

{As Amended by Senate Committee of the Whole}

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{As Amended by House Committee of the Whole}

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Session of 2018

HOUSE BILL No. 2492

By Committee on Taxation

1-17

1 AN ACT concerning sales and compensating use tax; relating to
2 countywide retailers' sales tax~~z,f,~~ rates, Thomas county, *Jackson*
3 *county and Dickinson county*; **{ballot authority, Russell county};**
4 **{exemptions, sales of certain coins or bullion; exemptions;}** amending
5 K.S.A. 2017 Supp. ~~{12-187-and}~~**{}** 12-189 **{and 79-3606}** and
6 repealing the existing section **{sections}**.
7

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

9 Section 1. K.S.A. 2017 Supp. 12-189 is hereby amended to read as
10 follows: 12-189. The rate of any city retailers' sales tax shall be fixed in
11 increments of 0.05% and in an amount not to exceed 2% for general
12 purposes and not to exceed 1% for special purposes which shall be
13 determined by the governing body of the city. For any retailers' sales tax
14 imposed by a city for special purposes, such city shall specify the purposes
15 for which such tax is imposed. All such special purpose retailers' sales
16 taxes imposed by a city shall expire after 10 years from the date such tax is
17 first collected. The rate of any countywide retailers' sales tax shall be fixed
18 in an amount not to exceed 1% and shall be fixed in increments of 0.25%,
19 and which amount shall be determined by the board of county
20 commissioners, except that:

21 (a) The board of county commissioners of Wabaunsee county, for the
22 purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such
23 rate at 1.25%; the board of county commissioners of Osage or Reno
24 county, for the purposes of K.S.A. 12-187(b)(2), and amendments thereto,
25 may fix such rate at 1.25% or 1.5%; the board of county commissioners of
26 Cherokee, Crawford, Ford, Saline, Seward, ~~Thomas~~ or Wyandotte county,
27 for the purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix
28 such rate at 1.5%; the board of county commissioners of Atchison *or*
29 *Thomas* county, for the purposes of K.S.A. 12-187(b)(2), and amendments
30 thereto, may fix such rate at 1.5% or 1.75%; the board of county

1 commissioners of Anderson, Barton, Jefferson or Ottawa county, for the
2 purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such
3 rate at 2%; the board of county commissioners of Marion county, for the
4 purposes of K.S.A. 12-187(b)(2), and amendments thereto, may fix such
5 rate at 2.5%; the board of county commissioners of Franklin, Linn and
6 Miami counties, for the purposes of K.S.A. 12-187(b)(2), and amendments
7 thereto, may fix such rate at a percentage which is equal to the sum of the
8 rate allowed to be imposed by the respective board of county
9 commissioners on July 1, 2007, plus up to 1.0%; and the board of county
10 commissioners of Brown county, for the purposes of K.S.A. 12-187(b)(2),
11 and amendments thereto, may fix such rate at up to 2%;

12 (b) the board of county commissioners of Jackson county, for the
13 purposes of K.S.A. 12-187(b)(3), and amendments thereto, may fix such
14 rate at 2%;

15 (c) the boards of county commissioners of Finney and Ford counties,
16 for the purposes of K.S.A. 12-187(b)(4), and amendments thereto, may fix
17 such rate at 0.25%;

18 (d) the board of county commissioners of any county for the purposes
19 of K.S.A. 12-187(b)(5), and amendments thereto, may fix such rate at a
20 percentage which is equal to the sum of the rate allowed to be imposed by
21 a board of county commissioners on the effective date of this act plus
22 0.25%, 0.5%, 0.75% or 1%, as the case requires;

23 (e) the board of county commissioners of Dickinson county, for the
24 purposes of K.S.A. 12-187(b)(7), and amendments thereto, may fix such
25 rate at 1.5%, and the board of county commissioners of Miami county, for
26 the purposes of K.S.A. 12-187(b)(7), and amendments thereto, may fix
27 such rate at 1.25%, 1.5%, 1.75% or 2%;

