

## SENATE BILL No. 470

By Senator Haley

2-3

1 AN ACT concerning sales taxation; relating to exemptions; providing an  
2 exemption for sales of electricity delivered to residential premises for  
3 noncommercial use; amending K.S.A. 12-189a and K.S.A. 2025 Supp.  
4 79-3603 and 79-3606 and repealing the existing sections.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 12-189a is hereby amended to read as follows: 12-  
8 189a. The following sales shall be subject to the taxes levied and collected  
9 by all cities and counties under the provisions of K.S.A. 12-187 et seq.,  
10 and amendments thereto:

11 (a) All sales of natural gas, electricity, heat and water delivered  
12 through mains, lines or pipes to residential premises for noncommercial  
13 use by the occupant of such premises and all sales of natural gas,  
14 electricity, heat and water delivered through mains, lines or pipes for  
15 agricultural use, except that effective January 1, 2006, the provisions of  
16 this subsection shall expire for sales of water pursuant to this subsection  
17 *and effective July 1, 2026, the provisions of this subsection shall expire for*  
18 *sales of electricity delivered to residential premises for noncommercial use*  
19 *by the occupant of such premises;*

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

23 (c) all sales of intrastate telephone and telegraph services for  
24 noncommercial use; and

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

26 Sec. 2. K.S.A. 2025 Supp. 79-3603 is hereby amended to read as  
27 follows: 79-3603. For the privilege of engaging in the business of selling  
28 tangible personal property at retail in this state or rendering or furnishing  
29 any of the services taxable under this act, there is hereby levied and there  
30 shall be collected and paid a tax at the rate of 6.5%. On and after January  
31 1, 2023, 17% and on and after January 1, 2025, 18% of the tax rate  
32 imposed pursuant to this section and the rate provided in K.S.A. 2025  
33 Supp. 79-3603d, and amendments thereto, shall be levied for the state  
34 highway fund, the state highway fund purposes and those purposes  
35 specified in K.S.A. 68-416, and amendments thereto, and all revenue  
36 collected and received from such tax levy shall be deposited in the state

1 highway fund.

2 Within a redevelopment district established pursuant to K.S.A. 74-  
3 8921, and amendments thereto, there is hereby levied and there shall be  
4 collected and paid an additional tax at the rate of 2% until the earlier of the  
5 date the bonds issued to finance or refinance the redevelopment project  
6 have been paid in full or the final scheduled maturity of the first series of  
7 bonds issued to finance any part of the project.

8 Such tax shall be imposed upon:

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

11 (b) the gross receipts from intrastate, interstate or international  
12 telecommunications services and any ancillary services sourced to this  
13 state in accordance with K.S.A. 79-3673, and amendments thereto, except  
14 that telecommunications service does not include: (1) Any interstate or  
15 international 800 or 900 service; (2) any interstate or international private  
16 communications service as defined in K.S.A. 79-3673, and amendments  
17 thereto; (3) any value-added nonvoice data service; (4) any  
18 telecommunication service to a provider of telecommunication services  
19 which will be used to render telecommunications services, including  
20 carrier access services; or (5) any service or transaction defined in this  
21 section among entities classified as members of an affiliated group as  
22 provided by section 1504 of the federal internal revenue code of 1986, as  
23 in effect on January 1, 2001;

24 (c) the gross receipts from the sale or furnishing of gas, water,  
25 electricity and heat, which sale is not otherwise exempt from taxation  
26 under the provisions of this act, and whether furnished by municipally or  
27 privately owned utilities, except that, on and after January 1, 2006, for  
28 sales of gas, electricity and heat delivered through mains, lines or pipes to  
29 residential premises for noncommercial use by the occupant of such  
30 premises, and for agricultural use and also, for such use, all sales of  
31 propane gas, the state rate shall be 0%, *and on and after July 1, 2026, this*  
32 *rate provision shall expire for all sales of electricity delivered to*  
33 *residential premises for noncommercial use by the occupant of such*  
34 *premises, which shall be exempt from the tax imposed by this act;* and for  
35 all sales of propane gas, LP gas, coal, wood and other fuel sources for the  
36 production of heat or lighting for noncommercial use of an occupant of  
37 residential premises, the state rate shall be 0%, but such tax shall not be  
38 levied and collected upon the gross receipts from: (1) The sale of a rural  
39 water district benefit unit; (2) a water system impact fee, system  
40 enhancement fee or similar fee collected by a water supplier as a condition  
41 for establishing service; or (3) connection or reconnection fees collected  
42 by a water supplier;

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

1 private club, drinking establishment, catered event, restaurant, eating  
2 house, dining car, hotel, drugstore or other place where meals or drinks are  
3 regularly sold to the public;

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

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

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

19 (h) the gross receipts from the service of renting or leasing of tangible  
20 personal property except such tax shall not apply to the renting or leasing  
21 of machinery, equipment or other personal property owned by a city and  
22 purchased from the proceeds of industrial revenue bonds issued prior to  
23 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
24 12-1749, and amendments thereto, and any city or lessee renting or leasing  
25 such machinery, equipment or other personal property purchased with the  
26 proceeds of such bonds who shall have paid a tax under the provisions of  
27 this section upon sales made prior to July 1, 1973, shall be entitled to a  
28 refund from the sales tax refund fund of all taxes paid thereon;

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

32 (j) the gross receipts from the rendering of the services of washing  
33 and washing and waxing of vehicles;

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

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

41 (2) Any such contractor, subcontractor or repairman who maintains  
42 an inventory of such property both for sale at retail and for use by them for  
43 the purposes described by paragraph (1) shall be deemed a retailer with

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

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

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

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

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

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

31 For the purposes of this subsection:

32 (1) "Original construction" means the first or initial construction of a  
33 new building or facility. The term "original construction" shall include the  
34 addition of an entire room or floor to any existing building or facility, the  
35 completion of any unfinished portion of any existing building or facility  
36 and the restoration, reconstruction or replacement of a building, facility or  
37 utility structure damaged or destroyed by fire, flood, tornado, lightning,  
38 explosion, windstorm, ice loading and attendant winds, terrorism or  
39 earthquake, but such term, except with regard to a residence, shall not  
40 include replacement, remodeling, restoration, renovation or reconstruction  
41 under any other circumstances;

42 (2) "building" means only those enclosures within which individuals  
43 customarily are employed, or which are customarily used to house

1 machinery, equipment or other property, and including the land  
2 improvements immediately surrounding such building;

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

9 (4) "residence" means only those enclosures within which individuals  
10 customarily live;

11 (5) "utility structure" means transmission and distribution lines  
12 owned by an independent transmission company or cooperative, the  
13 Kansas electric transmission authority or natural gas or electric public  
14 utility; and

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

18 (q) the gross receipts received for the service of repairing, servicing,  
19 altering or maintaining tangible personal property which when such  
20 services are rendered is not being held for sale in the regular course of  
21 business, and whether or not any tangible personal property is transferred  
22 in connection therewith. The tax imposed by this subsection shall be  
23 applicable to the services of repairing, servicing, altering or maintaining an  
24 item of tangible personal property which has been and is fastened to,  
25 connected with or built into real property;

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

29 (s) on and after January 1, 2005, the gross receipts received from the  
30 sale of prewritten computer software and the sale of the services of  
31 modifying, altering, updating or maintaining prewritten computer  
32 software, whether the prewritten computer software is installed or  
33 delivered electronically by tangible storage media physically transferred to  
34 the purchaser or by load and leave;

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

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

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

42 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-  
43 5171 et seq., and amendments thereto, shall be exempt from taxes imposed

1 pursuant to this section; and

2 (x) commencing on January 1, 2023, and thereafter, the state rate on  
3 the gross receipts from the sale of food and food ingredients shall be as set  
4 forth in K.S.A. 2025 Supp. 79-3603d, and amendments thereto.

