

SENATE BILL No. 586

By Committee on Ways and Means

3-6

9 AN ACT relating to higher education; relating to building and facility
10 maintenance; revenue raised pursuant to certain specified tax author-
11 ity; amending K.S.A. 76-6b02 and K.S.A. 2005 Supp. 76-6b01, 79-
12 3603, 79-3620, 79-3703 and 79-3710 and repealing the existing
13 sections.

14

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

16 Section 1. K.S.A. 2005 Supp. 76-6b01 is hereby amended to read as
17 follows: 76-6b01. (a) There is hereby levied an annual permanent state
18 tax upon all tangible property in this state which is subject to ad valorem
19 taxation. The tax levy shall be ~~6 mill in the year 2003 and~~ 1 mill in the
20 year ~~2004~~ 2005 and 2 mills in the year 2006 and each year thereafter
21 until changed by statute. Such tax levy shall be in addition to all other
22 state tax levies authorized by law. Such tax levy shall be for the use and
23 benefit of the state institutions of higher education. The proceeds of such
24 tax levy shall be apportioned in accordance with this act.

25 (b) The county treasurer of each county shall make the proceeds of
26 the tax levy provided for in this section available to the state treasurer
27 immediately upon collection. When available the state treasurer shall
28 withdraw from each county the proceeds of the taxes raised by such tax
29 levy. Upon such withdrawal the state treasurer shall deposit the same in
30 the state treasury and shall credit the same as provided in K.S.A. 76-6b02,
31 *and amendments thereto.*

32 Sec. 2. K.S.A. 76-6b02 is hereby amended to read as follows: 76-
33 6b02. (a) All moneys received by the state treasurer under K.S.A. 76-
34 6b01, and amendments thereto, shall be credited to the Kansas educa-
35 tional building fund to be used *for projects as follows: (1) For the*
36 *construction, reconstruction, equipment and repair of buildings and*
37 *grounds; for annual maintenance of buildings and building utility systems*
38 *through capital renewal and replacement; and for normal, routine main-*
39 *tenance and repairs, and preventive maintenance of buildings; all at the*
40 *state educational institutions under the control and supervision of the*
41 *state board of regents; and (2) for payment of debt service on revenue*
42 *bonds issued to finance such projects, all subject to appropriation by the*
43 *legislature. The state board of regents shall report annually to the joint*

1 *committee on state building construction the progress being made to re-*
2 *duce the backlog of deferred maintenance at the state educational*
3 *institutions.*

4 (b) Subject to any restrictions imposed by appropriation acts, the
5 state board of regents is authorized to pledge funds appropriated to it
6 from the Kansas educational building fund or from any other source and
7 transferred to a special revenue fund of the state board of regents spec-
8 ified by statute for the payment of debt service on revenue bonds issued
9 for the purposes set forth in subsection (a). Subject to any restrictions
10 imposed by appropriation acts, the state board of regents is also author-
11 ized to pledge any funds appropriated to it from the Kansas educational
12 building fund or from any other source and transferred to a special rev-
13 enue fund of the state board of regents specified by statute as a priority
14 for the payment of debt service on such revenue bonds. Neither the state
15 or the state board of regents shall have the power to pledge the faith and
16 credit or taxing power of the state of Kansas for such purposes and any
17 payment by the state board of regents for such purposes shall be subject
18 to and dependent on appropriations being made from time to time by
19 the legislature. Any obligation of the state board of regents for payment
20 of debt service on revenue bonds and any such revenue bonds issued for
21 the purposes set forth in subsection (a) shall not be considered a debt or
22 obligation of the state for the purpose of section 6 of article 11 of the
23 constitution of the state of Kansas.

24 New Sec. 3. (a) All moneys received from the state treasurer pur-
25 suant to the increase in sales and compensating use tax rates pursuant to
26 K.S.A. 79-3603 and 79-3703, and amendments thereto, and credited to
27 the Kansas educational building fund pursuant to K.S.A. 79-3620 and 79-
28 3710, and amendments thereto, on and after July 1, 2006, and before July
29 1, 2016, shall be used for deferred maintenance projects for work that
30 has been deferred on a planned or unplanned basis to a future budget
31 cycle or until funds are available at the state educational institutions under
32 control and supervision of the state board of regents and for the payment
33 of revenue bonds issued to finance such projects, all subject to appropri-
34 ations by the legislature.

