Session of 2026

SENATE BILL No. 434

By Committee on Federal and State Affairs

2-2

AN ACT concerning taxation; relating to veterans and military; providing for a new determination of disability for the purposes of certain retailer's sales tax exemptions; amending K.S.A. 2025 Supp. 79-3606h and repealing the existing section.

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

Section 1. K.S.A. 2025 Supp. 79-3606h is hereby amended to read as follows: 79-3606h. (a) On and after July 1, 2026, notwithstanding any provision of law to the contrary, all sales of tangible personal property or services, except sales of motor vehicles, alcoholic beverages, tobacco, electronic cigarettes as defined by K.S.A. 79-3301, and amendments thereto, and consumable material as defined by K.S.A. 79-3399, and amendments thereto, for such electronic cigarettes, to persons who are residents of this state and have been ~~honorably~~ discharged from active service ***under an honorable discharge*** in any ~~branch~~ *component* of the ~~armed forces~~ ***uniformed services*** of the United States and ~~who are certified by the United States department of veterans affairs or its successor to have a 100% disability or be deemed totally disabled or unemployable, provided that the disability is permanent and was sustained through military action or accident or resulted from disease contracted while in such active service,~~ *were determined by the secretary of such component under 10 U.S.C. Chapter 61 or 38 U.S.C. Chapter 11 to be rated with a 100% permanent and total service-connected disability or a total disability rating based on unemployability according to 38 C.F.R. § 4.17* shall be exempt from the tax imposed by the Kansas retailers' sales tax act. Sales of items or services for the benefit of the eligible person, as provided by this section, that are purchased on behalf of such eligible person by a spouse or by a member of the household in which the eligible person resides and who is authorized to make purchases on the eligible person's behalf shall also be exempt for purposes of this section. The surviving spouse of an eligible person who was receiving an exemption pursuant to this section at the time of such person's death shall be eligible to continue to receive such exemption until the surviving spouse remarries. This exemption shall apply only to such property and services that are used or will be used for the personal use of the eligible person or such person's spouse or surviving spouse and not used for the production of income.

(b) Sales qualifying for the exemption authorized by this section shall not exceed $24,000 per year per eligible person.

(c) Prior to claiming any such exemption, an eligible person claiming an exemption pursuant to this section shall apply to and obtain from the secretary of revenue a veteran exemption identification number. The secretary shall prescribe the application form for such number, and such eligible person shall provide with the application information sufficient to establish that such eligible person qualifies for the sales tax exemption. The department of revenue shall also provide to each qualifying eligible person an exemption certificate in the form of a driver's-license-size card that includes the veteran exemption identification number of such eligible person and any other information necessary to prove eligibility to any retailer. Such eligible person shall present the exemption certificate card or enter the issued identification number on any exemption certificate presented to any retailer when claiming the sales tax exemption on any qualifying purchases.

(d) Upon request of the secretary, an eligible person asserting or claiming the exemption authorized by this section shall provide a statement, executed under oath, that the total sales amounts for which the exemption is applicable have not exceeded the individual taxpayer's yearly limit prescribed by this section. If the amount of such exempt sales exceeds such prescribed limit, the sales tax in excess of the authorized amount shall be treated as a direct sales tax liability and may be recovered by the department of revenue in the same manner as provided by the Kansas retailers' sales tax act.

(e) This section shall be a part of and supplemental to the Kansas retailers' sales tax act.

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

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