

SENATE BILL No. 198

By Committee on Public Health and Welfare

2-5

1 AN ACT concerning abortion; prohibiting abortion procedures, except
2 when necessary to save the life of the pregnant woman; providing a
3 private cause of action for civil enforcement of violations of such
4 prohibition; amending K.S.A. 65-2837, 65-6731, 65-67a01, 76-3308
5 and 79-32,195 and K.S.A. 2024 Supp. 60-1906, 65-2401, 79-32,182b,
6 79-32,261 and 79-3606 and repealing the existing sections; also
7 repealing K.S.A. 65-4a02, 65-4a03, 65-4a04, 65-4a05, 65-4a06, 65-
8 4a07, 65-4a08, 65-4a09, 65-4a10, 65-4a11, 65-4a12, 65-6702, 65-6703,
9 65-6704, 65-6705, 65-6707, 65-6709, 65-6710, 65-6711, 65-6712, 65-
10 6714, 65-6715, 65-6721, 65-6722, 65-6724, 65-6725, 65-6726, 65-
11 6741, 65-6743, 65-6744, 65-6745, 65-6746, 65-6747, 65-6748 and 65-
12 6749 and K.S.A. 2024 Supp. 65-4a01, 65-6701, 65-6708, 65-6723 and
13 65-6742.

14

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

15

16 New Section 1. (a) It shall be unlawful for any person to knowingly
17 perform or induce or attempt to perform or induce an abortion except
18 when necessary to preserve the life of a pregnant woman in a medical
19 emergency.

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(b) It shall not be a violation of this section if a physician provides
21 medical treatment to a pregnant woman that results in accidental or
22 unintentional injury to or the death of the unborn child.

23

(c) Nothing in this section shall be construed to authorize the
24 performance or induction of an abortion that is otherwise prohibited by
25 federal or state law.

26

New Sec. 2. It shall be unlawful for any person to manufacture,
27 distribute, prescribe, dispense, sell, give or otherwise provide mifepristone,
28 mifegyne, mifeperex or any other substantially similar generic or
29 nongeneric abortifacient drug in this state for the purpose of inducing an
30 abortion in violation of section 1, and amendments thereto.

31

New Sec. 3. Nothing in section 1 or 2, and amendments thereto, shall
32 be construed to:

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(a) Impose any liability against the woman upon whom an abortion is
34 performed or induced or attempted to be performed or induced; or

35

(b) prohibit the administration of misoprostol for the purpose of
36 treatment of a miscarriage.

1 New Sec. 4. (a) Violations of section 1 or 2, and amendments thereto,
2 shall be enforced exclusively through the private civil enforcement actions
3 provided under section 5, and amendments thereto. Notwithstanding any
4 other provision of law, no enforcement of sections 1 and 2, and
5 amendments thereto, may be taken or threatened by any state agency,
6 political subdivision, county attorney or district attorney or any officer or
7 employee thereof against any person.

8 (b) Nothing in this section shall be construed to:

9 (1) Render any of the conduct prohibited by sections 1 and 2, and
10 amendments thereto, or by any other provision of law to be lawful;

11 (2) limit or affect, in any way, the availability of any relief established
12 under section 5, and amendments thereto; or

13 (3) limit the enforceability of any other laws that regulate or prohibit
14 abortion.

15 New Sec. 5. (a) Except for the entities and individuals described in
16 section 4, and amendments thereto, any person may bring a civil action
17 against any person who:

18 (1) Violates section 1 or 2, and amendments thereto; or

19 (2) knowingly engages in conduct that aids or abets a violation of
20 section 1 or 2, and amendments thereto, including paying for or
21 reimbursing the costs of an abortion through insurance or otherwise,
22 regardless of whether the person knew or should have known that the
23 performance or induction of the abortion would violate section 1, and
24 amendments thereto.

25 (b) (1) Except as otherwise provided, if the party bringing a cause of
26 action pursuant to this section prevails, the court shall award:

27 (A) Injunctive relief sufficient to prevent the defendant from violating
28 section 1 or 2, and amendments thereto, or engaging in acts that aid or abet
29 violations of section 1 or 2, and amendments thereto;

30 (B) (i) statutory damages in an amount of not less than \$10,000 for
31 each abortion that the defendant performed or induced or attempted to
32 perform or induce in violation of section 1, and amendments thereto, and
33 for each abortion performed or induced or attempted to perform or induce
34 in violation of section 1, and amendments thereto, that the defendant aided
35 or abetted; and

36 (ii) statutory damages in an amount of not less than \$10,000 for each
37 violation of section 2, and amendments thereto; and

38 (C) attorney fees and court costs.

39 (2) A court shall not award attorney fees or court costs to any
40 defendant who is the prevailing party in such action.

41 (c) A court shall not make any award under this section if the
42 defendant demonstrates that the defendant previously paid statutory
43 damages in a prior action that was brought for the same violation of

1 section 1 or 2, and amendments thereto, or for the same conduct that aided
2 or abetted a violation of section 1 or 2, and amendments thereto.

3 (d) No action shall be maintained under this section after six years
4 from the time the cause of action accrues.

5 (e) Notwithstanding any other law, the following may not be asserted
6 as an affirmative defense to any claims in an action brought under this
7 section:

8 (1) Ignorance or mistake of law;

9 (2) a defendant's belief that the provisions of sections 1 through 8,
10 and amendments thereto, are unconstitutional;

11 (3) a defendant's reliance on any court decision that has been
12 overruled on appeal or by a subsequent court, even if such court decision
13 had not been overruled when the defendant engaged in conduct that
14 violates section 1 or 2, and amendments thereto;

15 (4) a defendant's reliance on any state or federal court decision that is
16 not binding on the court in which the action has been brought;

17 (5) nonmutual issue preclusion or nonmutual claim preclusion; or

18 (6) the consent of the pregnant woman to the abortion.

19 (f) In any action brought pursuant to subsection (a)(2), it is an
20 affirmative defense that the defendant reasonably believed, after
21 conducting a reasonable investigation, that the physician performing or
22 inducing or attempting to perform or induce the abortion had complied or
23 would comply with section 1, and amendments thereto. The defendant
24 shall have the burden of proving the affirmative defense under this
25 subsection by a preponderance of the evidence.

26 (g) No entity or person described in section 4, and amendments
27 thereto, shall intervene in any action brought under this section. No entity
28 or person shall be prohibited from filing an amicus curiae brief in any such
29 action.

30 (h) Nothing in this section shall be construed to impose liability on
31 any speech or conduct protected by the amendment 1 to the constitution of
32 the United States or by section 11 of the bill of rights of the constitution of
33 the state of Kansas.

34 New Sec. 6. Any action brought under section 5, and amendments
35 thereto, shall be brought in:

36 (a) The county where all or a substantial part of the events or
37 omissions giving rise to the claim occurred;

38 (b) the county of residence for the defendant who is a natural person,
39 if any, at the time the cause of action accrued;

40 (c) the county where the principal office in this state of the defendant
41 that is not a natural person, if any, is located; or

42 (d) the county of residence for the plaintiff if the plaintiff is a natural
43 person residing in this state.

1 New Sec. 7. As used in sections 1 through 7, and amendments
2 thereto:

3 (a) (1) "Abortion" means the use or prescription of any instrument,
4 medicine, drug or any other substance or device to terminate the
5 pregnancy of a woman with an intention to cause the premature
6 termination of the pregnancy knowing that such termination will with
7 reasonable likelihood cause the death of the unborn child. Such use or
8 prescription is not an "abortion" if done with the intent to:

9 (A) Preserve the life or health of the unborn child;

10 (B) increase the probability of a live birth;

11 (C) remove a dead unborn child who died as the result of natural
12 causes in utero, accidental trauma or a criminal assault on the pregnant
13 woman or the unborn child; or

14 (D) remove an ectopic pregnancy.

15 (2) "Abortion" does not include the prescription, dispensing,
16 administration, sale or use of any method of contraception, including, but
17 not limited to, any type of emergency contraception intended to be taken
18 or used immediately subsequent to sexual intercourse.

19 (b) "Imminent harm" exclusively includes a physical condition and
20 does not include any mental condition, including, but not limited to, any
21 claim or diagnosis that the pregnant woman will engage in conduct
22 intended to result in her own death or some other form of self-harm.

23 (c) "Medical emergency" means a condition that, in reasonable
24 medical judgment, necessitates the immediate abortion of a woman's
25 pregnancy to preserve the life of the pregnant woman because such
26 woman's life is endangered and subject to imminent harm arising from the
27 pregnancy by a physical disorder, illness or injury, including a life-
28 endangering physical condition caused by or arising from the pregnancy
29 itself.

30 (d) "Miscarriage" means the nondeliberate and spontaneous expulsion
31 of a nonviable fetus that has a gestational age of fewer than 20 weeks.

32 (e) "Unborn child" means a living individual of the species homo
33 sapiens at any stage of gestation from fertilization to birth.

34 New Sec. 8. The provisions of sections 1 through 7, and amendments
35 thereto, are hereby declared severable. If any part or provision of sections
36 1 through 7, and amendments thereto, is held to be void, invalid or
37 unconstitutional, such part or provision shall not affect or impair any of the
38 remaining parts or provisions of sections 1 through 7, and amendments
39 thereto, and any such remaining provisions shall continue in full force and
40 effect.

41 Sec. 9. K.S.A. 2024 Supp. 60-1906 is hereby amended to read as
42 follows: 60-1906. (a) No civil action may be commenced in any court for a
43 claim of wrongful life or wrongful birth, and no damages may be

1 recovered in any civil action for any physical condition of a minor that
2 existed at the time of such minor's birth if the damages sought arise out of
3 a claim that a person's action or omission contributed to such minor's
4 mother not obtaining an abortion.

5 (b) Nothing in this section shall be deemed to create any new cause of
6 action, nor preclude any otherwise proper cause of action based on a claim
7 that, but for a person's wrongful action or omission, the death or physical
8 injury of the mother would not have occurred, or the handicap, disease or
9 disability of an individual prior to birth would have been prevented, cured
10 or ameliorated in a manner that preserved the health and life of such
11 individual.

12 (c) If any provision or clause of this act or application thereof to any
13 person or circumstance is held invalid, such invalidity shall not affect other
14 provisions or applications of the act ~~which~~ that can be given effect without
15 the invalid provision or application, and to this end, the provisions of this
16 act are declared to be severable.

17 (d) As used in this section:

18 (1) "Abortion" ~~has the same meaning as such term is~~ means the same
19 as defined in ~~K.S.A. 65-6701~~ section 7, and amendments thereto.

20 (2) "Claim of wrongful birth" means a cause of action brought by a
21 parent, legal guardian or other individual legally required to provide for
22 the support of a minor, ~~which~~ that seeks damages, whether economic or
23 noneconomic, as a result of a physical condition of such minor that existed
24 at the time of such minor's birth; and ~~which~~ is based on a claim that a
25 person's action or omission contributed to such minor's mother not
26 obtaining an abortion.

27 (3) "Claim of wrongful life" means a cause of action brought by, or
28 on behalf of, a minor, ~~which~~ that seeks damages, whether economic or
29 noneconomic, for such minor as a result of a physical condition of such
30 minor that existed at the time of such minor's birth; and ~~which~~ is based on
31 a claim that a person's action or omission contributed to such minor's
32 mother not obtaining an abortion.

33 Sec. 10. K.S.A. 2024 Supp. 65-2401 is hereby amended to read as
34 follows: 65-2401. As used in this act:

35 (a) "Vital statistics" includes the registration, preparation,
36 transcription, collection, compilation, and preservation of data pertaining
37 to birth, adoption, legitimation, death, stillbirth, marriage, divorce,
38 annulment of marriage, induced termination of pregnancy, and data
39 incidental thereto.

40 (b) "Live birth" means the complete expulsion or extraction from its
41 mother of a human child, irrespective of the duration of pregnancy, ~~which,~~
42 that after such expulsion or extraction, breathes or shows any other
43 evidence of life, such as beating of the heart, pulsation of the umbilical

1 cord, or definite movement of voluntary muscles, whether or not the
2 umbilical cord has been cut or the placenta is attached.

3 (c) "Gestational age" means the age of the human child as measured
4 in weeks as determined by either the last date of the mother's menstrual
5 period, a sonogram conducted prior to the 20th week of pregnancy or the
6 confirmed known date of conception.