5 Sec. 3. K.S.A. 2025 Supp. 79-3606 is hereby amended to read as  
6 follows: 79-3606. The following shall be exempt from the tax imposed by  
7 this act:

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

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

37 (c) all sales of tangible personal property or services, including the  
38 renting and leasing of tangible personal property, purchased directly by a  
39 public or private elementary or secondary school or public or private  
40 nonprofit educational institution and used primarily by such school or  
41 institution for nonsectarian programs and activities provided or sponsored  
42 by such school or institution or in the erection, repair or enlargement of  
43 buildings to be used for such purposes. The exemption herein provided

1 shall not apply to erection, construction, repair, enlargement or equipment  
2 of buildings used primarily for human habitation, except that such  
3 exemption shall apply to the erection, construction, repair, enlargement or  
4 equipment of buildings used for human habitation by the cerebral palsy  
5 research foundation of Kansas located in Wichita, Kansas, multi  
6 community diversified services, incorporated, located in McPherson,  
7 Kansas, the Kansas state school for the blind and the Kansas state school  
8 for the deaf;

9 (d) all sales of tangible personal property or services purchased by a  
10 contractor for the purpose of constructing, equipping, reconstructing,  
11 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
12 any public or private nonprofit hospital or public hospital authority, public  
13 or private elementary or secondary school, a public or private nonprofit  
14 educational institution, state correctional institution including a privately  
15 constructed correctional institution contracted for state use and ownership,  
16 that would be exempt from taxation under the provisions of this act if  
17 purchased directly by such hospital or public hospital authority, school,  
18 educational institution or a state correctional institution; and all sales of  
19 tangible personal property or services purchased by a contractor for the  
20 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
21 enlarging, furnishing or remodeling facilities for any political subdivision  
22 of the state or district described in subsection (s), the total cost of which is  
23 paid from funds of such political subdivision or district and that would be  
24 exempt from taxation under the provisions of this act if purchased directly  
25 by such political subdivision or district. Nothing in this subsection or in  
26 the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
27 deemed to exempt the purchase of any construction machinery, equipment  
28 or tools used in the constructing, equipping, reconstructing, maintaining,  
29 repairing, enlarging, furnishing or remodeling facilities for any political  
30 subdivision of the state or any such district. As used in this subsection,  
31 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
32 political subdivision" shall mean general tax revenues, the proceeds of any  
33 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the  
34 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
35 furnishing or remodeling facilities that are to be leased to the donor. When  
36 any political subdivision of the state, district described in subsection (s),  
37 public or private nonprofit hospital or public hospital authority, public or  
38 private elementary or secondary school, public or private nonprofit  
39 educational institution, state correctional institution including a privately  
40 constructed correctional institution contracted for state use and ownership  
41 shall contract for the purpose of constructing, equipping, reconstructing,  
42 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
43 shall obtain from the state and furnish to the contractor an exemption



1 certificate for the project involved, and the contractor may purchase  
2 materials for incorporation in such project. The contractor shall furnish the  
3 number of such certificate to all suppliers from whom such purchases are  
4 made, and such suppliers shall execute invoices covering the same bearing  
5 the number of such certificate. Upon completion of the project the  
6 contractor shall furnish to the political subdivision, district described in  
7 subsection (s), hospital or public hospital authority, school, educational  
8 institution or department of corrections concerned a sworn statement, on a  
9 form to be provided by the director of taxation, that all purchases so made  
10 were entitled to exemption under this subsection. As an alternative to the  
11 foregoing procedure, any such contracting entity may apply to the  
12 secretary of revenue for agent status for the sole purpose of issuing and  
13 furnishing project exemption certificates to contractors pursuant to rules  
14 and regulations adopted by the secretary establishing conditions and  
15 standards for the granting and maintaining of such status. All invoices  
16 shall be held by the contractor for a period of five years and shall be  
17 subject to audit by the director of taxation. If any materials purchased  
18 under such a certificate are found not to have been incorporated in the  
19 building or other project or not to have been returned for credit or the sales  
20 or compensating tax otherwise imposed upon such materials that will not  
21 be so incorporated in the building or other project reported and paid by  
22 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
23 month following the close of the month in which it shall be determined  
24 that such materials will not be used for the purpose for which such  
25 certificate was issued, the political subdivision, district described in  
26 subsection (s), hospital or public hospital authority, school, educational  
27 institution or the contractor contracting with the department of corrections  
28 for a correctional institution concerned shall be liable for tax on all  
29 materials purchased for the project, and upon payment thereof it may  
30 recover the same from the contractor together with reasonable attorney  
31 fees. Any contractor or any agent, employee or subcontractor thereof, who  
32 shall use or otherwise dispose of any materials purchased under such a  
33 certificate for any purpose other than that for which such a certificate is  
34 issued without the payment of the sales or compensating tax otherwise  
35 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
36 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
37 79-3615(h), and amendments thereto;

38 (e) all sales of tangible personal property or services purchased by a  
39 contractor for the erection, repair or enlargement of buildings or other  
40 projects for the government of the United States, its agencies or  
41 instrumentalities, that would be exempt from taxation if purchased directly  
42 by the government of the United States, its agencies or instrumentalities.  
43 When the government of the United States, its agencies or

1 instrumentalities shall contract for the erection, repair, or enlargement of  
2 any building or other project, it shall obtain from the state and furnish to  
3 the contractor an exemption certificate for the project involved, and the  
4 contractor may purchase materials for incorporation in such project. The  
5 contractor shall furnish the number of such certificates to all suppliers  
6 from whom such purchases are made, and such suppliers shall execute  
7 invoices covering the same bearing the number of such certificate. Upon  
8 completion of the project the contractor shall furnish to the government of  
9 the United States, its agencies or instrumentalities concerned 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. As an  
12 alternative to the foregoing procedure, any such contracting entity may  
13 apply to the secretary of revenue for agent status for the sole purpose of  
14 issuing and furnishing project exemption certificates to contractors  
15 pursuant to rules and regulations adopted by the secretary establishing  
16 conditions and standards for the granting and maintaining of such status.  
17 All invoices shall be held by the contractor for a period of five years and  
18 shall be subject to audit by the director of taxation. Any contractor or any  
19 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 (f) tangible personal property purchased by a railroad or public utility  
27 for consumption or movement directly and immediately in interstate  
28 commerce;

