

HOUSE BILL No. 2764

By Committee on Taxation

Requested by Representative Wassinger

2-8

1 AN ACT concerning taxation; relating to income, privilege and premium
2 tax credits; establishing a credit for contributions to eligible charitable
3 organizations operating pregnancy centers or residential maternity
4 facilities; establishing a child tax credit; increasing the tax credit
5 amount for adoption expenses and making the credit refundable;
6 relating to sales and compensating use tax; providing for a sales tax
7 exemption for purchases by pregnancy resource centers and residential
8 maternity facilities; amending K.S.A. 79-32,202a and K.S.A. 2023
9 Supp. 79-3606 and repealing the existing sections.

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

12 New Section 1. (a) This section shall be known and may be cited as
13 the pregnancy resource act.

14 (b) As used in this section, "eligible charitable organization" means
15 an organization that is:

16 (1) Exempt from federal income taxation pursuant to section 501(c)
17 (3) of the federal internal revenue code of 1986;

18 (2) a nonprofit organization organized under the laws of this state;
19 and

20 (3) (A) a member of an organization whose members are pregnancy
21 centers or residential maternity care facilities based in the state; or

22 (B) a pregnancy center or residential maternity facility that:

23 (i) Maintains a dedicated phone number for clients;

24 (ii) maintains in this state its primary physical office, clinic or
25 residential home that is open for clients for a minimum of 20 hours a
26 week, excluding state holidays;

27 (iii) offers services, at no cost to the client, for the express purpose of
28 providing assistance to women in order to carry their pregnancy to term,
29 encourage parenting or adoption, prevent abortion and promote healthy
30 childbirth; and

31 (iv) utilizes trained and licensed medical professionals to perform any
32 available medical procedures.

33 (c) (1) For taxable years commencing after December 31, 2023, a
34 credit shall be allowed against the income, privilege or premium tax
35 liability imposed upon a taxpayer pursuant to the Kansas income tax act,

1 the privilege tax imposed upon any national banking association, state
2 bank, trust company or savings and loan association pursuant to article 11
3 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto,
4 or the premiums tax and privilege fees imposed upon an insurance
5 company pursuant to K.S.A. 40-252, and amendments thereto, in an
6 amount equal to 70% of the total amount contributed during the taxable
7 year by a taxpayer to an eligible charitable organization.

8 (2) A contribution for which a credit is claimed must be a voluntary
9 contribution and shall not be a payment for services rendered.

10 (3) If the amount of such tax credit exceeds the taxpayer's tax liability
11 for such tax year, the taxpayer may carry over the amount that exceeds
12 such tax liability for deduction from the taxpayer's liability in the next
13 succeeding tax year or years until the total amount of the tax credit has
14 been deducted from tax liability, except that no such tax credit shall be
15 carried over for deduction after the fifth tax year succeeding the tax year in
16 which the contribution was made.

17 (4) In no event shall the total amount of credits allowed under this
18 section for contributions to a single eligible charitable organization exceed
19 \$5,000,000 per tax year.

20 (5) The aggregate amount of credits claimed pursuant to this section
21 shall not exceed \$10,000,000 per tax year.

22 (d) Taxpayers claiming a credit authorized by this section shall
23 provide the name of the eligible charitable organization and the amount of
24 the contribution to the department of revenue on forms provided by the
25 department.

26 (e) An eligible charitable organization shall provide the department
27 with a written certification pursuant to subsection (f) that it meets all
28 criteria to be considered an eligible charitable organization. The
29 organization shall also notify the department of any changes that may
30 affect eligibility under this section.

31 (f) The eligible charitable organization's written certification must be
32 signed by an officer of the organization under penalty of perjury. The
33 written certification shall include the following:

34 (1) Verification of the organization's status under section 501(c)(3) of
35 the federal internal revenue code of 1986;

36 (2) a statement that the organization does not provide, pay for, refer
37 for or provide coverage of abortions and does not financially support,
38 partner with or affiliate with any other entity that provides, pays for, refers
39 for or provides coverage of abortions, including nonsurgical abortions and
40 abortifacients;

41 (3) a statement that the organization maintains its principal office or
42 presence in this state and that at least 50% of its clients claim to be
43 residents of this state; and

1 (4) any other information that the department requires to administer
2 this section.

3 (g) The department shall review each written certification and
4 determine whether the organization meets all the criteria to be considered
5 an eligible charitable organization and notify the organization of its
6 determination. The department may also periodically request
7 recertification from the organization. The department shall compile and
8 make available to the public a list of eligible charitable organizations.

9 (h) Tax credits authorized by this section that are earned by a
10 partnership, limited liability company, S corporation or other similar pass-
11 through entity shall be allocated among all partners, members or
12 shareholders, respectively, either in proportion to their ownership interest
13 in such entity or as the partners, members or shareholders mutually agree
14 as provided in an executed agreement.

15 (i) Prior to claiming any credit on a return, a taxpayer shall apply for
16 credits with the department on forms prescribed by the department. In the
17 application the taxpayer shall certify to the department the dollar amount
18 of the contributions made or to be made during the calendar year. Within
19 30 days after the receipt of an application, the department shall allocate
20 credits based on the dollar amount of contributions as certified in the
21 application. If the department cannot allocate the full amount of credits
22 certified in the application due to the limit on the aggregate amount of
23 credits that may be awarded under this section in a tax year, the
24 department shall so notify the applicant within 30 days with the amount of
25 credits, if any, that may be allocated to the applicant in the calendar year.
26 Once the department has allocated credits to a taxpayer, if the contribution
27 for which a credit is allocated has not been made as of the date of the
28 allocation, then the contribution must be made not later than 90 days from
29 the date of the allocation. If the contribution is not made within such time
30 period, the allocation shall be cancelled and returned to the department for
31 reallocation.