7 (d) "Stillbirth" means any complete expulsion or extraction from its
8 mother of a human child, the gestational age of which is not less than 20
9 completed weeks, resulting in other than a live birth, as defined in this
10 section, and ~~which~~ that is not an induced termination of pregnancy.

11 (e) "Induced termination of pregnancy" means abortion, as defined in
12 ~~K.S.A. 65-6704~~ section 7, and amendments thereto.

13 (f) "Dead body" means a lifeless human body or such parts of a
14 human body or the bones thereof from the state of which it reasonably may
15 be concluded that death recently occurred.

16 (g) "Person in charge of interment" means any person who places or
17 causes to be placed a stillborn child or dead body or the ashes, after
18 cremation, in a grave, vault, urn or other receptacle, or otherwise disposes
19 thereof.

20 (h) "Secretary" means the secretary of health and environment.

21 (i) "Cause of death certifier" means a person licensed to practice
22 medicine and surgery by the state board of healing arts, a physician
23 assistant licensed by the state board of healing arts, an advanced practice
24 registered nurse licensed by the state board of nursing or a district coroner,
25 deputy coroner or special deputy coroner.

26 (j) "Employee" means a person who has applied for employment or is
27 currently employed in the office of vital statistics.

28 Sec. 11. K.S.A. 65-2837 is hereby amended to read as follows: 65-
29 2837. As used in K.S.A. 65-2836, and amendments thereto, and in this
30 section:

31 (a) "Professional incompetency" means:

32 (1) One or more instances involving failure to adhere to the
33 applicable standard of care to a degree that constitutes gross negligence, as
34 determined by the board.

35 (2) Repeated instances involving failure to adhere to the applicable
36 standard of care to a degree that constitutes ordinary negligence, as
37 determined by the board.

38 (3) A pattern of practice or other behavior that demonstrates a
39 manifest incapacity or incompetence to practice the healing arts.

40 (b) "Unprofessional conduct" means:

41 (1) Solicitation of professional patronage through the use of
42 fraudulent or false advertisements, or profiting by the acts of those
43 representing themselves to be agents of the licensee.

- 1 (2) Representing to a patient that a manifestly incurable disease,
2 condition or injury can be permanently cured.
- 3 (3) Assisting in the care or treatment of a patient without the consent
4 of the patient, the attending physician or the patient's legal representatives.
- 5 (4) The use of any letters, words or terms as an affix, on stationery, in
6 advertisements or otherwise indicating that such person is entitled to
7 practice a branch of the healing arts for which such person is not licensed.
- 8 (5) Performing, procuring or aiding and abetting in the performance
9 or procurement of ~~a criminal~~ *an abortion, as define in section 7, and*
10 *amendments thereto.*
- 11 (6) Willful betrayal of confidential information.
- 12 (7) Advertising professional superiority or the performance of
13 professional services in a superior manner.
- 14 (8) Advertising to guarantee any professional service or to perform
15 any operation painlessly.
- 16 (9) Participating in any action as a staff member of a medical care
17 facility that is designed to exclude or that results in the exclusion of any
18 person licensed to practice medicine and surgery from the medical staff of
19 a nonprofit medical care facility licensed in this state because of the
20 branch of the healing arts practiced by such person or without just cause.
- 21 (10) Failure to effectuate the declaration of a qualified patient as
22 provided in K.S.A. 65-28,107(a), and amendments thereto.
- 23 (11) Prescribing, ordering, dispensing, administering, selling,
24 supplying or giving any amphetamines or sympathomimetic amines,
25 except as authorized by K.S.A. 65-2837a, and amendments thereto.
- 26 (12) Conduct likely to deceive, defraud or harm the public.
- 27 (13) Making a false or misleading statement regarding the licensee's
28 skill or the efficacy or value of the drug, treatment or remedy prescribed
29 by the licensee or at the licensee's direction in the treatment of any disease
30 or other condition of the body or mind.
- 31 (14) Aiding or abetting the practice of the healing arts by an
32 unlicensed, incompetent or impaired person.
- 33 (15) Allowing another person or organization to use the licensee's
34 license to practice the healing arts.
- 35 (16) Commission of any act of sexual abuse, misconduct or other
36 improper sexual contact that exploits the licensee-patient relationship with
37 a patient or a person responsible for ~~health care~~ *healthcare* decisions
38 concerning such patient.
- 39 (17) The use of any false, fraudulent or deceptive statement in any
40 document connected with the practice of the healing arts including the
41 intentional falsifying or fraudulent altering of a patient or medical care
42 facility record.
- 43 (18) Obtaining any fee by fraud, deceit or misrepresentation.

- 1 (19) Directly or indirectly giving or receiving any fee, commission,
2 rebate or other compensation for professional services not actually and
3 personally rendered, other than through the legal functioning of lawful
4 professional partnerships, corporations, limited liability companies or
5 associations.
- 6 (20) Failure to transfer patient records to another licensee when
7 requested to do so by the subject patient or by such patient's legally
8 designated representative.
- 9 (21) Performing unnecessary tests, examinations or services that have
10 no legitimate medical purpose.
- 11 (22) Charging an excessive fee for services rendered.
- 12 (23) Prescribing, dispensing, administering or distributing a
13 prescription drug or substance, including a controlled substance, in an
14 improper or inappropriate manner, or for other than a valid medical
15 purpose, or not in the course of the licensee's professional practice.
- 16 (24) Repeated failure to practice healing arts with that level of care,
17 skill and treatment that is recognized by a reasonably prudent similar
18 practitioner as being acceptable under similar conditions and
19 circumstances.
- 20 (25) Failure to keep written medical records that accurately describe
21 the services rendered to the patient, including patient histories, pertinent
22 findings, examination results and test results.
- 23 (26) Delegating professional responsibilities to a person when the
24 licensee knows or has reason to know that such person is not qualified by
25 training, experience or licensure to perform them.
- 26 (27) Using experimental forms of therapy without proper informed
27 patient consent, without conforming to generally accepted criteria or
28 standard protocols, without keeping detailed legible records or without
29 having periodic analysis of the study and results reviewed by a committee
30 or peers.
- 31 (28) Prescribing, dispensing, administering or distributing an anabolic
32 steroid or human growth hormone for other than a valid medical purpose.
33 Bodybuilding, muscle enhancement or increasing muscle bulk or strength
34 through the use of an anabolic steroid or human growth hormone by a
35 person who is in good health is not a valid medical purpose.
- 36 (29) Referring a patient to a ~~health care~~ *healthcare* entity for services
37 if the licensee has a significant investment interest in the ~~health care~~
38 *healthcare* entity, unless the licensee informs the patient in writing of such
39 significant investment interest and that the patient may obtain such
40 services elsewhere.
- 41 (30) Failing to properly supervise, direct or delegate acts that
42 constitute the healing arts to persons who perform professional services
43 pursuant to such licensee's direction, supervision, order, referral,

1 delegation or practice protocols.

2 (31) ~~Violating K.S.A. 65-6703, and amendments thereto.~~

3 ~~(32)~~—Charging, billing or otherwise soliciting payment from any
4 patient, patient's representative or insurer for anatomic pathology services,
5 if such services are not personally rendered by the licensee or under such
6 licensee's direct supervision. As used in this subsection, "anatomic
7 pathology services" means the gross or microscopic examination of
8 histologic processing of human organ tissue or the examination of human
9 cells from fluids, aspirates, washings, brushings or smears, including blood
10 banking services, and subcellular or molecular pathology services,
11 performed by or under the supervision of a person licensed to practice
12 medicine and surgery or a clinical laboratory. Nothing in this subsection
13 shall be construed to prohibit billing for anatomic pathology services by:

14 (A) A hospital;

15 (B) a clinical laboratory when samples are transferred between
16 clinical laboratories for the provision of anatomic pathology services; or

17 (C) a physician providing services to a patient pursuant to a medical
18 retainer agreement in compliance with K.S.A. 65-4978, and amendments
19 thereto, when the bill to the patient for such services:

20 (i) Identifies the laboratory or physician that performed the services;

21 (ii) discloses in writing to the patient the actual amount charged by
22 the physician or laboratory that performed the service; and

23 (iii) is consistent with rules and regulations adopted by the board for
24 appropriate billing standards applicable to such services when furnished
25 under these agreements.

26 ~~(33)~~(32) Engaging in conduct that violates patient trust and exploits
27 the licensee-patient relationship for personal gain.

28 ~~(34)~~(33) Obstructing a board investigation including, but not limited
29 to, engaging in one or more of the following acts:

30 (A) Falsifying or concealing a material fact;

31 (B) knowingly making or causing to be made any false or misleading
32 statement or writing; or

33 (C) other acts or conduct likely to deceive or defraud the board.

34 (c) "False advertisement" means any advertisement that is false,
35 misleading or deceptive in a material respect. In determining whether any
36 advertisement is misleading, there shall be taken into account not only
37 representations made or suggested by statement, word, design, device,
38 sound or any combination thereof, but also the extent to which the
39 advertisement fails to reveal facts material in the light of such
40 representations made.

41 (d) "Advertisement" means all representations disseminated in any
42 manner or by any means for the purpose of inducing, or that are likely to
43 induce, directly or indirectly, the purchase of professional services.

1 (e) "Licensee" for purposes of this section and K.S.A. 65-2836, and
 2 amendments thereto, means all persons issued a license, permit or special
 3 permit pursuant to article 28 of chapter 65 of the Kansas Statutes
 4 Annotated, and amendments thereto.

5 (f) "License" for purposes of this section and K.S.A. 65-2836, and
 6 amendments thereto, means any license, permit or special permit granted
 7 under article 28 of chapter 65 of the Kansas Statutes Annotated, and
 8 amendments thereto.

9 (g) "~~Health care~~Healthcare entity" means any corporation, firm,
 10 partnership or other business entity that provides services for diagnosis or
 11 treatment of human health conditions and that is owned separately from a
 12 referring licensee's principle practice.

13 (h) "Significant investment interest" means ownership of at least 10%
 14 of the value of the firm, partnership or other business entity that owns or
 15 leases the ~~health care~~ healthcare entity, or ownership of at least 10% of the
 16 shares of stock of the corporation that owns or leases the ~~health care~~
 17 healthcare entity.

18 Sec. 12. K.S.A. 65-6731 is hereby amended to read as follows: 65-
 19 6731. As used in K.S.A. 65-6731 through 65-6738, and amendments
 20 thereto:

21 (a) "Abortion" ~~has the same meaning as such term is~~ means the same
 22 as defined in ~~K.S.A. 65-6701~~ section 7, and amendments thereto.

23 (b) "Health benefit plan" means any hospital or medical expense
 24 policy, health, hospital or medical services corporation contract, and a plan
 25 provided by a municipal group-funded pool, or a health maintenance
 26 organization contract offered by any employer or any certificate issued
 27 under any such policy, contract or plan.

28 (c) "~~Health care~~Healthcare entity" means an individual physician or
 29 other ~~health care~~ healthcare professional, a hospital, a provider-sponsored
 30 organization, a health maintenance organization or any other ~~health care~~
 31 healthcare facility or organization.

32 (d) "School district" means any public school district organized under
 33 the laws of this state.

34 (e) "State agency" ~~has the same meaning as such term is~~ means the
 35 same as defined in K.S.A. 75-3701, and amendments thereto.

36 Sec. 13. K.S.A. 65-67a01 is hereby amended to read as follows: 65-
 37 67a01. As used in this act:

38 (a) "Abortion" means an abortion as defined by ~~K.S.A. 65-6701~~ in
 39 section 7, and amendments thereto.

40 (b) (1) "Consideration" means:

41 (A) Any payment made or debt incurred;

42 (B) any gift, honorarium or recognition of value bestowed;

43 (C) any price, charge or fee ~~which that~~ is waived, forgiven, reduced

1 or indefinitely delayed;

2 (D) any loan or debt ~~which~~ *that* is canceled or otherwise forgiven; or

3 (E) the transfer of any item from one person to another or provision
4 of any service or granting of any opportunity for which a charge is
5 customarily made, without charge or for a reduced charge.

6 (2) "Consideration" ~~shall~~ *does* not mean:

7 (A) A payment in an amount not to exceed \$25 for the cost of
8 transporting, processing, preserving and storing fetal tissue; or

9 (B) a payment in an amount not to exceed the actual cost, as
10 documented by the delivery service, of transporting fetal tissue.