29 (g) sales of aircraft including remanufactured and modified aircraft  
30 sold to persons using directly or through an authorized agent such aircraft  
31 as certified or licensed carriers of persons or property in interstate or  
32 foreign commerce under authority of the laws of the United States or any  
33 foreign government or sold to any foreign government or agency or  
34 instrumentality of such foreign government and all sales of aircraft for use  
35 outside of the United States and sales of aircraft repair, modification and  
36 replacement parts and sales of services employed in the remanufacture,  
37 modification and repair of aircraft;

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

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

42 (j) meals served without charge or food used in the preparation of  
43 such meals to employees of any restaurant, eating house, dining car, hotel,

1 drugstore or other place where meals or drinks are regularly sold to the  
2 public if such employees' duties are related to the furnishing or sale of  
3 such meals or drinks;

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

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

14 (m) all sales of tangible personal property that become an ingredient  
15 or component part of tangible personal property or services produced,  
16 manufactured or compounded for ultimate sale at retail within or without  
17 the state of Kansas; and any such producer, manufacturer or compounder  
18 may obtain from the director of taxation and furnish to the supplier an  
19 exemption certificate number for tangible personal property for use as an  
20 ingredient or component part of the property or services produced,  
21 manufactured or compounded;

22 (n) all sales of tangible personal property that is consumed in the  
23 production, manufacture, processing, mining, drilling, refining or  
24 compounding of tangible personal property, the treating of by-products or  
25 wastes derived from any such production process, the providing of  
26 services or the irrigation of crops for ultimate sale at retail within or  
27 without the state of Kansas; and any purchaser of such property may  
28 obtain from the director of taxation and furnish to the supplier an  
29 exemption certificate number for tangible personal property for  
30 consumption in such production, manufacture, processing, mining,  
31 drilling, refining, compounding, treating, irrigation and in providing such  
32 services;

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

39 (p) all sales of drugs dispensed pursuant to a prescription order by a  
40 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
41 1626, and amendments thereto. As used in this subsection, "drug" means a  
42 compound, substance or preparation and any component of a compound,  
43 substance or preparation, other than food and food ingredients, dietary

1 supplements or alcoholic beverages, recognized in the official United  
2 States pharmacopeia, official homeopathic pharmacopoeia of the United  
3 States or official national formulary, and supplement to any of them,  
4 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
5 of disease or intended to affect the structure or any function of the body,  
6 except that for taxable years commencing after December 31, 2013, this  
7 subsection shall not apply to any sales of drugs used in the performance or  
8 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
9 thereto;

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

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

33 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,  
34 all sales of tangible personal property or services purchased directly or  
35 indirectly by a groundwater management district organized or operating  
36 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
37 by a rural water district organized or operating under the authority of  
38 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
39 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
40 3522 et seq. or 19-3545, and amendments thereto, which property or  
41 services are used in the construction activities, operation or maintenance of  
42 the district;

43 (t) all sales of farm machinery and equipment or aquaculture

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

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

29 (v) all sales of tangible personal property to any contractor for use in  
30 preparing meals for delivery to homebound elderly persons over 60 years  
31 of age and to homebound disabled persons or to be served at a group-  
32 sitting at a location outside of the home to otherwise homebound elderly  
33 persons over 60 years of age and to otherwise homebound disabled  
34 persons, as all or part of any food service project funded in whole or in  
35 part by government or as part of a private nonprofit food service project  
36 available to all such elderly or disabled persons residing within an area of  
37 service designated by the private nonprofit organization, and all sales of  
38 tangible personal property for use in preparing meals for consumption by  
39 indigent or homeless individuals whether or not such meals are consumed  
40 at a place designated for such purpose, and all sales of food products by or  
41 on behalf of any such contractor or organization for any such purpose;

42 (w) all sales of natural gas, electricity, heat and water delivered  
43 through mains, lines or pipes: (1) To residential premises for

1 noncommercial use by the occupant of such premises; (2) for agricultural  
2 use and also, for such use, all sales of propane gas; (3) for use in the  
3 severing of oil; and (4) to any property which is exempt from property  
4 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this  
5 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
6 and amendments thereto. For all sales of natural gas, electricity and heat  
7 delivered through mains, lines or pipes pursuant to the provisions of  
8 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
9 on December 31, 2005, *except that on and after July 1, 2026, all sales of*  
10 *electricity delivered to residential premises for noncommercial use by the*  
11 *occupant of such premises shall be exempt from the tax imposed by this*  
12 *act;*

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

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

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

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

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

34 (cc) all sales of tangible personal property or services purchased prior  
35 to January 1, 2012, except as otherwise provided, for the purpose of and in  
36 conjunction with constructing, reconstructing, enlarging or remodeling a  
37 business or retail business that meets the requirements established in  
38 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
39 machinery and equipment purchased for installation at any such business  
40 or retail business, and all sales of tangible personal property or services  
41 purchased on or after January 1, 2012, for the purpose of and in  
42 conjunction with constructing, reconstructing, enlarging or remodeling a  
43 business that meets the requirements established in K.S.A. 74-50,115(e),

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

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

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

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

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

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

17 (ii) all sales of tangible personal property purchased directly by a  
18 nonprofit organization for nonsectarian comprehensive multidiscipline  
19 youth development programs and activities provided or sponsored by such  
20 organization, and all sales of tangible personal property by or on behalf of  
21 any such organization. This exemption shall not apply to tangible personal  
22 property customarily used for human habitation purposes;

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

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

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

43 (C) all sales of repair and replacement parts and accessories



1 purchased for such machinery and equipment.