32 New Sec. 2. (a)(1) For tax year 2024, and all tax years thereafter,
33 there shall be allowed a credit against the tax liability of a resident
34 individual imposed under the Kansas income tax act. The amount of credit
35 allowed pursuant to this section shall be in an amount equal to \$1,000 for
36 each qualifying child of the taxpayer. An additional credit shall be allowed
37 in an amount equal to \$1,000 for each unborn child. A taxpayer may take
38 the additional credit in the taxable year that the unborn child is born or
39 stillborn. Alternatively, the taxpayer may elect to take the additional credit
40 for an unborn child that is born or stillborn prior to the date required for
41 filing a return pursuant to K.S.A. 79-3221, and amendments thereto, of the
42 successive taxable year if such election is made at the time of filing the
43 return. In no instance shall the additional credit be used for more than one

1 taxable year.

2 (2) If the amount of the credit allowed by this section exceeds the
3 taxpayer's income tax liability imposed under the Kansas income tax act,
4 such excess amount shall be refunded to the taxpayer.

5 (b) As used in this section:

6 (1) "Bears a relationship" means an individual that is related to the
7 taxpayer as:

8 (A) A child of the taxpayer or a descendant of such a child; or

9 (B) a brother, sister, stepbrother or stepsister of the taxpayer or a
10 descendant of any such relative.

11 (2) "Qualifying child" means, with respect to any taxpayer for any
12 taxable year, an individual who:

13 (A)(i) Bears a relationship to the taxpayer;

14 (ii) has the same principal place of abode as the taxpayer:

15 (a) For more than $\frac{1}{2}$ of such taxable year if such qualifying child was
16 not born in that taxable year; or

17 (b) at any time during the taxable year for a child born during the
18 taxable year;

19 (iii) has not attained 18 years of age as of the close of the calendar
20 year in which the taxable year of the taxpayer begins;

21 (iv) has not provided over $\frac{1}{2}$ of such individual's own support for the
22 calendar year in which the taxable year of the taxpayer begins; and

23 (v) has not filed a joint return, other than only for a claim of refund,
24 with the individual's spouse for the taxable year;

25 (B) is an unborn child that bears a relationship to the taxpayer; or

26 (C) is a child that is stillborn that bears a relationship to the taxpayer
27 and a certificate of birth resulting in stillbirth is issued pursuant to K.S.A.
28 65-2440, and amendments thereto.

29 (3) "Unborn child" means an individual of the species homo sapiens,
30 from the beginning of the biological development of that individual,
31 including fertilization, until the point of the earlier of being born alive or
32 death resulting in stillbirth issued pursuant to K.S.A. 65-2440, and
33 amendments thereto.

34 (c) A qualifying child shall not be used to qualify for the tax credit
35 pursuant to this section for more than one taxpayer in a single tax year. No
36 credit provided under this section shall be allowed to any taxpayer who
37 fails to provide a valid social security number issued by the social security
38 administration to such taxpayer, the taxpayer's spouse and every qualifying
39 child unless a certificate of birth resulting in stillbirth issued pursuant to
40 K.S.A. 65-2440, and amendments thereto, is provided.

41 Sec. 3. K.S.A. 79-32,202a is hereby amended to read as follows: 79-
42 32,202a. (a) ~~(1) Commencing in~~ For tax-year years 2014, and all tax years
43 thereafter through 2023, and in addition to the credit provided in

1 subsection (b), there shall be allowed as a credit against the tax liability of
2 a resident individual imposed under the Kansas income tax act an amount
3 equal to: ~~(1)~~ (A) 25% of the amount of the credit allowed against such
4 taxpayer's federal income tax liability pursuant to section 23 of the federal
5 internal revenue code determined without regard to subsection (c) of such
6 section; ~~(2)~~ (B) in addition to subsection (a)(1)(A), 25% of the amount of
7 such federal income tax credit, if the child adopted by the taxpayer was a
8 resident of Kansas prior to such lawful adoption; and ~~(3)~~ (C) in addition to
9 subsections (a)(1)(A) and ~~(a)(2)~~ (a)(1)(B), 25% of the amount of such
10 federal income tax credit, if the child adopted by the taxpayer is a child
11 with special needs, as defined in section 23 of the federal internal revenue
12 code, and the child was a resident of Kansas prior to such lawful adoption,
13 for the taxable year in which such credit was claimed against the
14 taxpayer's federal income tax liability.

