

HOUSE BILL No. 2776

By Committee on Taxation

Requested by Representative Osman on behalf of Representatives Osman and
Poskin

2-12

1 AN ACT concerning sales taxation; relating to exemptions; providing an
2 exemption for nonprofit organizations serving students of United States
3 military academies, alumni of such academies and families of students
4 and alumni of such academies; amending K.S.A. 2025 Supp. 79-3606
5 and repealing the existing section.
6

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

8 Section 1. K.S.A. 2025 Supp. 79-3606 is hereby amended to read as
9 follows: 79-3606. The following shall be exempt from the tax imposed by
10 this act:

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

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

1 tangible personal property or service are used or proposed to be used in
2 such business; or (2) such political subdivision is engaged or proposes to
3 engage in the business of furnishing gas, electricity or heat to others and
4 such items of personal property or service are used or proposed to be used
5 in such business;

6 (c) all sales of tangible personal property or services, including the
7 renting and leasing of tangible personal property, purchased directly by a
8 public or private elementary or secondary school or public or private
9 nonprofit educational institution and used primarily by such school or
10 institution for nonsectarian programs and activities provided or sponsored
11 by such school or institution or in the erection, repair or enlargement of
12 buildings to be used for such purposes. The exemption herein provided
13 shall not apply to erection, construction, repair, enlargement or equipment
14 of buildings used primarily for human habitation, except that such
15 exemption shall apply to the erection, construction, repair, enlargement or
16 equipment of buildings used for human habitation by the cerebral palsy
17 research foundation of Kansas located in Wichita, Kansas, multi
18 community diversified services, incorporated, located in McPherson,
19 Kansas, the Kansas state school for the blind and the Kansas state school
20 for the deaf;

21 (d) all sales of tangible personal property or services purchased by a
22 contractor for the purpose of constructing, equipping, reconstructing,
23 maintaining, repairing, enlarging, furnishing or remodeling facilities for
24 any public or private nonprofit hospital or public hospital authority, public
25 or private elementary or secondary school, a public or private nonprofit
26 educational institution, state correctional institution including a privately
27 constructed correctional institution contracted for state use and ownership,
28 that would be exempt from taxation under the provisions of this act if
29 purchased directly by such hospital or public hospital authority, school,
30 educational institution or a state correctional institution; and all sales of
31 tangible personal property or services purchased by a contractor for the
32 purpose of constructing, equipping, reconstructing, maintaining, repairing,
33 enlarging, furnishing or remodeling facilities for any political subdivision
34 of the state or district described in subsection (s), the total cost of which is
35 paid from funds of such political subdivision or district and that would be
36 exempt from taxation under the provisions of this act if purchased directly
37 by such political subdivision or district. Nothing in this subsection or in
38 the provisions of K.S.A. 12-3418, and amendments thereto, shall be
39 deemed to exempt the purchase of any construction machinery, equipment
40 or tools used in the constructing, equipping, reconstructing, maintaining,
41 repairing, enlarging, furnishing or remodeling facilities for any political
42 subdivision of the state or any such district. As used in this subsection,
43 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a

1 political subdivision" shall mean general tax revenues, the proceeds of any
2 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
3 purpose of constructing, equipping, reconstructing, repairing, enlarging,
4 furnishing or remodeling facilities that are to be leased to the donor. When
5 any political subdivision of the state, district described in subsection (s),
6 public or private nonprofit hospital or public hospital authority, public or
7 private elementary or secondary school, public or private nonprofit
8 educational institution, state correctional institution including a privately
9 constructed correctional institution contracted for state use and ownership
10 shall contract for the purpose of constructing, equipping, reconstructing,
11 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
12 shall obtain from the state and furnish to the contractor an exemption
13 certificate for the project involved, and the contractor may purchase
14 materials for incorporation in such project. The contractor shall furnish the
15 number of such certificate to all suppliers from whom such purchases are
16 made, and such suppliers shall execute invoices covering the same bearing
17 the number of such certificate. Upon completion of the project the
18 contractor shall furnish to the political subdivision, district described in
19 subsection (s), hospital or public hospital authority, school, educational
20 institution or department of corrections concerned a sworn statement, on a
21 form to be provided by the director of taxation, that all purchases so made
22 were entitled to exemption under this subsection. As an alternative to the
23 foregoing procedure, any such contracting entity may apply to the
24 secretary of revenue for agent status for the sole purpose of issuing and
25 furnishing project exemption certificates to contractors pursuant to rules
26 and regulations adopted by the secretary establishing conditions and
27 standards for the granting and maintaining of such status. All invoices
28 shall be held by the contractor for a period of five years and shall be
29 subject to audit by the director of taxation. If any materials purchased
30 under such a certificate are found not to have been incorporated in the
31 building or other project or not to have been returned for credit or the sales
32 or compensating tax otherwise imposed upon such materials that will not
33 be so incorporated in the building or other project reported and paid by
34 such contractor to the director of taxation not later than the 20th day of the
35 month following the close of the month in which it shall be determined
36 that such materials will not be used for the purpose for which such
37 certificate was issued, the political subdivision, district described in
38 subsection (s), hospital or public hospital authority, school, educational
39 institution or the contractor contracting with the department of corrections
40 for a correctional institution concerned shall be liable for tax on all
41 materials purchased for the project, and upon payment thereof it may
42 recover the same from the contractor together with reasonable attorney
43 fees. Any contractor or any agent, employee or subcontractor thereof, who

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

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

38 (f) tangible personal property purchased by a railroad or public utility
39 for consumption or movement directly and immediately in interstate
40 commerce;

41 (g) sales of aircraft including remanufactured and modified aircraft
42 sold to persons using directly or through an authorized agent such aircraft
43 as certified or licensed carriers of persons or property in interstate or