35 (b) In addition to the other purposes for which expenditures may be
36 made by the state board of regents from the moneys appropriated from
37 the state general fund or any special revenue fund, expenditures shall be
38 made by the state board of regents from moneys appropriated from the
39 state general fund or any special revenue fund to provide for the issuance
40 of bonds by the Kansas development finance authority in accordance with
41 K.S.A. 74-8905, and amendments thereto, for projects as provided in
42 subsection (a). Projects as provided in subsection (a) are approved for the
43 purposes of subsection (b) of K.S.A. 74-8905, and amendments thereto,

1 and the authorization of one or more series of revenue bonds by the
2 Kansas development finance authority in accordance with the provisions
3 of that statute in an amount necessary to provide deposits in a total
4 amount not to exceed \$150,000,000 plus all amounts required for costs
5 of bond issuance, costs of interest on the bonds issued for such projects
6 during the completion of such projects and any required reserves for the
7 payment of principal and interest on the bonds over fiscal years 2007,
8 2008 and 2009. All moneys received from the issuance of any such bonds
9 shall be deposited and accounted for as prescribed by applicable bond
10 covenants. Debt service for any such bonds for such projects shall be
11 financed by appropriations from the Kansas educational building fund.

12 New Sec. 4. Subject to the approval of the state board of regents,
13 each state educational institution shall endeavor to obtain funds from
14 private sources to fund annual maintenance and operation costs for future
15 new privately funded building projects specific to each campus.

16 Sec. 5. K.S.A. 2005 Supp. 79-3603 is hereby amended to read as
17 follows: 79-3603. For the privilege of engaging in the business of selling
18 tangible personal property at retail in this state or rendering or furnishing
19 any of the services taxable under this act, there is hereby levied and there
20 shall be collected and paid a tax at the rate of *5.4% on and after July 1,*
21 *2006, and before July 1, 2016, and 5.3% on and after July 1, 2016.* Within
22 a redevelopment district established pursuant to K.S.A. 74-8921, and
23 amendments thereto, there is hereby levied and there shall be collected
24 and paid an additional tax at the rate of 2% until the earlier of the date
25 the bonds issued to finance or refinance the redevelopment project have
26 been paid in full or the final scheduled maturity of the first series of bonds
27 issued to finance any part of the project upon:

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

30 (b) (1) the gross receipts from intrastate telephone or telegraph serv-
31 ices; (2) the gross receipts received from the sale of interstate telephone
32 or telegraph services, which (A) originate within this state and terminate
33 outside the state and are billed to a customer's telephone number or
34 account in this state; or (B) originate outside this state and terminate
35 within this state and are billed to a customer's telephone number or ac-
36 count in this state except that the sale of interstate telephone or telegraph
37 service does not include: (A) Any interstate incoming or outgoing wide
38 area telephone service or wide area transmission type service which en-
39 titles the subscriber to make or receive an unlimited number of com-
40 munications to or from persons having telephone service in a specified
41 area which is outside the state in which the station provided this service
42 is located; (B) any interstate private communications service to the per-
43 sons contracting for the receipt of that service that entitles the purchaser