11 (c) "Delivery service" means a common carrier as defined by K.S.A.
12 66-105, and amendments thereto, or other person or entity used to
13 transport fetal tissue.

14 (d) "Fetal tissue" means any tissue, cells or organs obtained from a
15 dead human embryo or fetus after an abortion or after a stillbirth.

16 (e) "Person" means a person as defined by K.S.A. 65-425, and
17 amendments thereto.

18 (f) "Stillbirth" means a stillbirth as defined by K.S.A. 65-2401, and
19 amendments thereto.

20 Sec. 14. K.S.A. 76-3308 is hereby amended to read as follows: 76-
21 3308. (a) The authority shall have all the powers necessary to carry out the
22 purposes and provisions of this act, including, without limitation, the
23 following powers to:

24 (1) Have the duties, privileges, immunities, rights, liabilities and
25 disabilities of a body corporate and a political instrumentality of the state;

26 (2) have perpetual existence and succession;

27 (3) adopt, have and use a seal and to alter the same at its pleasure;

28 (4) sue and be sued in its own name;

29 (5) make and execute contracts, guarantees or any other instruments
30 and agreements necessary or convenient for the exercise of its powers and
31 functions including, without limitation, to make and execute contracts with
32 hospitals or other ~~health care~~ *healthcare* businesses to operate and manage
33 any or all of the hospital facilities or operations and to incur liabilities and
34 secure the obligations of any entity or individual;

35 (6) borrow money and to issue bonds evidencing the same and pledge
36 all or any part of the authority's assets therefor;

37 (7) purchase, lease, trade, exchange or otherwise acquire, maintain,
38 hold, improve, mortgage, sell, lease and dispose of personal property,
39 whether tangible or intangible, and any interest therein; and to purchase,
40 lease, trade, exchange or otherwise acquire real property or any interest
41 therein, and to maintain, hold, improve, mortgage, lease and otherwise
42 transfer such real property, so long as such transactions do not conflict
43 with the mission of the authority as specified in this act;

1 (8) incur or assume indebtedness to; and enter into contracts with the
2 Kansas development finance authority, which is authorized to borrow
3 money and provide financing for the authority;

4 (9) develop policies and procedures generally applicable to the
5 procurement of goods, services and construction, based upon sound
6 business practices;

7 (10) contract for and to accept any gifts, grants and loans of funds,
8 property, or any other aid in any form from the federal government, the
9 state, any state agency, or any other source, or any combination thereof,
10 and to comply with the provisions of the terms and conditions thereof;

11 (11) acquire space, equipment, services, supplies and insurance
12 necessary to carry out the purposes of this act;

13 (12) deposit any moneys of the authority in any banking institution
14 within or without the state or in any depository authorized to receive such
15 deposits, one or more persons to act as custodians of the moneys of the
16 authority, to give surety bonds in such amounts in form and for such
17 purposes as the board requires;

18 (13) procure such insurance, participate in such insurance plans or
19 provide such self insurance or both as it deems necessary or convenient to
20 carry out the purposes and provisions of this act; the purchase of
21 insurance, participation in an insurance plan or creation of a self-insurance
22 fund by the authority shall not be deemed as a waiver or relinquishment of
23 any sovereign immunity to which the authority or its officers, directors,
24 employees or agents are otherwise entitled;

25 (14) appoint, supervise and set the salary and compensation of a
26 president of the authority who shall be appointed by and serve at the
27 pleasure of the board;

28 (15) fix, revise, charge and collect rates, rentals, fees and other
29 charges for the services or facilities furnished by or on behalf of the
30 authority, and to establish policies and procedures regarding any such
31 service rendered for the use, occupancy or operation of any such facility;
32 such charges and policies and procedures not to be subject to supervision
33 or regulation by any commission, board, bureau or agency of the state; and

34 (16) do any and all things necessary or convenient to carry out the
35 authority's purposes and exercise the powers given in this act.

36 (b) The authority may create, own in whole or in part, or otherwise
37 acquire or dispose of any entity organized for a purpose related to or in
38 support of the mission of the authority.

39 (c) The authority may participate in joint ventures with individuals,
40 corporations, governmental bodies or agencies, partnerships, associations,
41 insurers or other entities to facilitate any activities or programs consistent
42 with the public purpose and intent of this act.

43 (d) The authority may create a nonprofit entity or entities for the

1 purpose of soliciting, accepting and administering grants, outright gifts and
2 bequests, endowment gifts and bequests and gifts and bequests in trust of
3 which entity or entities shall not engage in trust business.

4 (e) In carrying out any activities authorized by this act, the authority
5 may provide appropriate assistance, including the making of loans and
6 providing time of employees, to corporations, partnerships, associations,
7 joint ventures or other entities, whether or not such corporations,
8 partnerships, associations, joint ventures or other entities are owned or
9 controlled in whole or in part, directly or indirectly, by the authority.

10 (f) Effective with the transfer date, all moneys of the authority shall
11 be deposited in one or more banks or trust companies in one or more
12 special accounts. All banks and trust companies are authorized to give
13 security for such deposits if required by the authority. The moneys in such
14 accounts shall be paid out on a warrant or other orders of the treasurer of
15 the authority or any such other person or persons as the authority may
16 authorize to execute such warrants or orders.

17 (g) Notwithstanding any provision of law to the contrary, the
18 authority, effective with the transfer date, may invest the authority's
19 operating funds in any obligations or securities as authorized by the board.
20 The board shall adopt written investment guidelines.

21 (h) The authority is authorized to negotiate contracts with one or
22 more qualified parties to provide collection services. The selection of a
23 collection services provider shall be based on responses to a request for
24 proposals from qualified professional firms and shall be administered in
25 accordance with policies adopted by the board.

26 (i) Notwithstanding any provision of law to the contrary, no abortion,
27 *as defined in section 7, and amendments thereto*, shall be performed,
28 ~~except in the event of a medical emergency~~, in any medical facility,
29 hospital or clinic owned, leased or operated by the authority, *except as*
30 *provided in section 1, and amendments thereto*. ~~The provisions of this~~
31 ~~subsection are not applicable to any member of the physician faculty of the~~
32 ~~university of Kansas school of medicine when such abortion is performed~~
33 ~~outside the scope of such member's employment on property not owned,~~
34 ~~leased or operated by the authority. As used in this subsection, "medical~~
35 ~~emergency" means a condition that, in reasonable medical judgment, so~~
36 ~~complicates the medical condition of the pregnant woman as to necessitate~~
37 ~~the immediate abortion of her pregnancy to avert the death of the woman~~
38 ~~or for which a delay necessary to comply with the applicable statutory~~
39 ~~requirements will create serious risk of substantial and irreversible~~
40 ~~physical impairment of a major bodily function. No condition shall be~~
41 ~~deemed a medical emergency if based on a claim or diagnosis that the~~
42 ~~woman will engage in conduct which would result in her death or in~~
43 ~~substantial and irreversible physical impairment of a major bodily~~

1 ~~function.~~

2 Sec. 15. K.S.A. 2024 Supp. 79-32,182b is hereby amended to read as
3 follows: 79-32,182b. (a) For all taxable years commencing after December
4 31, 2022, a credit shall be allowed against the tax imposed by the Kansas
5 income tax act on the Kansas taxable income of a taxpayer for
6 expenditures in research and development activities conducted within this
7 state in an amount equal to 10% of the amount by which the amount
8 expended for such activities in the taxable year of the taxpayer exceeds the
9 taxpayer's average of the actual expenditures for such purposes made in
10 such taxable year and the next preceding two taxable years.

11 (b) In any one taxable year, the amount of such credit allowable for
12 deduction from the taxpayer's tax liability shall not exceed 25% of the total
13 amount of such credit plus any applicable carry forward amount. The
14 amount by which that portion of the credit allowed by subsections (a) and
15 (b) to be claimed in any one taxable year exceeds the taxpayer's tax
16 liability in such year may be carried forward until the total amount of the
17 credit is used.

18 (c) As used in this section, the term "expenditures in research and
19 development activities" means expenditures made for such purposes, other
20 than expenditures of moneys made available to the taxpayer pursuant to
21 federal or state law, ~~which~~ *that* are treated as expenses allowable for
22 deduction under the provisions of the federal internal revenue code of
23 1986, as amended, except that for taxable years commencing after
24 December 31, 2013, expenditures in research and development activities
25 shall not include any expenditures for the performance of any abortion, as
26 defined in ~~K.S.A. 65-6701~~ *section 7*, and amendments thereto.

27 (d) For tax year 2023 and all tax years thereafter, the income tax
28 credit allowed pursuant to this section shall be transferable by a taxpayer
29 without a current tax liability. The tax credit may be transferred to any
30 person and be claimed by the transferee as a credit against the transferee's
31 Kansas income tax liability in the tax year when it was transferred. The
32 credit shall be claimed and may be carried forward by the transferee as
33 provided and limited by subsection (b). No person shall be entitled to a
34 refund for the transferred tax credit. Only the full credit may be
35 transferred, and the credit may only be transferred one time.
36 Documentation of any credit acquired by transfer shall be provided by the
37 taxpayer or the transferee in the manner required by the secretary of
38 revenue.

39 Sec. 16. K.S.A. 79-32,195 is hereby amended to read as follows: 79-
40 32,195. As used in this act, ~~the following words and phrases shall have the~~
41 ~~meanings ascribed to them herein:~~ (a) "Business firm" means any business
42 entity authorized to do business in the state of Kansas ~~which~~ *that* is subject
43 to the state income tax imposed by the provisions of the Kansas income

1 tax act, any individual subject to the state income tax imposed by the
2 provisions of the Kansas income tax act, any national banking association,
3 state bank, trust company or savings and loan association paying an annual
4 tax on its net income pursuant to article 11 of chapter 79 of the Kansas
5 Statutes Annotated, and amendments thereto, or any insurance company
6 paying the premium tax and privilege fees imposed pursuant to K.S.A. 40-
7 252, and amendments thereto;

8 (b) "Community services" means:

9 (1) The conduct of activities—~~which~~ *that* meet a demonstrated
10 community need and—~~which~~ *that* are designed to achieve improved
11 educational and social services for Kansas children and their families, and
12 ~~which~~ *that* are coordinated with communities including, but not limited to,
13 social and human services organizations that address the causes of poverty
14 through programs and services that assist low income persons in the areas
15 of employment, food, housing, emergency assistance and—~~health care~~
16 *healthcare*;

17 (2) crime prevention;

18 (3) ~~health care~~*healthcare* services; and

19 (4) youth apprenticeship and technical training.

20 (c) "Crime prevention" means any nongovernmental activity—~~which~~
21 *that* aids in the prevention of crime.

22 (d) "Youth apprenticeship and technical training" means conduct of
23 activities—~~which~~ *that* are designed to improve the access to and quality of
24 apprenticeship and technical training—~~which~~ *that* support an emphasis on
25 rural construction projects as well as the necessary equipment, facilities
26 and supportive mentorship for youth apprenticeships and technical
27 training.

28 (e) "Community service organization" means any organization
29 performing community services in Kansas—~~and which that~~:

30 (1) Has obtained a ruling from the internal revenue service of the
31 United States department of the treasury that such organization is exempt
32 from income taxation under the provisions of section 501(c)(3) of the
33 federal internal revenue code; ~~or~~

34 (2) is incorporated in the state of Kansas or another state as a
35 nonstock, nonprofit corporation; ~~or~~

36 (3) has been designated as a community development corporation by
37 the United States government under the provisions of title VII of the
38 economic opportunity act of 1964; or

39 (4) is chartered by the United States congress.

40 (f) "Contributions"—~~shall mean and include~~ *means and includes* the
41 donation of cash, services or property other than used clothing in an
42 amount or value of \$250 or more. Stocks and bonds contributed shall be
43 valued at the stock market price on the date of transfer. Services

1 contributed shall be valued at the standard billing rate for not-for-profit
2 clients. Personal property items contributed shall be valued at the lesser of
3 its fair market value or cost to the donor and may be inclusive of costs
4 incurred in making the contribution, but shall not include sales tax.
5 Contributions of real estate are allowable for credit only when title thereto
6 is in fee simple absolute and is clear of any encumbrances. The amount of
7 credit allowable shall be based upon the lesser of two current independent
8 appraisals conducted by state licensed appraisers.