1 foreign commerce under authority of the laws of the United States or any
2 foreign government or sold to any foreign government or agency or
3 instrumentality of such foreign government and all sales of aircraft for use
4 outside of the United States and sales of aircraft repair, modification and
5 replacement parts and sales of services employed in the remanufacture,
6 modification and repair of aircraft;

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

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

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

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

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

26 (m) all sales of tangible personal property that become an ingredient
27 or component part of tangible personal property or services produced,
28 manufactured or compounded for ultimate sale at retail within or without
29 the state of Kansas; and any such producer, manufacturer or compounder
30 may obtain from the director of taxation and furnish to the supplier an
31 exemption certificate number for tangible personal property for use as an
32 ingredient or component part of the property or services produced,
33 manufactured or compounded;

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

1 services;

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

8 (p) all sales of drugs dispensed pursuant to a prescription order by a
9 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
10 1626, and amendments thereto. As used in this subsection, "drug" means a
11 compound, substance or preparation and any component of a compound,
12 substance or preparation, other than food and food ingredients, dietary
13 supplements or alcoholic beverages, recognized in the official United
14 States pharmacopeia, official homeopathic pharmacopoeia of the United
15 States or official national formulary, and supplement to any of them,
16 intended for use in the diagnosis, cure, mitigation, treatment or prevention
17 of disease or intended to affect the structure or any function of the body,
18 except that for taxable years commencing after December 31, 2013, this
19 subsection shall not apply to any sales of drugs used in the performance or
20 induction of an abortion, as defined in K.S.A. 65-6701, and amendments
21 thereto;

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

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

1 malfunction or support a weak or deformed portion of the body;

2 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,
3 all sales of tangible personal property or services purchased directly or
4 indirectly by a groundwater management district organized or operating
5 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,
6 by a rural water district organized or operating under the authority of
7 K.S.A. 82a-612, and amendments thereto, or by a water supply district
8 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-
9 3522 et seq. or 19-3545, and amendments thereto, which property or
10 services are used in the construction activities, operation or maintenance of
11 the district;

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

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

41 (v) all sales of tangible personal property to any contractor for use in
42 preparing meals for delivery to homebound elderly persons over 60 years
43 of age and to homebound disabled persons or to be served at a group-

1 sitting at a location outside of the home to otherwise homebound elderly
2 persons over 60 years of age and to otherwise homebound disabled
3 persons, as all or part of any food service project funded in whole or in
4 part by government or as part of a private nonprofit food service project
5 available to all such elderly or disabled persons residing within an area of
6 service designated by the private nonprofit organization, and all sales of
7 tangible personal property for use in preparing meals for consumption by
8 indigent or homeless individuals whether or not such meals are consumed
9 at a place designated for such purpose, and all sales of food products by or
10 on behalf of any such contractor or organization for any such purpose;

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (ii) all sales of tangible personal property purchased directly by a
27 nonprofit organization for nonsectarian comprehensive multidiscipline
28 youth development programs and activities provided or sponsored by such
29 organization, and all sales of tangible personal property by or on behalf of
30 any such organization. This exemption shall not apply to tangible personal
31 property customarily used for human habitation purposes;

32 (jj) all sales of tangible personal property or services, including the
33 renting and leasing of tangible personal property, purchased directly on
34 behalf of a community-based facility for people with intellectual disability
35 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and
36 amendments thereto, and licensed in accordance with the provisions of
37 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible
38 personal property or services purchased by contractors during the time
39 period from July, 2003, through June, 2006, for the purpose of
40 constructing, equipping, maintaining or furnishing a new facility for a
41 community-based facility for people with intellectual disability or mental
42 health center located in Riverton, Cherokee County, Kansas, that would
43 have been eligible for sales tax exemption pursuant to this subsection if

1 purchased directly by such facility or center. This exemption shall not
2 apply to tangible personal property customarily used for human habitation
3 purposes;

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

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

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

11 (2) For purposes of this subsection:

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

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

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

36 (D) "manufacturing or processing business" means a business that
37 utilizes an integrated production operation to manufacture, process,
38 fabricate, finish or assemble items for wholesale and retail distribution as
39 part of what is commonly regarded by the general public as an industrial
40 manufacturing or processing operation or an agricultural commodity
41 processing operation. (i) Industrial manufacturing or processing operations
42 include, by way of illustration but not of limitation, the fabrication of
43 automobiles, airplanes, machinery or transportation equipment, the

1 fabrication of metal, plastic, wood or paper products, electricity power
2 generation, water treatment, petroleum refining, chemical production,
3 wholesale bottling, newspaper printing, ready mixed concrete production,
4 and the remanufacturing of used parts for wholesale or retail sale. Such
5 processing operations shall include operations at an oil well, gas well,
6 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
7 sand or gravel that has been extracted from the earth is cleaned, separated,
8 crushed, ground, milled, screened, washed or otherwise treated or prepared
9 before its transmission to a refinery or before any other wholesale or retail
10 distribution. (ii) Agricultural commodity processing operations include, by
11 way of illustration but not of limitation, meat packing, poultry slaughtering
12 and dressing, processing and packaging farm and dairy products in sealed
13 containers for wholesale and retail distribution, feed grinding, grain
14 milling, frozen food processing, and grain handling, cleaning, blending,
15 fumigation, drying and aeration operations engaged in by grain elevators
16 or other grain storage facilities. (iii) Manufacturing or processing
17 businesses do not include, by way of illustration but not of limitation,
18 nonindustrial businesses whose operations are primarily retail and that
19 produce or process tangible personal property as an incidental part of
20 conducting the retail business, such as retailers who bake, cook or prepare
21 food products in the regular course of their retail trade, grocery stores,
22 meat lockers and meat markets that butcher or dress livestock or poultry in
23 the regular course of their retail trade, contractors who alter, service, repair
24 or improve real property, and retail businesses that clean, service or
25 refurbish and repair tangible personal property for its owner;

