

## HOUSE BILL No. 2256

By Representatives Sawyer Clayton and Corbet

2-1

---

1 AN ACT concerning sales and compensating use tax; relating to sales of  
2 food, food ingredients and prepared food; reducing the rate of tax  
3 imposed; modifying the percent credited to the state highway fund from  
4 revenue collected; amending K.S.A. 2022 Supp. 79-3603, 79-3603d,  
5 79-3620, 79-3703 and 79-3710 and repealing the existing sections.  
6

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

8 Section 1. K.S.A. 2022 Supp. 79-3603 is hereby amended to read as  
9 follows: 79-3603. For the privilege of engaging in the business of selling  
10 tangible personal property at retail in this state or rendering or furnishing  
11 any of the services taxable under this act, there is hereby levied and there  
12 shall be collected and paid a tax at the rate of 6.5%. On and after January  
13 1, 2023, 17% and on and after ~~January 1, 2025, 18%~~ July 1, 2023,  
14 19.736% of the tax rate imposed pursuant to this section and the rate  
15 provided in K.S.A. 2022 Supp. 79-3603d, and amendments thereto, shall  
16 be levied for the state highway fund, the state highway fund purposes and  
17 those purposes specified in K.S.A. 68-416, and amendments thereto, and  
18 all revenue collected and received from such tax levy shall be deposited in  
19 the state highway fund.

20 Within a redevelopment district established pursuant to K.S.A. 74-  
21 8921, and amendments thereto, there is hereby levied and there shall be  
22 collected and paid an additional tax at the rate of 2% until the earlier of the  
23 date the bonds issued to finance or refinance the redevelopment project  
24 have been paid in full or the final scheduled maturity of the first series of  
25 bonds issued to finance any part of the project.

26 Such tax shall be imposed upon:

27 (a) The gross receipts received from the sale of tangible personal  
28 property at retail within this state;

29 (b) the gross receipts from intrastate, interstate or international  
30 telecommunications services and any ancillary services sourced to this  
31 state in accordance with K.S.A. 79-3673, and amendments thereto, except  
32 that telecommunications service does not include: (1) Any interstate or  
33 international 800 or 900 service; (2) any interstate or international private  
34 communications service as defined in K.S.A. 79-3673, and amendments  
35 thereto; (3) any value-added nonvoice data service; (4) any  
36 telecommunication service to a provider of telecommunication services

1 which will be used to render telecommunications services, including  
2 carrier access services; or (5) any service or transaction defined in this  
3 section among entities classified as members of an affiliated group as  
4 provided by section 1504 of the federal internal revenue code of 1986, as  
5 in effect on January 1, 2001;

6 (c) the gross receipts from the sale or furnishing of gas, water,  
7 electricity and heat, which sale is not otherwise exempt from taxation  
8 under the provisions of this act, and whether furnished by municipally or  
9 privately owned utilities, except that, on and after January 1, 2006, for  
10 sales of gas, electricity and heat delivered through mains, lines or pipes to  
11 residential premises for noncommercial use by the occupant of such  
12 premises, and for agricultural use and also, for such use, all sales of  
13 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
14 gas, coal, wood and other fuel sources for the production of heat or  
15 lighting for noncommercial use of an occupant of residential premises, the  
16 state rate shall be 0%, but such tax shall not be levied and collected upon  
17 the gross receipts from: (1) The sale of a rural water district benefit unit;  
18 (2) a water system impact fee, system enhancement fee or similar fee  
19 collected by a water supplier as a condition for establishing service; or (3)  
20 connection or reconnection fees collected by a water supplier;

21 (d) the gross receipts from the sale of meals or drinks furnished at any  
22 private club, drinking establishment, catered event, restaurant, eating  
23 house, dining car, hotel, drugstore or other place where meals or drinks are  
24 regularly sold to the public;

25 (e) the gross receipts from the sale of admissions to any place  
26 providing amusement, entertainment or recreation services including  
27 admissions to state, county, district and local fairs, but such tax shall not  
28 be levied and collected upon the gross receipts received from sales of  
29 admissions to any cultural and historical event which occurs triennially;

30 (f) the gross receipts from the operation of any coin-operated device  
31 dispensing or providing tangible personal property, amusement or other  
32 services except laundry services, whether automatic or manually operated;