9 (g) "~~Health care~~Healthcare services" ~~shall include, but not be~~
10 ~~includes, but is not~~ limited to, the following: Services provided by local
11 health departments, city, county or district hospitals, city or county nursing
12 homes, or other residential institutions, preventive ~~health care~~ healthcare
13 services offered by a community service organization including
14 immunizations, prenatal care, the postponement of entry into nursing
15 homes by home ~~health care~~ healthcare services, and community based
16 services for persons with a disability, mental health services, indigent
17 ~~health care~~ healthcare, physician or ~~health care~~ healthcare worker
18 recruitment, health education, emergency medical services, services
19 provided by rural health clinics, integration of ~~health care~~ healthcare
20 services, home health services and services provided by rural health
21 networks, except that for taxable years commencing after December 31,
22 2013, ~~health care~~ "healthcare services ~~shall~~" does not include any service
23 involving the performance of any abortion, as defined in ~~K.S.A. 65-6701-~~
24 ~~section 7~~, and amendments thereto.

25 (h) "Rural community" means any city having a population of fewer
26 than 15,000 located in a county that is not part of a standard metropolitan
27 statistical area as defined by the United States department of commerce or
28 its successor agency. However, any such city located in a county defined
29 as a standard metropolitan statistical area shall be deemed a "rural
30 community" if a substantial number of persons in such county derive their
31 income from agriculture and, in any county where there is only one city
32 within the county ~~which~~ that has a population of more than 15,000 and
33 ~~which~~ classifies as a standard metropolitan statistical area, all other cities
34 in ~~that~~ such county having a population of less than 15,000 shall be
35 deemed a rural community.

36 Sec. 17. K.S.A. 2024 Supp. 79-32,261 is hereby amended to read as
37 follows: 79-32,261. (a) (1) ~~On and after July 1, 2008,~~ Any taxpayer who
38 contributes in the manner prescribed by this paragraph to a community
39 college located in Kansas for capital improvements, to a technical college
40 for deferred maintenance or the purchase of technology or equipment or to
41 a postsecondary educational institution located in Kansas for deferred
42 maintenance, shall be allowed a credit against the tax imposed by the
43 Kansas income tax act, the premium tax or privilege fees imposed

1 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
2 measured by net income of financial institutions imposed pursuant to
3 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments
4 thereto. The tax credit allowed by this paragraph is applicable for the tax
5 year 2008 for any contributions made on and after July 1, 2008, and for the
6 tax years 2009, 2010, 2011 and 2012 for any contributions made during
7 the entire tax year. The amount of the credit allowed by this paragraph
8 shall not exceed 60% of the total amount contributed during the taxable
9 year by the taxpayer to a community college or a technical college located
10 in Kansas for such purposes. The amount of the credit allowed by this
11 paragraph shall not exceed 50% of the total amount contributed during the
12 taxable year by the taxpayer to a postsecondary educational institution for
13 such purposes. If the amount of the credit allowed by this paragraph for a
14 taxpayer who contributes to a community college or a technical college
15 exceeds the taxpayer's income tax liability imposed by the Kansas income
16 tax act, such excess amount shall be refunded to the taxpayer. If the
17 amount of the tax credit for a taxpayer who contributes to a postsecondary
18 educational institution exceeds the taxpayer's income tax liability for the
19 taxable year, the amount ~~which~~ that exceeds the tax liability may be
20 carried over for deduction from the taxpayer's income tax liability in the
21 next succeeding taxable year or years until the total amount of the tax
22 credit has been deducted from tax liability, except that no such tax credit
23 shall be carried over for deduction after the third taxable year succeeding
24 the taxable year in which the contribution is made. Prior to the issuance of
25 any tax credits pursuant to this paragraph, the structure of the process in
26 which contributions received by a community college, a technical college
27 or a postsecondary educational institution qualify as tax credits allowed
28 and issued pursuant to this paragraph shall be developed by a community
29 college, a technical college and a postsecondary educational institution in
30 consultation with the secretary of revenue and the foundation or
31 endowment association of any such community college, technical college
32 or postsecondary educational institution in a manner that complies with
33 requirements specified in the federal internal revenue code of 1986, as
34 amended, so that contributions qualify as charitable contributions
35 allowable as deductions from federal adjusted gross income.

36 (2) On and after July 1, 2022, any taxpayer who contributes in the
37 manner prescribed by this paragraph to a community college or technical
38 college located in Kansas for capital improvements, deferred maintenance
39 or the purchase of technology or equipment shall be allowed a credit
40 against the tax imposed by the Kansas income tax act, the premium tax or
41 privilege fees imposed pursuant to K.S.A. 40-252, and amendments
42 thereto, or the privilege tax as measured by net income of financial
43 institutions imposed pursuant to article 11 of chapter 79 of the Kansas

1 Statutes Annotated, and amendments thereto. The tax credit allowed by
2 this paragraph is applicable for the tax year 2022 for any contributions
3 made on and after July 1, 2022, and for the tax years 2023, 2024, 2025 and
4 2026 for any contributions made during the entire tax year. The amount of
5 the credit allowed by this paragraph shall equal 60% of the total amount
6 contributed during the taxable year by the taxpayer to a community college
7 or a technical college located in Kansas for such purposes. Prior to the
8 issuance of any tax credits pursuant to this paragraph, the structure of the
9 process in which contributions received by a community college or
10 technical college qualify as tax credits allowed and issued pursuant to this
11 paragraph shall be developed by a community college and technical
12 college in consultation with the secretary of revenue and the foundation or
13 endowment association of any such community college or technical
14 college in a manner that complies with requirements specified in the
15 federal internal revenue code of 1986, as amended, so that contributions
16 qualify as charitable contributions allowable as deductions from federal
17 adjusted gross income.

18 (b) (1) Upon receipt of any contributions to a community college
19 made pursuant to the provisions of subsection (a)(1), the treasurer of the
20 community college shall deposit such contributions to the credit of the
21 capital outlay fund of such community college established as provided by
22 K.S.A. 71-501a, and amendments thereto. Expenditures from such fund
23 shall be made for the purposes described in K.S.A. 71-501(a), and
24 amendments thereto, except that expenditures shall not be made from such
25 fund for new construction or the acquisition of real property for use as
26 building sites or for educational programs.

27 (2) Upon receipt of any contributions to a technical college made
28 pursuant to the provisions of subsection (a)(1), such contributions shall be
29 deposited to the credit of a deferred maintenance fund or a technology and
30 equipment fund established by the technical college ~~which~~ that received
31 the contribution. Expenditures from such fund shall be made only for the
32 purpose as provided in subsection (b)(1).

33 (3) Upon receipt of any such contributions to a postsecondary
34 educational institution made pursuant to the provisions of subsection (a)
35 (1), such contributions shall be deposited to the credit of the appropriate
36 deferred maintenance support fund of the postsecondary educational
37 institution that received the contribution. Expenditures from such fund
38 shall be made only for the purposes designated for such fund pursuant to
39 law.

40 (4) Upon receipt of any such contributions to a community college or
41 technical college made pursuant to the provisions of subsection (a)(2), the
42 treasurer of the community college or technical college shall deposit such
43 contributions to the credit of the capital outlay fund of such community

1 college or technical college established as provided by K.S.A. 71-501a,
2 and amendments thereto. Expenditures from such fund shall be made for
3 the purposes designated for such fund pursuant to law.

4 (c) (1) In no event shall the total amount of credits allowed under
5 subsection (a)(1) for taxpayers who contribute to any one such community
6 college or technical college exceed the following amounts: For the tax year
7 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount
8 not to exceed \$156,250; and for the tax years 2010, 2011 and 2012, an
9 amount not to exceed \$208,233.33.

10 (2) In no event shall the total of credits allowed under subsection (a)
11 (1) for taxpayers who contribute to postsecondary educational institutions
12 exceed the following amounts: For the tax year 2008, an amount not to
13 exceed \$5,625,000; for the tax year 2009, an amount not to exceed
14 \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to
15 exceed \$15,000,000. Except as otherwise provided, the allocation of such
16 tax credits for each individual state educational institution shall be
17 determined by the state board of regents in consultation with the secretary
18 of revenue and the university foundation or endowment association of
19 each postsecondary educational institution, and such determination shall
20 be completed prior to the issuance of any tax credits pursuant to subsection
21 (a)(1). Not more than 40% of the total of credits allowed under subsection
22 (a)(1) shall be allocated to any one postsecondary educational institution
23 unless all such postsecondary educational institutions approve an
24 allocation to any one such postsecondary educational institution ~~which~~
25 *that* exceeds 40% of the total of such credits allowed under subsection (a)
26 (1).

27 (3) For the tax years 2022 through 2026, the amount of such credit
28 awarded under subsection (a)(2) for each taxpayer shall not exceed
29 \$250,000 per tax year.

30 (4) In no event shall the total of credits allowed under subsection (a)
31 (2) for contributions to any one community college or technical college
32 exceed \$500,000 per tax year.

33 (5) In no event shall the total of credits allowed under subsection (a)
34 (2) exceed \$5,000,000 for each tax year that the credit remains in effect.

35 (d) As used in this section:

36 (1) "Community college" means a community college established
37 under the provisions of the community college act;

38 (2) "deferred maintenance" means the maintenance, repair,
39 reconstruction or rehabilitation of a building located at a technical college
40 or a postsecondary educational institution ~~which~~ *that* has been deferred,
41 any utility systems relating to such building, any life-safety upgrades to
42 such building and any improvements necessary to be made to such
43 building in order to comply with the requirements of the Americans with

1 disabilities act or other federal or state law, except that for taxable years
2 commencing after December 31, 2013, deferred maintenance shall not
3 include any maintenance, repair, reconstruction or rehabilitation of any
4 building in which any abortion, as defined in ~~K.S.A. 65-6701~~ section 7,
5 and amendments thereto, is performed;

6 (3) "postsecondary educational institution" means the university of
7 Kansas, Kansas state university of agriculture and applied science, Wichita
8 state university, Emporia state university, Pittsburg state university, Fort
9 Hays state university and Washburn university of Topeka; and

10 (4) "technical college" means a technical college as designated
11 pursuant to K.S.A. 74-32,458, 74-32,460, 74-32,461, 74-32,462, 74-
12 32,464 and 74-32,465, and amendments thereto, and the institute of
13 technology at Washburn university.

14 (e) (1) Any taxpayer not subject to Kansas income, privilege or
15 premiums tax who contributes to a community college, technical college
16 or postsecondary educational institution, hereinafter designated the
17 transferor, may sell, assign, convey or otherwise transfer tax credits
18 allowed and earned pursuant to this section. The sale price of a tax credit
19 shall be at least 50% of the full value of the credit. Such credit shall be
20 deemed to be allowed and earned by any such taxpayer ~~which~~ that is only
21 disqualified therefrom by reason of not being subject to such Kansas taxes.
22 The taxpayer acquiring earned credits, hereinafter designated the
23 transferee, may use the amount of the acquired credits to offset up to 100%
24 of the taxpayer's income, privilege or premiums tax liability for the taxable
25 year in which such acquisition was made. Such credits may be sold or
26 transferred only one time and, if sold or transferred, shall be transferred in
27 the tax year such credit is earned or the two successive tax years. A
28 transferred credit shall be claimed in the year purchased. The transferor
29 shall enter into a written agreement with the transferee establishing the
30 terms and conditions of the sale or transfer and shall perfect such transfer
31 by notifying the secretary of revenue in writing within 30 calendar days
32 following the effective date of the transfer, subject to the review and
33 approval or denial of such transfer by the secretary of revenue. The
34 transferor and transferee shall provide any information pertaining to the
35 sale or transfer as may be required by the secretary of revenue to
36 administer and carry out the provisions of this section. The amount
37 received by the transferor of such tax credit shall be taxable as income of
38 the transferor, and the excess of the value of such credit over the amount
39 paid by the transferee for such credit shall be taxable as income of the
40 transferee.

41 (2) The provisions of this subsection shall not apply to tax credits
42 earned pursuant to subsection (a)(2).

43 (f) The secretary of revenue shall submit an annual report to the

1 legislature to assist the legislature in the evaluation of the utilization of any
2 credits claimed pursuant to this act, including information specific as to
3 each community college, technical college or postsecondary educational
4 institution. Such report shall be due on or before the first day of the
5 legislative session following the tax year in which the credits were
6 claimed.