1 to exclusive or priority use of a communications channel or group of
2 channels between exchanges; (C) any value-added nonvoice service in
3 which computer processing applications are used to act on the form, con-
4 tent, code or protocol of the information to be transmitted; (D) any tel-
5 ecommunication service to a provider of telecommunication services
6 which will be used to render telecommunications services, including car-
7 rier access services; or (E) any service or transaction defined in this sec-
8 tion among entities classified as members of an affiliated group as pro-
9 vided by section 1504 of the federal internal revenue code of 1986, as in
10 effect on January 1, 2001; and (3) the gross receipts from the provision
11 of services taxable under this subsection which are billed on a combined
12 basis with nontaxable services, shall be accounted for and the tax remitted
13 as follows: The taxable portion of the selling price of those combined
14 services shall include only those charges for taxable services if the selling
15 price for the taxable services can be readily distinguishable in the retailer's
16 books and records from the selling price for the nontaxable services. Oth-
17 erwise, the gross receipts from the sale of both taxable and nontaxable
18 services billed on a combined basis shall be deemed attributable to the
19 taxable services included therein. Within 90 days of billing taxable services
20 on a combined basis with nontaxable services, the retailer shall enter into
21 a written agreement with the secretary identifying the methodology to be
22 used in determining the taxable portion of the selling price of those com-
23 bined services. The burden of proving that any receipt or charge is not
24 taxable shall be upon the retailer. Upon request from the customer, the
25 retailer shall disclose to the customer the selling price for the taxable
26 services included in the selling price for the taxable and nontaxable serv-
27 ices billed on a combined basis;

28 (c) the gross receipts from the sale or furnishing of gas, water, elec-
29 tricity and heat, which sale is not otherwise exempt from taxation under
30 the provisions of this act, and whether furnished by municipally or pri-
31 vately owned utilities, except that, on and after January 1, 2006, for sales
32 of gas, electricity and heat delivered through mains, lines or pipes to
33 residential premises for noncommercial use by the occupant of such
34 premises, and for agricultural use and also, for such use, all sales of pro-
35 pane gas, the state rate shall be 0%; and for all sales of propane gas, LP
36 gas, coal, wood and other fuel sources for the production of heat or light-
37 ing for noncommercial use of an occupant of residential premises, the
38 state rate shall be 0%, but such tax shall not be levied and collected upon
39 the gross receipts from: (1) The sale of a rural water district benefit unit;
40 (2) a water system impact fee, system enhancement fee or similar fee
41 collected by a water supplier as a condition for establishing service; or (3)
42 connection or reconnection fees collected by a water supplier;

43 (d) the gross receipts from the sale of meals or drinks furnished at

- 1 any private club, drinking establishment, catered event, restaurant, eating
2 house, dining car, hotel, drugstore or other place where meals or drinks
3 are regularly sold to the public;
- 4 (e) the gross receipts from the sale of admissions to any place pro-
5 viding amusement, entertainment or recreation services including admis-
6 sions to state, county, district and local fairs, but such tax shall not be
7 levied and collected upon the gross receipts received from sales of ad-
8 missions to any cultural and historical event which occurs triennially;
- 9 (f) the gross receipts from the operation of any coin-operated device
10 dispensing or providing tangible personal property, amusement or other
11 services except laundry services, whether automatic or manually operated;
- 12 (g) the gross receipts from the service of renting of rooms by hotels,
13 as defined by K.S.A. 36-501 and amendments thereto, or by accommo-
14 dation brokers, as defined by K.S.A. 12-1692, and amendments thereto
15 but such tax shall not be levied and collected upon the gross receipts
16 received from sales of such service to the federal government and any
17 agency, officer or employee thereof in association with the performance
18 of official government duties;
- 19 (h) the gross receipts from the service of renting or leasing of tangible
20 personal property except such tax shall not apply to the renting or leasing
21 of machinery, equipment or other personal property owned by a city and
22 purchased from the proceeds of industrial revenue bonds issued prior to
23 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through
24 12-1749, and amendments thereto, and any city or lessee renting or leas-
25 ing such machinery, equipment or other personal property purchased
26 with the proceeds of such bonds who shall have paid a tax under the
27 provisions of this section upon sales made prior to July 1, 1973, shall be
28 entitled to a refund from the sales tax refund fund of all taxes paid
29 thereon;
- 30 (i) the gross receipts from the rendering of dry cleaning, pressing,
31 dyeing and laundry services except laundry services rendered through a
32 coin-operated device whether automatic or manually operated;
- 33 (j) the gross receipts from the rendering of the services of washing
34 and washing and waxing of vehicles;
- 35 (k) the gross receipts from cable, community antennae and other sub-
36 scriber radio and television services;
- 37 (l) (1) except as otherwise provided by paragraph (2), the gross re-
38 cepts received from the sales of tangible personal property to all con-
39 tractors, subcontractors or repairmen for use by them in erecting struc-
40 tures, or building on, or otherwise improving, altering, or repairing real
41 or personal property.
- 42 (2) Any such contractor, subcontractor or repairman who maintains
43 an inventory of such property both for sale at retail and for use by them