15 (2) *For tax year 2024, and all tax years thereafter, and in addition to*
16 *the credit provided in subsection (b), there shall be allowed as a credit*
17 *against the tax liability of a resident individual imposed under the Kansas*
18 *income tax act an amount equal to 100% of the amount of the credit*
19 *allowed against such taxpayer's federal income tax liability pursuant to*
20 *section 23 of the federal internal revenue code determined without regard*
21 *to subsection (c) of such section for the taxable year in which such credit*
22 *was claimed against the taxpayer's federal income tax liability.*

23 (b) ~~Commencing in~~ *For tax year 2014, and all tax years thereafter,*
24 *there shall be allowed as a credit against the tax liability of a resident*
25 *individual imposed under the Kansas income tax act an amount equal to*
26 *\$1,500 for the taxable year in which occurs the lawful adoption of a child*
27 *in the custody of the secretary for children and families or a child with*
28 *special needs, whether or not such individual is reimbursed for all or part*
29 *of qualified adoption expenses or has received a public or private grant*
30 *therefor. As used in this subsection, terms and phrases shall have the*
31 *meanings ascribed thereto by the provisions of section 23 of the federal*
32 *internal revenue code.*

33 (c) The credit allowed by subsections (a)(1) and (b) *for tax years*
34 *2014 through 2023* shall not exceed the amount of the tax imposed by
35 K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any
36 other credits allowable pursuant to law. If the amount of such tax credit
37 exceeds the taxpayer's income tax liability for such taxable year, the
38 amount thereof ~~which~~ *that* exceeds such tax liability may be carried over
39 for deduction from the taxpayer's income tax liability in the next
40 succeeding taxable year or years until the total amount of the tax credits
41 has been deducted from tax liability.

42 (d) *For tax year 2024, and all tax years thereafter, if the amount of*
43 *the credit allowed by subsections (a)(2) and (b) exceeds the taxpayer's*

1 *income tax liability for such taxable year, the amount thereof that exceeds*
2 *such tax liability shall be refunded to the taxpayer.*

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

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

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

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

1 exemption shall apply to the erection, construction, repair, enlargement or
2 equipment of buildings used for human habitation by the cerebral palsy
3 research foundation of Kansas located in Wichita, Kansas, and multi
4 community diversified services, incorporated, located in McPherson,
5 Kansas;

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

1 made, and such suppliers shall execute invoices covering the same bearing
2 the number of such certificate. Upon completion of the project the
3 contractor shall furnish to the political subdivision, district described in
4 subsection (s), hospital or public hospital authority, school, educational
5 institution or department of corrections concerned a sworn statement, on a
6 form to be provided by the director of taxation, that all purchases so made
7 were entitled to exemption under this subsection. As an alternative to the
8 foregoing procedure, any such contracting entity may apply to the
9 secretary of revenue for agent status for the sole purpose of issuing and
10 furnishing project exemption certificates to contractors pursuant to rules
11 and regulations adopted by the secretary establishing conditions and
12 standards for the granting and maintaining of such status. All invoices
13 shall be held by the contractor for a period of five years and shall be
14 subject to audit by the director of taxation. If any materials purchased
15 under such a certificate are found not to have been incorporated in the
16 building or other project or not to have been returned for credit or the sales
17 or compensating tax otherwise imposed upon such materials that will not
18 be so incorporated in the building or other project reported and paid by
19 such contractor to the director of taxation not later than the 20th day of the
20 month following the close of the month in which it shall be determined
21 that such materials will not be used for the purpose for which such
22 certificate was issued, the political subdivision, district described in
23 subsection (s), hospital or public hospital authority, school, educational
24 institution or the contractor contracting with the department of corrections
25 for a correctional institution concerned shall be liable for tax on all
26 materials purchased for the project, and upon payment thereof it may
27 recover the same from the contractor together with reasonable attorney
28 fees. Any contractor or any agent, employee or subcontractor thereof, who
29 shall use or otherwise dispose of any materials purchased under such a
30 certificate for any purpose other than that for which such a certificate is
31 issued without the payment of the sales or compensating tax otherwise
32 imposed upon such materials, shall be guilty of a misdemeanor and, upon
33 conviction therefor, shall be subject to the penalties provided for in K.S.A.
34 79-3615(h), and amendments thereto;

35 (e) all sales of tangible personal property or services purchased by a
36 contractor for the erection, repair or enlargement of buildings or other
37 projects for the government of the United States, its agencies or
38 instrumentalities, that would be exempt from taxation if purchased directly
39 by the government of the United States, its agencies or instrumentalities.
40 When the government of the United States, its agencies or
41 instrumentalities shall contract for the erection, repair, or enlargement of
42 any building or other project, it shall obtain from the state and furnish to
43 the contractor an exemption certificate for the project involved, and the

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

23 (f) tangible personal property purchased by a railroad or public utility
24 for consumption or movement directly and immediately in interstate
25 commerce;

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

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

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

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

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

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

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

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

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

36 (p) all sales of drugs dispensed pursuant to a prescription order by a
37 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
38 1626, and amendments thereto. As used in this subsection, "drug" means a
39 compound, substance or preparation and any component of a compound,
40 substance or preparation, other than food and food ingredients, dietary
41 supplements or alcoholic beverages, recognized in the official United
42 States pharmacopeia, official homeopathic pharmacopoeia of the United
43 States or official national formulary, and supplement to any of them,

1 intended for use in the diagnosis, cure, mitigation, treatment or prevention
2 of disease or intended to affect the structure or any function of the body,
3 except that for taxable years commencing after December 31, 2013, this
4 subsection shall not apply to any sales of drugs used in the performance or
5 induction of an abortion, as defined in K.S.A. 65-6701, and amendments
6 thereto;

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

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

30 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,
31 all sales of tangible personal property or services purchased directly or
32 indirectly by a groundwater management district organized or operating
33 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,
34 by a rural water district organized or operating under the authority of
35 K.S.A. 82a-612, and amendments thereto, or by a water supply district
36 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-
37 3522 et seq. or 19-3545, and amendments thereto, which property or
38 services are used in the construction activities, operation or maintenance of
39 the district;

40 (t) all sales of farm machinery and equipment or aquaculture
41 machinery and equipment, repair and replacement parts therefor and
42 services performed in the repair and maintenance of such machinery and
43 equipment. For the purposes of this subsection the term "farm machinery

