

SENATE BILL No. 6

By Senator Haley

6-18

1 AN ACT concerning sales taxation; relating to exemptions; providing an
2 exemption for sales of electricity to residential premises by municipally
3 owned or operated utilities; amending K.S.A. 12-189a and K.S.A. 2023
4 Supp. 79-3606, as amended by section 15 of 2023 Senate Bill No. 27,
5 and repealing the existing sections.

6
7 WHEREAS, electricity is a necessity for modern life.

8 Now, therefore:

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

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

14 (a) All sales of natural gas, electricity, heat and water delivered
15 through mains, lines or pipes to residential premises for noncommercial
16 use by the occupant of such premises and all sales of natural gas,
17 electricity, heat and water delivered through mains, lines or pipes for
18 agricultural use, except that:

19 (1) Effective January 1, 2006, the provisions of this subsection shall
20 expire for sales of water pursuant to this subsection; and

21 (2) *effective October 1, 2024, the provisions of this subsection shall*
22 *expire for sales by municipally owned or operated utilities of electricity*
23 *delivered to residential premises for noncommercial use by the occupant*
24 *of such premises pursuant to this subsection;*

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

28 (c) all sales of intrastate telephone and telegraph services for
29 noncommercial use; and

30 (d) all sales of food and food ingredients.

31 Sec. 2. K.S.A. 2023 Supp. 79-3606, as amended by section 15 of
32 2023 Senate Bill No. 27, is hereby amended to read as follows: 79-3606.
33 The following shall be exempt from the tax imposed by this act:

34 (a) All sales of motor-vehicle fuel or other articles upon which a sales
35 or excise tax has been paid, not subject to refund, under the laws of this
36 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-

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

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

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

42 (d) all sales of tangible personal property or services purchased by a
43 contractor for the purpose of constructing, equipping, reconstructing,

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

1 foregoing procedure, any such contracting entity may apply to the
2 secretary of revenue for agent status for the sole purpose of issuing and
3 furnishing project exemption certificates to contractors pursuant to rules
4 and regulations adopted by the secretary establishing conditions and
5 standards for the granting and maintaining of such status. All invoices
6 shall be held by the contractor for a period of five years and shall be
7 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 political subdivision, district described in
16 subsection (s), hospital or public hospital authority, school, educational
17 institution or the contractor contracting with the department of corrections
18 for a correctional institution concerned shall be liable for tax on all
19 materials purchased for the project, and upon payment thereof it may
20 recover the same from the contractor together with reasonable attorney
21 fees. Any contractor or any agent, employee or subcontractor thereof, who
22 shall use or otherwise dispose of any materials purchased under such a
23 certificate for any purpose other than that for which such a certificate is
24 issued without the payment of the sales or compensating tax otherwise
25 imposed upon such materials, shall be guilty of a misdemeanor and, upon
26 conviction therefor, shall be subject to the penalties provided for in K.S.A.
27 79-3615(h), and amendments thereto;

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

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

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

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

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

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

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

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

43 (l) all isolated or occasional sales of tangible personal property,

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

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

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

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

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

43 (q) all sales of insulin dispensed by a person licensed by the state

1 board of pharmacy to a person for treatment of diabetes at the direction of
2 a person licensed to practice medicine by the state board of healing arts;

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

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

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

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

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

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

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

1 (2) *on and after October 1, 2024, all sales by municipally owned or*
2 *operated utilities of electricity delivered to residential premises for*
3 *noncommercial use by the occupant of such premises;*

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

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

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

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

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

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

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

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

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

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

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

38 (hh) all sales of medical supplies and equipment, including durable
39 medical equipment, purchased directly by a nonprofit skilled nursing home
40 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
41 and amendments thereto, for the purpose of providing medical services to
42 residents thereof. This exemption shall not apply to tangible personal
43 property customarily used for human habitation purposes. As used in this

1 subsection, "durable medical equipment" means equipment including
2 repair and replacement parts for such equipment, that can withstand
3 repeated use, is primarily and customarily used to serve a medical purpose,
4 generally is not useful to a person in the absence of illness or injury and is
5 not worn in or on the body, but does not include mobility enhancing
6 equipment as defined in subsection (r), oxygen delivery equipment, kidney
7 dialysis equipment or enteral feeding systems;

