  
15 determined under the provisions of this subsection. All refunds shall be  
16 paid from the sales tax refund fund upon warrants of the director of  
17 accounts and reports pursuant to vouchers approved by the director or the  
18 director's designee;

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

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

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

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

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

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

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

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

25 (iii) all sales of personal property and services purchased by an  
26 organization that is exempt from federal income taxation pursuant to  
27 section 501(c)(3) of the federal internal revenue code of 1986, and such  
28 personal property and services are used by any such organization in the  
29 collection, storage and distribution of food products to nonprofit  
30 organizations that distribute such food products to persons pursuant to a  
31 food distribution program on a charitable basis without fee or charge, and  
32 all sales of tangible personal property or services purchased by a  
33 contractor for the purpose of constructing, equipping, reconstructing,  
34 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
35 for the collection and storage of such food products for any such  
36 organization which is exempt from federal income taxation pursuant to  
37 section 501(c)(3) of the federal internal revenue code of 1986, that would  
38 be exempt from taxation under the provisions of this section if purchased  
39 directly by such organization. Nothing in this subsection shall be deemed  
40 to exempt the purchase of any construction machinery, equipment or tools  
41 used in the constructing, equipping, reconstructing, maintaining, repairing,  
42 enlarging, furnishing or remodeling facilities for any such organization.  
43 When any such organization shall contract for the purpose of constructing,

1 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
2 remodeling facilities, it shall obtain from the state and furnish to the  
3 contractor an exemption certificate for the project involved, and the  
4 contractor may purchase materials for incorporation in such project. The  
5 contractor shall furnish the number of such certificate to all suppliers from  
6 whom such purchases are made, and such suppliers shall execute invoices  
7 covering the same bearing the number of such certificate. Upon  
8 completion of the project the contractor shall furnish to such organization  
9 concerned a sworn statement, on a form to be provided by the director of  
10 taxation, that all purchases so made were entitled to exemption under this  
11 subsection. All invoices shall be held by the contractor for a period of five  
12 years and shall be subject to audit by the director of taxation. If any  
13 materials purchased under such a certificate are found not to have been  
14 incorporated in such facilities or not to have been returned for credit or the  
15 sales or compensating tax otherwise imposed upon such materials that will  
16 not be so incorporated in such facilities reported and paid by such  
17 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
18 month following the close of the month in which it shall be determined  
19 that such materials will not be used for the purpose for which such  
20 certificate was issued, such organization concerned shall be liable for tax  
21 on all materials purchased for the project, and upon payment thereof it  
22 may recover the same from the contractor together with reasonable  
23 attorney fees. Any contractor or any agent, employee or subcontractor  
24 thereof, who shall use or otherwise dispose of any materials purchased  
25 under such a certificate for any purpose other than that for which such a  
26 certificate is issued without the payment of the sales or compensating tax  
27 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
28 and, upon conviction therefor, shall be subject to the penalties provided for  
29 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
30 July 1, 2005, but prior to the effective date of this act upon the gross  
31 receipts received from any sale exempted by the amendatory provisions of  
32 this subsection shall be refunded. Each claim for a sales tax refund shall be  
33 verified and submitted to the director of taxation upon forms furnished by  
34 the director and shall be accompanied by any additional documentation  
35 required by the director. The director shall review each claim and shall  
36 refund that amount of sales tax paid as determined under the provisions of  
37 this subsection. All refunds shall be paid from the sales tax refund fund  
38 upon warrants of the director of accounts and reports pursuant to vouchers  
39 approved by the director or the director's designee;

40 (jjj) all sales of dietary supplements dispensed pursuant to a  
41 prescription order by a licensed practitioner or a mid-level practitioner as  
42 defined by K.S.A. 65-1626, and amendments thereto. As used in this  
43 subsection, "dietary supplement" means any product, other than tobacco,

1 intended to supplement the diet that: (1) Contains one or more of the  
2 following dietary ingredients: A vitamin, a mineral, an herb or other  
3 botanical, an amino acid, a dietary substance for use by humans to  
4 supplement the diet by increasing the total dietary intake or a concentrate,  
5 metabolite, constituent, extract or combination of any such ingredient; (2)  
6 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or  
7 liquid form, or if not intended for ingestion, in such a form, is not  
8 represented as conventional food and is not represented for use as a sole  
9 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
10 supplement, identifiable by the supplemental facts box found on the label  
11 and as required pursuant to 21 C.F.R. § 101.36;