28 (f) the board of county commissioners of Sherman county, for the
29 purposes of K.S.A. 12-187(b)(8), and amendments thereto, may fix such
30 rate at 2.25%;

31 (g) the board of county commissioners of Crawford or Russell county
32 for the purposes of K.S.A. 12-187(b)(9), and amendments thereto, may fix
33 such rate at 1.5%;

34 (h) the board of county commissioners of Franklin county, for the
35 purposes of K.S.A. 12-187(b)(10), and amendments thereto, may fix such
36 rate at 1.75%;

37 (i) the board of county commissioners of Douglas county, for the
38 purposes of K.S.A. 12-187(b)(11) and (b)(30), and amendments thereto,
39 may fix such rate at 1.75%;

40 (j) the board of county commissioners of Jackson county, for the
41 purposes of K.S.A. 12-187(b)(13), and amendments thereto, may fix such
42 rate at 1.4%;

43 (k) the board of county commissioners of Sedgwick county, for the

1 purposes of K.S.A. 12-187(b)(3)(C), and amendments thereto, may fix
2 such rate at 2%;

3 (l) the board of county commissioners of Neosho county, for the
4 purposes of K.S.A. 12-187(b)(14), and amendments thereto, may fix such
5 rate at 1.0% or 1.5%;

6 (m) the board of county commissioners of Saline county, for the
7 purposes of K.S.A. 12-187(b)(15), and amendments thereto, may fix such
8 rate at up to 1.5%;

9 (n) the board of county commissioners of Harvey county, for the
10 purposes of K.S.A. 12-187(b)(16), and amendments thereto, may fix such
11 rate at 2.0%;

12 (o) the board of county commissioners of Atchison county, for the
13 purpose of K.S.A. 12-187(b)(17), and amendments thereto, may fix such
14 rate at a percentage which is equal to the sum of the rate allowed to be
15 imposed by the board of county commissioners of Atchison county on the
16 effective date of this act plus 0.25%;

17 (p) the board of county commissioners of Wabaunsee county, for the
18 purpose of K.S.A. 12-187(b)(18), and amendments thereto, may fix such
19 rate at a percentage which is equal to the sum of the rate allowed to be
20 imposed by the board of county commissioners of Wabaunsee county on
21 July 1, 2007, plus 0.5%;

22 (q) the board of county commissioners of Jefferson county, for the
23 purpose of K.S.A. 12-187(b)(19) and (25), and amendments thereto, may
24 fix such rate at 2.25%;

25 (r) the board of county commissioners of Riley county, for the
26 purpose of K.S.A. 12-187(b)(20), and amendments thereto, may fix such
27 rate at a percentage which is equal to the sum of the rate allowed to be
28 imposed by the board of county commissioners of Riley county on July 1,
29 2007, plus up to 1%;

30 (s) the board of county commissioners of Johnson county for the
31 purposes of K.S.A. 12-187(b)(21), and amendments thereto, may fix such
32 rate at a percentage which is equal to the sum of the rate allowed to be
33 imposed by the board of county commissioners of Johnson county on July
34 1, 2007, plus 0.25%;

35 (t) the board of county commissioners of Wilson county for the
36 purposes of K.S.A. 12-187(b)(22), and amendments thereto, may fix such
37 rate at up to 2%;

38 (u) the board of county commissioners of Butler county for the
39 purposes of K.S.A. 12-187(b)(23), and amendments thereto, may fix such
40 rate at a percentage which is equal to the sum of the rate otherwise allowed
41 pursuant to this section, plus 0.25%, 0.5%, 0.75% or 1%;

42 (v) the board of county commissioners of Barton county, for the
43 purposes of K.S.A. 12-187(b)(24), and amendments thereto, may fix such

1 rate at up to 1.5%;