1 for the purposes described by paragraph (1) shall be deemed a retailer
2 with respect to purchases for and sales from such inventory, except that
3 the gross receipts received from any such sale, other than a sale at retail,
4 shall be equal to the total purchase price paid for such property and the
5 tax imposed thereon shall be paid by the deemed retailer;

6 (m) the gross receipts received from fees and charges by public and
7 private clubs, drinking establishments, organizations and businesses for
8 participation in sports, games and other recreational activities, but such
9 tax shall not be levied and collected upon the gross receipts received from:
10 (1) Fees and charges by any political subdivision, by any organization
11 exempt from property taxation pursuant to paragraph *Ninth* of K.S.A. 79-
12 201, and amendments thereto, or by any youth recreation organization
13 exclusively providing services to persons 18 years of age or younger which
14 is exempt from federal income taxation pursuant to section 501(c)(3) of
15 the federal internal revenue code of 1986, for participation in sports,
16 games and other recreational activities; and (2) entry fees and charges for
17 participation in a special event or tournament sanctioned by a national
18 sporting association to which spectators are charged an admission which
19 is taxable pursuant to subsection (e);

20 (n) the gross receipts received from dues charged by public and pri-
21 vate clubs, drinking establishments, organizations and businesses, pay-
22 ment of which entitles a member to the use of facilities for recreation or
23 entertainment, but such tax shall not be levied and collected upon the
24 gross receipts received from: (1) Dues charged by any organization ex-
25 empt from property taxation pursuant to paragraphs *Eighth* and *Ninth* of
26 K.S.A. 79-201, and amendments thereto; and (2) sales of memberships
27 in a nonprofit organization which is exempt from federal income taxation
28 pursuant to section 501 (c)(3) of the federal internal revenue code of
29 1986, and whose purpose is to support the operation of a nonprofit zoo;

30 (o) the gross receipts received from the isolated or occasional sale of
31 motor vehicles or trailers but not including: (1) The transfer of motor
32 vehicles or trailers by a person to a corporation or limited liability com-
33 pany solely in exchange for stock securities or membership interest in
34 such corporation or limited liability company; or (2) the transfer of motor
35 vehicles or trailers by one corporation or limited liability company to
36 another when all of the assets of such corporation or limited liability
37 company are transferred to such other corporation or limited liability
38 company; or (3) the sale of motor vehicles or trailers which are subject
39 to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and
40 amendments thereto, by an immediate family member to another im-
41 mediate family member. For the purposes of clause (3), immediate family
42 member means lineal ascendants or descendants, and their spouses. Any
43 amount of sales tax paid pursuant to the Kansas retailers sales tax act on

1 the isolated or occasional sale of motor vehicles or trailers on and after
2 July 1, 2004, which the base for computing the tax was the value pursuant
3 to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5105, and amendments
4 thereto, when such amount was higher than the amount of sales tax which
5 would have been paid under the law as it existed on June 30, 2004, shall
6 be refunded to the taxpayer pursuant to the procedure prescribed by this
7 section. Such refund shall be in an amount equal to the difference be-
8 tween the amount of sales tax paid by the taxpayer and the amount of
9 sales tax which would have been paid by the taxpayer under the law as it
10 existed on June 30, 2004. Each claim for a sales tax refund shall be verified
11 and submitted not later than six months from the effective date of this
12 act to the director of taxation upon forms furnished by the director and
13 shall be accompanied by any additional documentation required by the
14 director. The director shall review each claim and shall refund that
15 amount of tax paid as provided by this act. All such refunds shall be paid
16 from the sales tax refund fund, upon warrants of the director of accounts
17 and reports pursuant to vouchers approved by the director of taxation or
18 the director's designee. No refund for an amount less than \$10 shall be
19 paid pursuant to this act. In determining the base for computing the tax
20 on such isolated or occasional sale, the fair market value of any motor
21 vehicle or trailer traded in by the purchaser to the seller may be deducted
22 from the selling price;