1 and equipment or aquaculture machinery and equipment" shall include a
2 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments
3 thereto, and is equipped with a bed or cargo box for hauling materials, and
4 shall also include machinery and equipment used in the operation of
5 Christmas tree farming but shall not include any passenger vehicle, truck,
6 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as
7 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm
8 machinery and equipment" includes precision farming equipment that is
9 portable or is installed or purchased to be installed on farm machinery and
10 equipment. "Precision farming equipment" includes the following items
11 used only in computer-assisted farming, ranching or aquaculture
12 production operations: Soil testing sensors, yield monitors, computers,
13 monitors, software, global positioning and mapping systems, guiding
14 systems, modems, data communications equipment and any necessary
15 mounting hardware, wiring and antennas. Each purchaser of farm
16 machinery and equipment or aquaculture machinery and equipment
17 exempted herein must certify in writing on the copy of the invoice or sales
18 ticket to be retained by the seller that the farm machinery and equipment
19 or aquaculture machinery and equipment purchased will be used only in
20 farming, ranching or aquaculture production. Farming or ranching shall
21 include the operation of a feedlot and farm and ranch work for hire and the
22 operation of a nursery;

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

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

39 (w) all sales of natural gas, electricity, heat and water delivered
40 through mains, lines or pipes: (1) To residential premises for
41 noncommercial use by the occupant of such premises; (2) for agricultural
42 use and also, for such use, all sales of propane gas; (3) for use in the
43 severing of oil; and (4) to any property which is exempt from property

1 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this
2 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),
3 and amendments thereto. For all sales of natural gas, electricity and heat
4 delivered through mains, lines or pipes pursuant to the provisions of
5 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire
6 on December 31, 2005;

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

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

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

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

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

28 (cc) all sales of tangible personal property or services purchased prior
29 to January 1, 2012, except as otherwise provided, for the purpose of and in
30 conjunction with constructing, reconstructing, enlarging or remodeling a
31 business or retail business that meets the requirements established in
32 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
33 machinery and equipment purchased for installation at any such business
34 or retail business, and all sales of tangible personal property or services
35 purchased on or after January 1, 2012, for the purpose of and in
36 conjunction with constructing, reconstructing, enlarging or remodeling a
37 business that meets the requirements established in K.S.A. 74-50,115(e),
38 and amendments thereto, and the sale and installation of machinery and
39 equipment purchased for installation at any such business. When a person
40 shall contract for the construction, reconstruction, enlargement or
41 remodeling of any such business or retail business, such person shall
42 obtain from the state and furnish to the contractor an exemption certificate
43 for the project involved, and the contractor may purchase materials,

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

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

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

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

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

41 (hh) all sales of medical supplies and equipment, including durable
42 medical equipment, purchased directly by a nonprofit skilled nursing home
43 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,

1 and amendments thereto, for the purpose of providing medical services to
2 residents thereof. This exemption shall not apply to tangible personal
3 property customarily used for human habitation purposes. As used in this
4 subsection, "durable medical equipment" means equipment including
5 repair and replacement parts for such equipment, that can withstand
6 repeated use, is primarily and customarily used to serve a medical purpose,
7 generally is not useful to a person in the absence of illness or injury and is
8 not worn in or on the body, but does not include mobility enhancing
9 equipment as defined in subsection (r), oxygen delivery equipment, kidney
10 dialysis equipment or enteral feeding systems;

11 (ii) all sales of tangible personal property purchased directly by a
12 nonprofit organization for nonsectarian comprehensive multidiscipline
13 youth development programs and activities provided or sponsored by such
14 organization, and all sales of tangible personal property by or on behalf of
15 any such organization. This exemption shall not apply to tangible personal
16 property customarily used for human habitation purposes;

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

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

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

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

39 (2) For purposes of this subsection:

40 (A) "Integrated production operation" means an integrated series of
41 operations engaged in at a manufacturing or processing plant or facility to
42 process, transform or convert tangible personal property by physical,
43 chemical or other means into a different form, composition or character

1 from that in which it originally existed. Integrated production operations
2 shall include: (i) Production line operations, including packaging
3 operations; (ii) preproduction operations to handle, store and treat raw
4 materials; (iii) post production handling, storage, warehousing and
5 distribution operations; and (iv) waste, pollution and environmental
6 control operations, if any;

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

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

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

1 or other grain storage facilities. (iii) Manufacturing or processing
2 businesses do not include, by way of illustration but not of limitation,
3 nonindustrial businesses whose operations are primarily retail and that
4 produce or process tangible personal property as an incidental part of
5 conducting the retail business, such as retailers who bake, cook or prepare
6 food products in the regular course of their retail trade, grocery stores,
7 meat lockers and meat markets that butcher or dress livestock or poultry in
8 the regular course of their retail trade, contractors who alter, service, repair
9 or improve real property, and retail businesses that clean, service or
10 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

36 (F) plan, manage, control or record the receipt and flow of inventories
37 of raw materials, consumables and component parts, the flow of the
38 property undergoing manufacturing or processing and the management of
39 inventories of the finished product;

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

43 (H) package the property being manufactured or processed in a

1 container or wrapping in which such property is normally sold or
2 transported;

3 (I) transmit or transport electricity, coke, gas, water, steam or similar
4 substances used in production operations from the point of generation, if
5 produced by the manufacturer or processor at the plant site, to that
6 manufacturer's production operation; or, if purchased or delivered from
7 off-site, from the point where the substance enters the site of the plant or
8 facility to that manufacturer's production operations;