2 (w) the board of county commissioners of Lyon county, for the
3 purposes of K.S.A. 12-187(b)(3)(D), and amendments thereto, may fix
4 such rate at 1.5%;

5 (x) the board of county commissioners of Rawlins county, for the
6 purposes of K.S.A. 12-187(b)(3)(E), and amendments thereto, may fix
7 such rate at 1.75%;

8 (y) the board of county commissioners of Chautauqua county, for the
9 purposes of K.S.A. 12-187(b)(3)(F), and amendments thereto, may fix
10 such rate at 2.0%;

11 (z) the board of county commissioners of Pottawatomie county, for
12 the purposes of K.S.A. 12-187(b)(26), and amendments thereto, may fix
13 such rate at up to 1.5%;

14 (aa) the board of county commissioners of Kingman county, for the
15 purposes of K.S.A. 12-187(b)(27), and amendments thereto, may fix such
16 rate at a percentage which is equal to the sum of the rate otherwise allowed
17 pursuant to this section, plus 0.25%, 0.5%, 0.75%, or 1%;

18 (bb) the board of county commissioners of Edwards county, for the
19 purposes of K.S.A. 12-187(b)(28), and amendments thereto, may fix such
20 rate at 1.375%;

21 (cc) the board of county commissioners of Rooks county, for the
22 purposes of K.S.A. 12-187(b)(29), and amendments thereto, may fix such
23 rate at up to 1.5%;

24 (dd) the board of county commissioners of Bourbon county, for the
25 purposes of K.S.A. 12-187(b)(3)(G) and (b)(31), and amendments thereto,
26 may fix such rate at up to 2.0%; and

27 (ee) the board of county commissioners of Marion county, for the
28 purposes of K.S.A. 12-187(b)(32), and amendments thereto, may fix such
29 rate at 2.5%.

30 Any county or city levying a retailers' sales tax is hereby prohibited
31 from administering or collecting such tax locally, but shall utilize the
32 services of the state department of revenue to administer, enforce and
33 collect such tax. Except as otherwise specifically provided in K.S.A. 12-
34 189a, and amendments thereto, such tax shall be identical in its
35 application, and exemptions therefrom, to the Kansas retailers' sales tax act
36 and all laws and administrative rules and regulations of the state
37 department of revenue relating to the Kansas retailers' sales tax shall apply
38 to such local sales tax insofar as such laws and rules and regulations may
39 be made applicable. The state director of taxation is hereby authorized to
40 administer, enforce and collect such local sales taxes and to adopt such
41 rules and regulations as may be necessary for the efficient and effective
42 administration and enforcement thereof.

43 Upon receipt of a certified copy of an ordinance or resolution

1 authorizing the levy of a local retailers' sales tax, the director of taxation
2 shall cause such taxes to be collected within or without the boundaries of
3 such taxing subdivision at the same time and in the same manner provided
4 for the collection of the state retailers' sales tax. Such copy shall be
5 submitted to the director of taxation within 30 days after adoption of any
6 such ordinance or resolution. All moneys collected by the director of
7 taxation under the provisions of this section shall be credited to a county
8 and city retailers' sales tax fund which fund is hereby established in the
9 state treasury, except that all moneys collected by the director of taxation
10 pursuant to the authority granted in K.S.A. 12-187(b)(22), and
11 amendments thereto, shall be credited to the Wilson county capital
12 improvements fund. Any refund due on any county or city retailers' sales
13 tax collected pursuant to this act shall be paid out of the sales tax refund
14 fund and reimbursed by the director of taxation from collections of local
15 retailers' sales tax revenue. Except for local retailers' sales tax revenue
16 required to be deposited in the redevelopment bond fund established under
17 K.S.A. 74-8927, and amendments thereto, all local retailers' sales tax
18 revenue collected within any county or city pursuant to this act shall be
19 apportioned and remitted at least quarterly by the state treasurer, on
20 instruction from the director of taxation, to the treasurer of such county or
21 city.