33 (g) the gross receipts from the service of renting of rooms by hotels,  
34 as defined by K.S.A. 36-501, and amendments thereto, or by  
35 accommodation brokers, as defined by K.S.A. 12-1692, and amendments  
36 thereto, but such tax shall not be levied and collected upon the gross  
37 receipts received from sales of such service to the federal government and  
38 any agency, officer or employee thereof in association with the  
39 performance of official government duties;

40 (h) the gross receipts from the service of renting or leasing of tangible  
41 personal property except such tax shall not apply to the renting or leasing  
42 of machinery, equipment or other personal property owned by a city and  
43 purchased from the proceeds of industrial revenue bonds issued prior to

1 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
2 12-1749, and amendments thereto, and any city or lessee renting or leasing  
3 such machinery, equipment or other personal property purchased with the  
4 proceeds of such bonds who shall have paid a tax under the provisions of  
5 this section upon sales made prior to July 1, 1973, shall be entitled to a  
6 refund from the sales tax refund fund of all taxes paid thereon;

7 (i) the gross receipts from the rendering of dry cleaning, pressing,  
8 dyeing and laundry services except laundry services rendered through a  
9 coin-operated device whether automatic or manually operated;

10 (j) the gross receipts from the rendering of the services of washing  
11 and washing and waxing of vehicles;

12 (k) the gross receipts from cable, community antennae and other  
13 subscriber radio and television services;

14 (l) (1) except as otherwise provided by paragraph (2), the gross  
15 receipts received from the sales of tangible personal property to all  
16 contractors, subcontractors or repairmen for use by them in erecting  
17 structures, or building on, or otherwise improving, altering, or repairing  
18 real or personal property.

19 (2) Any such contractor, subcontractor or repairman who maintains  
20 an inventory of such property both for sale at retail and for use by them for  
21 the purposes described by paragraph (1) shall be deemed a retailer with  
22 respect to purchases for and sales from such inventory, except that the  
23 gross receipts received from any such sale, other than a sale at retail, shall  
24 be equal to the total purchase price paid for such property and the tax  
25 imposed thereon shall be paid by the deemed retailer;

26 (m) the gross receipts received from fees and charges by public and  
27 private clubs, drinking establishments, organizations and businesses for  
28 participation in sports, games and other recreational activities, but such tax  
29 shall not be levied and collected upon the gross receipts received from: (1)  
30 Fees and charges by any political subdivision, by any organization exempt  
31 from property taxation pursuant to K.S.A. 79-201 *Ninth*, and amendments  
32 thereto, or by any youth recreation organization exclusively providing  
33 services to persons 18 years of age or younger which is exempt from  
34 federal income taxation pursuant to section 501(c)(3) of the federal  
35 internal revenue code of 1986, for participation in sports, games and other  
36 recreational activities; and (2) entry fees and charges for participation in a  
37 special event or tournament sanctioned by a national sporting association  
38 to which spectators are charged an admission which is taxable pursuant to  
39 subsection (e);

40 (n) the gross receipts received from dues charged by public and  
41 private clubs, drinking establishments, organizations and businesses,  
42 payment of which entitles a member to the use of facilities for recreation  
43 or entertainment, but such tax shall not be levied and collected upon the

1 gross receipts received from: (1) Dues charged by any organization exempt  
2 from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and  
3 amendments thereto; and (2) sales of memberships in a nonprofit  
4 organization which is exempt from federal income taxation pursuant to  
5 section 501(c)(3) of the federal internal revenue code of 1986, and whose  
6 purpose is to support the operation of a nonprofit zoo;