2 (2) For purposes of this subsection:

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

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

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

27 (D) "manufacturing or processing business" means a business that  
28 utilizes an integrated production operation to manufacture, process,  
29 fabricate, finish or assemble items for wholesale and retail distribution as  
30 part of what is commonly regarded by the general public as an industrial  
31 manufacturing or processing operation or an agricultural commodity  
32 processing operation. (i) Industrial manufacturing or processing operations  
33 include, by way of illustration but not of limitation, the fabrication of  
34 automobiles, airplanes, machinery or transportation equipment, the  
35 fabrication of metal, plastic, wood or paper products, electricity power  
36 generation, water treatment, petroleum refining, chemical production,  
37 wholesale bottling, newspaper printing, ready mixed concrete production,  
38 and the remanufacturing of used parts for wholesale or retail sale. Such  
39 processing operations shall include operations at an oil well, gas well,  
40 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
41 sand or gravel that has been extracted from the earth is cleaned, separated,  
42 crushed, ground, milled, screened, washed or otherwise treated or prepared  
43 before its transmission to a refinery or before any other wholesale or retail

1 distribution. (ii) Agricultural commodity processing operations include, by  
2 way of illustration but not of limitation, meat packing, poultry slaughtering  
3 and dressing, processing and packaging farm and dairy products in sealed  
4 containers for wholesale and retail distribution, feed grinding, grain  
5 milling, frozen food processing, and grain handling, cleaning, blending,  
6 fumigation, drying and aeration operations engaged in by grain elevators  
7 or other grain storage facilities. (iii) Manufacturing or processing  
8 businesses do not include, by way of illustration but not of limitation,  
9 nonindustrial businesses whose operations are primarily retail and that  
10 produce or process tangible personal property as an incidental part of  
11 conducting the retail business, such as retailers who bake, cook or prepare  
12 food products in the regular course of their retail trade, grocery stores,  
13 meat lockers and meat markets that butcher or dress livestock or poultry in  
14 the regular course of their retail trade, contractors who alter, service, repair  
15 or improve real property, and retail businesses that clean, service or  
16 refurbish and repair tangible personal property for its owner;

17 (E) "repair and replacement parts and accessories" means all parts  
18 and accessories for exempt machinery and equipment, including, but not  
19 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
20 exempt machinery or that are otherwise used in production, and parts and  
21 accessories that require periodic replacement such as belts, drill bits,  
22 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
23 other refractory items for exempt kiln equipment used in production  
24 operations;

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

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

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

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

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

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

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

42 (F) plan, manage, control or record the receipt and flow of inventories  
43 of raw materials, consumables and component parts, the flow of the

1 property undergoing manufacturing or processing and the management of  
2 inventories of the finished product;

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

6 (H) package the property being manufactured or processed in a  
7 container or wrapping in which such property is normally sold or  
8 transported;

9 (I) transmit or transport electricity, coke, gas, water, steam or similar  
10 substances used in production operations from the point of generation, if  
11 produced by the manufacturer or processor at the plant site, to that  
12 manufacturer's production operation; or, if purchased or delivered from  
13 off-site, from the point where the substance enters the site of the plant or  
14 facility to that manufacturer's production operations;

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

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

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

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

25 (4) The following machinery, equipment and materials shall be  
26 deemed to be exempt even though it may not otherwise qualify as  
27 machinery and equipment used as an integral or essential part of an  
28 integrated production operation: (A) Computers and related peripheral  
29 equipment that are utilized by a manufacturing or processing business for  
30 engineering of the finished product or for research and development or  
31 product design; (B) machinery and equipment that is utilized by a  
32 manufacturing or processing business to manufacture or rebuild tangible  
33 personal property that is used in manufacturing or processing operations,  
34 including tools, dies, molds, forms and other parts of qualifying machinery  
35 and equipment; (C) portable plants for aggregate concrete, bulk cement  
36 and asphalt including cement mixing drums to be attached to a motor  
37 vehicle; (D) industrial fixtures, devices, support facilities and special  
38 foundations necessary for manufacturing and production operations, and  
39 materials and other tangible personal property sold for the purpose of  
40 fabricating such fixtures, devices, facilities and foundations. An exemption  
41 certificate for such purchases shall be signed by the manufacturer or  
42 processor. If the fabricator purchases such material, the fabricator shall  
43 also sign the exemption certificate; (E) a manufacturing or processing

1 business' laboratory equipment that is not located at the plant or facility,  
2 but that would otherwise qualify for exemption under subsection (3)(E);  
3 (F) all machinery and equipment used in surface mining activities as  
4 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
5 from the time a reclamation plan is filed to the acceptance of the  
6 completed final site reclamation.

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

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

14 (B) machinery, equipment and tools used primarily in maintaining  
15 and repairing any type of machinery and equipment or the building and  
16 plant;

17 (C) transportation, transmission and distribution equipment not  
18 primarily used in a production, warehousing or material handling  
19 operation at the plant or facility, including the means of conveyance of  
20 natural gas, electricity, oil or water, and equipment related thereto, located  
21 outside the plant or facility;

22 (D) office machines and equipment including computers and related  
23 peripheral equipment not used directly and primarily to control or measure  
24 the manufacturing process;

25 (E) furniture and other furnishings;

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

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

32 (H) machinery and equipment used for general plant heating, cooling  
33 and lighting;

34 (I) motor vehicles that are registered for operation on public  
35 highways; or

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

39 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings  
40 of the machinery and equipment that qualify or do not qualify as an  
41 integral or essential part of an integrated production operation. When  
42 machinery or equipment is used as an integral or essential part of  
43 production operations part of the time and for nonproduction purposes at

1 other times, the primary use of the machinery or equipment shall  
2 determine whether or not such machinery or equipment qualifies for  
3 exemption.

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

6 (ll) all sales of educational materials purchased for distribution to the  
7 public at no charge by a nonprofit corporation organized for the purpose of  
8 encouraging, fostering and conducting programs for the improvement of  
9 public health, except that for taxable years commencing after December  
10 31, 2013, this subsection shall not apply to any sales of such materials  
11 purchased by a nonprofit corporation which performs any abortion, as  
12 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

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

1 or on behalf of a not-for-profit corporation that is exempt from federal  
2 income taxation pursuant to section 501(c)(3) of the federal internal  
3 revenue code of 1986, for the sole purpose of constructing a Kansas  
4 Korean War memorial;

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

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

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

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

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

23 (4) the American diabetes association Kansas affiliate, inc. for the  
24 purpose of eliminating diabetes through medical research, public education  
25 focusing on disease prevention and education, patient education including  
26 information on coping with diabetes, and professional education and  
27 training;

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

33 (6) the Kansas chapters of the Alzheimer's disease and related  
34 disorders association, inc. for the purpose of providing assistance and  
35 support to persons in Kansas with Alzheimer's disease, and their families  
36 and caregivers;

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

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

43 (9) the heartstrings community foundation for the purpose of

1 providing training, employment and activities for adults with  
2 developmental disabilities;

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

6 (11) the spina bifida association of Kansas for the purpose of  
7 providing financial, educational and practical aid to families and  
8 individuals with spina bifida. Such aid includes, but is not limited to,  
9 funding for medical devices, counseling and medical educational  
10 opportunities;

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

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

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

21 (15) the KSDS, Inc., for the purpose of promoting the independence  
22 and inclusion of people with disabilities as fully participating and  
23 contributing members of their communities and society through the  
24 training and providing of guide and service dogs to people with  
25 disabilities, and providing disability education and awareness to the  
26 general public;

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

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

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

36 (19) the international association of lions clubs for the purpose of  
37 creating and fostering a spirit of understanding among all people for  
38 humanitarian needs by providing voluntary services through community  
39 involvement and international cooperation;