7 (g) The secretary of revenue shall adopt rules and regulations
8 necessary to administer the provisions of this section.

9 Sec. 18. K.S.A. 2024 Supp. 79-3606 is hereby amended to read as
10 follows: 79-3606. The following shall be exempt from the tax imposed by
11 this act:

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

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

41 (c) all sales of tangible personal property or services, including the
42 renting and leasing of tangible personal property, purchased directly by a
43 public or private elementary or secondary school or public or private

1 nonprofit educational institution and used primarily by such school or
2 institution for nonsectarian programs and activities provided or sponsored
3 by such school or institution or in the erection, repair or enlargement of
4 buildings to be used for such purposes. The exemption herein provided
5 shall not apply to erection, construction, repair, enlargement or equipment
6 of buildings used primarily for human habitation, except that such
7 exemption shall apply to the erection, construction, repair, enlargement or
8 equipment of buildings used for human habitation by the cerebral palsy
9 research foundation of Kansas located in Wichita, Kansas, multi
10 community diversified services, incorporated, located in McPherson,
11 Kansas, the Kansas state school for the blind and the Kansas state school
12 for the deaf;

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

1 constructed correctional institution contracted for state use and ownership
2 shall contract for the purpose of constructing, equipping, reconstructing,
3 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
4 shall obtain from the state and furnish to the contractor an exemption
5 certificate for the project involved, and the contractor may purchase
6 materials for incorporation in such project. The contractor shall furnish the
7 number of such certificate to all suppliers from whom such purchases are
8 made, and such suppliers shall execute invoices covering the same bearing
9 the number of such certificate. Upon completion of the project the
10 contractor shall furnish to the political subdivision, district described in
11 subsection (s), hospital or public hospital authority, school, educational
12 institution or department of corrections concerned a sworn statement, on a
13 form to be provided by the director of taxation, that all purchases so made
14 were entitled to exemption under this subsection. As an alternative to the
15 foregoing procedure, any such contracting entity may apply to the
16 secretary of revenue for agent status for the sole purpose of issuing and
17 furnishing project exemption certificates to contractors pursuant to rules
18 and regulations adopted by the secretary establishing conditions and
19 standards for the granting and maintaining of such status. All invoices
20 shall be held by the contractor for a period of five years and shall be
21 subject to audit by the director of taxation. If any materials purchased
22 under such a certificate are found not to have been incorporated in the
23 building or other project or not to have been returned for credit or the sales
24 or compensating tax otherwise imposed upon such materials that will not
25 be so incorporated in the building or other project reported and paid by
26 such contractor to the director of taxation not later than the 20th day of the
27 month following the close of the month in which it shall be determined
28 that such materials will not be used for the purpose for which such
29 certificate was issued, the political subdivision, district described in
30 subsection (s), hospital or public hospital authority, school, educational
31 institution or the contractor contracting with the department of corrections
32 for a correctional institution concerned shall be liable for tax on all
33 materials purchased for the project, and upon payment thereof it may
34 recover the same from the contractor together with reasonable attorney
35 fees. Any contractor or any agent, employee or subcontractor thereof, who
36 shall use or otherwise dispose of any materials purchased under such a
37 certificate for any purpose other than that for which such a certificate is
38 issued without the payment of the sales or compensating tax otherwise
39 imposed upon such materials, shall be guilty of a misdemeanor and, upon
40 conviction therefor, shall be subject to the penalties provided for in K.S.A.
41 79-3615(h), and amendments thereto;

42 (e) all sales of tangible personal property or services purchased by a
43 contractor for the erection, repair or enlargement of buildings or other

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

30 (f) tangible personal property purchased by a railroad or public utility
31 for consumption or movement directly and immediately in interstate
32 commerce;

33 (g) sales of aircraft including remanufactured and modified aircraft
34 sold to persons using directly or through an authorized agent such aircraft
35 as certified or licensed carriers of persons or property in interstate or
36 foreign commerce under authority of the laws of the United States or any
37 foreign government or sold to any foreign government or agency or
38 instrumentality of such foreign government and all sales of aircraft for use
39 outside of the United States and sales of aircraft repair, modification and
40 replacement parts and sales of services employed in the remanufacture,
41 modification and repair of aircraft;

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

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

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

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

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

18 (m) all sales of tangible personal property that become an ingredient
19 or component part of tangible personal property or services produced,
20 manufactured or compounded for ultimate sale at retail within or without
21 the state of Kansas; and any such producer, manufacturer or compounder
22 may obtain from the director of taxation and furnish to the supplier an
23 exemption certificate number for tangible personal property for use as an
24 ingredient or component part of the property or services produced,
25 manufactured or compounded;

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

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

43 (p) all sales of drugs dispensed pursuant to a prescription order by a

1 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
2 1626, and amendments thereto. As used in this subsection, "drug" means a
3 compound, substance or preparation and any component of a compound,
4 substance or preparation, other than food and food ingredients, dietary
5 supplements or alcoholic beverages, recognized in the official United
6 States pharmacopeia, official homeopathic pharmacopoeia of the United
7 States or official national formulary, and supplement to any of them,
8 intended for use in the diagnosis, cure, mitigation, treatment or prevention
9 of disease or intended to affect the structure or any function of the body,
10 except that for taxable years commencing after December 31, 2013, this
11 subsection shall not apply to any sales of drugs used in the performance or
12 induction of an abortion, as defined in ~~K.S.A. 65-6701~~ section 7, and
13 amendments thereto;

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

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

37 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,
38 all sales of tangible personal property or services purchased directly or
39 indirectly by a groundwater management district organized or operating
40 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,
41 by a rural water district organized or operating under the authority of
42 K.S.A. 82a-612, and amendments thereto, or by a water supply district
43 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-

1 3522 et seq. or 19-3545, and amendments thereto, which property or
2 services are used in the construction activities, operation or maintenance of
3 the district;

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

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

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

1 at a place designated for such purpose, and all sales of food products by or
2 on behalf of any such contractor or organization for any such purpose;

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

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

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

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

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

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

35 (cc) all sales of tangible personal property or services purchased prior
36 to January 1, 2012, except as otherwise provided, for the purpose of and in
37 conjunction with constructing, reconstructing, enlarging or remodeling a
38 business or retail business that meets the requirements established in
39 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
40 machinery and equipment purchased for installation at any such business
41 or retail business, and all sales of tangible personal property or services
42 purchased on or after January 1, 2012, for the purpose of and in
43 conjunction with constructing, reconstructing, enlarging or remodeling a

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

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

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

40 (ff) on and after July 1, 1988, all sales of new mobile homes or
41 manufactured homes to the extent of 40% of the gross receipts, determined
42 without regard to any trade-in allowance, received from such sale. As used
43 in this subsection, "mobile homes" and "manufactured homes" mean the

1 same as defined in K.S.A. 58-4202, and amendments thereto;

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

5 (hh) all sales of medical supplies and equipment, including durable
6 medical equipment, purchased directly by a nonprofit skilled nursing home
7 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
8 and amendments thereto, for the purpose of providing medical services to
9 residents thereof. This exemption shall not apply to tangible personal
10 property customarily used for human habitation purposes. As used in this
11 subsection, "durable medical equipment" means equipment including
12 repair and replacement parts for such equipment, that can withstand
13 repeated use, is primarily and customarily used to serve a medical purpose,
14 generally is not useful to a person in the absence of illness or injury and is
15 not worn in or on the body, but does not include mobility enhancing
16 equipment as defined in subsection (r), oxygen delivery equipment, kidney
17 dialysis equipment or enteral feeding systems;

18 (ii) all sales of tangible personal property purchased directly by a
19 nonprofit organization for nonsectarian comprehensive multidiscipline
20 youth development programs and activities provided or sponsored by such
21 organization, and all sales of tangible personal property by or on behalf of
22 any such organization. This exemption shall not apply to tangible personal
23 property customarily used for human habitation purposes;

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

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

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

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

3 (2) For purposes of this subsection:

4 (A) "Integrated production operation" means an integrated series of
5 operations engaged in at a manufacturing or processing plant or facility to
6 process, transform or convert tangible personal property by physical,
7 chemical or other means into a different form, composition or character
8 from that in which it originally existed. Integrated production operations
9 shall include: (i) Production line operations, including packaging
10 operations; (ii) preproduction operations to handle, store and treat raw
11 materials; (iii) post production handling, storage, warehousing and
12 distribution operations; and (iv) waste, pollution and environmental
13 control operations, if any;

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

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

28 (D) "manufacturing or processing business" means a business that
29 utilizes an integrated production operation to manufacture, process,
30 fabricate, finish or assemble items for wholesale and retail distribution as
31 part of what is commonly regarded by the general public as an industrial
32 manufacturing or processing operation or an agricultural commodity
33 processing operation. (i) Industrial manufacturing or processing operations
34 include, by way of illustration but not of limitation, the fabrication of
35 automobiles, airplanes, machinery or transportation equipment, the
36 fabrication of metal, plastic, wood or paper products, electricity power
37 generation, water treatment, petroleum refining, chemical production,
38 wholesale bottling, newspaper printing, ready mixed concrete production,
39 and the remanufacturing of used parts for wholesale or retail sale. Such
40 processing operations shall include operations at an oil well, gas well,
41 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
42 sand or gravel that has been extracted from the earth is cleaned, separated,
43 crushed, ground, milled, screened, washed or otherwise treated or prepared

1 before its transmission to a refinery or before any other wholesale or retail
2 distribution. (ii) Agricultural commodity processing operations include, by
3 way of illustration but not of limitation, meat packing, poultry slaughtering
4 and dressing, processing and packaging farm and dairy products in sealed
5 containers for wholesale and retail distribution, feed grinding, grain
6 milling, frozen food processing, and grain handling, cleaning, blending,
7 fumigation, drying and aeration operations engaged in by grain elevators
8 or other grain storage facilities. (iii) Manufacturing or processing
9 businesses do not include, by way of illustration but not of limitation,
10 nonindustrial businesses whose operations are primarily retail and that
11 produce or process tangible personal property as an incidental part of
12 conducting the retail business, such as retailers who bake, cook or prepare
13 food products in the regular course of their retail trade, grocery stores,
14 meat lockers and meat markets that butcher or dress livestock or poultry in
15 the regular course of their retail trade, contractors who alter, service, repair
16 or improve real property, and retail businesses that clean, service or
17 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

43 (F) plan, manage, control or record the receipt and flow of inventories

1 of raw materials, consumables and component parts, the flow of the
2 property undergoing manufacturing or processing and the management of
3 inventories of the finished product;

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

7 (H) package the property being manufactured or processed in a
8 container or wrapping in which such property is normally sold or
9 transported;

10 (I) transmit or transport electricity, coke, gas, water, steam or similar
11 substances used in production operations from the point of generation, if
12 produced by the manufacturer or processor at the plant site, to that
13 manufacturer's production operation; or, if purchased or delivered from
14 off-site, from the point where the substance enters the site of the plant or
15 facility to that manufacturer's production operations;

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

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

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

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

26 (4) The following machinery, equipment and materials shall be
27 deemed to be exempt even though it may not otherwise qualify as
28 machinery and equipment used as an integral or essential part of an
29 integrated production operation: (A) Computers and related peripheral
30 equipment that are utilized by a manufacturing or processing business for
31 engineering of the finished product or for research and development or
32 product design; (B) machinery and equipment that is utilized by a
33 manufacturing or processing business to manufacture or rebuild tangible
34 personal property that is used in manufacturing or processing operations,
35 including tools, dies, molds, forms and other parts of qualifying machinery
36 and equipment; (C) portable plants for aggregate concrete, bulk cement
37 and asphalt including cement mixing drums to be attached to a motor
38 vehicle; (D) industrial fixtures, devices, support facilities and special
39 foundations necessary for manufacturing and production operations, and
40 materials and other tangible personal property sold for the purpose of
41 fabricating such fixtures, devices, facilities and foundations. An exemption
42 certificate for such purchases shall be signed by the manufacturer or
43 processor. If the fabricator purchases such material, the fabricator shall

1 also sign the exemption certificate; (E) a manufacturing or processing
2 business' laboratory equipment that is not located at the plant or facility,
3 but that would otherwise qualify for exemption under subsection (3)(E);
4 (F) all machinery and equipment used in surface mining activities as
5 described in K.S.A. 49-601 et seq., and amendments thereto, beginning
6 from the time a reclamation plan is filed to the acceptance of the
7 completed final site reclamation.