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

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

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

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

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

36 (2) For purposes of this subsection:

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

1 materials; (iii) post production handling, storage, warehousing and
2 distribution operations; and (iv) waste, pollution and environmental
3 control operations, if any;

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

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

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

1 produce or process tangible personal property as an incidental part of
2 conducting the retail business, such as retailers who bake, cook or prepare
3 food products in the regular course of their retail trade, grocery stores,
4 meat lockers and meat markets that butcher or dress livestock or poultry in
5 the regular course of their retail trade, contractors who alter, service, repair
6 or improve real property, and retail businesses that clean, service or
7 refurbish and repair tangible personal property for its owner;

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

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

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

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

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

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

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

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

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

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

40 (H) package the property being manufactured or processed in a
41 container or wrapping in which such property is normally sold or
42 transported;

43 (I) transmit or transport electricity, coke, gas, water, steam or similar

1 substances used in production operations from the point of generation, if
2 produced by the manufacturer or processor at the plant site, to that
3 manufacturer's production operation; or, if purchased or delivered from
4 off-site, from the point where the substance enters the site of the plant or
5 facility to that manufacturer's production operations;

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

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

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

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

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

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

43 (A) Machinery and equipment used for nonproduction purposes,

1 including, but not limited to, machinery and equipment used for plant
2 security, fire prevention, first aid, accounting, administration, record
3 keeping, advertising, marketing, sales or other related activities, plant
4 cleaning, plant communications and employee work scheduling;

5 (B) machinery, equipment and tools used primarily in maintaining
6 and repairing any type of machinery and equipment or the building and
7 plant;

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

13 (D) office machines and equipment including computers and related
14 peripheral equipment not used directly and primarily to control or measure
15 the manufacturing process;

16 (E) furniture and other furnishings;

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

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

23 (H) machinery and equipment used for general plant heating, cooling
24 and lighting;

25 (I) motor vehicles that are registered for operation on public
26 highways; or

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

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

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

40 (II) all sales of educational materials purchased for distribution to the
41 public at no charge by a nonprofit corporation organized for the purpose of
42 encouraging, fostering and conducting programs for the improvement of
43 public health, except that for taxable years commencing after December

1 31, 2013, this subsection shall not apply to any sales of such materials
2 purchased by a nonprofit corporation which performs any abortion, as
3 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

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

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

42 (vv) all sales of tangible personal property purchased by any of the
43 following organizations that are exempt from federal income taxation

1 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
2 for the following purposes, and all sales of any such property by or on
3 behalf of any such organization for any such purpose:

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

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

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

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

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

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

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

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

34 (9) the heartstrings community foundation for the purpose of
35 providing training, employment and activities for adults with
36 developmental disabilities;

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

40 (11) the spina bifida association of Kansas for the purpose of
41 providing financial, educational and practical aid to families and
42 individuals with spina bifida. Such aid includes, but is not limited to,
43 funding for medical devices, counseling and medical educational

1 opportunities;

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

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

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

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

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

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

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

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

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

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

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

41 (23) the angel babies association, for the purpose of providing
42 assistance, support and items of necessity to teenage mothers and their
43 babies; and

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

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

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

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

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

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

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

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

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

35 (ccc) on and after July 1, 1999, all sales of tangible personal property
36 and services purchased by a primary care clinic or health center the
37 primary purpose of which is to provide services to medically underserved
38 individuals and families, and that is exempt from federal income taxation
39 pursuant to section 501(c)(3) of the federal internal revenue code, and all
40 sales of tangible personal property or services purchased by a contractor
41 for the purpose of constructing, equipping, reconstructing, maintaining,
42 repairing, enlarging, furnishing or remodeling facilities for any such clinic
43 or center that would be exempt from taxation under the provisions of this

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

40 (ddd) on and after January 1, 1999, and before January 1, 2000, all
41 sales of materials and services purchased by any class II or III railroad as
42 classified by the federal surface transportation board for the construction,
43 renovation, repair or replacement of class II or III railroad track and

1 facilities used directly in interstate commerce. In the event any such track
2 or facility for which materials and services were purchased sales tax
3 exempt is not operational for five years succeeding the allowance of such
4 exemption, the total amount of sales tax that would have been payable
5 except for the operation of this subsection shall be recouped in accordance
6 with rules and regulations adopted for such purpose by the secretary of
7 revenue;