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

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

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

7 (23) the angel babies association, for the purpose of providing  
8 assistance, support and items of necessity to teenage mothers and their  
9 babies; and

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

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

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



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

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

20 (zz) all sales of machinery and equipment purchased by over-the-air,  
21 free access radio or television station that is used directly and primarily for  
22 the purpose of producing a broadcast signal or is such that the failure of  
23 the machinery or equipment to operate would cause broadcasting to cease.  
24 For purposes of this subsection, machinery and equipment shall include,  
25 but not be limited to, that required by rules and regulations of the federal  
26 communications commission, and all sales of electricity which are  
27 essential or necessary for the purpose of producing a broadcast signal or is  
28 such that the failure of the electricity would cause broadcasting to cease;

29 (aaa) all sales of tangible personal property and services purchased by  
30 a religious organization that is exempt from federal income taxation  
31 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
32 exclusively for religious purposes, and all sales of tangible personal  
33 property or services purchased by a contractor for the purpose of  
34 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
35 furnishing or remodeling facilities for any such organization that would be  
36 exempt from taxation under the provisions of this section if purchased  
37 directly by such organization. Nothing in this subsection shall be deemed  
38 to exempt the purchase of any construction machinery, equipment or tools  
39 used in the constructing, equipping, reconstructing, maintaining, repairing,  
40 enlarging, furnishing or remodeling facilities for any such organization.  
41 When any such organization shall contract for the purpose of constructing,  
42 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
43 remodeling facilities, it shall obtain from the state and furnish to the

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

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

1 (ccc) on and after July 1, 1999, all sales of tangible personal property  
2 and services purchased by a primary care clinic or health center the  
3 primary purpose of which is to provide services to medically underserved  
4 individuals and families, and that is exempt from federal income taxation  
5 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
6 sales of tangible personal property or services purchased by a contractor  
7 for the purpose of constructing, equipping, reconstructing, maintaining,  
8 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
9 or center that would be exempt from taxation under the provisions of this  
10 section if purchased directly by such clinic or center, except that for  
11 taxable years commencing after December 31, 2013, this subsection shall  
12 not apply to any sales of such tangible personal property and services  
13 purchased by a primary care clinic or health center which performs any  
14 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
15 in this subsection shall be deemed to exempt the purchase of any  
16 construction machinery, equipment or tools used in the constructing,  
17 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
18 remodeling facilities for any such clinic or center. When any such clinic or  
19 center shall contract for the purpose of constructing, equipping,  
20 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
21 facilities, it shall obtain from the state and furnish to the contractor an  
22 exemption certificate for the project involved, and the contractor may  
23 purchase materials for incorporation in such project. The contractor shall  
24 furnish the number of such certificate to all suppliers from whom such  
25 purchases are made, and such suppliers shall execute invoices covering the  
26 same bearing the number of such certificate. Upon completion of the  
27 project the contractor shall furnish to such clinic or center concerned a  
28 sworn statement, on a form to be provided by the director of taxation, that  
29 all purchases so made were entitled to exemption under this subsection.  
30 All invoices shall be held by the contractor for a period of five years and  
31 shall be subject to audit by the director of taxation. If any materials  
32 purchased under such a certificate are found not to have been incorporated  
33 in the building or other project or not to have been returned for credit or  
34 the sales or compensating tax otherwise imposed upon such materials that  
35 will not be so incorporated in the building or other project reported and  
36 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
37 day of the month following the close of the month in which it shall be  
38 determined that such materials will not be used for the purpose for which  
39 such certificate was issued, such clinic or center concerned shall be liable  
40 for tax on all materials purchased for the project, and upon payment  
41 thereof it may recover the same from the contractor together with  
42 reasonable attorney fees. Any contractor or any agent, employee or  
43 subcontractor thereof, who shall use or otherwise dispose of any materials

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

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

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

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

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

42 (hhh) all sales of tangible personal property and services purchased  
43 by or on behalf of all domestic violence shelters that are member agencies

1 of the Kansas coalition against sexual and domestic violence;

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

1 thereof, who shall use or otherwise dispose of any materials purchased  
2 under such a certificate for any purpose other than that for which such a  
3 certificate is issued without the payment of the sales or compensating tax  
4 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
5 and, upon conviction therefor, shall be subject to the penalties provided for  
6 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
7 July 1, 2005, but prior to the effective date of this act upon the gross  
8 receipts received from any sale exempted by the amendatory provisions of  
9 this subsection shall be refunded. Each claim for a sales tax refund shall be  
10 verified and submitted to the director of taxation upon forms furnished by  
11 the director and shall be accompanied by any additional documentation  
12 required by the director. The director shall review each claim and shall  
13 refund that amount of sales tax paid as determined under the provisions of  
14 this subsection. All refunds shall be paid from the sales tax refund fund  
15 upon warrants of the director of accounts and reports pursuant to vouchers  
16 approved by the director or the director's designee;

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

32 (lll) all sales of tangible personal property and services purchased by  
33 special olympics Kansas, inc. for the purpose of providing year-round  
34 sports training and athletic competition in a variety of olympic-type sports  
35 for individuals with intellectual disabilities by giving them continuing  
36 opportunities to develop physical fitness, demonstrate courage, experience  
37 joy and participate in a sharing of gifts, skills and friendship with their  
38 families, other special olympics athletes and the community, and activities  
39 provided or sponsored by such organization, and all sales of tangible  
40 personal property by or on behalf of any such organization;

41 (mmm) all sales of tangible personal property purchased by or on  
42 behalf of the Marillac center, inc., which is exempt from federal income  
43 taxation pursuant to section 501(c)(3) of the federal internal revenue code,

1 for the purpose of providing psycho-social-biological and special  
2 education services to children, and all sales of any such property by or on  
3 behalf of such organization for such purpose;

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

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

13 (ppp) all sales of tangible personal property and services purchased  
14 by or on behalf of a homeless shelter that is exempt from federal income  
15 taxation pursuant to section 501(c)(3) of the federal income tax code of  
16 1986, and used by any such homeless shelter to provide emergency and  
17 transitional housing for individuals and families experiencing  
18 homelessness, and all sales of any such property by or on behalf of any  
19 such homeless shelter for any such purpose;

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

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

22 (rrr) all sales of tangible personal property and services purchased by  
23 any county law library maintained pursuant to law and sales of tangible  
24 personal property and services purchased by an organization that would  
25 have been exempt from taxation under the provisions of this subsection if  
26 purchased directly by the county law library for the purpose of providing  
27 legal resources to attorneys, judges, students and the general public, and  
28 all sales of any such property by or on behalf of any such county law  
29 library;