22 Revenue that is received from the imposition of a local retailers' sales
23 tax which exceeds the amount of revenue required to pay the costs of a
24 special project for which such revenue was pledged shall be credited to the
25 city or county general fund, as the case requires.

26 The director of taxation shall provide, upon request by a city or county
27 clerk or treasurer or finance officer of any city or county levying a local
28 retailers' sales tax, monthly reports identifying each retailer doing business
29 in such city or county or making taxable sales sourced to such city or
30 county, setting forth the tax liability and the amount of such tax remitted
31 by each retailer during the preceding month and identifying each business
32 location maintained by the retailer and such retailer's sales or use tax
33 registration or account number. Such report shall be made available to the
34 clerk or treasurer or finance officer of such city or county within a
35 reasonable time after it has been requested from the director of taxation.
36 The director of taxation shall be allowed to assess a reasonable fee for the
37 issuance of such report. Information received by any city or county
38 pursuant to this section shall be confidential, and it shall be unlawful for
39 any officer or employee of such city or county to divulge any such
40 information in any manner. Any violation of this paragraph by a city or
41 county officer or employee is a class A misdemeanor, and such officer or
42 employee shall be dismissed from office. Reports of violations of this
43 paragraph shall be investigated by the attorney general. The district

1 attorney or county attorney and the attorney general shall have authority to
2 prosecute violations of this paragraph.

3 **Sec. 2. K.S.A. 2017 Supp. 12-187 is hereby amended to read as**
4 **follows: 12-187. (a) No city shall impose a retailers' sales tax under the**
5 **provisions of this act without the governing body of such city having**
6 **first submitted such proposition to and having received the approval**
7 **of a majority of the electors of the city voting thereon at an election**
8 **called and held therefor. The governing body of any city may submit**
9 **the question of imposing a retailers' sales tax and the governing body**
10 **shall be required to submit the question upon submission of a petition**
11 **signed by electors of such city equal in number to not less than 10% of**
12 **the electors of such city.**

13 **(b) (1) The board of county commissioners of any county may**
14 **submit the question of imposing a countywide retailers' sales tax to the**
15 **electors at an election called and held thereon, and any such board**
16 **shall be required to submit the question upon submission of a petition**
17 **signed by electors of such county equal in number to not less than**
18 **10% of the electors of such county who voted at the last preceding**
19 **general election for the office of secretary of state, or upon receiving**
20 **resolutions requesting such an election passed by not less than $\frac{2}{3}$ of**
21 **the membership of the governing body of each of one or more cities**
22 **within such county which contains a population of not less than 25%**
23 **of the entire population of the county, or upon receiving resolutions**
24 **requesting such an election passed by $\frac{2}{3}$ of the membership of the**
25 **governing body of each of one or more taxing subdivisions within such**
26 **county which levy not less than 25% of the property taxes levied by all**
27 **taxing subdivisions within the county.**

28 **(2) The board of county commissioners of Anderson, Atchison,**
29 **Barton, Brown, Butler, Chase, Cowley, Cherokee, Crawford, Ford,**
30 **Franklin, Jefferson, Linn, Lyon, Marion, Miami, Montgomery,**
31 **Neosho, Osage, Ottawa, Reno, Riley, Saline, Seward, Sumner, Thomas,**
32 **Wabaunsee, Wilson and Wyandotte counties may submit the question**
33 **of imposing a countywide retailers' sales tax and pledging the revenue**
34 **received therefrom for the purpose of financing the construction or**
35 **remodeling of a courthouse, jail, law enforcement center facility or**
36 **other county administrative facility, to the electors at an election**
37 **called and held thereon. The tax imposed pursuant to this paragraph**
38 **shall expire when sales tax sufficient to pay all of the costs incurred in**
39 **the financing of such facility has been collected by retailers as**
40 **determined by the secretary of revenue. Nothing in this paragraph**
41 **shall be construed to allow the rate of tax imposed by Butler, Chase,**
42 **Cowley, Lyon, Montgomery, Neosho, Riley, Sumner or Wilson county**
43 **pursuant to this paragraph to exceed or be imposed at any rate other**

1 than the rates prescribed in K.S.A. 12-189, and amendments thereto.