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

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

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

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

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

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

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

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

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

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

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

43 (ooo) all sales of tangible personal property by or on behalf of a

1 public library serving the general public and supported in whole or in part
2 with tax money or a not-for-profit organization whose purpose is to raise
3 funds for or provide services or other benefits to any such public library;

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

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

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

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

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

1 whom such purchases are made, and such suppliers shall execute invoices
2 covering the same bearing the number of such certificate. Upon
3 completion of the project the contractor shall furnish to charitable family
4 providers 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 so incorporated in 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, charitable family providers shall be
16 liable for tax on all materials purchased for the project, and upon payment
17 thereof it may recover the same from the contractor together with
18 reasonable attorney fees. Any contractor or any agent, employee or
19 subcontractor thereof, who shall use or otherwise dispose of any materials
20 purchased under such a certificate for any purpose other than that for
21 which such a certificate is issued without the payment of the sales or
22 compensating tax otherwise imposed upon such materials, shall be guilty
23 of a misdemeanor and, upon conviction therefor, shall be subject to the
24 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

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

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

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

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

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

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

43 (xxx) all sales of personal property and services purchased by the

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

1 amendments thereto. Sales tax paid on and after January 1, 2007, but prior
2 to the effective date of this act upon the gross receipts received from any
3 sale which would have been exempted by the provisions of this subsection
4 had such sale occurred after the effective date of this act shall be refunded.
5 Each claim for a sales tax refund shall be verified and submitted to the
6 director of taxation upon forms furnished by the director and shall be
7 accompanied by any additional documentation required by the director.
8 The director shall review each claim and shall refund that amount of sales
9 tax paid as determined under the provisions of this subsection. All refunds
10 shall be paid from the sales tax refund fund upon warrants of the director
11 of accounts and reports pursuant to vouchers approved by the director or
12 the director's designee;

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

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

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

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

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

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

40 (dddd) all sales of tangible personal property or services purchased
41 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
42 of which are exempt from federal income taxation pursuant to section
43 501(c)(3) of the federal internal revenue code, for the purpose of providing

1 education, training and employment opportunities for people with
2 disabilities and other barriers to employment;

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

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

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

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

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

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

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

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

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

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

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

1 otherwise imposed upon such materials, shall be guilty of a misdemeanor
2 and, upon conviction therefor, shall be subject to the penalties provided for
3 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
4 subsection shall expire and have no effect on and after July 1, 2019;

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

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

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

1 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
2 therefor, shall be subject to the penalties provided for in K.S.A. 79-
3 3615(h), and amendments thereto. As used in this subsection, "qualified
4 business facility," "qualified firm" and "qualified supplier" mean the same
5 as defined in K.S.A. 2023 Supp. 74-50,311, and amendments thereto;

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

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

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

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

21 (rrrr) all sales of the services of slaughtering, butchering, custom
22 cutting, dressing, processing and packaging of an animal for human
23 consumption when the animal is delivered or furnished by a customer that
24 owns the animal and such meat or poultry is for use or consumption by
25 such customer;

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

33 (tttt) on and after January 1, 2024, all sales of tangible personal
34 property or services purchased by exploration place, inc., an organization
35 that is exempt from federal income taxation pursuant to section 501(c)(3)
36 of the federal internal revenue code, and which such property and services
37 are used for the purpose of constructing, remodeling, furnishing or
38 equipping a riverfront amphitheater, a destination playscape, an education
39 center and indoor renovations at exploration place in Wichita, Kansas, all
40 sales of tangible personal property or services purchased by Kansas
41 children's discovery center inc. in Topeka, Kansas, and which such
42 property and services are used for the purpose of constructing, remodeling,
43 furnishing or equipping projects that include indoor-outdoor classrooms,