30 (sss) all sales of tangible personal property and services purchased by  
31 catholic charities or youthville, hereinafter referred to as charitable family  
32 providers, which is exempt from federal income taxation pursuant to  
33 section 501(c)(3) of the federal internal revenue code of 1986, and which  
34 such property and services are used for the purpose of providing  
35 emergency shelter and treatment for abused and neglected children as well  
36 as meeting additional critical needs for children, juveniles and family, and  
37 all sales of any such property by or on behalf of charitable family  
38 providers for any such purpose; and all sales of tangible personal property  
39 or 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 charitable family providers for any such  
42 purpose which would be exempt from taxation under the provisions of this  
43 section if purchased directly by charitable family providers. Nothing in



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

34 (ttt) all sales of tangible personal property or services purchased by a  
35 contractor for a project for the purpose of restoring, constructing,  
36 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
37 remodeling a home or facility owned by a nonprofit museum that has been  
38 granted an exemption pursuant to subsection (qq), which such home or  
39 facility is located in a city that has been designated as a qualified  
40 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
41 amendments thereto, and which such project is related to the purposes of  
42 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
43 exempt from taxation under the provisions of this section if purchased

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

36 (uuu) all sales of tangible personal property and services purchased  
37 by Kansas children's service league, hereinafter referred to as KCSL,  
38 which is exempt from federal income taxation pursuant to section 501(c)  
39 (3) of the federal internal revenue code of 1986, and which such property  
40 and services are used for the purpose of providing for the prevention and  
41 treatment of child abuse and maltreatment as well as meeting additional  
42 critical needs for children, juveniles and family, and all sales of any such  
43 property by or on behalf of KCSL for any such purpose; and all sales of

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

38 (vvv) all sales of tangible personal property or services, including the  
39 renting and leasing of tangible personal property or services, purchased by  
40 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
41 income taxation pursuant to section 501(c)(3) of the federal internal  
42 revenue code, for the purpose of providing jazz in the woods, an event  
43 benefiting children-in-need and other nonprofit charities assisting such

1 children, and all sales of any such property by or on behalf of such  
2 organization for such purpose;

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

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

1 organization concerned shall be liable for tax on all materials purchased  
2 for the project, and upon payment thereof it may recover the same from  
3 the contractor together with reasonable attorney fees. Any contractor or  
4 any agent, employee or subcontractor thereof, who shall use or otherwise  
5 dispose of any materials purchased under such a certificate for any purpose  
6 other than that for which such a certificate is issued without the payment  
7 of the sales or compensating tax otherwise imposed upon such materials,  
8 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
9 subject to the penalties provided for in K.S.A. 79-3615(h), and  
10 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
11 to the effective date of this act upon the gross receipts received from any  
12 sale which would have been exempted by the provisions of this subsection  
13 had such sale occurred after the effective date of this act shall be refunded.  
14 Each claim for a sales tax refund shall be verified and submitted to the  
15 director of taxation upon forms furnished by the director and shall be  
16 accompanied by any additional documentation required by the director.  
17 The director shall review each claim and shall refund that amount of sales  
18 tax paid as determined under the provisions of this subsection. All refunds  
19 shall be paid from the sales tax refund fund upon warrants of the director  
20 of accounts and reports pursuant to vouchers approved by the director or  
21 the director's designee;

22 (yyy) all sales of tangible personal property and services purchased  
23 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
24 which is exempt from federal income taxation pursuant to section 501(c)  
25 (3) of the federal internal revenue code of 1986, and which such property  
26 and services are used for the purpose of encouraging private philanthropy  
27 to further the vision, values, and goals of TLC for children and families,  
28 inc.; and all sales of such property and services by or on behalf of TLC  
29 charities for any such purpose and all sales of tangible personal property or  
30 services purchased by a contractor for the purpose of constructing,  
31 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
32 the operation of services for TLC charities for any such purpose that would  
33 be exempt from taxation under the provisions of this section if purchased  
34 directly by TLC charities. Nothing in this subsection shall be deemed to  
35 exempt the purchase of any construction machinery, equipment or tools  
36 used in the constructing, maintaining, repairing, enlarging, furnishing or  
37 remodeling such facilities for TLC charities. When TLC charities contracts  
38 for the purpose of constructing, maintaining, repairing, enlarging,  
39 furnishing or remodeling such facilities, it shall obtain from the state and  
40 furnish to the contractor an exemption certificate for the project involved,  
41 and the contractor may purchase materials for incorporation in such  
42 project. The contractor shall furnish the number of such certificate to all  
43 suppliers from whom such purchases are made, and such suppliers shall

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

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

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

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

40 (cccc) all sales of tangible personal property or services purchased by  
41 or on behalf of wayside waifs, inc., which is exempt from federal income  
42 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
43 for the purpose of providing such organization's annual fundraiser, an

1 event whose purpose is to support the care of homeless and abandoned  
2 animals, animal adoption efforts, education programs for children and  
3 efforts to reduce animal over-population and animal welfare services, and  
4 all sales of any such property, including entry or participation fees or  
5 charges, by or on behalf of such organization for such purpose;

6 (dddd) all sales of tangible personal property or services purchased  
7 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
8 of which are exempt from federal income taxation pursuant to section  
9 501(c)(3) of the federal internal revenue code, for the purpose of providing  
10 education, training and employment opportunities for people with  
11 disabilities and other barriers to employment;

12 (eeee) all sales of tangible personal property or services purchased by  
13 or on behalf of all American beef battalion, inc., 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 educating, promoting and  
16 participating as a contact group through the beef cattle industry in order to  
17 carry out such projects that provide support and morale to members of the  
18 United States armed forces and military services;

19 (ffff) all sales of tangible personal property and services purchased by  
20 sheltered living, inc., which is exempt from federal income taxation  
21 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
22 and which such property and services are used for the purpose of  
23 providing residential and day services for people with developmental  
24 disabilities or intellectual disability, or both, and all sales of any such  
25 property by or on behalf of sheltered living, inc., for any such purpose; and  
26 all sales of tangible personal property or services purchased by a  
27 contractor for the purpose of rehabilitating, constructing, maintaining,  
28 repairing, enlarging, furnishing or remodeling homes and facilities for  
29 sheltered living, inc., for any such purpose that would be exempt from  
30 taxation under the provisions of this section if purchased directly by  
31 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
32 the purchase of any construction machinery, equipment or tools used in the  
33 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
34 such homes and facilities for sheltered living, inc. When sheltered living,  
35 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
36 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
37 shall obtain from the state and furnish to the contractor an exemption  
38 certificate for the project involved, and the contractor may purchase  
39 materials for incorporation in such project. The contractor shall furnish the  
40 number of such certificate to all suppliers from whom such purchases are  
41 made, and such suppliers shall execute invoices covering the same bearing  
42 the number of such certificate. Upon completion of the project the  
43 contractor shall furnish to sheltered living, inc., a sworn statement, on a