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

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

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

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

36 (ppp) all sales of tangible personal property and services purchased  
37 by or on behalf of a homeless shelter that is exempt from federal income  
38 taxation pursuant to section 501(c)(3) of the federal income tax code of  
39 1986, and used by any such homeless shelter to provide emergency and  
40 transitional housing for individuals and families experiencing  
41 homelessness, and all sales of any such property by or on behalf of any  
42 such homeless shelter for any such purpose;

43 (qqq) all sales of tangible personal property and services purchased

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



1 79-3615(h), and amendments thereto;

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

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

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

14 (ttt) all sales of tangible personal property or services purchased by a  
15 contractor for a project for the purpose of restoring, constructing,  
16 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
17 remodeling a home or facility owned by a nonprofit museum that has been  
18 granted an exemption pursuant to subsection (qq), which such home or  
19 facility is located in a city that has been designated as a qualified  
20 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
21 amendments thereto, and which such project is related to the purposes of  
22 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
23 exempt from taxation under the provisions of this section if purchased  
24 directly by such nonprofit museum. Nothing in this subsection shall be  
25 deemed to exempt the purchase of any construction machinery, equipment  
26 or tools used in the restoring, constructing, equipping, reconstructing,  
27 maintaining, repairing, enlarging, furnishing or remodeling a home or  
28 facility for any such nonprofit museum. When any such nonprofit museum  
29 shall contract for the purpose of restoring, constructing, equipping,  
30 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
31 a home or facility, 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 certificates to all suppliers  
35 from whom such purchases are made, and such suppliers shall execute  
36 invoices covering the same bearing the number of such certificate. Upon  
37 completion of the project, the contractor shall furnish to such nonprofit  
38 museum 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 a home or facility or other  
3 project reported and paid by such contractor to the director of taxation not  
4 later than the 20<sup>th</sup> day of the month following the close of the month in  
5 which it shall be determined that such materials will not be used for the  
6 purpose for which such certificate was issued, such nonprofit museum  
7 shall be liable for tax on all materials purchased for the project, and upon  
8 payment 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 (uuu) all sales of tangible personal property and services purchased  
17 by Kansas children's service league, hereinafter referred to as KCSL,  
18 which is exempt from federal income taxation pursuant to section 501(c)  
19 (3) of the federal internal revenue code of 1986, and which such property  
20 and services are used for the purpose of providing for the prevention and  
21 treatment of child abuse and maltreatment as well as meeting additional  
22 critical needs for children, juveniles and family, and all sales of any such  
23 property by or on behalf of KCSL for any such purpose; and all sales of  
24 tangible personal property or services purchased by a contractor for the  
25 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
26 remodeling facilities for the operation of services for KCSL for any such  
27 purpose that would be exempt from taxation under the provisions of this  
28 section if purchased directly by KCSL. Nothing in this subsection shall be  
29 deemed to exempt the purchase of any construction machinery, equipment  
30 or tools used in the constructing, maintaining, repairing, enlarging,  
31 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
32 for the purpose of constructing, maintaining, repairing, enlarging,  
33 furnishing or remodeling such facilities, it shall obtain from the state and  
34 furnish to the contractor an exemption certificate for the project involved,  
35 and the contractor may purchase materials for incorporation in such  
36 project. The contractor shall furnish the number of such certificate to all  
37 suppliers from whom such purchases are made, and such suppliers shall  
38 execute invoices covering the same bearing the number of such certificate.  
39 Upon completion of the project the contractor shall furnish to KCSL a  
40 sworn statement, on a form to be provided by the director of taxation, that  
41 all purchases so made were entitled to exemption under this subsection.  
42 All invoices shall be held by the contractor for a period of five years and  
43 shall be subject to audit by the director of taxation. If any materials

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

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

26 (www) all sales of tangible personal property purchased by or on  
27 behalf of the Frontenac education foundation, which is exempt from  
28 federal income taxation pursuant to section 501(c)(3) of the federal  
29 internal revenue code, for the purpose of providing education support for  
30 students, and all sales of any such property by or on behalf of such  
31 organization for such purpose;

32 (xxx) all sales of personal property and services purchased by the  
33 booth theatre foundation, inc., an organization, which is exempt from  
34 federal income taxation pursuant to section 501(c)(3) of the federal  
35 internal revenue code of 1986, and which such personal property and  
36 services are used by any such organization in the constructing, equipping,  
37 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
38 of the booth theatre, and all sales of tangible personal property or services  
39 purchased by a contractor for the purpose of constructing, equipping,  
40 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
41 the booth theatre for such organization, that would be exempt from  
42 taxation under the provisions of this section if purchased directly by such  
43 organization. Nothing in this subsection shall be deemed to exempt the