23 (p) the gross receipts received for the service of installing or applying
24 tangible personal property which when installed or applied is not being
25 held for sale in the regular course of business, and whether or not such
26 tangible personal property when installed or applied remains tangible
27 personal property or becomes a part of real estate, except that no tax shall
28 be imposed upon the service of installing or applying tangible personal
29 property in connection with the original construction of a building or
30 facility, the original construction, reconstruction, restoration, remodeling,
31 renovation, repair or replacement of a residence or the construction, re-
32 construction, restoration, replacement or repair of a bridge or highway.

33 For the purposes of this subsection:

34 (1) "Original construction" shall mean the first or initial construction
35 of a new building or facility. The term "original construction" shall include
36 the addition of an entire room or floor to any existing building or facility,
37 the completion of any unfinished portion of any existing building or fa-
38 cility and the restoration, reconstruction or replacement of a building or
39 facility damaged or destroyed by fire, flood, tornado, lightning, explosion
40 or earthquake, but such term, except with regard to a residence, shall not
41 include replacement, remodeling, restoration, renovation or reconstruc-
42 tion under any other circumstances;

43 (2) "building" shall mean only those enclosures within which individ-

- 1 uals customarily are employed, or which are customarily used to house
2 machinery, equipment or other property, and including the land improve-
3 ments immediately surrounding such building;
- 4 (3) “facility” shall mean a mill, plant, refinery, oil or gas well, water
5 well, feedlot or any conveyance, transmission or distribution line of any
6 cooperative, nonprofit, membership corporation organized under or sub-
7 ject to the provisions of K.S.A. 17-4601 et seq., and amendments thereto,
8 or of any municipal or quasi-municipal corporation, including the land
9 improvements immediately surrounding such facility; and
- 10 (4) “residence” shall mean only those enclosures within which indi-
11 viduals customarily live;
- 12 (q) the gross receipts received for the service of repairing, servicing,
13 altering or maintaining tangible personal property which when such serv-
14 ices are rendered is not being held for sale in the regular course of busi-
15 ness, and whether or not any tangible personal property is transferred in
16 connection therewith. The tax imposed by this subsection shall be appli-
17 cable to the services of repairing, servicing, altering or maintaining an
18 item of tangible personal property which has been and is fastened to,
19 connected with or built into real property;
- 20 (r) the gross receipts from fees or charges made under service or
21 maintenance agreement contracts for services, charges for the providing
22 of which are taxable under the provisions of subsection (p) or (q);
- 23 (s) on and after January 1, 2005, the gross receipts received from the
24 sale of prewritten computer software and the sale of the services of mod-
25 ifying, altering, updating or maintaining prewritten computer software,
26 whether the prewritten computer software is installed or delivered elec-
27 tronically by tangible storage media physically transferred to the pur-
28 chaser or by load and leave;
- 29 (t) the gross receipts received for telephone answering services, mo-
30 bile telecommunication services, beeper services and other similar serv-
31 ices. On and after August 1, 2002, the provisions of the federal mobile
32 telecommunications sourcing act as in effect on January 1, 2002, shall be
33 applicable to all sales of mobile telecommunication services taxable pur-
34 suant to this subsection. The secretary of revenue is hereby authorized
35 and directed to perform any act deemed necessary to properly implement
36 such provisions;
- 37 (u) the gross receipts received from the sale of prepaid calling service
38 as defined in K.S.A. 2005 Supp. 79-3673, and amendments thereto; and
- 39 (v) the gross receipts received from the sales of bingo cards, bingo
40 faces and instant bingo tickets by licensees under K.S.A. 79-4701, et seq.,
41 and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,
42 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before
43 July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo

1 faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,
2 and amendments thereto, shall be exempt from taxes imposed pursuant
3 to this section.