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

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

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

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

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

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

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

8 (B) machinery, equipment and tools used primarily in maintaining
9 and repairing any type of machinery and equipment or the building and
10 plant;

11 (C) transportation, transmission and distribution equipment not
12 primarily used in a production, warehousing or material handling
13 operation at the plant or facility, including the means of conveyance of
14 natural gas, electricity, oil or water, and equipment related thereto, located
15 outside the plant or facility;

16 (D) office machines and equipment including computers and related
17 peripheral equipment not used directly and primarily to control or measure
18 the manufacturing process;

19 (E) furniture and other furnishings;

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

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

26 (H) machinery and equipment used for general plant heating, cooling
27 and lighting;

28 (I) motor vehicles that are registered for operation on public
29 highways; or

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

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

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

43 (II) all sales of educational materials purchased for distribution to the

1 public at no charge by a nonprofit corporation organized for the purpose of
2 encouraging, fostering and conducting programs for the improvement of
3 public health, except that for taxable years commencing after December
4 31, 2013, this subsection shall not apply to any sales of such materials
5 purchased by a nonprofit corporation which performs any abortion, as
6 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

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

42 (uu) all sales of tangible personal property and services purchased by
43 or on behalf of any rural volunteer fire-fighting organization for use

1 exclusively in the performance of its duties and functions;

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

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

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

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

17 (4) the American diabetes association Kansas affiliate, inc. for the
18 purpose of eliminating diabetes through medical research, public education
19 focusing on disease prevention and education, patient education including
20 information on coping with diabetes, and professional education and
21 training;

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

27 (6) the Kansas chapters of the Alzheimer's disease and related
28 disorders association, inc. for the purpose of providing assistance and
29 support to persons in Kansas with Alzheimer's disease, and their families
30 and caregivers;

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

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

37 (9) the heartstrings community foundation for the purpose of
38 providing training, employment and activities for adults with
39 developmental disabilities;

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

43 (11) the spina bifida association of Kansas for the purpose of

1 providing financial, educational and practical aid to families and
2 individuals with spina bifida. Such aid includes, but is not limited to,
3 funding for medical devices, counseling and medical educational
4 opportunities;

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

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

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

15 (15) the KSDS, Inc., for the purpose of promoting the independence
16 and inclusion of people with disabilities as fully participating and
17 contributing members of their communities and society through the
18 training and providing of guide and service dogs to people with
19 disabilities, and providing disability education and awareness to the
20 general public;

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

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

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

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

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

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

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

1 (23) the angel babies association, for the purpose of providing
2 assistance, support and items of necessity to teenage mothers and their
3 babies; and

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

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

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

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

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

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

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

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

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

38 (ccc) on and after July 1, 1999, all sales of tangible personal property
39 and services purchased by a primary care clinic or health center the
40 primary purpose of which is to provide services to medically underserved
41 individuals and families, and that is exempt from federal income taxation
42 pursuant to section 501(c)(3) of the federal internal revenue code, and all
43 sales of tangible personal property or services purchased by a contractor

1 for the purpose of constructing, equipping, reconstructing, maintaining,
2 repairing, enlarging, furnishing or remodeling facilities for any such clinic
3 or center that would be exempt from taxation under the provisions of this
4 section if purchased directly by such clinic or center, except that for
5 taxable years commencing after December 31, 2013, this subsection shall
6 not apply to any sales of such tangible personal property and services
7 purchased by a primary care clinic or health center which performs any
8 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing
9 in this subsection shall be deemed to exempt the purchase of any
10 construction machinery, equipment or tools used in the constructing,
11 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
12 remodeling facilities for any such clinic or center. When any such clinic or
13 center shall contract for the purpose of constructing, equipping,
14 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
15 facilities, it shall obtain from the state and furnish to the contractor an
16 exemption certificate for the project involved, and the contractor may
17 purchase materials for incorporation in such project. The contractor shall
18 furnish the number of such certificate to all suppliers from whom such
19 purchases are made, and such suppliers shall execute invoices covering the
20 same bearing the number of such certificate. Upon completion of the
21 project the contractor shall furnish to such clinic or center concerned a
22 sworn statement, on a form to be provided by the director of taxation, that
23 all purchases so made were entitled to exemption under this subsection.
24 All invoices shall be held by the contractor for a period of five years and
25 shall be subject to audit by the director of taxation. If any materials
26 purchased under such a certificate are found not to have been incorporated
27 in the building or other project or not to have been returned for credit or
28 the sales or compensating tax otherwise imposed upon such materials that
29 will not be so incorporated in the building or other project reported and
30 paid by such contractor to the director of taxation not later than the 20th
31 day of the month following the close of the month in which it shall be
32 determined that such materials will not be used for the purpose for which
33 such certificate was issued, such clinic or center concerned shall be liable
34 for tax on all materials purchased for the project, and upon payment
35 thereof it may recover the same from the contractor together with
36 reasonable attorney fees. Any contractor or any agent, employee or
37 subcontractor thereof, who shall use or otherwise dispose of any materials
38 purchased under such a certificate for any purpose other than that for
39 which such a certificate is issued without the payment of the sales or
40 compensating tax otherwise imposed upon such materials, shall be guilty
41 of a misdemeanor and, upon conviction therefor, shall be subject to the
42 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;
43 (ddd) on and after January 1, 1999, and before January 1, 2000, all