7 (o) the gross receipts received from the isolated or occasional sale of  
8 motor vehicles or trailers but not including: (1) The transfer of motor  
9 vehicles or trailers by a person to a corporation or limited liability  
10 company solely in exchange for stock securities or membership interest in  
11 such corporation or limited liability company; (2) the transfer of motor  
12 vehicles or trailers by one corporation or limited liability company to  
13 another when all of the assets of such corporation or limited liability  
14 company are transferred to such other corporation or limited liability  
15 company; or (3) the sale of motor vehicles or trailers which are subject to  
16 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
17 amendments thereto, by an immediate family member to another  
18 immediate family member. For the purposes of paragraph (3), immediate  
19 family member means lineal ascendants or descendants, and their spouses.  
20 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
21 on the isolated or occasional sale of motor vehicles or trailers on and after  
22 July 1, 2004, which the base for computing the tax was the value pursuant  
23 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when  
24 such amount was higher than the amount of sales tax which would have  
25 been paid under the law as it existed on June 30, 2004, shall be refunded to  
26 the taxpayer pursuant to the procedure prescribed by this section. Such  
27 refund shall be in an amount equal to the difference between the amount of  
28 sales tax paid by the taxpayer and the amount of sales tax which would  
29 have been paid by the taxpayer under the law as it existed on June 30,  
30 2004. Each claim for a sales tax refund shall be verified and submitted not  
31 later than six months from the effective date of this act to the director of  
32 taxation upon forms furnished by the director and shall be accompanied by  
33 any additional documentation required by the director. The director shall  
34 review each claim and shall refund that amount of tax paid as provided by  
35 this act. All such refunds shall be paid from the sales tax refund fund, upon  
36 warrants of the director of accounts and reports pursuant to vouchers  
37 approved by the director of taxation or the director's designee. No refund  
38 for an amount less than \$10 shall be paid pursuant to this act. In  
39 determining the base for computing the tax on such isolated or occasional  
40 sale, the fair market value of any motor vehicle or trailer traded in by the  
41 purchaser to the seller may be deducted from the selling price;

42 (p) the gross receipts received for the service of installing or applying  
43 tangible personal property which when installed or applied is not being

1 held for sale in the regular course of business, and whether or not such  
2 tangible personal property when installed or applied remains tangible  
3 personal property or becomes a part of real estate, except that no tax shall  
4 be imposed upon the service of installing or applying tangible personal  
5 property in connection with the original construction of a building or  
6 facility, the original construction, reconstruction, restoration, remodeling,  
7 renovation, repair or replacement of a residence or the construction,  
8 reconstruction, restoration, replacement or repair of a bridge or highway.

9 For the purposes of this subsection:

10 (1) "Original construction" means the first or initial construction of a  
11 new building or facility. The term "original construction" shall include the  
12 addition of an entire room or floor to any existing building or facility, the  
13 completion of any unfinished portion of any existing building or facility  
14 and the restoration, reconstruction or replacement of a building, facility or  
15 utility structure damaged or destroyed by fire, flood, tornado, lightning,  
16 explosion, windstorm, ice loading and attendant winds, terrorism or  
17 earthquake, but such term, except with regard to a residence, shall not  
18 include replacement, remodeling, restoration, renovation or reconstruction  
19 under any other circumstances;

20 (2) "building" means only those enclosures within which individuals  
21 customarily are employed, or which are customarily used to house  
22 machinery, equipment or other property, and including the land  
23 improvements immediately surrounding such building;

24 (3) "facility" means a mill, plant, refinery, oil or gas well, water well,  
25 feedlot or any conveyance, transmission or distribution line of any  
26 cooperative, nonprofit, membership corporation organized under or subject  
27 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or  
28 municipal or quasi-municipal corporation, including the land  
29 improvements immediately surrounding such facility;

30 (4) "residence" means only those enclosures within which individuals  
31 customarily live;

32 (5) "utility structure" means transmission and distribution lines  
33 owned by an independent transmission company or cooperative, the  
34 Kansas electric transmission authority or natural gas or electric public  
35 utility; and

36 (6) "windstorm" means straight line winds of at least 80 miles per  
37 hour as determined by a recognized meteorological reporting agency or  
38 organization;

39 (q) the gross receipts received for the service of repairing, servicing,  
40 altering or maintaining tangible personal property which when such  
41 services are rendered is not being held for sale in the regular course of  
42 business, and whether or not any tangible personal property is transferred  
43 in connection therewith. The tax imposed by this subsection shall be

1 applicable to the services of repairing, servicing, altering or maintaining an  
2 item of tangible personal property which has been and is fastened to,  
3 connected with or built into real property;

4 (r) the gross receipts from fees or charges made under service or  
5 maintenance agreement contracts for services, charges for the providing of  
6 which are taxable under the provisions of subsection (p) or (q);