1 an expanded multi-media gallery, a workshop and loading dock and safety
2 upgrades such as a tornado shelter, lactation room, first aid room and
3 sensory room and all sales of tangible personal property or services
4 purchased by a contractor for the purpose of constructing, remodeling,
5 furnishing or equipping such projects, for such organizations, that would
6 be exempt from taxation under the provisions of this section if purchased
7 directly by such organizations. Nothing in this subsection shall be deemed
8 to exempt the purchase of any construction machinery, equipment or tools
9 used in the constructing, remodeling, furnishing or equipping of facilities
10 for such organization. When such organization shall contract for the
11 purpose of constructing, remodeling, furnishing or equipping such
12 projects, it shall obtain from the state and furnish to the contractor an
13 exemption certificate for the project involved, and the contractor may
14 purchase materials for incorporation in such project. The contractor shall
15 furnish the number of such certificate to all suppliers from whom such
16 purchases are made, and such suppliers shall execute invoices covering the
17 same bearing the number of such certificate. Upon completion of the
18 project, the contractor shall furnish to such organization a sworn statement,
19 on a form to be provided by the director of taxation, that all purchases so
20 made were entitled to exemption under this subsection. All invoices shall
21 be held by the contractor for a period of five years and shall be subject to
22 audit by the director of taxation. If any materials purchased under such a
23 certificate are found not to have been incorporated in such facilities or not
24 to have been returned for credit or the sales or compensating tax otherwise
25 imposed upon such materials that will not be so incorporated in such
26 facilities reported and paid by such contractor to the director of taxation no
27 later than the 20th day of the month following the close of the month in
28 which it shall be determined that such materials will not be used for the
29 purpose for which such certificate was issued, such organization shall be
30 liable for tax on all materials purchased for the project, and upon payment
31 thereof may recover the same from the contractor together with reasonable
32 attorney fees. Any contractor or agent, employee or subcontractor thereof,
33 who purchased under such a certificate for any purpose other than that for
34 which such a certificate is issued without the payment of the sales or
35 compensating tax otherwise imposed upon such materials, shall be guilty
36 of a misdemeanor and, upon conviction therefor, shall be subject to the
37 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
38 Sales tax paid on and after January 1, 2024, but prior to the effective date
39 of this act, upon the gross receipts received from any sale exempted by the
40 amendatory provisions of this subsection shall be refunded. Each claim for
41 a sales tax refund shall be verified and submitted to the director of taxation
42 upon forms furnished by the director and shall be accompanied by any
43 additional documentation required by the director. The director shall

1 review each claim and shall refund that amount of sales tax paid as
2 determined under the provisions of this subsection. All refunds shall be
3 paid from the sales tax refund fund upon warrants of the director of
4 accounts and reports pursuant to vouchers approved by the director or the
5 director's designee. The provisions of this subsection shall expire and have
6 no effect on and after December 31, 2030;

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

10 (B) all services purchased by a provider in the provision of the
11 communications service used in the repair, maintenance or installation in
12 such communications service.

13 (2) As used in this subsection:

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

16 (B) "Equipment, machinery, software, ancillary components,
17 appurtenances, accessories or other infrastructure" includes, but is not
18 limited to:

19 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,
20 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,
21 transmitters, circuit cards, insulating and protective materials and cases,
22 power equipment, backup power equipment, diagnostic equipment, storage
23 devices, modems, cable modem termination systems and servers;

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

26 (iii) equipment used in successor technologies, including items used
27 to monitor, test, maintain, enable or facilitate qualifying equipment,
28 machinery, software, ancillary components, appurtenances and
29 accessories; and

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

34 (C) "Internet access service" means the same as internet access as
35 defined in section 1105 of the internet tax freedom act amendments of
36 2007, public law 110-108.

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

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

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

43 (3) The provisions of this subsection shall expire and have no effect

1 on and after July 1, 2029;

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

1 amendments thereto.

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

14 (www) (1) All sales of tangible personal property or services
15 purchased by a pregnancy resource center or residential maternity facility.

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

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

20 (B) a nonprofit organization organized under the laws of this state;
21 and

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

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

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

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

31 (iv) utilizes trained healthcare providers, as defined by section 8 of
32 2024 House Bill No. 2465, and amendments thereto, to perform any
33 available medical procedures.

34 Sec. 3. K.S.A. 12-189a and K.S.A. 2023 Supp. 79-3606, as amended
35 by section 15 of 2023 Senate Bill No. 27, are hereby repealed.

36 Sec. 4. This act shall take effect and be in force from and after its
37 publication in the statute book.