2 (3) (A) Except as otherwise provided in this paragraph, the result
3 of the election held on November 8, 1988, on the question submitted by
4 the board of county commissioners of Jackson county for the purpose
5 of increasing its countywide retailers' sales tax by 1% is hereby
6 declared valid, and the revenue received therefrom by the county shall
7 be expended solely for the purpose of financing the Banner Creek
8 reservoir project. The tax imposed pursuant to this paragraph shall
9 take effect on the effective date of this act and shall expire not later
10 than five years after such date.

11 (B) The result of the election held on November 8, 1994, on the
12 question submitted by the board of county commissioners of Ottawa
13 county for the purpose of increasing its countywide retailers' sales tax
14 by 1% is hereby declared valid, and the revenue received therefrom
15 by the county shall be expended solely for the purpose of financing the
16 erection, construction and furnishing of a law enforcement center and
17 jail facility.

18 (C) Except as otherwise provided in this paragraph, the result of
19 the election held on November 2, 2004, on the question submitted by
20 the board of county commissioners of Sedgwick county for the
21 purpose of increasing its countywide retailers' sales tax by 1% is
22 hereby declared valid, and the revenue received therefrom by the
23 county shall be used only to pay the costs of: (i) Acquisition of a site
24 and constructing and equipping thereon a new regional events center,
25 associated parking and infrastructure improvements and related
26 appurtenances thereto, to be located in the downtown area of the city
27 of Wichita, Kansas, (the "downtown arena"); (ii) design for the
28 Kansas coliseum complex and construction of improvements to the
29 pavilions; and (iii) establishing an operating and maintenance reserve
30 for the downtown arena and the Kansas coliseum complex. The tax
31 imposed pursuant to this paragraph shall commence on July 1, 2005,
32 and shall terminate not later than 30 months after the commencement
33 thereof.

34 (D) Except as otherwise provided in this paragraph, the result of
35 the election held on August 5, 2008, on the question submitted by the
36 board of county commissioners of Lyon county for the purpose of
37 increasing its countywide retailers' sales tax by 1% is hereby declared
38 valid, and the revenue received therefrom by the county shall be
39 expended for the purposes of ad valorem tax reduction and capital
40 outlay. The tax imposed pursuant to this paragraph shall terminate
41 not later than five years after the commencement thereof.

42 (E) Except as otherwise provided in this paragraph, the result of
43 the election held on August 5, 2008, on the question submitted by the

1 board of county commissioners of Rawlins county for the purpose of
2 increasing its countywide retailers' sales tax by 0.75% is hereby
3 declared valid, and the revenue received therefrom by the county shall
4 be expended for the purposes of financing the costs of a swimming
5 pool. The tax imposed pursuant to this paragraph shall terminate not
6 later than 15 years after the commencement thereof or upon payment
7 of all costs authorized pursuant to this paragraph in the financing of
8 such project.

9 (F) The result of the election held on December 1, 2009, on the
10 question submitted by the board of county commissioners of
11 Chautauqua county for the purpose of increasing its countywide
12 retailers' sales tax by 1% is hereby declared valid, and the revenue
13 received from such tax by the county shall be expended for the
14 purposes of financing the costs of constructing, furnishing and
15 equipping a county jail and law enforcement center and necessary
16 improvements appurtenant to such jail and law enforcement center.
17 Any tax imposed pursuant to authority granted in this paragraph
18 shall terminate upon payment of all costs authorized pursuant to this
19 paragraph incurred in the financing of the project described in this
20 paragraph.