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

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

15 (B) machinery, equipment and tools used primarily in maintaining
16 and repairing any type of machinery and equipment or the building and
17 plant;

18 (C) transportation, transmission and distribution equipment not
19 primarily used in a production, warehousing or material handling
20 operation at the plant or facility, including the means of conveyance of
21 natural gas, electricity, oil or water, and equipment related thereto, located
22 outside the plant or facility;

23 (D) office machines and equipment including computers and related
24 peripheral equipment not used directly and primarily to control or measure
25 the manufacturing process;

26 (E) furniture and other furnishings;

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

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

33 (H) machinery and equipment used for general plant heating, cooling
34 and lighting;

35 (I) motor vehicles that are registered for operation on public
36 highways; or

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

40 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings
41 of the machinery and equipment that qualify or do not qualify as an
42 integral or essential part of an integrated production operation. When
43 machinery or equipment is used as an integral or essential part of

1 production operations part of the time and for nonproduction purposes at
2 other times, the primary use of the machinery or equipment shall
3 determine whether or not such machinery or equipment qualifies for
4 exemption.

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

7 (ll) all sales of educational materials purchased for distribution to the
8 public at no charge by a nonprofit corporation organized for the purpose of
9 encouraging, fostering and conducting programs for the improvement of
10 public health, except that for taxable years commencing after December
11 31, 2013, this subsection shall not apply to any sales of such materials
12 purchased by a nonprofit corporation which performs any abortion, as
13 defined in ~~K.S.A. 65-6701~~ *section 7*, and amendments thereto;

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

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

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

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

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

33 (rr) all sales of tangible personal property that will admit the
34 purchaser thereof to any annual event sponsored by a nonprofit
35 organization that is exempt from federal income taxation pursuant to
36 section 501(c)(3) of the federal internal revenue code of 1986, except that
37 for taxable years commencing after December 31, 2013, this subsection
38 shall not apply to any sales of such tangible personal property purchased
39 by a nonprofit organization which performs any abortion, as defined in
40 ~~K.S.A. 65-6701~~ *section 7*, and amendments thereto;

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

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

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

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

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

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

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

24 (4) the American diabetes association Kansas affiliate, inc. for the
25 purpose of eliminating diabetes through medical research, public education
26 focusing on disease prevention and education, patient education including
27 information on coping with diabetes, and professional education and
28 training;

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

34 (6) the Kansas chapters of the Alzheimer's disease and related
35 disorders association, inc. for the purpose of providing assistance and
36 support to persons in Kansas with Alzheimer's disease, and their families
37 and caregivers;

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

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

- 1 (9) the heartstrings community foundation for the purpose of
2 providing training, employment and activities for adults with
3 developmental disabilities;
- 4 (10) the cystic fibrosis foundation, heart of America chapter, for the
5 purposes of assuring the development of the means to cure and control
6 cystic fibrosis and improving the quality of life for those with the disease;
- 7 (11) the spina bifida association of Kansas for the purpose of
8 providing financial, educational and practical aid to families and
9 individuals with spina bifida. Such aid includes, but is not limited to,
10 funding for medical devices, counseling and medical educational
11 opportunities;
- 12 (12) the CHWC, Inc., for the purpose of rebuilding urban core
13 neighborhoods through the construction of new homes, acquiring and
14 renovating existing homes and other related activities, and promoting
15 economic development in such neighborhoods;
- 16 (13) the cross-lines cooperative council for the purpose of providing
17 social services to low income individuals and families;
- 18 (14) the dreams work, inc., for the purpose of providing young adult
19 day services to individuals with developmental disabilities and assisting
20 families in avoiding institutional or nursing home care for a
21 developmentally disabled member of their family;
- 22 (15) the KSDS, Inc., for the purpose of promoting the independence
23 and inclusion of people with disabilities as fully participating and
24 contributing members of their communities and society through the
25 training and providing of guide and service dogs to people with
26 disabilities, and providing disability education and awareness to the
27 general public;
- 28 (16) the lyme association of greater Kansas City, Inc., for the purpose
29 of providing support to persons with lyme disease and public education
30 relating to the prevention, treatment and cure of lyme disease;
- 31 (17) the dream factory, inc., for the purpose of granting the dreams of
32 children with critical and chronic illnesses;
- 33 (18) the Ottawa Suzuki strings, inc., for the purpose of providing
34 students and families with education and resources necessary to enable
35 each child to develop fine character and musical ability to the fullest
36 potential;
- 37 (19) the international association of lions clubs for the purpose of
38 creating and fostering a spirit of understanding among all people for
39 humanitarian needs by providing voluntary services through community
40 involvement and international cooperation;
- 41 (20) the Johnson county young matrons, inc., for the purpose of
42 promoting a positive future for members of the community through
43 volunteerism, financial support and education through the efforts of an all

1 volunteer organization;

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

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

8 (23) the angel babies association, for the purpose of providing
9 assistance, support and items of necessity to teenage mothers and their
10 babies; and

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

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

16 (xx) all sales of tangible personal property and services purchased by
17 a nonprofit zoo that is exempt from federal income taxation pursuant to
18 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
19 of such zoo by an entity itself exempt from federal income taxation
20 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
21 contracted with to operate such zoo and all sales of tangible personal
22 property or services purchased by a contractor for the purpose of
23 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
24 furnishing or remodeling facilities for any nonprofit zoo that would be
25 exempt from taxation under the provisions of this section if purchased
26 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
27 this subsection shall be deemed to exempt the purchase of any construction
28 machinery, equipment or tools used in the constructing, equipping,
29 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
30 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for
31 the purpose of constructing, equipping, reconstructing, maintaining,
32 repairing, enlarging, furnishing or remodeling facilities, it shall obtain
33 from the state and furnish to the contractor an exemption certificate for the
34 project involved, and the contractor may purchase materials for
35 incorporation in such project. The contractor shall furnish the number of
36 such certificate to all suppliers from whom such purchases are made, and
37 such suppliers shall execute invoices covering the same bearing the
38 number of such certificate. Upon completion of the project the contractor
39 shall furnish to the nonprofit zoo concerned a sworn statement, on a form
40 to be provided by the director of taxation, that all purchases so made were
41 entitled to exemption under this subsection. All invoices shall be held by
42 the contractor for a period of five years and shall be subject to audit by the
43 director of taxation. If any materials purchased under such a certificate are

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

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

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

30 (aaa) all sales of tangible personal property and services purchased by
31 a religious organization that is exempt from federal income taxation
32 pursuant to section 501(c)(3) of the federal internal revenue code, and used
33 exclusively for religious purposes, and all sales of tangible personal
34 property or services purchased by a contractor for the purpose of
35 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
36 furnishing or remodeling facilities for any such organization that would be
37 exempt from taxation under the provisions of this section if purchased
38 directly by such organization. Nothing in this subsection shall be deemed
39 to exempt the purchase of any construction machinery, equipment or tools
40 used in the constructing, equipping, reconstructing, maintaining, repairing,
41 enlarging, furnishing or remodeling facilities for any such organization.
42 When any such organization shall contract for the purpose of constructing,
43 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or

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

40 (bbb) all sales of food for human consumption by an organization that
41 is exempt from federal income taxation pursuant to section 501(c)(3) of
42 the federal internal revenue code of 1986, pursuant to a food distribution
43 program that offers such food at a price below cost in exchange for the

1 performance of community service by the purchaser thereof;

2 (ccc) on and after July 1, 1999, all sales of tangible personal property
3 and services purchased by a primary care clinic or health center the
4 primary purpose of which is to provide services to medically underserved
5 individuals and families, and that is exempt from federal income taxation
6 pursuant to section 501(c)(3) of the federal internal revenue code, and all
7 sales of tangible personal property or services purchased by a contractor
8 for the purpose of constructing, equipping, reconstructing, maintaining,
9 repairing, enlarging, furnishing or remodeling facilities for any such clinic
10 or center that would be exempt from taxation under the provisions of this
11 section if purchased directly by such clinic or center, except that for
12 taxable years commencing after December 31, 2013, this subsection shall
13 not apply to any sales of such tangible personal property and services
14 purchased by a primary care clinic or health center which performs any
15 abortion, as defined in ~~K.S.A. 65-6701~~ section 7, and amendments thereto.
16 Nothing in this subsection shall be deemed to exempt the purchase of any
17 construction machinery, equipment or tools used in the constructing,
18 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
19 remodeling facilities for any such clinic or center. When any such clinic or
20 center shall contract for the purpose of constructing, equipping,
21 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
22 facilities, it shall obtain from the state and furnish to the contractor an
23 exemption certificate for the project involved, and the contractor may
24 purchase materials for incorporation in such project. The contractor shall
25 furnish the number of such certificate to all suppliers from whom such
26 purchases are made, and such suppliers shall execute invoices covering the
27 same bearing the number of such certificate. Upon completion of the
28 project the contractor shall furnish to such clinic or center concerned a
29 sworn statement, on a form to be provided by the director of taxation, that
30 all purchases so made were entitled to exemption under this subsection.
31 All invoices shall be held by the contractor for a period of five years and
32 shall be subject to audit by the director of taxation. If any materials
33 purchased under such a certificate are found not to have been incorporated
34 in the building or other project or not to have been returned for credit or
35 the sales or compensating tax otherwise imposed upon such materials that
36 will not be so incorporated in the building or other project reported and
37 paid by such contractor to the director of taxation not later than the 20th
38 day of the month following the close of the month in which it shall be
39 determined that such materials will not be used for the purpose for which
40 such certificate was issued, such clinic or center concerned shall be liable
41 for tax on all materials purchased for the project, and upon payment
42 thereof it may recover the same from the contractor together with
43 reasonable attorney fees. Any contractor or any agent, employee or

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

7 (ddd) on and after January 1, 1999, and before January 1, 2000, all
8 sales of materials and services purchased by any class II or III railroad as
9 classified by the federal surface transportation board for the construction,
10 renovation, repair or replacement of class II or III railroad track and
11 facilities used directly in interstate commerce. In the event any such track
12 or facility for which materials and services were purchased sales tax
13 exempt is not operational for five years succeeding the allowance of such
14 exemption, the total amount of sales tax that would have been payable
15 except for the operation of this subsection shall be recouped in accordance
16 with rules and regulations adopted for such purpose by the secretary of
17 revenue;

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

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

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

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

1 by or on behalf of all domestic violence shelters that are member agencies
2 of the Kansas coalition against sexual and domestic violence;

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

1 attorney fees. Any contractor or any agent, employee or subcontractor
2 thereof, who shall use or otherwise dispose of any materials purchased
3 under such a certificate for any purpose other than that for which such a
4 certificate is issued without the payment of the sales or compensating tax
5 otherwise imposed upon such materials, shall be guilty of a misdemeanor
6 and, upon conviction therefor, shall be subject to the penalties provided for
7 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after
8 July 1, 2005, but prior to the effective date of this act upon the gross
9 receipts received from any sale exempted by the amendatory provisions of
10 this subsection shall be refunded. Each claim for a sales tax refund shall be
11 verified and submitted to the director of taxation upon forms furnished by
12 the director and shall be accompanied by any additional documentation
13 required by the director. The director shall review each claim and shall
14 refund that amount of sales tax paid as determined under the provisions of
15 this subsection. All refunds shall be paid from the sales tax refund fund
16 upon warrants of the director of accounts and reports pursuant to vouchers
17 approved by the director or the director's designee;

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

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

42 (mmm) all sales of tangible personal property purchased by or on
43 behalf of the Marillac center, inc., which is exempt from federal income

1 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
2 for the purpose of providing psycho-social-biological and special
3 education services to children, and all sales of any such property by or on
4 behalf of such organization for such purpose;

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

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

14 (ppp) all sales of tangible personal property and services purchased
15 by or on behalf of a homeless shelter that is exempt from federal income
16 taxation pursuant to section 501(c)(3) of the federal income tax code of
17 1986, and used by any such homeless shelter to provide emergency and
18 transitional housing for individuals and families experiencing
19 homelessness, and all sales of any such property by or on behalf of any
20 such homeless shelter for any such purpose;