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

1 the director's designee;

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

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

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

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

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

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

29 (dddd) all sales of tangible personal property or services purchased  
30 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
31 of which are exempt from federal income taxation pursuant to section  
32 501(c)(3) of the federal internal revenue code, for the purpose of providing  
33 education, training and employment opportunities for people with  
34 disabilities and other barriers to employment;

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

42 (ffff) all sales of tangible personal property and services purchased by  
43 sheltered living, inc., which is exempt from federal income taxation

1 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
2 and which such property and services are used for the purpose of  
3 providing residential and day services for people with developmental  
4 disabilities or intellectual disability, or both, and all sales of any such  
5 property by or on behalf of sheltered living, inc., for any such purpose; and  
6 all sales of tangible personal property or services purchased by a  
7 contractor for the purpose of rehabilitating, constructing, maintaining,  
8 repairing, enlarging, furnishing or remodeling homes and facilities for  
9 sheltered living, inc., for any such purpose that would be exempt from  
10 taxation under the provisions of this section if purchased directly by  
11 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
12 the purchase of any construction machinery, equipment or tools used in the  
13 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
14 such homes and facilities for sheltered living, inc. When sheltered living,  
15 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
16 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
17 shall obtain from the state and furnish to the contractor an exemption  
18 certificate for the project involved, and the contractor may purchase  
19 materials for incorporation in such project. The contractor shall furnish the  
20 number of such certificate to all suppliers from whom such purchases are  
21 made, and such suppliers shall execute invoices covering the same bearing  
22 the number of such certificate. Upon completion of the project the  
23 contractor shall furnish to sheltered living, inc., a sworn statement, on a  
24 form to be provided by the director of taxation, that all purchases so made  
25 were entitled to exemption under this subsection. All invoices shall be held  
26 by the contractor for a period of five years and shall be subject to audit by  
27 the director of taxation. If any materials purchased under such a certificate  
28 are found not to have been incorporated in the building or other project or  
29 not to have been returned for credit or the sales or compensating tax  
30 otherwise imposed upon such materials that will not be so incorporated in  
31 the building or other project reported and paid by such contractor to the  
32 director of taxation not later than the 20<sup>th</sup> day of the month following the  
33 close of the month in which it shall be determined that such materials will  
34 not be used for the purpose for which such certificate was issued, sheltered  
35 living, inc., shall be liable for tax on all materials purchased for the  
36 project, and upon payment thereof it may recover the same from the  
37 contractor together with reasonable attorney fees. Any contractor or any  
38 agent, employee or subcontractor thereof, who shall use or otherwise  
39 dispose of any materials purchased under such a certificate for any purpose  
40 other than that for which such a certificate is issued without the payment  
41 of the sales or compensating tax otherwise imposed upon such materials,  
42 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
43 subject to the penalties provided for in K.S.A. 79-3615(h), and



1 amendments thereto;

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

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

32 (iiii) all sales of tangible personal property or services purchased by a  
33 contractor for the purpose of constructing, maintaining, repairing,  
34 enlarging, furnishing or remodeling facilities for the operation of services  
35 for Wichita children's home for any such purpose that would be exempt  
36 from taxation under the provisions of this section if purchased directly by  
37 Wichita children's home. Nothing in this subsection shall be deemed to  
38 exempt the purchase of any construction machinery, equipment or tools  
39 used in the constructing, maintaining, repairing, enlarging, furnishing or  
40 remodeling such facilities for Wichita children's home. When Wichita  
41 children's home contracts for the purpose of constructing, maintaining,  
42 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain  
43 from the state and furnish to the contractor an exemption certificate for the

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

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

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

39 (llll) all sales of tangible personal property and services purchased by  
40 Gove county healthcare endowment foundation, inc., which is exempt  
41 from federal income taxation pursuant to section 501(c)(3) of the federal  
42 internal revenue code of 1986, and which such property and services are  
43 used for the purpose of constructing and equipping an airport in Quinter,

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

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

42 (nnnn) *all sales of food and food ingredients; and*

43 (oooo) *all sales of feminine hygiene products. As used in this*

1 *subsection, "feminine hygiene products" means tampons, panty liners,*  
2 *menstrual cups, sanitary napkins and other similar tangible personal*  
3 *property designed for feminine hygiene in connection with the human*  
4 *menstrual cycle.*

5 Sec. 5. K.S.A. 79-32,110, 79-3602 and 79-3606 and K.S.A. 2019  
6 Supp. 12-189a are hereby repealed.

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