7 (s) on and after January 1, 2005, the gross receipts received from the  
8 sale of prewritten computer software and the sale of the services of  
9 modifying, altering, updating or maintaining prewritten computer  
10 software, whether the prewritten computer software is installed or  
11 delivered electronically by tangible storage media physically transferred to  
12 the purchaser or by load and leave;

13 (t) the gross receipts received for telephone answering services;

14 (u) the gross receipts received from the sale of prepaid calling service  
15 and prepaid wireless calling service as defined in K.S.A. 79-3673, and  
16 amendments thereto;

17 (v) all sales of bingo cards, bingo faces and instant bingo tickets by  
18 licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be  
19 exempt from taxes imposed pursuant to this section;

20 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-  
21 5171 et seq., and amendments thereto, shall be exempt from taxes imposed  
22 pursuant to this section; and

23 (x) commencing on January 1, 2023, and thereafter, the state rate on  
24 the gross receipts from the sale of food and food ingredients shall be as set  
25 forth in K.S.A. 2022 Supp. 79-3603d, and amendments thereto.

26 Sec. 2. K.S.A. 2022 Supp. 79-3603d is hereby amended to read as  
27 follows: 79-3603d. (a) There is hereby levied and there shall be collected  
28 and paid a tax upon the gross receipts from the sale of food and food  
29 ingredients. The rate of tax shall be as follows:

30 ~~(1) Commencing on January 1, 2023, at the rate of 4%;~~

31 ~~(2) commencing on January 1, 2024, at the rate of 2%; and~~

32 ~~(3) commencing on January 1, 2025, and thereafter, at the rate of 0%.~~

33 (b) The provisions of this section shall ~~not~~ apply to prepared food  
34 unless sold without eating utensils provided by the seller and described  
35 below:

36 ~~(1) Food sold by a seller whose proper primary NAICS classification~~  
37 ~~is manufacturing in sector 311, except subsector 3118 (bakeries);~~

38 ~~(2) (A) food sold in an unheated state by weight or volume as a single~~  
39 ~~item; or~~

40 ~~(B) only meat or seafood sold in an unheated state by weight or~~  
41 ~~volume as a single item;~~

42 ~~(3) bakery items, including bread, rolls, buns, biscuits, bagels,~~  
43 ~~croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,~~

1 cookies and tortillas; or

2 ~~(4) food sold that ordinarily requires additional cooking, as opposed to just reheating, by the consumer prior to consumption.~~

3  
4 (c) The provisions of this section shall be a part of and supplemental to the Kansas retailers' sales tax act.

5  
6 Sec. 3. K.S.A. 2022 Supp. 79-3620 is hereby amended to read as follows: 79-3620. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsections (c), (d) and (e), to the credit of the state general fund.

7  
8  
9  
10  
11  
12  
13  
14 (b) A refund fund, designated as "sales tax refund fund" not to exceed \$100,000 shall be set apart and maintained by the director from sales tax collections and estimated tax collections and held by the state treasurer for prompt payment of all sales tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act. In the event such fund as established by this section is, at any time, insufficient to provide for the payment of refunds due claimants thereof, the director shall certify the amount of additional funds required to the director of accounts and reports who shall promptly transfer the required amount from the state general fund to the sales tax refund fund, and notify the state treasurer, who shall make proper entry in the records.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2022 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

27  
28  
29  
30  
31  
32 (2) ~~On January 1, 2025~~ *July 1, 2023*, and thereafter, the state treasurer shall credit ~~18%~~ *19.736%* of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2022 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

33  
34  
35  
36  
37  
38  
39 (d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a STAR bond project district occupied by a STAR bond project or taxpayers doing business with such entity financed by a STAR bond

40  
41  
42  
43

1 project as defined in K.S.A. 12-17,162, and amendments thereto, that was  
2 determined by the secretary of commerce to be of statewide as well as  
3 local importance or will create a major tourism area for the state or the  
4 project was designated as a STAR bond project as defined in K.S.A. 12-  
5 17,162, and amendments thereto, to the city bond finance fund, which fund  
6 is hereby created. The provisions of this subsection shall expire when the  
7 total of all amounts credited hereunder and under K.S.A. 79-3710(d), and  
8 amendments thereto, is sufficient to retire the special obligation bonds  
9 issued for the purpose of financing all or a portion of the costs of such  
10 STAR bond project.