26 (E) "repair and replacement parts and accessories" means all parts
27 and accessories for exempt machinery and equipment, including, but not
28 limited to, dies, jigs, molds, patterns and safety devices that are attached to
29 exempt machinery or that are otherwise used in production, and parts and
30 accessories that require periodic replacement such as belts, drill bits,
31 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
32 other refractory items for exempt kiln equipment used in production
33 operations;

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

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

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

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

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

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

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

8 (F) plan, manage, control or record the receipt and flow of inventories
9 of raw materials, consumables and component parts, the flow of the
10 property undergoing manufacturing or processing and the management of
11 inventories of the finished product;

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

15 (H) package the property being manufactured or processed in a
16 container or wrapping in which such property is normally sold or
17 transported;

18 (I) transmit or transport electricity, coke, gas, water, steam or similar
19 substances used in production operations from the point of generation, if
20 produced by the manufacturer or processor at the plant site, to that
21 manufacturer's production operation; or, if purchased or delivered from
22 off-site, from the point where the substance enters the site of the plant or
23 facility to that manufacturer's production operations;

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

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

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

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

34 (4) The following machinery, equipment and materials shall be
35 deemed to be exempt even though it may not otherwise qualify as
36 machinery and equipment used as an integral or essential part of an
37 integrated production operation: (A) Computers and related peripheral
38 equipment that are utilized by a manufacturing or processing business for
39 engineering of the finished product or for research and development or
40 product design; (B) machinery and equipment that is utilized by a
41 manufacturing or processing business to manufacture or rebuild tangible
42 personal property that is used in manufacturing or processing operations,
43 including tools, dies, molds, forms and other parts of qualifying machinery

1 and equipment; (C) portable plants for aggregate concrete, bulk cement
2 and asphalt including cement mixing drums to be attached to a motor
3 vehicle; (D) industrial fixtures, devices, support facilities and special
4 foundations necessary for manufacturing and production operations, and
5 materials and other tangible personal property sold for the purpose of
6 fabricating such fixtures, devices, facilities and foundations. An exemption
7 certificate for such purchases shall be signed by the manufacturer or
8 processor. If the fabricator purchases such material, the fabricator shall
9 also sign the exemption certificate; (E) a manufacturing or processing
10 business' laboratory equipment that is not located at the plant or facility,
11 but that would otherwise qualify for exemption under subsection (3)(E);
12 (F) all machinery and equipment used in surface mining activities as
13 described in K.S.A. 49-601 et seq., and amendments thereto, beginning
14 from the time a reclamation plan is filed to the acceptance of the
15 completed final site reclamation.

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

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

23 (B) machinery, equipment and tools used primarily in maintaining
24 and repairing any type of machinery and equipment or the building and
25 plant;

26 (C) transportation, transmission and distribution equipment not
27 primarily used in a production, warehousing or material handling
28 operation at the plant or facility, including the means of conveyance of
29 natural gas, electricity, oil or water, and equipment related thereto, located
30 outside the plant or facility;

31 (D) office machines and equipment including computers and related
32 peripheral equipment not used directly and primarily to control or measure
33 the manufacturing process;

34 (E) furniture and other furnishings;

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

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

41 (H) machinery and equipment used for general plant heating, cooling
42 and lighting;

43 (I) motor vehicles that are registered for operation on public

1 highways; or

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

5 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings
6 of the machinery and equipment that qualify or do not qualify as an
7 integral or essential part of an integrated production operation. When
8 machinery or equipment is used as an integral or essential part of
9 production operations part of the time and for nonproduction purposes at
10 other times, the primary use of the machinery or equipment shall
11 determine whether or not such machinery or equipment qualifies for
12 exemption.

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

15 (ll) all sales of educational materials purchased for distribution to the
16 public at no charge by a nonprofit corporation organized for the purpose of
17 encouraging, fostering and conducting programs for the improvement of
18 public health, except that for taxable years commencing after December
19 31, 2013, this subsection shall not apply to any sales of such materials
20 purchased by a nonprofit corporation which performs any abortion, as
21 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

41 (rr) all sales of tangible personal property that will admit the
42 purchaser thereof to any annual event sponsored by a nonprofit
43 organization that is exempt from federal income taxation pursuant to

1 section 501(c)(3) of the federal internal revenue code of 1986, except that
2 for taxable years commencing after December 31, 2013, this subsection
3 shall not apply to any sales of such tangible personal property purchased
4 by a nonprofit organization which performs any abortion, as defined in
5 K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

32 (4) the American diabetes association Kansas affiliate, inc. for the
33 purpose of eliminating diabetes through medical research, public education
34 focusing on disease prevention and education, patient education including
35 information on coping with diabetes, and professional education and
36 training;

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

42 (6) the Kansas chapters of the Alzheimer's disease and related
43 disorders association, inc. for the purpose of providing assistance and

1 support to persons in Kansas with Alzheimer's disease, and their families
2 and caregivers;

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

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

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

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

15 (11) the spina bifida association of Kansas for the purpose of
16 providing financial, educational and practical aid to families and
17 individuals with spina bifida. Such aid includes, but is not limited to,
18 funding for medical devices, counseling and medical educational
19 opportunities;

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

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

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

30 (15) the KSDS, Inc., for the purpose of promoting the independence
31 and inclusion of people with disabilities as fully participating and
32 contributing members of their communities and society through the
33 training and providing of guide and service dogs to people with
34 disabilities, and providing disability education and awareness to the
35 general public;

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

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

41 (18) the Ottawa Suzuki strings, inc., for the purpose of providing
42 students and families with education and resources necessary to enable
43 each child to develop fine character and musical ability to the fullest

1 potential;

2 (19) the international association of lions clubs for the purpose of
3 creating and fostering a spirit of understanding among all people for
4 humanitarian needs by providing voluntary services through community
5 involvement and international cooperation;