1 sales of materials and services purchased by any class II or III railroad as
2 classified by the federal surface transportation board for the construction,
3 renovation, repair or replacement of class II or III railroad track and
4 facilities used directly in interstate commerce. In the event any such track
5 or facility for which materials and services were purchased sales tax
6 exempt is not operational for five years succeeding the allowance of such
7 exemption, the total amount of sales tax that would have been payable
8 except for the operation of this subsection shall be recouped in accordance
9 with rules and regulations adopted for such purpose by the secretary of
10 revenue;

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

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

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

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

39 (iii) all sales of personal property and services purchased by an
40 organization that is exempt from federal income taxation pursuant to
41 section 501(c)(3) of the federal internal revenue code of 1986, and such
42 personal property and services are used by any such organization in the
43 collection, storage and distribution of food products to nonprofit

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

1 July 1, 2005, but prior to the effective date of this act upon the gross
2 receipts received from any sale exempted by the amendatory provisions of
3 this subsection shall be refunded. Each claim for a sales tax refund shall be
4 verified and submitted to the director of taxation upon forms furnished by
5 the director and shall be accompanied by any additional documentation
6 required by the director. The director shall review each claim and shall
7 refund that amount of sales tax paid as determined under the provisions of
8 this subsection. All refunds shall be paid from the sales tax refund fund
9 upon warrants of the director of accounts and reports pursuant to vouchers
10 approved by the director or the director's designee;

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

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

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

41 (nnn) all sales of tangible personal property and services purchased
42 by the west Sedgwick county-sunrise rotary club and sunrise charitable
43 fund for the purpose of constructing a boundless playground which is an

1 integrated, barrier free and developmentally advantageous play
2 environment for children of all abilities and disabilities;

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

7 (ppp) all sales of tangible personal property and services purchased
8 by or on behalf of a homeless shelter that is exempt from federal income
9 taxation pursuant to section 501(c)(3) of the federal income tax code of
10 1986, and used by any such homeless shelter to provide emergency and
11 transitional housing for individuals and families experiencing
12 homelessness, and all sales of any such property by or on behalf of any
13 such homeless shelter for any such purpose;

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

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

16 (rrr) all sales of tangible personal property and services purchased by
17 any county law library maintained pursuant to law and sales of tangible
18 personal property and services purchased by an organization that would
19 have been exempt from taxation under the provisions of this subsection if
20 purchased directly by the county law library for the purpose of providing
21 legal resources to attorneys, judges, students and the general public, and
22 all sales of any such property by or on behalf of any such county law
23 library;

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

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

28 (ttt) all sales of tangible personal property or services purchased by a
29 contractor for a project for the purpose of restoring, constructing,
30 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
31 remodeling a home or facility owned by a nonprofit museum that has been
32 granted an exemption pursuant to subsection (qq), which such home or
33 facility is located in a city that has been designated as a qualified
34 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
35 amendments thereto, and which such project is related to the purposes of
36 K.S.A. 75-5071 et seq., and amendments thereto, and that would be
37 exempt from taxation under the provisions of this section if purchased
38 directly by such nonprofit museum. Nothing in this subsection shall be
39 deemed to exempt the purchase of any construction machinery, equipment
40 or tools used in the restoring, constructing, equipping, reconstructing,
41 maintaining, repairing, enlarging, furnishing or remodeling a home or
42 facility for any such nonprofit museum. When any such nonprofit museum
43 shall contract for the purpose of restoring, constructing, equipping,

1 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
2 a home or facility, 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 certificates to all suppliers
6 from whom such purchases are made, and such suppliers shall execute
7 invoices covering the same bearing the number of such certificate. Upon
8 completion of the project, the contractor shall furnish to such nonprofit
9 museum 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 the building or other project or not to have been returned
15 for credit or the sales or compensating tax otherwise imposed upon such
16 materials that will not be so incorporated in a home or facility or other
17 project reported and paid by such contractor to the director of taxation not
18 later than the 20th day of the month following the close of the month in
19 which it shall be determined that such materials will not be used for the
20 purpose for which such certificate was issued, such nonprofit museum
21 shall be liable for tax on all materials purchased for the project, and upon
22 payment thereof it may recover the same from the contractor together with
23 reasonable attorney fees. Any contractor or any agent, employee or
24 subcontractor thereof, who shall use or otherwise dispose of any materials
25 purchased under such a certificate for any purpose other than that for
26 which such a certificate is issued without the payment of the sales or
27 compensating tax otherwise imposed upon such materials, shall be guilty
28 of a misdemeanor and, upon conviction therefor, shall be subject to the
29 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

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

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

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

40 (www) all sales of tangible personal property purchased by or on
41 behalf of the Frontenac education foundation, which is exempt from
42 federal income taxation pursuant to section 501(c)(3) of the federal
43 internal revenue code, for the purpose of providing education support for

1 students, and all sales of any such property by or on behalf of such
2 organization for such purpose;

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

1 of the sales or compensating tax otherwise imposed upon such materials,
2 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
3 subject to the penalties provided for in K.S.A. 79-3615(h), and
4 amendments thereto. Sales tax paid on and after January 1, 2007, but prior
5 to the effective date of this act upon the gross receipts received from any
6 sale which would have been exempted by the provisions of this subsection
7 had such sale occurred after the effective date of this act shall be refunded.
8 Each claim for a sales tax refund shall be verified and submitted to the
9 director of taxation upon forms furnished by the director and shall be
10 accompanied by any additional documentation required by the director.
11 The director shall review each claim and shall refund that amount of sales
12 tax paid as determined under the provisions of this subsection. All refunds
13 shall be paid from the sales tax refund fund upon warrants of the director
14 of accounts and reports pursuant to vouchers approved by the director or
15 the director's designee;