11 (e) All revenue certified by the director of taxation as having been  
12 collected or received from the tax imposed by K.S.A. 79-3603(c), and  
13 amendments thereto, on the sale or furnishing of gas, water, electricity and  
14 heat for use or consumption within the intermodal facility district  
15 described in this subsection, shall be credited by the state treasurer to the  
16 state highway fund. Such revenue may be transferred by the secretary of  
17 transportation to the rail service improvement fund pursuant to law. The  
18 provisions of this subsection shall take effect upon certification by the  
19 secretary of transportation that a notice to proceed has been received for  
20 the construction of the improvements within the intermodal facility  
21 district, but not later than December 31, 2010, and shall expire when the  
22 secretary of revenue determines that the total of all amounts credited  
23 hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is  
24 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all  
25 revenues shall be collected and distributed in accordance with applicable  
26 law. For all tax reporting periods during which the provisions of this  
27 subsection are in effect, none of the exemptions contained in K.S.A. 79-  
28 3601 et seq., and amendments thereto, shall apply to the sale or furnishing  
29 of any gas, water, electricity and heat for use or consumption within the  
30 intermodal facility district. As used in this subsection, "intermodal facility  
31 district" shall consist of an intermodal transportation area as defined by  
32 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county  
33 within the polygonal-shaped area having Waverly Road as the eastern  
34 boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the  
35 western boundary, and Highway 56 as the northern boundary, and the  
36 polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>  
37 Street as the southern boundary, Waverly Road as the western boundary,  
38 and the BNSF mainline track as the northern boundary, that includes  
39 capital investment in an amount exceeding \$150 million for the  
40 construction of an intermodal facility to handle the transfer, storage and  
41 distribution of freight through railway and trucking operations.

42 Sec. 4. K.S.A. 2022 Supp. 79-3703 is hereby amended to read as  
43 follows: 79-3703. (a) There is hereby levied and there shall be collected



1 from every person in this state a tax or excise for the privilege of using,  
2 storing, or consuming within this state any article of tangible personal  
3 property. Such tax shall be levied and collected in an amount equal to the  
4 consideration paid by the taxpayer multiplied by the rate of 6.5%.

5 (b) Commencing on January 1, 2023, and thereafter, the state rate on  
6 the amount equal to the consideration paid by the taxpayer from the sale of  
7 food and food ingredients as provided in K.S.A. 79-3603, and amendments  
8 thereto, shall be as set forth in K.S.A. 2022 Supp. 79-3603d, and  
9 amendments thereto.

10 (c) On and after January 1, 2023, 17% and on and after ~~January 1,~~  
11 ~~2025, 18%~~ *July 1, 2023, 19.736%* of the tax rate imposed pursuant to this  
12 section and the rate provided in K.S.A. 2022 Supp. 79-3603d, and  
13 amendments thereto, shall be levied for the state highway fund, the state  
14 highway fund purposes and those purposes specified in K.S.A. 68-416,  
15 and amendments thereto, and all revenue collected and received from such  
16 tax levy shall be deposited in the state highway fund.

17 (d) Within a redevelopment district established pursuant to K.S.A.  
18 74-8921, and amendments thereto, there is hereby levied and there shall be  
19 collected and paid an additional tax of 2% until the earlier of: (1) The date  
20 the bonds issued to finance or refinance the redevelopment project  
21 undertaken in the district have been paid in full; or (2) the final scheduled  
22 maturity of the first series of bonds issued to finance the redevelopment  
23 project.

24 (e) All property purchased or leased within or without this state and  
25 subsequently used, stored or consumed in this state shall be subject to the  
26 compensating tax if the same property or transaction would have been  
27 subject to the Kansas retailers' sales tax had the transaction been wholly  
28 within this state.