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

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

23 (rrr) all sales of tangible personal property and services purchased by
24 any county law library maintained pursuant to law and sales of tangible
25 personal property and services purchased by an organization that would
26 have been exempt from taxation under the provisions of this subsection if
27 purchased directly by the county law library for the purpose of providing
28 legal resources to attorneys, judges, students and the general public, and
29 all sales of any such property by or on behalf of any such county law
30 library;

31 (sss) all sales of tangible personal property and services purchased by
32 catholic charities or youthville, hereinafter referred to as charitable family
33 providers, which is exempt from federal income taxation pursuant to
34 section 501(c)(3) of the federal internal revenue code of 1986, and which
35 such property and services are used for the purpose of providing
36 emergency shelter and treatment for abused and neglected children as well
37 as meeting additional critical needs for children, juveniles and family, and
38 all sales of any such property by or on behalf of charitable family
39 providers for any such purpose; and all sales of tangible personal property
40 or services purchased by a contractor for the purpose of constructing,
41 maintaining, repairing, enlarging, furnishing or remodeling facilities for
42 the operation of services for charitable family providers for any such
43 purpose which would be exempt from taxation under the provisions of this

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

35 (ttt) all sales of tangible personal property or services purchased by a
36 contractor for a project for the purpose of restoring, constructing,
37 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
38 remodeling a home or facility owned by a nonprofit museum that has been
39 granted an exemption pursuant to subsection (qq), which such home or
40 facility is located in a city that has been designated as a qualified
41 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
42 amendments thereto, and which such project is related to the purposes of
43 K.S.A. 75-5071 et seq., and amendments thereto, and that would be

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

37 (uuu) all sales of tangible personal property and services purchased
38 by Kansas children's service league, hereinafter referred to as KCSL,
39 which is exempt from federal income taxation pursuant to section 501(c)
40 (3) of the federal internal revenue code of 1986, and which such property
41 and services are used for the purpose of providing for the prevention and
42 treatment of child abuse and maltreatment as well as meeting additional
43 critical needs for children, juveniles and family, and all sales of any such

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

39 (vvv) all sales of tangible personal property or services, including the
40 renting and leasing of tangible personal property or services, purchased by
41 jazz in the woods, inc., a Kansas corporation that is exempt from federal
42 income taxation pursuant to section 501(c)(3) of the federal internal
43 revenue code, for the purpose of providing jazz in the woods, an event

1 benefiting children-in-need and other nonprofit charities assisting such
2 children, and all sales of any such property by or on behalf of such
3 organization for such purpose;

4 (www) all sales of tangible personal property purchased by or on
5 behalf of the Frontenac education foundation, which is exempt from
6 federal income taxation pursuant to section 501(c)(3) of the federal
7 internal revenue code, for the purpose of providing education support for
8 students, and all sales of any such property by or on behalf of such
9 organization for such purpose;

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

1 will not be used for the purpose for which such certificate was issued, such
2 organization concerned shall be liable for tax on all materials purchased
3 for the project, and upon payment thereof it may recover the same from
4 the contractor together with reasonable attorney fees. Any contractor or
5 any agent, employee or subcontractor thereof, who shall use or otherwise
6 dispose of any materials purchased under such a certificate for any purpose
7 other than that for which such a certificate is issued without the payment
8 of the sales or compensating tax otherwise imposed upon such materials,
9 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
10 subject to the penalties provided for in K.S.A. 79-3615(h), and
11 amendments thereto. Sales tax paid on and after January 1, 2007, but prior
12 to the effective date of this act upon the gross receipts received from any
13 sale which would have been exempted by the provisions of this subsection
14 had such sale occurred after the effective date of this act shall be refunded.
15 Each claim for a sales tax refund shall be verified and submitted to the
16 director of taxation upon forms furnished by the director and shall be
17 accompanied by any additional documentation required by the director.
18 The director shall review each claim and shall refund that amount of sales
19 tax paid as determined under the provisions of this subsection. All refunds
20 shall be paid from the sales tax refund fund upon warrants of the director
21 of accounts and reports pursuant to vouchers approved by the director or
22 the director's designee;

23 (yyy) all sales of tangible personal property and services purchased
24 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
25 which is exempt from federal income taxation pursuant to section 501(c)
26 (3) of the federal internal revenue code of 1986, and which such property
27 and services are used for the purpose of encouraging private philanthropy
28 to further the vision, values, and goals of TLC for children and families,
29 inc.; and all sales of such property and services by or on behalf of TLC
30 charities for any such purpose and all sales of tangible personal property or
31 services purchased by a contractor for the purpose of constructing,
32 maintaining, repairing, enlarging, furnishing or remodeling facilities for
33 the operation of services for TLC charities for any such purpose that would
34 be exempt from taxation under the provisions of this section if purchased
35 directly by TLC charities. Nothing in this subsection shall be deemed to
36 exempt the purchase of any construction machinery, equipment or tools
37 used in the constructing, maintaining, repairing, enlarging, furnishing or
38 remodeling such facilities for TLC charities. When TLC charities contracts
39 for the purpose of constructing, maintaining, repairing, enlarging,
40 furnishing or remodeling such facilities, it shall obtain from the state and
41 furnish to the contractor an exemption certificate for the project involved,
42 and the contractor may purchase materials for incorporation in such
43 project. The contractor shall furnish the number of such certificate to all

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

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

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

36 (bbbb) all sales of entry or participation fees, charges or tickets by
37 Guadalupe health foundation, which is exempt from federal income
38 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
39 for such organization's annual fundraising event which purpose is to
40 provide ~~health care~~ *healthcare* services for uninsured workers;

41 (cccc) all sales of tangible personal property or services purchased by
42 or on behalf of wayside waifs, inc., which 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 such organization's annual fundraiser, an
2 event whose purpose is to support the care of homeless and abandoned
3 animals, animal adoption efforts, education programs for children and
4 efforts to reduce animal over-population and animal welfare services, and
5 all sales of any such property, including entry or participation fees or
6 charges, by or on behalf of such organization for such purpose;

7 (dddd) all sales of tangible personal property or services purchased
8 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
9 of which are exempt from federal income taxation pursuant to section
10 501(c)(3) of the federal internal revenue code, for the purpose of providing
11 education, training and employment opportunities for people with
12 disabilities and other barriers to employment;

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

20 (ffff) all sales of tangible personal property and services purchased by
21 sheltered living, inc., which is exempt from federal income taxation
22 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
23 and which such property and services are used for the purpose of
24 providing residential and day services for people with developmental
25 disabilities or intellectual disability, or both, and all sales of any such
26 property by or on behalf of sheltered living, inc., for any such purpose; and
27 all sales of tangible personal property or services purchased by a
28 contractor for the purpose of rehabilitating, constructing, maintaining,
29 repairing, enlarging, furnishing or remodeling homes and facilities for
30 sheltered living, inc., for any such purpose that would be exempt from
31 taxation under the provisions of this section if purchased directly by
32 sheltered living, inc. Nothing in this subsection shall be deemed to exempt
33 the purchase of any construction machinery, equipment or tools used in the
34 constructing, maintaining, repairing, enlarging, furnishing or remodeling
35 such homes and facilities for sheltered living, inc. When sheltered living,
36 inc., contracts for the purpose of rehabilitating, constructing, maintaining,
37 repairing, enlarging, furnishing or remodeling such homes and facilities, it
38 shall obtain from the state and furnish to the contractor an exemption
39 certificate for the project involved, and the contractor may purchase
40 materials for incorporation in such project. The contractor shall furnish the
41 number of such certificate to all suppliers from whom such purchases are
42 made, and such suppliers shall execute invoices covering the same bearing
43 the number of such certificate. Upon completion of the project the

1 contractor shall furnish to sheltered living, inc., a sworn statement, on a
2 form to be provided by the director of taxation, that all purchases so made
3 were entitled to exemption under this subsection. All invoices shall be held
4 by the contractor for a period of five years and shall be subject to audit by
5 the director of taxation. If any materials purchased under such a certificate
6 are found not to have been incorporated in the building or other project or
7 not to have been returned for credit or the sales or compensating tax
8 otherwise imposed upon such materials that will not be so incorporated in
9 the building or other project reported and paid by such contractor to the
10 director of taxation not later than the 20th day of the month following the
11 close of the month in which it shall be determined that such materials will
12 not be used for the purpose for which such certificate was issued, sheltered
13 living, inc., shall be liable for tax on all materials purchased for the
14 project, and upon payment thereof it may recover the same from the
15 contractor together with reasonable attorney fees. 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 (gggg) all sales of game birds for which the primary purpose is use in
24 hunting;

25 (hhhh) all sales of tangible personal property or services purchased
26 on or after July 1, 2014, for the purpose of and in conjunction with
27 constructing, reconstructing, enlarging or remodeling a business identified
28 under the North American industry classification system (NAICS)
29 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
30 installation of machinery and equipment purchased for installation at any
31 such business. The exemption provided in this subsection shall not apply
32 to projects that have actual total costs less than \$50,000. When a person
33 contracts for the construction, reconstruction, enlargement or remodeling
34 of any such business, such person shall obtain from the state and furnish to
35 the contractor an exemption certificate for the project involved, and the
36 contractor may purchase materials, machinery and equipment for
37 incorporation in such project. The contractor shall furnish the number of
38 such certificates to all suppliers from whom such purchases are made, and
39 such suppliers shall execute invoices covering the same bearing the
40 number of such certificate. Upon completion of the project, the contractor
41 shall furnish to the owner of the business a sworn statement, on a form to
42 be provided by the director of taxation, that all purchases so made were
43 entitled to exemption under this subsection. All invoices shall be held by

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

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

1 for which such a certificate is issued without the payment of the sales or
2 compensating tax otherwise imposed upon such materials, shall be guilty
3 of a misdemeanor and, upon conviction, shall be subject to the penalties
4 provided for in K.S.A. 79-3615(h), and amendments thereto;

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

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

17 (llll) all sales of tangible personal property and services purchased by
18 Gove county healthcare endowment foundation, inc., which is exempt
19 from federal income taxation pursuant to section 501(c)(3) of the federal
20 internal revenue code of 1986, and which such property and services are
21 used for the purpose of constructing and equipping an airport in Quinter,
22 Kansas, and all sales of tangible personal property or services purchased
23 by a contractor for the purpose of constructing and equipping an airport in
24 Quinter, Kansas, for such organization, that would be exempt from
25 taxation under the provisions of this section if purchased directly by such
26 organization. Nothing in this subsection shall be deemed to exempt the
27 purchase of any construction machinery, equipment or tools used in the
28 constructing or equipping of facilities for such organization. When such
29 organization shall contract for the purpose of constructing or equipping an
30 airport in Quinter, Kansas, it shall obtain from the state and furnish to the
31 contractor an exemption certificate for the project involved, and the
32 contractor may purchase materials for incorporation in such project. The
33 contractor shall furnish the number of such certificate to all suppliers from
34 whom such purchases are made, and such suppliers shall execute invoices
35 covering the same bearing the number of such certificate. Upon
36 completion of the project, the contractor shall furnish to such organization
37 concerned a sworn statement, on a form to be provided by the director of
38 taxation, that all purchases so made were entitled to exemption under this
39 subsection. All invoices shall be held by the contractor for a period of five
40 years and shall be subject to audit by the director of taxation. If any
41 materials purchased under such a certificate are found not to have been
42 incorporated in such facilities or not to have been returned for credit or the
43 sales or compensating tax otherwise imposed upon such materials that will

1 not be so incorporated in such facilities reported and paid by such
2 contractor to the director of taxation no later than the 20th day of the month
3 following the close of the month in which it shall be determined that such
4 materials will not be used for the purpose for which such certificate was
5 issued, such organization concerned shall be liable for tax on all materials
6 purchased for the project, and upon payment thereof it may recover the
7 same from the contractor together with reasonable attorney fees. Any
8 contractor or any agent, employee or subcontractor thereof, who purchased
9 under such a certificate for any purpose other than that for which such a
10 certificate is issued without the payment of the sales or compensating tax
11 otherwise imposed upon such materials, shall be guilty of a misdemeanor
12 and, upon conviction therefor, shall be subject to the penalties provided for
13 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
14 subsection shall expire and have no effect on and after July 1, 2019;