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

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

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

16 (23) the angel babies association, for the purpose of providing
17 assistance, support and items of necessity to teenage mothers and their
18 babies; and

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

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

24 (xx) all sales of tangible personal property and services purchased by
25 a nonprofit zoo that is exempt from federal income taxation pursuant to
26 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
27 of such zoo by an entity itself exempt from federal income taxation
28 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
29 contracted with to operate such zoo and all sales of tangible personal
30 property or services purchased by a contractor for the purpose of
31 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
32 furnishing or remodeling facilities for any nonprofit zoo that would be
33 exempt from taxation under the provisions of this section if purchased
34 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
35 this subsection shall be deemed to exempt the purchase of any construction
36 machinery, equipment or tools used in the constructing, equipping,
37 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
38 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for
39 the purpose of constructing, equipping, reconstructing, maintaining,
40 repairing, enlarging, furnishing or remodeling facilities, it shall obtain
41 from the state and furnish to the contractor an exemption certificate for the
42 project involved, and the contractor may purchase materials for
43 incorporation in such project. The contractor shall furnish the number of

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

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

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

38 (aaa) all sales of tangible personal property and services purchased by
39 a religious organization that is exempt from federal income taxation
40 pursuant to section 501(c)(3) of the federal internal revenue code, and used
41 exclusively for religious purposes, and all sales of tangible personal
42 property or services purchased by a contractor for the purpose of
43 constructing, equipping, reconstructing, maintaining, repairing, enlarging,

1 furnishing or remodeling facilities for any such organization that would be
2 exempt from taxation under the provisions of this section if purchased
3 directly by such organization. Nothing in this subsection shall be deemed
4 to exempt the purchase of any construction machinery, equipment or tools
5 used in the constructing, equipping, reconstructing, maintaining, repairing,
6 enlarging, furnishing or remodeling facilities for any such organization.
7 When any such organization shall contract for the purpose of constructing,
8 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
9 remodeling facilities, it shall obtain from the state and furnish to the
10 contractor an exemption certificate for the project involved, and the
11 contractor may purchase materials for incorporation in such project. The
12 contractor shall furnish the number of such certificate to all suppliers from
13 whom such purchases are made, and such suppliers shall execute invoices
14 covering the same bearing the number of such certificate. Upon
15 completion of the project the contractor shall furnish to such organization
16 concerned a sworn statement, on a form to be provided by the director of
17 taxation, that all purchases so made were entitled to exemption under this
18 subsection. All invoices shall be held by the contractor for a period of five
19 years and shall be subject to audit by the director of taxation. If any
20 materials purchased under such a certificate are found not to have been
21 incorporated in the building or other project or not to have been returned
22 for credit or the sales or compensating tax otherwise imposed upon such
23 materials that will not be so incorporated in the building or other project
24 reported and paid by such contractor to the director of taxation not later
25 than the 20th day of the month following the close of the month in which it
26 shall be determined that such materials will not be used for the purpose for
27 which such certificate was issued, such organization concerned shall be
28 liable for tax on all materials purchased for the project, and upon payment
29 thereof it may recover the same from the contractor together with
30 reasonable attorney fees. Any contractor or any agent, employee or
31 subcontractor thereof, who shall use or otherwise dispose of any materials
32 purchased under such a certificate for any purpose other than that for
33 which such a certificate is issued without the payment of the sales or
34 compensating tax otherwise imposed upon such materials, shall be guilty
35 of a misdemeanor and, upon conviction therefor, shall be subject to the
36 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
37 Sales tax paid on and after July 1, 1998, but prior to the effective date of
38 this act upon the gross receipts received from any sale exempted by the
39 amendatory provisions of this subsection shall be refunded. Each claim for
40 a sales tax refund shall be verified and submitted to the director of taxation
41 upon forms furnished by the director and shall be accompanied by any
42 additional documentation required by the director. The director shall
43 review each claim and shall refund that amount of sales tax paid as

1 determined under the provisions of this subsection. All refunds shall be
2 paid from the sales tax refund fund upon warrants of the director of
3 accounts and reports pursuant to vouchers approved by the director or the
4 director's designee;

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

10 (ccc) on and after July 1, 1999, all sales of tangible personal property
11 and services purchased by a primary care clinic or health center the
12 primary purpose of which is to provide services to medically underserved
13 individuals and families, and that is exempt from federal income taxation
14 pursuant to section 501(c)(3) of the federal internal revenue code, and all
15 sales of tangible personal property or services purchased by a contractor
16 for the purpose of constructing, equipping, reconstructing, maintaining,
17 repairing, enlarging, furnishing or remodeling facilities for any such clinic
18 or center that would be exempt from taxation under the provisions of this
19 section if purchased directly by such clinic or center, except that for
20 taxable years commencing after December 31, 2013, this subsection shall
21 not apply to any sales of such tangible personal property and services
22 purchased by a primary care clinic or health center which performs any
23 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing
24 in this subsection shall be deemed to exempt the purchase of any
25 construction machinery, equipment or tools used in the constructing,
26 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
27 remodeling facilities for any such clinic or center. When any such clinic or
28 center shall contract 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 the 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 clinic or center concerned a
37 sworn statement, on a form to be provided by the director of taxation, that
38 all purchases so made were entitled to exemption under this subsection.
39 All invoices shall be held by the contractor for a period of five years and
40 shall be subject to audit by the director of taxation. If any materials
41 purchased under such a certificate are found not to have been incorporated
42 in the building or other project or not to have been returned for credit or
43 the sales or compensating tax otherwise imposed upon such materials that

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

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

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

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

1 commercial grain storage facility, whether used for grain handling, grain
2 storage, grain refining or processing, or other grain treatment operation;