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

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

24 (hhhh) all sales of tangible personal property or services purchased  
25 on or after July 1, 2014, for the purpose of and in conjunction with  
26 constructing, reconstructing, enlarging or remodeling a business identified  
27 under the North American industry classification system (NAICS)  
28 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
29 installation of machinery and equipment purchased for installation at any  
30 such business. The exemption provided in this subsection shall not apply  
31 to projects that have actual total costs less than \$50,000. When a person  
32 contracts for the construction, reconstruction, enlargement or remodeling  
33 of any such business, such person shall obtain from the state and furnish to  
34 the contractor an exemption certificate for the project involved, and the  
35 contractor may purchase materials, machinery and equipment for  
36 incorporation in such project. The contractor shall furnish the number of  
37 such certificates to all suppliers from whom such purchases are made, and  
38 such suppliers shall execute invoices covering the same bearing the  
39 number of such certificate. Upon completion of the project, the contractor  
40 shall furnish to the owner of the business a sworn statement, on a form to  
41 be provided by the director of taxation, that all purchases so made were  
42 entitled to exemption under this subsection. All invoices shall be held by  
43 the contractor for a period of five years and shall be subject to audit by the



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

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

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

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

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

16 (llll) all sales of tangible personal property and services purchased by  
17 Gove county healthcare endowment foundation, inc., which is exempt  
18 from federal income taxation pursuant to section 501(c)(3) of the federal  
19 internal revenue code of 1986, and which such property and services are  
20 used for the purpose of constructing and equipping an airport in Quinter,  
21 Kansas, and all sales of tangible personal property or services purchased  
22 by a contractor for the purpose of constructing and equipping an airport in  
23 Quinter, Kansas, for such organization, that would be exempt from  
24 taxation under the provisions of this section if purchased directly by such  
25 organization. Nothing in this subsection shall be deemed to exempt the  
26 purchase of any construction machinery, equipment or tools used in the  
27 constructing or equipping of facilities for such organization. When such  
28 organization shall contract for the purpose of constructing or equipping an  
29 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
30 contractor an exemption certificate for the project involved, and the  
31 contractor may purchase materials for incorporation in such project. The  
32 contractor shall furnish the number of such certificate to all suppliers from  
33 whom such purchases are made, and such suppliers shall execute invoices  
34 covering the same bearing the number of such certificate. Upon  
35 completion of the project, the contractor shall furnish to such organization  
36 concerned a sworn statement, on a form to be provided by the director of  
37 taxation, that all purchases so made were entitled to exemption under this  
38 subsection. All invoices shall be held by the contractor for a period of five  
39 years and shall be subject to audit by the director of taxation. If any  
40 materials purchased under such a certificate are found not to have been  
41 incorporated in such facilities or not to have been returned for credit or the  
42 sales or compensating tax otherwise imposed upon such materials that will  
43 not be so incorporated in such facilities reported and paid by such

1 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
2 following the close of the month in which it shall be determined that such  
3 materials will not be used for the purpose for which such certificate was  
4 issued, such organization concerned shall be liable for tax on all materials  
5 purchased for the project, and upon payment thereof it may recover the  
6 same from the contractor together with reasonable attorney fees. Any  
7 contractor or any agent, employee or subcontractor thereof, who purchased  
8 under such a certificate for any purpose other than that for which such a  
9 certificate is issued without the payment of the sales or compensating tax  
10 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
11 and, upon conviction therefor, shall be subject to the penalties provided for  
12 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
13 subsection shall expire and have no effect on and after July 1, 2019;

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

19 (nnnn) all sales of tangible personal property or services purchased  
20 by friends of hospice of Jefferson county, an organization that is exempt  
21 from federal income taxation pursuant to section 501(c)(3) of the federal  
22 internal revenue code of 1986, for the purpose of providing support to the  
23 Jefferson county hospice agency in end-of-life care of Jefferson county  
24 families, friends and neighbors, and all sales of entry or participation fees,  
25 charges or tickets by friends of hospice of Jefferson county for such  
26 organization's fundraising event for such purpose;

27 (oooo) all sales of tangible personal property or services purchased  
28 for the purpose of and in conjunction with constructing, reconstructing,  
29 enlarging or remodeling a qualified business facility by a qualified firm or  
30 qualified supplier that meets the requirements established in K.S.A. 2025  
31 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
32 been approved for a project exemption certificate by the secretary of  
33 commerce, and the sale and installation of machinery and equipment  
34 purchased by such qualified firm or qualified supplier for installation at  
35 any such qualified business facility. When a person shall contract for the  
36 construction, reconstruction, enlargement or remodeling of any such  
37 qualified business facility, such person shall obtain from the state and  
38 furnish to the contractor an exemption certificate for the project involved,  
39 and the contractor may purchase materials, machinery and equipment for  
40 incorporation in such project. The contractor shall furnish the number of  
41 such certificates to all suppliers from whom such purchases are made, and  
42 such suppliers shall execute invoices covering the same bearing the  
43 number of such certificate. Upon completion of the project, the contractor

1 shall furnish to the owner of the qualified firm or qualified supplier a  
2 sworn statement, on a form to be provided by the director of taxation, that  
3 all purchases so made were entitled to exemption under this subsection.  
4 All invoices shall be held by the contractor for a period of five years and  
5 shall be subject to audit by the director of taxation. Any contractor or any  
6 agent, employee or subcontractor thereof who shall use or otherwise  
7 dispose of any materials, machinery or equipment purchased under such a  
8 certificate for any purpose other than that for which such a certificate is  
9 issued without the payment of the sales or compensating tax otherwise  
10 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
11 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
12 3615(h), and amendments thereto. As used in this subsection, "qualified  
13 business facility," "qualified firm" and "qualified supplier" mean the same  
14 as defined in K.S.A. 2025 Supp. 74-50,311, and amendments thereto;

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

28 (2) all sales of tangible personal property or services purchased by a  
29 contractor for the purpose of constructing, equipping, reconstructing,  
30 maintaining, repairing, enlarging, furnishing or remodeling facilities for an  
31 area agency on aging that would be exempt from taxation under the  
32 provisions of this section if purchased directly by such area agency on  
33 aging. Nothing in this paragraph shall be deemed to exempt the purchase  
34 of any construction machinery, equipment or tools used in the  
35 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
36 furnishing or remodeling facilities for an area agency on aging. When an  
37 area agency on aging contracts for the purpose of constructing, equipping,  
38 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
39 facilities, it shall obtain from the state and furnish to the contractor an  
40 exemption certificate for the project involved, and such contractor may  
41 purchase materials for incorporation in such project. The contractor shall  
42 furnish the number of such certificate to all suppliers from whom such  
43 purchases are made, and such suppliers shall execute invoices covering the

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

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

30 (rrrr) all sales of the services of slaughtering, butchering, custom  
31 cutting, dressing, processing and packaging of an animal for human  
32 consumption when the animal is delivered or furnished by a customer that  
33 owns the animal and such meat or poultry is for use or consumption by  
34 such customer;

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

42 (tttt) on and after January 1, 2024, all sales of tangible personal  
43 property or services purchased by exploration place, inc., an organization