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

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

28 (oooo) all sales of tangible personal property or services purchased
29 for the purpose of and in conjunction with constructing, reconstructing,
30 enlarging or remodeling a qualified business facility by a qualified firm or
31 qualified supplier that meets the requirements established in K.S.A. 2024
32 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has
33 been approved for a project exemption certificate by the secretary of
34 commerce, and the sale and installation of machinery and equipment
35 purchased by such qualified firm or qualified supplier for installation at
36 any such qualified business facility. When a person shall contract for the
37 construction, reconstruction, enlargement or remodeling of any such
38 qualified business facility, such person shall obtain from the state and
39 furnish to the contractor an exemption certificate for the project involved,
40 and the contractor may purchase materials, machinery and equipment for
41 incorporation in such project. The contractor shall furnish the number of
42 such certificates to all suppliers from whom such purchases are made, and
43 such suppliers shall execute invoices covering the same bearing the

1 number of such certificate. Upon completion of the project, the contractor
2 shall furnish to the owner of the qualified firm or qualified supplier a
3 sworn statement, on a form to be provided by the director of taxation, that
4 all purchases so made were entitled to exemption under this subsection.
5 All invoices shall be held by the contractor for a period of five years and
6 shall be subject to audit by the director of taxation. Any contractor or any
7 agent, employee or subcontractor thereof who shall use or otherwise
8 dispose of any materials, machinery or equipment purchased under such a
9 certificate for any purpose other than that for which such a certificate is
10 issued without the payment of the sales or compensating tax otherwise
11 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
12 therefor, shall be subject to the penalties provided for in K.S.A. 79-
13 3615(h), and amendments thereto. As used in this subsection, "qualified
14 business facility," "qualified firm" and "qualified supplier" mean the same
15 as defined in K.S.A. 2024 Supp. 74-50,311, and amendments thereto;

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

29 (2) all sales of tangible personal property or services purchased by a
30 contractor for the purpose of constructing, equipping, reconstructing,
31 maintaining, repairing, enlarging, furnishing or remodeling facilities for an
32 area agency on aging that would be exempt from taxation under the
33 provisions of this section if purchased directly by such area agency on
34 aging. Nothing in this paragraph shall be deemed to exempt the purchase
35 of any construction machinery, equipment or tools used in the
36 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
37 furnishing or remodeling facilities for an area agency on aging. When an
38 area agency on aging contracts for the purpose of constructing, equipping,
39 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
40 facilities, it shall obtain from the state and furnish to the contractor an
41 exemption certificate for the project involved, and such contractor may
42 purchase materials for incorporation in such project. The contractor shall
43 furnish the number of such certificate to all suppliers from whom such

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

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

31 (rrrr) all sales of the services of slaughtering, butchering, custom
32 cutting, dressing, processing and packaging of an animal for human
33 consumption when the animal is delivered or furnished by a customer that
34 owns the animal and such meat or poultry is for use or consumption by
35 such customer;

36 (ssss) all sales of tangible personal property or services purchased by
37 or on behalf of doorstep inc., an organization that is exempt from federal
38 income taxation pursuant to section 501(c)(3) of the federal internal
39 revenue code of 1986, for the purpose of providing short-term emergency
40 aid to families and individuals in need, including assistance with food,
41 clothing, rent, prescription medications, transportation and utilities, and
42 providing information on services to promote long-term self-sufficiency;

43 (tttt) on and after January 1, 2024, all sales of tangible personal

1 property or services purchased by exploration place, inc., an organization
2 that is exempt from federal income taxation pursuant to section 501(c)(3)
3 of the federal internal revenue code, and which such property and services
4 are used for the purpose of constructing, remodeling, furnishing or
5 equipping a riverfront amphitheater, a destination playscape, an education
6 center and indoor renovations at exploration place in Wichita, Kansas, all
7 sales of tangible personal property or services purchased by Kansas
8 children's discovery center inc. in Topeka, Kansas, and which such
9 property and services are used for the purpose of constructing, remodeling,
10 furnishing or equipping projects that include indoor-outdoor classrooms,
11 an expanded multi-media gallery, a workshop and loading dock and safety
12 upgrades such as a tornado shelter, lactation room, first aid room and
13 sensory room and all sales of tangible personal property or services
14 purchased by a contractor for the purpose of constructing, remodeling,
15 furnishing or equipping such projects, for such organizations, that would
16 be exempt from taxation under the provisions of this section if purchased
17 directly by such organizations. Nothing in this subsection shall be deemed
18 to exempt the purchase of any construction machinery, equipment or tools
19 used in the constructing, remodeling, furnishing or equipping of facilities
20 for such organization. When such organization shall contract for the
21 purpose of constructing, remodeling, furnishing or equipping such
22 projects, it shall obtain from the state and furnish to the contractor an
23 exemption certificate for the project involved, and the contractor may
24 purchase materials for incorporation in such project. The contractor shall
25 furnish the number of such certificate to all suppliers from whom such
26 purchases are made, and such suppliers shall execute invoices covering the
27 same bearing the number of such certificate. Upon completion of the
28 project, the contractor shall furnish to such organization a sworn statement,
29 on a form to be provided by the director of taxation, that all purchases so
30 made were entitled to exemption under this subsection. All invoices shall
31 be held by the contractor for a period of five years and shall be subject to
32 audit by the director of taxation. If any materials purchased under such a
33 certificate are found not to have been incorporated in such facilities or not
34 to have been returned for credit or the sales or compensating tax otherwise
35 imposed upon such materials that will not be so incorporated in such
36 facilities reported and paid by such contractor to the director of taxation no
37 later than the 20th day of the month following the close of the month in
38 which it shall be determined that such materials will not be used for the
39 purpose for which such certificate was issued, such organization shall be
40 liable for tax on all materials purchased for the project, and upon payment
41 thereof may recover the same from the contractor together with reasonable
42 attorney fees. Any contractor or agent, employee or subcontractor thereof,
43 who purchased under such a certificate for any purpose other than that for

1 which such a certificate is issued without the payment of the sales or
2 compensating tax otherwise imposed upon such materials, shall be guilty
3 of a misdemeanor and, upon conviction therefor, shall be subject to the
4 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
5 Sales tax paid on and after January 1, 2024, but prior to the effective date
6 of this act, upon the gross receipts received from any sale exempted by the
7 amendatory provisions of this subsection shall be refunded. Each claim for
8 a sales tax refund shall be verified and submitted to the director of taxation
9 upon forms furnished by the director and shall be accompanied by any
10 additional documentation required by the director. The director shall
11 review each claim and shall refund that amount of sales tax paid as
12 determined under the provisions of this subsection. All refunds shall be
13 paid from the sales tax refund fund upon warrants of the director of
14 accounts and reports pursuant to vouchers approved by the director or the
15 director's designee. The provisions of this subsection shall expire and have
16 no effect on and after December 31, 2030;

17 (uuuu) (1) (A) all sales of equipment, machinery, software, ancillary
18 components, appurtenances, accessories or other infrastructure purchased
19 for use in the provision of communications services; and

20 (B) all services purchased by a provider in the provision of the
21 communications service used in the repair, maintenance or installation in
22 such communications service.

23 (2) As used in this subsection:

24 (A) "Communications service" means internet access service,
25 telecommunications service, video service or any combination thereof.

26 (B) "Equipment, machinery, software, ancillary components,
27 appurtenances, accessories or other infrastructure" includes, but is not
28 limited to:

29 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,
30 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,
31 transmitters, circuit cards, insulating and protective materials and cases,
32 power equipment, backup power equipment, diagnostic equipment, storage
33 devices, modems, cable modem termination systems and servers;

34 (ii) other general central office or headend equipment, such as
35 channel cards, frames and cabinets;

36 (iii) equipment used in successor technologies, including items used
37 to monitor, test, maintain, enable or facilitate qualifying equipment,
38 machinery, software, ancillary components, appurtenances and
39 accessories; and

40 (iv) other infrastructure that is used in whole or in part to provide
41 communications services, including broadcasting, distributing, sending,
42 receiving, storing, transmitting, retransmitting, amplifying, switching,
43 providing connectivity for or routing communications services.

1 (C) "Internet access service" means the same as internet access as
2 defined in section 1105 of the internet tax freedom act amendments of
3 2007, public law 110-108.

4 (D) "Provider" means a person or entity that sells communications
5 service, including an affiliate or subsidiary.

6 (E) "Telecommunications service" means the same as defined in
7 K.S.A. 79-3602, and amendments thereto.

8 (F) "Video service" means the same as defined in K.S.A. 12-2022,
9 and amendments thereto.

10 (3) The provisions of this subsection shall expire and have no effect
11 on and after July 1, 2029;

12 (vvvv) (1) all sales of tangible personal property or services
13 purchased by a contractor for the purpose of constructing, equipping,
14 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
15 a building that is operated by, or is intended to be operated by, the Kansas
16 fairgrounds foundation, a not-for-profit corporation exempt from federal
17 income taxation pursuant to section 501(c)(3) of the federal internal
18 revenue code of 1986, and located on the grounds of the Kansas state fair,
19 and such tangible personal property would be exempt from taxation under
20 the provisions of this paragraph if purchased directly by such eligible not-
21 for-profit corporation. Nothing in this subsection shall be deemed to
22 exempt the purchase of any construction machinery, equipment or tools
23 used in the constructing, equipping, reconstructing, maintaining, repairing,
24 enlarging, furnishing or remodeling a building for such eligible not-for-
25 profit corporation. When such eligible not-for-profit corporation contracts
26 for the purpose of constructing, equipping, reconstructing, maintaining,
27 repairing, enlarging, furnishing or remodeling a building, such corporation
28 shall obtain from the state and furnish to the contractor an exemption
29 certificate for the project involved, and such contractor may purchase
30 materials for incorporation in such project. The contractor shall furnish the
31 number of such certificate to all suppliers from whom such purchases are
32 made, and such suppliers shall execute invoices covering such purchases
33 bearing the number of such certificate. Upon completion of the project, the
34 contractor shall furnish to such eligible not-for-profit corporation a sworn
35 statement, on a form to be provided by the director of taxation, that all
36 purchases so made were entitled to exemption under this subsection. All
37 invoices shall be held by the contractor for a period of five years and shall
38 be subject to audit by the director of taxation. If any materials purchased
39 under such a certificate are found not to have been incorporated in the
40 building or returned for credit, the contractor shall report and pay the sales
41 or compensating tax to the director of taxation not later than the 20th day of
42 the month following the close of the month in which it is determined that
43 such materials will not be used for the purpose for which such certificate

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

12 (2) Sales tax paid on and after May 19, 2023, but prior to the effective
13 date of this act upon the gross receipts received from any sale which would
14 have been exempted by the provisions of this subsection had such sale
15 occurred after the effective date of this act shall be refunded. Each claim
16 for a sales tax refund shall be verified and submitted to the director of
17 taxation upon forms furnished by the director and shall be accompanied by
18 any additional documentation required by the director. The director shall
19 review each claim and shall refund that amount of sales tax paid as
20 determined under the provisions of this subsection. All refunds shall be
21 paid from the sales tax refund fund upon warrants of the director of
22 accounts and reports pursuant to vouchers approved by the director or the
23 director's designee; and

24 (www) (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, *as define in section 7,*
40 *and amendments thereto,* and promote healthy childbirth; and

41 (iv) utilizes trained healthcare providers, as defined by K.S.A. 2024
42 Supp. 79-32,316, and amendments thereto, to perform any available
43 medical procedures.

1 Sec. 19. K.S.A. 65-4a02, 65-4a03, 65-4a04, 65-4a05, 65-4a06, 65-
2 4a07, 65-4a08, 65-4a09, 65-4a10, 65-4a11, 65-4a12, 65-2837, 65-6702,
3 65-6703, 65-6704, 65-6705, 65-6707, 65-6709, 65-6710, 65-6711, 65-
4 6712, 65-6714, 65-6715, 65-6721, 65-6722, 65-6724, 65-6725, 65-6726,
5 65-6731, 65-6741, 65-6743, 65-6744, 65-6745, 65-6746, 65-6747, 65-
6 6748, 65-6749, 65-67a01, 76-3308 and 79-32,195 and K.S.A. 2024 Supp.
7 60-1906, 65-4a01, 65-2401, 65-6701, 65-6708, 65-6723, 65-6742, 79-
8 32,182b, 79-32,261 and 79-3606 are hereby repealed.

9 Sec. 20. This act shall take effect and be in force from and after its
10 publication in the statute book.