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

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

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

1 sales or compensating tax otherwise imposed upon such materials that will
2 not be so incorporated in such facilities reported and paid by such
3 contractor to the director of taxation not later than the 20th day of the
4 month following the close of the month in which it shall be determined
5 that such materials will not be used for the purpose for which such
6 certificate was issued, such organization concerned shall be liable for tax
7 on all materials purchased for the project, and upon payment thereof it
8 may recover the same from the contractor together with reasonable
9 attorney fees. Any contractor or any agent, employee or subcontractor
10 thereof, who shall use or otherwise dispose of any materials purchased
11 under such a certificate for any purpose other than that for which such a
12 certificate is issued without the payment of the sales or compensating tax
13 otherwise imposed upon such materials, shall be guilty of a misdemeanor
14 and, upon conviction therefor, shall be subject to the penalties provided for
15 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after
16 July 1, 2005, but prior to the effective date of this act upon the gross
17 receipts received from any sale exempted by the amendatory provisions of
18 this subsection shall be refunded. Each claim for a sales tax refund shall be
19 verified and submitted to the director of taxation upon forms furnished by
20 the director and shall be accompanied by any additional documentation
21 required by the director. The director shall review each claim and shall
22 refund that amount of sales tax paid as determined under the provisions of
23 this subsection. All refunds shall be paid from the sales tax refund fund
24 upon warrants of the director of accounts and reports pursuant to vouchers
25 approved by the director or the director's designee;

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

41 (lll) all sales of tangible personal property and services purchased by
42 special olympics Kansas, inc. for the purpose of providing year-round
43 sports training and athletic competition in a variety of olympic-type sports

1 for individuals with intellectual disabilities by giving them continuing
2 opportunities to develop physical fitness, demonstrate courage, experience
3 joy and participate in a sharing of gifts, skills and friendship with their
4 families, other special olympics athletes and the community, and activities
5 provided or sponsored by such organization, and all sales of tangible
6 personal property by or on behalf of any such organization;

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

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

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

22 (ppp) all sales of tangible personal property and services purchased
23 by or on behalf of a homeless shelter that is exempt from federal income
24 taxation pursuant to section 501(c)(3) of the federal income tax code of
25 1986, and used by any such homeless shelter to provide emergency and
26 transitional housing for individuals and families experiencing
27 homelessness, and all sales of any such property by or on behalf of any
28 such homeless shelter for any such purpose;

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

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

31 (rrr) all sales of tangible personal property and services purchased by
32 any county law library maintained pursuant to law and sales of tangible
33 personal property and services purchased by an organization that would
34 have been exempt from taxation under the provisions of this subsection if
35 purchased directly by the county law library for the purpose of providing
36 legal resources to attorneys, judges, students and the general public, and
37 all sales of any such property by or on behalf of any such county law
38 library;

39 (sss) all sales of tangible personal property and services purchased by
40 catholic charities or youthville, hereinafter referred to as charitable family
41 providers, which is exempt from federal income taxation pursuant to
42 section 501(c)(3) of the federal internal revenue code of 1986, and which
43 such property and services are used for the purpose of providing

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

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

1 contractor for a project for the purpose of restoring, constructing,
2 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
3 remodeling a home or facility owned by a nonprofit museum that has been
4 granted an exemption pursuant to subsection (qq), which such home or
5 facility is located in a city that has been designated as a qualified
6 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
7 amendments thereto, and which such project is related to the purposes of
8 K.S.A. 75-5071 et seq., and amendments thereto, and that would be
9 exempt from taxation under the provisions of this section if purchased
10 directly by such nonprofit museum. Nothing in this subsection shall be
11 deemed to exempt the purchase of any construction machinery, equipment
12 or tools used in the restoring, constructing, equipping, reconstructing,
13 maintaining, repairing, enlarging, furnishing or remodeling a home or
14 facility for any such nonprofit museum. When any such nonprofit museum
15 shall contract for the purpose of restoring, constructing, equipping,
16 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
17 a home or facility, it shall obtain from the state and furnish to the
18 contractor an exemption certificate for the project involved, and the
19 contractor may purchase materials for incorporation in such project. The
20 contractor shall furnish the number of such certificates to all suppliers
21 from whom such purchases are made, and such suppliers shall execute
22 invoices covering the same bearing the number of such certificate. Upon
23 completion of the project, the contractor shall furnish to such nonprofit
24 museum a sworn statement on a form to be provided by the director of
25 taxation that all purchases so made were entitled to exemption under this
26 subsection. All invoices shall be held by the contractor for a period of five
27 years and shall be subject to audit by the director of taxation. If any
28 materials purchased under such a certificate are found not to have been
29 incorporated in the building or other project or not to have been returned
30 for credit or the sales or compensating tax otherwise imposed upon such
31 materials that will not be so incorporated in a home or facility or other
32 project reported and paid by such contractor to the director of taxation not
33 later than the 20th day of the month following the close of the month in
34 which it shall be determined that such materials will not be used for the
35 purpose for which such certificate was issued, such nonprofit museum
36 shall be liable for tax on all materials purchased for the project, and upon
37 payment thereof it may recover the same from the contractor together with
38 reasonable attorney fees. Any contractor or any agent, employee or
39 subcontractor thereof, who shall use or otherwise dispose of any materials
40 purchased under such a certificate for any purpose other than that for
41 which such a certificate is issued without the payment of the sales or
42 compensating tax otherwise imposed upon such materials, shall be guilty
43 of a misdemeanor and, upon conviction therefor, shall be subject to the

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

1 upon such materials, shall be guilty of a misdemeanor and, upon
2 conviction therefor, shall be subject to the penalties provided for in K.S.A.
3 79-3615(h), and amendments thereto;

4 (vvv) all sales of tangible personal property or services, including the
5 renting and leasing of tangible personal property or services, purchased by
6 jazz in the woods, inc., a Kansas corporation that is exempt from federal
7 income taxation pursuant to section 501(c)(3) of the federal internal
8 revenue code, for the purpose of providing jazz in the woods, an event
9 benefiting children-in-need and other nonprofit charities assisting such
10 children, and all sales of any such property by or on behalf of such
11 organization for such purpose;