16 (yyy) all sales of tangible personal property and services purchased
17 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
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 encouraging private philanthropy
21 to further the vision, values, and goals of TLC for children and families,
22 inc.; and all sales of such property and services by or on behalf of TLC
23 charities for any such purpose and all sales of tangible personal property or
24 services purchased by a contractor for the purpose of constructing,
25 maintaining, repairing, enlarging, furnishing or remodeling facilities for
26 the operation of services for TLC charities for any such purpose that would
27 be exempt from taxation under the provisions of this section if purchased
28 directly by TLC charities. Nothing in this subsection shall be deemed to
29 exempt the purchase of any construction machinery, equipment or tools
30 used in the constructing, maintaining, repairing, enlarging, furnishing or
31 remodeling such facilities for TLC charities. When TLC charities 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 TLC
40 charities a sworn statement, on a form to be provided by the director of
41 taxation, that all purchases so made were entitled to exemption under this
42 subsection. All invoices shall be held by the contractor for a period of five
43 years and shall be subject to audit by the director of taxation. If any

1 materials purchased under such a certificate are found not to have been
2 incorporated in the building or other project or not to have been returned
3 for credit or the sales or compensating tax otherwise imposed upon such
4 materials that will not be incorporated into the building or other project
5 reported and paid by such contractor to the director of taxation not later
6 than the 20th day of the month following the close of the month in which it
7 shall be determined that such materials will not be used for the purpose for
8 which such certificate was issued, TLC charities shall be liable for tax on
9 all materials purchased for the project, and upon payment thereof it may
10 recover the same from the contractor together with reasonable attorney
11 fees. Any contractor or any agent, employee or subcontractor thereof, who
12 shall use or otherwise dispose of any materials purchased under such a
13 certificate for any purpose other than that for which such a certificate is
14 issued without the payment of the sales or compensating tax otherwise
15 imposed 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 (zzz) all sales of tangible personal property purchased by the rotary
19 club of shawnee foundation, which is exempt from federal income taxation
20 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
21 as amended, used for the purpose of providing contributions to community
22 service organizations and scholarships;

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

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

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

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

1 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
2 of which are exempt from federal income taxation pursuant to section
3 501(c)(3) of the federal internal revenue code, for the purpose of providing
4 education, training and employment opportunities for people with
5 disabilities and other barriers to employment;

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

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

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

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

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

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

3 (iii) all sales of tangible personal property or services purchased by a
4 contractor for the purpose of constructing, maintaining, repairing,
5 enlarging, furnishing or remodeling facilities for the operation of services
6 for Wichita children's home for any such purpose that would be exempt
7 from taxation under the provisions of this section if purchased directly by
8 Wichita children's home. Nothing in this subsection shall be deemed to
9 exempt the purchase of any construction machinery, equipment or tools
10 used in the constructing, maintaining, repairing, enlarging, furnishing or
11 remodeling such facilities for Wichita children's home. When Wichita
12 children's home contracts for the purpose of constructing, maintaining,
13 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain
14 from the state and furnish to the contractor an exemption certificate for the
15 project involved, and the contractor may purchase materials for
16 incorporation in such project. The contractor shall furnish the number of
17 such certificate 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 Wichita children's home a sworn statement, on a form to be
21 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. If any materials purchased under such a certificate are
25 found not to have been incorporated in the building or other project or not
26 to have been returned for credit or the sales or compensating tax otherwise
27 imposed upon such materials that will not be so incorporated in the
28 building or other project reported and paid by such contractor to the
29 director of taxation not later than the 20th day of the month following the
30 close of the month in which it shall be determined that such materials will
31 not be used for the purpose for which such certificate was issued, Wichita
32 children's home shall be liable for the tax on all materials purchased for the
33 project, and upon payment, it may recover the same from the contractor
34 together with reasonable attorney fees. Any contractor or any agent,
35 employee or subcontractor, who shall use or otherwise dispose of any
36 materials purchased under such a certificate for any purpose other than that
37 for which such a certificate is issued without the payment of the sales or
38 compensating tax otherwise imposed upon such materials, shall be guilty
39 of a misdemeanor and, upon conviction, shall be subject to the penalties
40 provided for in K.S.A. 79-3615(h), and amendments thereto;

41 (jjj) all sales of tangible personal property or services purchased by
42 or on behalf of the beacon, inc., that is exempt from federal income
43 taxation pursuant to section 501(c)(3) of the federal internal revenue code,

1 for the purpose of providing those desiring help with food, shelter, clothing
2 and other necessities of life during times of special need;

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

10 (llll) all sales of tangible personal property and services purchased by
11 Gove county healthcare endowment foundation, inc., which is exempt
12 from federal income taxation pursuant to section 501(c)(3) of the federal
13 internal revenue code of 1986, and which such property and services are
14 used for the purpose of constructing and equipping an airport in Quinter,
15 Kansas, and all sales of tangible personal property or services purchased
16 by a contractor for the purpose of constructing and equipping an airport in
17 Quinter, Kansas, for such organization, that would be exempt from
18 taxation under the provisions of this section if purchased directly by such
19 organization. Nothing in this subsection shall be deemed to exempt the
20 purchase of any construction machinery, equipment or tools used in the
21 constructing or equipping of facilities for such organization. When such
22 organization shall contract for the purpose of constructing or equipping an
23 airport in Quinter, Kansas, 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 such facilities or not to have been returned for credit or the
36 sales or compensating tax otherwise imposed upon such materials that will
37 not be so incorporated in such facilities reported and paid by such
38 contractor to the director of taxation no later than the 20th day of the month
39 following the close of the month in which it shall be determined that such
40 materials will not be used for the purpose for which such certificate was
41 issued, such organization concerned shall be liable for tax on all materials
42 purchased for the project, and upon payment thereof it may recover the
43 same from the contractor together with reasonable attorney fees. Any