29 Sec. 5. K.S.A. 2022 Supp. 79-3710 is hereby amended to read as  
30 follows: 79-3710. (a) All revenue collected or received by the director  
31 under the provisions of this act shall be remitted to the state treasurer in  
32 accordance with the provisions of K.S.A. 75-4215, and amendments  
33 thereto. Upon receipt of each such remittance, the state treasurer shall  
34 deposit the entire amount in the state treasury, less amounts set apart as  
35 provided in subsection (b) and amounts credited as provided in subsection  
36 (c), (d) and (e), to the credit of the state general fund.

37 (b) A revolving fund, designated as "compensating tax refund fund"  
38 not to exceed \$10,000 shall be set apart and maintained by the director  
39 from compensating tax collections and estimated tax collections and held  
40 by the state treasurer for prompt payment of all compensating tax refunds.  
41 Such fund shall be in such amount, within the limit set by this section, as  
42 the director shall determine is necessary to meet current refunding  
43 requirements under this act.

1 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the  
2 revenue collected and received from the tax imposed by K.S.A. 79-3703,  
3 and amendments thereto, at the rates provided in K.S.A. 79-3703, and  
4 amendments thereto, and K.S.A. 2022 Supp. 79-3603d, and amendments  
5 thereto, and deposited as provided by subsection (a), exclusive of amounts  
6 credited pursuant to subsection (d), in the state highway fund.

7 (2) On ~~January 1, 2025~~ *July 1, 2023*, and thereafter, the state treasurer  
8 shall credit ~~18%~~ *19.736%* of the revenue collected and received from the  
9 tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates  
10 provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2022  
11 Supp. 79-3603d, and amendments thereto, and deposited as provided by  
12 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
13 the state highway fund.

14 (d) The state treasurer shall credit all revenue collected or received  
15 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as  
16 certified by the director, from taxpayers doing business within that portion  
17 of a redevelopment district occupied by a redevelopment project that was  
18 determined by the secretary of commerce to be of statewide as well as  
19 local importance or will create a major tourism area for the state as defined  
20 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance  
21 fund created by K.S.A. 79-3620(d), and amendments thereto. The  
22 provisions of this subsection shall expire when the total of all amounts  
23 credited hereunder and under K.S.A. 79-3620(d), and amendments thereto,  
24 is sufficient to retire the special obligation bonds issued for the purpose of  
25 financing all or a portion of the costs of such redevelopment project.

26 This subsection shall not apply to a project designated as a special bond  
27 project as defined in K.S.A. 12-1770a(z), and amendments thereto.

28 (e) All revenue certified by the director of taxation as having been  
29 collected or received from the tax imposed by K.S.A. 79-3603(c), and  
30 amendments thereto, on the sale or furnishing of gas, water, electricity and  
31 heat for use or consumption within the intermodal facility district  
32 described in this subsection, shall be credited by the state treasurer to the  
33 state highway fund. Such revenue may be transferred by the secretary of  
34 transportation to the rail service improvement fund pursuant to law. The  
35 provisions of this subsection shall take effect upon certification by the  
36 secretary of transportation that a notice to proceed has been received for  
37 the construction of the improvements within the intermodal facility  
38 district, but not later than December 31, 2010, and shall expire when the  
39 secretary of revenue determines that the total of all amounts credited  
40 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is  
41 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all  
42 revenues shall be collected and distributed in accordance with applicable  
43 law. For all tax reporting periods during which the provisions of this

1 subsection are in effect, none of the exemptions contained in K.S.A. 79-  
2 3601 et seq., and amendments thereto, shall apply to the sale or furnishing  
3 of any gas, water, electricity and heat for use or consumption within the  
4 intermodal facility district. As used in this subsection, "intermodal facility  
5 district" shall consist of an intermodal transportation area as defined by  
6 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county  
7 within the polygonal-shaped area having Waverly Road as the eastern  
8 boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the  
9 western boundary, and Highway 56 as the northern boundary, and the  
10 polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>  
11 Street as the southern boundary, Waverly Road as the western boundary,  
12 and the BNSF mainline track as the northern boundary, that includes  
13 capital investment in an amount exceeding \$150 million for the  
14 construction of an intermodal facility to handle the transfer, storage and  
15 distribution of freight through railway and trucking operations.

16 Sec. 6. K.S.A. 2022 Supp. 79-3603, 79-3603d, 79-3620, 79-3703 and  
17 79-3710 are hereby repealed.

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