12 (www) all sales of tangible personal property purchased by or on
13 behalf of the Frontenac education foundation, which is exempt from
14 federal income taxation pursuant to section 501(c)(3) of the federal
15 internal revenue code, for the purpose of providing education support for
16 students, and all sales of any such property by or on behalf of such
17 organization for such purpose;

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

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

31 (yyy) all sales of tangible personal property and services purchased
32 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
33 which is exempt from federal income taxation pursuant to section 501(c)
34 (3) of the federal internal revenue code of 1986, and which such property
35 and services are used for the purpose of encouraging private philanthropy
36 to further the vision, values, and goals of TLC for children and families,
37 inc.; and all sales of such property and services by or on behalf of TLC
38 charities for any such purpose and all sales of tangible personal property or
39 services purchased by a contractor for the purpose of constructing,
40 maintaining, repairing, enlarging, furnishing or remodeling facilities for
41 the operation of services for TLC charities for any such purpose that would
42 be exempt from taxation under the provisions of this section if purchased
43 directly by TLC charities. Nothing in this subsection shall be deemed to

1 exempt the purchase of any construction machinery, equipment or tools
2 used in the constructing, maintaining, repairing, enlarging, furnishing or
3 remodeling such facilities for TLC charities. When TLC charities contracts
4 for the purpose of constructing, maintaining, repairing, enlarging,
5 furnishing or remodeling such facilities, it shall obtain from the state and
6 furnish to the contractor an exemption certificate for the project involved,
7 and the contractor may purchase materials for incorporation in such
8 project. The contractor shall furnish the number of such certificate to all
9 suppliers from whom such purchases are made, and such suppliers shall
10 execute invoices covering the same bearing the number of such certificate.
11 Upon completion of the project the contractor shall furnish to TLC
12 charities a sworn statement, on a form to be provided by the director of
13 taxation, that all purchases so made were entitled to exemption under this
14 subsection. All invoices shall be held by the contractor for a period of five
15 years and shall be subject to audit by the director of taxation. If any
16 materials purchased under such a certificate are found not to have been
17 incorporated in the building or other project or not to have been returned
18 for credit or the sales or compensating tax otherwise imposed upon such
19 materials that will not be incorporated into the building or other project
20 reported and paid by such contractor to the director of taxation not later
21 than the 20th day of the month following the close of the month in which it
22 shall be determined that such materials will not be used for the purpose for
23 which such certificate was issued, TLC charities shall be liable for tax on
24 all materials purchased for the project, and upon payment thereof it may
25 recover the same from the contractor together with reasonable attorney
26 fees. Any contractor or any agent, employee or subcontractor thereof, who
27 shall use or otherwise dispose of any materials purchased under such a
28 certificate for any purpose other than that for which such a certificate is
29 issued without the payment of the sales or compensating tax otherwise
30 imposed upon such materials, shall be guilty of a misdemeanor and, upon
31 conviction therefor, shall be subject to the penalties provided for in K.S.A.
32 79-3615(h), and amendments thereto;

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

38 (aaaa) all sales of personal property and services purchased by or on
39 behalf of victory in the valley, inc., which 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 a cancer support group and services for
42 persons with cancer, and all sales of any such property by or on behalf of
43 any such organization for any such purpose;

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

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

15 (dddd) all sales of tangible personal property or services purchased
16 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
17 of which are exempt from federal income taxation pursuant to section
18 501(c)(3) of the federal internal revenue code, for the purpose of providing
19 education, training and employment opportunities for people with
20 disabilities and other barriers to employment;

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

28 (ffff) all sales of tangible personal property and services purchased by
29 sheltered living, inc., which is exempt from federal income taxation
30 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
31 and which such property and services are used for the purpose of
32 providing residential and day services for people with developmental
33 disabilities or intellectual disability, or both, and all sales of any such
34 property by or on behalf of sheltered living, inc., for any such purpose; and
35 all sales of tangible personal property or services purchased by a
36 contractor for the purpose of rehabilitating, constructing, maintaining,
37 repairing, enlarging, furnishing or remodeling homes and facilities for
38 sheltered living, inc., for any such purpose that would be exempt from
39 taxation under the provisions of this section if purchased directly by
40 sheltered living, inc. Nothing in this subsection shall be deemed to exempt
41 the purchase of any construction machinery, equipment or tools used in the
42 constructing, maintaining, repairing, enlarging, furnishing or remodeling
43 such homes and facilities for sheltered living, inc. When sheltered living,

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

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

33 (hhhh) all sales of tangible personal property or services purchased
34 on or after July 1, 2014, for the purpose of and in conjunction with
35 constructing, reconstructing, enlarging or remodeling a business identified
36 under the North American industry classification system (NAICS)
37 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
38 installation of machinery and equipment purchased for installation at any
39 such business. The exemption provided in this subsection shall not apply
40 to projects that have actual total costs less than \$50,000. When a person
41 contracts for the construction, reconstruction, enlargement or remodeling
42 of any such business, such person shall obtain from the state and furnish to
43 the contractor an exemption certificate for the project involved, and the

1 contractor may purchase materials, machinery and equipment for
2 incorporation in such project. The contractor shall furnish the number of
3 such certificates to all suppliers from whom such purchases are made, and
4 such suppliers shall execute invoices covering the same bearing the
5 number of such certificate. Upon completion of the project, the contractor
6 shall furnish to the owner of the business a sworn statement, on a form to
7 be provided by the director of taxation, that all purchases so made were
8 entitled to exemption under this subsection. All invoices shall be held by
9 the contractor for a period of five years and shall be subject to audit by the
10 director of taxation. Any contractor or any agent, employee or
11 subcontractor of the contractor, who shall use or otherwise dispose of any
12 materials, machinery or equipment purchased under such a certificate for
13 any purpose other than that for which such a certificate is issued without
14 the payment of the sales or compensating tax otherwise imposed thereon,
15 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
16 subject to the penalties provided for in K.S.A. 79-3615(h), and
17 amendments thereto;