1 that is exempt from federal income taxation pursuant to section 501(c)(3)  
2 of the federal internal revenue code, and which such property and services  
3 are used for the purpose of constructing, remodeling, furnishing or  
4 equipping a riverfront amphitheater, a destination playscape, an education  
5 center and indoor renovations at exploration place in Wichita, Kansas, all  
6 sales of tangible personal property or services purchased by Kansas  
7 children's discovery center inc. in Topeka, Kansas, and which such  
8 property and services are used for the purpose of constructing, remodeling,  
9 furnishing or equipping projects that include indoor-outdoor classrooms,  
10 an expanded multi-media gallery, a workshop and loading dock and safety  
11 upgrades such as a tornado shelter, lactation room, first aid room and  
12 sensory room and all sales of tangible personal property or services  
13 purchased by a contractor for the purpose of constructing, remodeling,  
14 furnishing or equipping such projects, for such organizations, that would  
15 be exempt from taxation under the provisions of this section if purchased  
16 directly by such organizations. Nothing in this subsection shall be deemed  
17 to exempt the purchase of any construction machinery, equipment or tools  
18 used in the constructing, remodeling, furnishing or equipping of facilities  
19 for such organization. When such organization shall contract for the  
20 purpose of constructing, remodeling, furnishing or equipping such  
21 projects, it shall obtain from the state and furnish to the contractor an  
22 exemption certificate for the project involved, and the contractor may  
23 purchase materials for incorporation in such project. The contractor shall  
24 furnish the number of such certificate to all suppliers from whom such  
25 purchases are made, and such suppliers shall execute invoices covering the  
26 same bearing the number of such certificate. Upon completion of the  
27 project, the contractor shall furnish to such organization a sworn statement,  
28 on a form to be provided by the director of taxation, that all purchases so  
29 made were entitled to exemption under this subsection. All invoices shall  
30 be held by the contractor for a period of five years and shall be subject to  
31 audit by the director of taxation. If any materials purchased under such a  
32 certificate are found not to have been incorporated in such facilities or not  
33 to have been returned for credit or the sales or compensating tax otherwise  
34 imposed upon such materials that will not be so incorporated in such  
35 facilities reported and paid by such contractor to the director of taxation no  
36 later than the 20<sup>th</sup> day of the month following the close of the month in  
37 which it shall be determined that such materials will not be used for the  
38 purpose for which such certificate was issued, such organization shall be  
39 liable for tax on all materials purchased for the project, and upon payment  
40 thereof may recover the same from the contractor together with reasonable  
41 attorney fees. Any contractor or agent, employee or subcontractor thereof,  
42 who purchased under such a certificate for any purpose other than that for  
43 which such a certificate is issued without the payment of the sales or

1 compensating tax otherwise imposed upon such materials, shall be guilty  
2 of a misdemeanor and, upon conviction therefor, shall be subject to the  
3 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
4 Sales tax paid on and after January 1, 2024, but prior to the effective date  
5 of this act, upon the gross receipts received from any sale exempted by the  
6 amendatory provisions of this subsection shall be refunded. Each claim for  
7 a sales tax refund shall be verified and submitted to the director of taxation  
8 upon forms furnished by the director and shall be accompanied by any  
9 additional documentation required by the director. The director shall  
10 review each claim and shall refund that amount of sales tax paid as  
11 determined under the provisions of this subsection. All refunds shall be  
12 paid from the sales tax refund fund upon warrants of the director of  
13 accounts and reports pursuant to vouchers approved by the director or the  
14 director's designee. The provisions of this subsection shall expire and have  
15 no effect on and after December 31, 2030;

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

19 (B) all services purchased by a provider in the provision of the  
20 communications service used in the repair, maintenance or installation in  
21 such communications service.

22 (2) As used in this subsection:

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

25 (B) "Equipment, machinery, software, ancillary components,  
26 appurtenances, accessories or other infrastructure" includes, but is not  
27 limited to:

28 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,  
29 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
30 transmitters, circuit cards, insulating and protective materials and cases,  
31 power equipment, backup power equipment, diagnostic equipment, storage  
32 devices, modems, cable modem termination systems and servers;

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

35 (iii) equipment used in successor technologies, including items used  
36 to monitor, test, maintain, enable or facilitate qualifying equipment,  
37 machinery, software, ancillary components, appurtenances and  
38 accessories; and

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

43 (C) "Internet access service" means the same as internet access as

1 defined in section 1105 of the internet tax freedom act amendments of  
2 2007, public law 110-108.

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

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

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

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

11 (vvvv) (1) all sales of tangible personal property or services  
12 purchased by a contractor for the purpose of constructing, equipping,  
13 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
14 a building that is operated by, or is intended to be operated by, the Kansas  
15 fairgrounds foundation, a not-for-profit corporation exempt from federal  
16 income taxation pursuant to section 501(c)(3) of the federal internal  
17 revenue code of 1986, and located on the grounds of the Kansas state fair,  
18 and such tangible personal property would be exempt from taxation under  
19 the provisions of this paragraph if purchased directly by such eligible not-  
20 for-profit corporation. Nothing in this subsection shall be deemed to  
21 exempt the purchase of any construction machinery, equipment or tools  
22 used in the constructing, equipping, reconstructing, maintaining, repairing,  
23 enlarging, furnishing or remodeling a building for such eligible not-for-  
24 profit corporation. When such eligible not-for-profit corporation contracts  
25 for the purpose of constructing, equipping, reconstructing, maintaining,  
26 repairing, enlarging, furnishing or remodeling a building, such corporation  
27 shall obtain from the state and furnish to the contractor an exemption  
28 certificate for the project involved, and such contractor may purchase  
29 materials for incorporation in such project. The contractor shall furnish the  
30 number of such certificate to all suppliers from whom such purchases are  
31 made, and such suppliers shall execute invoices covering such purchases  
32 bearing the number of such certificate. Upon completion of the project, the  
33 contractor shall furnish to such eligible not-for-profit corporation a sworn  
34 statement, on a form to be provided by the director of taxation, that all  
35 purchases so made were entitled to exemption under this subsection. All  
36 invoices shall be held by the contractor for a period of five years and shall  
37 be subject to audit by the director of taxation. If any materials purchased  
38 under such a certificate are found not to have been incorporated in the  
39 building or returned for credit, the contractor shall report and pay the sales  
40 or compensating tax to the director of taxation not later than the 20<sup>th</sup> day of  
41 the month following the close of the month in which it is determined that  
42 such materials will not be used for the purpose for which such certificate  
43 was issued. The eligible not-for-profit corporation concerned shall be



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

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

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

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

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

29 (B) a nonprofit organization organized under the laws of this state;  
30 and

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

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

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

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

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

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

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

33 Sec. 4. K.S.A. 12-189a and K.S.A. 2025 Supp. 79-3603 and 79-3606  
34 are hereby repealed.

35 Sec. 5. This act shall take effect and be in force from and after its  
36 publication in the statute book.