1 contractor or any agent, employee or subcontractor thereof, who purchased
2 under such a certificate for any purpose other than that for which such a
3 certificate is issued without the payment of the sales or compensating tax
4 otherwise imposed upon such materials, shall be guilty of a misdemeanor
5 and, upon conviction therefor, shall be subject to the penalties provided for
6 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
7 subsection shall expire and have no effect on and after July 1, 2019;

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

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

21 (oooo) all sales of tangible personal property or services purchased
22 for the purpose of and in conjunction with constructing, reconstructing,
23 enlarging or remodeling a qualified business facility by a qualified firm or
24 qualified supplier that meets the requirements established in K.S.A. 2023
25 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has
26 been approved for a project exemption certificate by the secretary of
27 commerce, and the sale and installation of machinery and equipment
28 purchased by such qualified firm or qualified supplier for installation at
29 any such qualified business facility. When a person shall contract for the
30 construction, reconstruction, enlargement or remodeling of any such
31 qualified business facility, such person shall obtain from the state and
32 furnish to the contractor an exemption certificate for the project involved,
33 and the contractor may purchase materials, machinery and equipment for
34 incorporation in such project. The contractor shall furnish the number of
35 such certificates to all suppliers from whom such purchases are made, and
36 such suppliers shall execute invoices covering the same bearing the
37 number of such certificate. Upon completion of the project, the contractor
38 shall furnish to the owner of the qualified firm or qualified supplier a
39 sworn statement, on a form to be provided by the director of taxation, that
40 all purchases so made were entitled to exemption under this subsection.
41 All invoices shall be held by the contractor for a period of five years and
42 shall be subject to audit by the director of taxation. Any contractor or any
43 agent, employee or subcontractor thereof who shall use or otherwise

1 dispose of any materials, machinery or equipment purchased under such a
2 certificate for any purpose other than that for which such a certificate is
3 issued without the payment of the sales or compensating tax otherwise
4 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
5 therefor, shall be subject to the penalties provided for in K.S.A. 79-
6 3615(h), and amendments thereto. As used in this subsection, "qualified
7 business facility," "qualified firm" and "qualified supplier" mean the same
8 as defined in K.S.A. 2023 Supp. 74-50,311, and amendments thereto;

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

22 (2) all sales of tangible personal property or services purchased by a
23 contractor for the purpose of constructing, equipping, reconstructing,
24 maintaining, repairing, enlarging, furnishing or remodeling facilities for an
25 area agency on aging that would be exempt from taxation under the
26 provisions of this section if purchased directly by such area agency on
27 aging. Nothing in this paragraph shall be deemed to exempt the purchase
28 of any construction machinery, equipment or tools used in the
29 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
30 furnishing or remodeling facilities for an area agency on aging. When an
31 area agency on aging contracts for the purpose of constructing, equipping,
32 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
33 facilities, it shall obtain from the state and furnish to the contractor an
34 exemption certificate for the project involved, and such contractor may
35 purchase materials for incorporation in such project. The contractor shall
36 furnish the number of such certificate to all suppliers from whom such
37 purchases are made, and such suppliers shall execute invoices covering the
38 same bearing the number of such certificate. Upon completion of the
39 project, the contractor shall furnish to such area agency on aging a sworn
40 statement, on a form to be provided by the director of taxation, that all
41 purchases so made were entitled to exemption under this subsection. All
42 invoices shall be held by the contractor for a period of five years and shall
43 be 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 20th 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 area agency on aging concerned shall be liable
 9 for tax on all materials purchased for the project, and upon payment
 10 thereof, the area agency on aging may recover the same from the
 11 contractor together with reasonable attorney fees. Any contractor or any
 12 agent, employee or subcontractor thereof who shall use or otherwise
 13 dispose of any materials purchased under such a certificate for any purpose
 14 other than that for which such a certificate is issued without the payment
 15 of the sales or compensating tax otherwise imposed upon such materials
 16 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
 17 subject to the penalties provided for in K.S.A. 79-3615(h), and
 18 amendments thereto; ~~and~~

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

24 (rrrr) *(1) All sales of tangible personal property or services*
 25 *purchased by a pregnancy resource center or residential maternity facility.*

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

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

30 *(B) a nonprofit organization organized under the laws of this state;*
 31 *and*

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

33 *(i) Maintains a dedicated phone number for clients;*

34 *(ii) maintains in this state its primary physical office, clinic or*
 35 *residential home that is open for clients for a minimum of 20 hours per*
 36 *week, excluding state holidays;*

37 *(iii) offers services, at no cost to the client, for the express purpose of*
 38 *providing assistance to women in order to carry their pregnancy to term,*
 39 *encourage parenting or adoption, prevent abortion and promote healthy*
 40 *childbirth; and*

41 *(iv) utilizes trained and licensed medical professionals to perform*
 42 *any available medical procedures.*

43 Sec. 5. K.S.A. 79-32,202a and K.S.A. 2023 Supp. 79-3606 are hereby

1 repealed.

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