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

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

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

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

25 (llll) all sales of tangible personal property and services purchased by
26 Gove county healthcare endowment foundation, inc., which is exempt
27 from federal income taxation pursuant to section 501(c)(3) of the federal
28 internal revenue code of 1986, and which such property and services are
29 used for the purpose of constructing and equipping an airport in Quinter,
30 Kansas, and all sales of tangible personal property or services purchased
31 by a contractor for the purpose of constructing and equipping an airport in
32 Quinter, Kansas, for such organization, that would be exempt from
33 taxation under the provisions of this section if purchased directly by such
34 organization. Nothing in this subsection shall be deemed to exempt the
35 purchase of any construction machinery, equipment or tools used in the
36 constructing or equipping of facilities for such organization. When such
37 organization shall contract for the purpose of constructing or equipping an
38 airport in Quinter, Kansas, it shall obtain from the state and furnish to the
39 contractor an exemption certificate for the project involved, and the
40 contractor may purchase materials for incorporation in such project. The
41 contractor shall furnish the number of such certificate to all suppliers from
42 whom such purchases are made, and such suppliers shall execute invoices
43 covering the same bearing the number of such certificate. Upon

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

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

28 (nnnn) all sales of tangible personal property or services purchased
29 by friends of hospice of Jefferson county, an organization that is exempt
30 from federal income taxation pursuant to section 501(c)(3) of the federal
31 internal revenue code of 1986, for the purpose of providing support to the
32 Jefferson county hospice agency in end-of-life care of Jefferson county
33 families, friends and neighbors, and all sales of entry or participation fees,
34 charges or tickets by friends of hospice of Jefferson county for such
35 organization's fundraising event for such purpose;

36 (oooo) all sales of tangible personal property or services purchased
37 for the purpose of and in conjunction with constructing, reconstructing,
38 enlarging or remodeling a qualified business facility by a qualified firm or
39 qualified supplier that meets the requirements established in K.S.A. 2025
40 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has
41 been approved for a project exemption certificate by the secretary of
42 commerce, and the sale and installation of machinery and equipment
43 purchased by such qualified firm or qualified supplier for installation at

1 any such qualified business facility. When a person shall contract for the
2 construction, reconstruction, enlargement or remodeling of any such
3 qualified business facility, such person shall obtain from the state and
4 furnish to the contractor an exemption certificate for the project involved,
5 and the contractor may purchase materials, machinery and equipment for
6 incorporation in such project. The contractor shall furnish the number of
7 such certificates to all suppliers from whom such purchases are made, and
8 such suppliers shall execute invoices covering the same bearing the
9 number of such certificate. Upon completion of the project, the contractor
10 shall furnish to the owner of the qualified firm or qualified supplier a
11 sworn statement, on a form to be provided by the director of taxation, that
12 all purchases so made were entitled to exemption under this subsection.
13 All invoices shall be held by the contractor for a period of five years and
14 shall be subject to audit by the director of taxation. Any contractor or any
15 agent, employee or subcontractor thereof who shall use or otherwise
16 dispose of any materials, machinery or equipment purchased under such a
17 certificate for any purpose other than that for which such a certificate is
18 issued without the payment of the sales or compensating tax otherwise
19 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
20 therefor, shall be subject to the penalties provided for in K.S.A. 79-
21 3615(h), and amendments thereto. As used in this subsection, "qualified
22 business facility," "qualified firm" and "qualified supplier" mean the same
23 as defined in K.S.A. 2025 Supp. 74-50,311, and amendments thereto;

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

37 (2) all sales of tangible personal property or services purchased by a
38 contractor for the purpose of constructing, equipping, reconstructing,
39 maintaining, repairing, enlarging, furnishing or remodeling facilities for an
40 area agency on aging that would be exempt from taxation under the
41 provisions of this section if purchased directly by such area agency on
42 aging. Nothing in this paragraph shall be deemed to exempt the purchase
43 of any construction machinery, equipment or tools used in the

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

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

39 (rrrr) all sales of the services of slaughtering, butchering, custom
40 cutting, dressing, processing and packaging of an animal for human
41 consumption when the animal is delivered or furnished by a customer that
42 owns the animal and such meat or poultry is for use or consumption by
43 such customer;

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

8 (tttt) on and after January 1, 2024, all sales of tangible personal
9 property or services purchased by exploration place, inc., an organization
10 that is exempt from federal income taxation pursuant to section 501(c)(3)
11 of the federal internal revenue code, and which such property and services
12 are used for the purpose of constructing, remodeling, furnishing or
13 equipping a riverfront amphitheater, a destination playscape, an education
14 center and indoor renovations at exploration place in Wichita, Kansas, all
15 sales of tangible personal property or services purchased by Kansas
16 children's discovery center inc. in Topeka, Kansas, and which such
17 property and services are used for the purpose of constructing, remodeling,
18 furnishing or equipping projects that include indoor-outdoor classrooms,
19 an expanded multi-media gallery, a workshop and loading dock and safety
20 upgrades such as a tornado shelter, lactation room, first aid room and
21 sensory room and all sales of tangible personal property or services
22 purchased by a contractor for the purpose of constructing, remodeling,
23 furnishing or equipping such projects, for such organizations, that would
24 be exempt from taxation under the provisions of this section if purchased
25 directly by such organizations. Nothing in this subsection shall be deemed
26 to exempt the purchase of any construction machinery, equipment or tools
27 used in the constructing, remodeling, furnishing or equipping of facilities
28 for such organization. When such organization shall contract for the
29 purpose of constructing, remodeling, furnishing or equipping such
30 projects, it shall obtain from the state and furnish to the contractor an
31 exemption certificate for the project involved, and the 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 organization a sworn statement,
37 on a form to be provided by the director of taxation, that all purchases so
38 made were entitled to exemption under this subsection. All invoices shall
39 be held by the contractor for a period of five years and shall be subject to
40 audit by the director of taxation. If any materials purchased under such a
41 certificate are found not to have been incorporated in such facilities or not
42 to have been returned for credit or the sales or compensating tax otherwise
43 imposed upon such materials that will not be so incorporated in such