4 Sec. 6. K.S.A. 2005 Supp. 79-3620 is hereby amended to read as
5 follows: 79-3620. (a) All revenue collected or received by the director of
6 taxation from the taxes imposed by this act shall be remitted to the state
7 treasurer in accordance with the provisions of K.S.A. 75-4215, and
8 amendments thereto. Upon receipt of each such remittance, the state
9 treasurer shall deposit the entire amount in the state treasury, less
10 amounts withheld as provided in subsection (b) and amounts credited as
11 provided in subsection (c) and (d), to the credit of the state general fund.

12 (b) A refund fund, designated as "sales tax refund fund" not to exceed
13 \$100,000 shall be set apart and maintained by the director from sales tax
14 collections and estimated tax collections and held by the state treasurer
15 for prompt payment of all sales tax refunds including refunds authorized
16 under the provisions of K.S.A. 79-3635, and amendments thereto. Such
17 fund shall be in such amount, within the limit set by this section, as the
18 director shall determine is necessary to meet current refunding require-
19 ments under this act. In the event such fund as established by this section
20 is, at any time, insufficient to provide for the payment of refunds due
21 claimants thereof, the director shall certify the amount of additional funds
22 required to the director of accounts and reports who shall promptly trans-
23 fer the required amount from the state general fund to the sales tax refund
24 fund, and notify the state treasurer, who shall make proper entry in the
25 records.

26 (c) (1) The state treasurer shall credit $\frac{5}{98}$ of the revenue collected
27 or received from the tax imposed by K.S.A. 79-3603, and amendments
28 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
29 exclusive of amounts credited pursuant to subsection (d), in the state
30 highway fund.

31 (2) The state treasurer shall credit $\frac{5}{106}$ of the revenue collected or
32 received from the tax imposed by K.S.A. 79-3603, and amendments
33 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
34 exclusive of amounts credited pursuant to subsection (d), in the state
35 highway fund.

36 (3) *On and after July 1, 2006, and before July 1, 2016, the state trea-*
37 *surer shall credit $\frac{1}{54}$ of the revenue collected or received from the tax*
38 *imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.4%,*
39 *and deposited as provided in subsection (a), exclusive of amounts credited*
40 *pursuant to subsection (d), in the Kansas educational building fund.*

41 (4) On July 1, 2006, the state treasurer shall credit ~~$\frac{19}{265}$~~ $\frac{19}{270}$ of the
42 revenue collected and received from the tax imposed by K.S.A. 79-3603,
43 and amendments thereto, at the rate of ~~5.3%~~ 5.4%, and deposited as

1 provided by subsection (a), exclusive of amounts credited pursuant to
2 subsection (d), in the state highway fund.

3 ~~(4)~~ (5) *On and after July 1, 2007, and before July 1, 2016, the state*
4 *treasurer shall credit ~~13/100~~ ^{13/108} of the revenue collected and received*
5 *from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the*
6 *rate of ~~5.3%~~ 5.4%, and deposited as provided by subsection (a), exclusive*
7 *of amounts credited pursuant to subsection (d), in the state highway fund.*

8 (6) *On and after July 1, 2016, the state treasurer shall credit ^{13/106} of*
9 *the revenue collected and received from the tax imposed by 79-3603, and*
10 *amendments thereto, at the rate of 5.3%, and deposited as provided by*
11 *subsection (a), exclusive of amounts credited pursuant to subsection (d),*
12 *in the state highway fund.*

13 (d) The state treasurer shall credit all revenue collected or received
14 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
15 certified by the director, from taxpayers doing business within that por-
16 tion of a redevelopment district occupied by a redevelopment project or
17 taxpayers doing business with such entity financed by a special bond pro-
18 ject as defined in K.S.A. 12-1770a, and amendments thereto, that was
19 determined by the secretary of commerce to be of statewide as well as
20 local importance or will create a major tourism area for the state or the
21 project was designated as a special bond project as defined in K.S.A. 12-
22 1770a, and amendments thereto, to the city bond finance fund, which
23 fund is hereby created. The provisions of this subsection shall expire when
24 the total of all amounts credited hereunder and under subsection (d) of
25 K.S.A. 79-3710, and amendments thereto, is sufficient to retire the special
26 obligation bonds issued for the purpose of financing all or a portion of
27 the costs of such redevelopment or special bond project.

