

HOUSE BILL No. 2643

By Committee on Taxation

2-12

1 AN ACT concerning property taxation; relating to the classification of
2 commercial and industrial machinery and equipment.

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

5 Section 1. (a) (1) The provisions of this section are intended to codify
6 the original legislative intent of the 2006 law exempting from ad valorem
7 taxation commercial and industrial machinery and equipment purchased,
8 leased or transported into the state after June 30, 2006, pursuant to K.S.A.
9 2013 Supp. 79-223, and amendments thereto.

10 (2) As used in this section, "commercial and industrial machinery and
11 equipment" means property classified within subclass (5) of class 2 of
12 section 1 of article 11 of the constitution of the state of Kansas.

13 (b) (1) In determining the classification of property for ad valorem
14 tax purposes, the county appraiser shall conform to the factors set forth in
15 the personal property guide devised or prescribed by the director of
16 property valuation pursuant to K.S.A. 75-5105a(b), and amendments
17 thereto.

18 (2) Commercial and industrial machinery and equipment that is used
19 in a manufacturing, industrial, commercial or retail process shall be
20 considered personal property for purposes of property tax classification
21 and valuation.

22 (3) Where the proper classification of commercial and industrial
23 machinery and equipment is not clearly determined by its use, as described
24 in subsection (b)(2), the appraiser shall use the following three part test as
25 set forth in the personal property guide prescribed by the director of
26 property valuation pursuant to K.S.A. 75-5105a(b), and amendments
27 thereto:

- 28 (A) Annexation to the realty;
29 (B) adaptation to the use of the part of the realty to which it is
30 attached; and
31 (C) the intention of the party making the annexation.

32 Sec. 2. This act shall take effect and be in force from and after its
33 publication in the statute book.