1 facilities reported and paid by such contractor to the director of taxation no
2 later than the 20th day of the month following the close of the month in
3 which it shall be determined that such materials will not be used for the
4 purpose for which such certificate was issued, such organization shall be
5 liable for tax on all materials purchased for the project, and upon payment
6 thereof may recover the same from the contractor together with reasonable
7 attorney fees. Any contractor or agent, employee or subcontractor thereof,
8 who purchased under such a certificate for any purpose other than that for
9 which such a certificate is issued without the payment of the sales or
10 compensating tax otherwise imposed upon such materials, shall be guilty
11 of a misdemeanor and, upon conviction therefor, shall be subject to the
12 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
13 Sales tax paid on and after January 1, 2024, but prior to the effective date
14 of this act, upon the gross receipts received from any sale exempted by the
15 amendatory provisions of this subsection shall be refunded. Each claim for
16 a sales tax refund shall be verified and submitted to the director of taxation
17 upon forms furnished by the director and shall be accompanied by any
18 additional documentation required by the director. The director shall
19 review each claim and shall refund that amount of sales tax paid as
20 determined under the provisions of this subsection. All refunds shall be
21 paid from the sales tax refund fund upon warrants of the director of
22 accounts and reports pursuant to vouchers approved by the director or the
23 director's designee. The provisions of this subsection shall expire and have
24 no effect on and after December 31, 2030;

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

28 (B) all services purchased by a provider in the provision of the
29 communications service used in the repair, maintenance or installation in
30 such communications service.

31 (2) As used in this subsection:

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

34 (B) "Equipment, machinery, software, ancillary components,
35 appurtenances, accessories or other infrastructure" includes, but is not
36 limited to:

37 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,
38 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,
39 transmitters, circuit cards, insulating and protective materials and cases,
40 power equipment, backup power equipment, diagnostic equipment, storage
41 devices, modems, cable modem termination systems and servers;

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

1 (iii) equipment used in successor technologies, including items used
2 to monitor, test, maintain, enable or facilitate qualifying equipment,
3 machinery, software, ancillary components, appurtenances and
4 accessories; and

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

9 (C) "Internet access service" means the same as internet access as
10 defined in section 1105 of the internet tax freedom act amendments of
11 2007, public law 110-108.

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

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

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

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

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

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

32 (www) (1) all sales of tangible personal property or services
33 purchased by a pregnancy resource center or residential maternity facility.

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

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

38 (B) a nonprofit organization organized under the laws of this state;
39 and

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

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

42 (ii) maintains in this state its primary physical office, clinic or
43 residential home that is open for clients for a minimum of 20 hours per

1 week, excluding state holidays;

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

6 (iv) utilizes trained healthcare providers, as defined by K.S.A. 2025
7 Supp. 79-32,316, and amendments thereto, to perform any available
8 medical procedures; ~~and~~

9 (xxxx) all sales of tangible personal property or services purchased
10 for the purpose of and in conjunction with constructing, reconstructing,
11 enlarging or remodeling a qualified data center by a qualified firm that
12 meets the requirements established in K.S.A. 2025 Supp. 74-50,331
13 through 74-50,333, and amendments thereto, and has been approved and
14 certified for a project exemption certificate by the secretary of commerce,
15 the sale and installation of machinery and data center equipment and
16 eligible data center costs purchased by such qualified firm for such
17 qualified data center and labor services to install, apply, repair, service,
18 alter or maintain data center equipment of such qualified firm at such
19 qualified data center. When a person contracts for the construction,
20 reconstruction, enlargement or remodeling of any such qualified data
21 center, such person shall obtain from the state and furnish to the contractor
22 an exemption certificate for the project involved, and the contractor may
23 purchase materials, machinery and equipment for incorporation in such
24 project. The contractor shall furnish the number of such certificates to all
25 suppliers from whom such purchases are made, and such suppliers shall
26 execute invoices covering such purchases bearing the number of such
27 certificates. Upon completion of the project, the contractor shall furnish to
28 the owner of the qualified firm a sworn statement, on a form to be
29 provided by the director of taxation, that all purchases so made were
30 entitled to exemption under this subsection. All invoices shall be held by
31 the contractor for a period of five years and shall be subject to audit by the
32 director of taxation. Any contractor or any agent, employee or
33 subcontractor thereof who shall use or otherwise dispose of any materials,
34 machinery or equipment purchased under such a certificate for any
35 purpose other than that for which such a certificate is issued without the
36 payment of the sales or compensating tax otherwise imposed thereon shall
37 be guilty of a misdemeanor and, upon conviction thereof, shall be subject
38 to the penalties provided for in K.S.A. 79-3615(h), and amendments
39 thereto. As used in this subsection, "data center equipment," "eligible data
40 center costs," "qualified data center" and "qualified firm" mean the same
41 as defined in K.S.A. 2025 Supp. 74-50,331, and amendments thereto; *and*
42 (yyyy) *all sales of tangible personal property or services purchased*
43 *by a nonprofit organization exempt from federal income taxation pursuant*

1 *to section 501(c)(3) of the federal internal revenue code of 1986 serving*
2 *students of United States military academies, alumni of such academies*
3 *and families of students and alumni of such academies for the purpose of*
4 *improving and enhancing the lives of students and families of students.*

5 Sec. 2. K.S.A. 2025 Supp. 79-3606 is hereby repealed.

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