28 Sec. 7. K.S.A. 2005 Supp. 79-3703 is hereby amended to read as
29 follows: 79-3703. There is hereby levied and there shall be collected from
30 every person in this state a tax or excise for the privilege of using, storing,
31 or consuming within this state any article of tangible personal property.
32 Such tax shall be levied and collected in an amount equal to the consid-
33 eration paid by the taxpayer multiplied by the rate of 5.4% *on and after*
34 *July 1, 2006, and before July 1, 2016, and 5.3% on and after July 1, 2016.*
35 Within a redevelopment district established pursuant to K.S.A. 74-8921,
36 and amendments thereto, there is hereby levied and there shall be col-
37 lected and paid an additional tax of 2% until the earlier of: (1) The date
38 the bonds issued to finance or refinance the redevelopment project un-
39 dertaken in the district have been paid in full; or (2) the final scheduled
40 maturity of the first series of bonds issued to finance the redevelopment
41 project. All property purchased or leased within or without this state and
42 subsequently used, stored or consumed in this state shall be subject to
43 the compensating tax if the same property or transaction would have been

1 subject to the Kansas retailers' sales tax had the transaction been wholly
2 within this state.

3 Sec. 8. K.S.A. 2005 Supp. 79-3710 is hereby amended to read as
4 follows: 79-3710. (a) All revenue collected or received by the director
5 under the provisions of this act shall be remitted to the state treasurer in
6 accordance with the provisions of K.S.A. 75-4215, and amendments
7 thereto. Upon receipt of each such remittance, the state treasurer shall
8 deposit the entire amount in the state treasury, less amounts set apart as
9 provided in subsection (b) and amounts credited as provided in subsection
10 (c) and (d), to the credit of the state general fund.

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

18 (c) (1) The state treasurer shall credit $\frac{5}{98}$ of the revenue collected
19 or received from the tax imposed by K.S.A. 79-3703, and amendments
20 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
21 exclusive of amounts credited pursuant to subsection (d), in the state
22 highway fund.

23 (2) The state treasurer shall credit $\frac{5}{106}$ of the revenue collected or
24 received from the tax imposed by K.S.A. 79-3703, and amendments
25 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
26 exclusive of amounts credited pursuant to subsection (d), in the state
27 highway fund.

28 (3) *On and after July 1, 2006, and before July 1, 2016, the state trea-*
29 *surer shall credit $\frac{1}{54}$ of the revenue collected or received from the tax*
30 *imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.4%,*
31 *and deposited as provided in subsection (a), exclusive of amounts credited*
32 *pursuant to subsection (d), in the Kansas educational building fund.*

33 (4) On July 1, 2006, the state treasurer shall credit ~~$\frac{19}{205}$~~ $\frac{19}{270}$ of the
34 revenue collected or received from the tax imposed by K.S.A. 79-3703,
35 and amendments thereto, at the rate of ~~5.3%~~ 5.4%, and deposited as
36 provided by subsection (a), exclusive of amounts credited pursuant to
37 subsection (d), in the state highway fund.

38 ~~(4)~~ (5) *On and after July 1, 2007, and before July 1, 2016, the state*
39 *treasurer shall credit ~~$\frac{13}{106}$~~ $\frac{13}{108}$ of the revenue collected or received from*
40 *the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate*
41 *of ~~5.3%~~ 5.4%, and deposited as provided by subsection (a), exclusive of*
42 *amounts credited pursuant to subsection (d), in the state highway fund.*

43 (6) *On and after July 1, 2016, the state treasurer shall credit $\frac{13}{106}$ of*

1 *the revenue collected or received from the tax imposed by K.S.A. 79-3703,*
2 *and amendments thereto, at the rate of 5.3%, and deposited as provided*
3 *by subsection (a), exclusive of amounts credited pursuant to subsection*
4 *(d), in the state highway fund.*

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

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

21 Sec. 9. K.S.A. 76-6b02 and K.S.A. 2005 Supp. 76-6b01, 79-3603, 79-
22 3620, 79-3703 and 79-3710 are hereby repealed.

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