21 (G) The result of the election held on April 7, 2015, on the
22 question submitted by the board of county commissioners of Bourbon
23 county for the purpose of increasing its retailers' sales tax by 0.4% is
24 hereby declared valid, and the revenue received therefrom by the
25 county shall be expended solely for the purpose of financing the costs
26 of constructing, furnishing and operating a courthouse, law
27 enforcement center or jail facility improvements. Any tax imposed
28 pursuant to authority granted in this paragraph shall terminate upon
29 payment of all costs authorized pursuant to this paragraph incurred
30 in the financing of the project described in this paragraph.

31 (4) The board of county commissioners of Finney and Ford
32 counties may submit the question of imposing a countywide retailers'
33 sales tax at the rate of 0.25% and pledging the revenue received
34 therefrom for the purpose of financing all or any portion of the cost to
35 be paid by Finney or Ford county for construction of highway projects
36 identified as system enhancements under the provisions of K.S.A. 68-
37 2314(b)(5), and amendments thereto, to the electors at an election
38 called and held thereon. Such election shall be called and held in the
39 manner provided by the general bond law. The tax imposed pursuant
40 to this paragraph shall expire upon the payment of all costs
41 authorized pursuant to this paragraph in the financing of such
42 highway projects. Nothing in this paragraph shall be construed to
43 allow the rate of tax imposed by Finney or Ford county pursuant to

1 this paragraph to exceed the maximum rate prescribed in K.S.A. 12-
2 189, and amendments thereto. If any funds remain upon the payment
3 of all costs authorized pursuant to this paragraph in the financing of
4 such highway projects in Finney county, the state treasurer shall remit
5 such funds to the treasurer of Finney county and upon receipt of such
6 moneys shall be deposited to the credit of the county road and bridge
7 fund. If any funds remain upon the payment of all costs authorized
8 pursuant to this paragraph in the financing of such highway projects
9 in Ford county, the state treasurer shall remit such funds to the
10 treasurer of Ford county and upon receipt of such moneys shall be
11 deposited to the credit of the county road and bridge fund.

12 (5) The board of county commissioners of any county may submit
13 the question of imposing a retailers' sales tax at the rate of 0.25%,
14 0.5%, 0.75% or 1% and pledging the revenue received therefrom for
15 the purpose of financing the provision of health care services, as
16 enumerated in the question, to the electors at an election called and
17 held thereon. Whenever any county imposes a tax pursuant to this
18 paragraph, any tax imposed pursuant to subsection (a)(2) by any city
19 located in such county shall expire upon the effective date of the
20 imposition of the countywide tax, and thereafter the state treasurer
21 shall remit to each such city that portion of the countywide tax
22 revenue collected by retailers within such city as certified by the
23 director of taxation. The tax imposed pursuant to this paragraph shall
24 be deemed to be in addition to the rate limitations prescribed in
25 K.S.A. 12-189, and amendments thereto. As used in this paragraph,
26 health care services shall include, but not be limited to, the following:
27 Local health departments, city or county hospitals, city or county
28 nursing homes, preventive health care services including
29 immunizations, prenatal care and the postponement of entry into
30 nursing homes by home care services, mental health services, indigent
31 health care, physician or health care worker recruitment, health
32 education, emergency medical services, rural health clinics,
33 integration of health care services, home health services and rural
34 health networks.

35 (6) The board of county commissioners of Allen county may
36 submit the question of imposing a countywide retailers' sales tax at the
37 rate of 0.5% and pledging the revenue received therefrom for the
38 purpose of financing the costs of operation and construction of a solid
39 waste disposal area or the modification of an existing landfill to
40 comply with federal regulations to the electors at an election called
41 and held thereon. The tax imposed pursuant to this paragraph shall
42 expire upon the payment of all costs incurred in the financing of the
43 project undertaken. Nothing in this paragraph shall be construed to

1 allow the rate of tax imposed by Allen county pursuant to this
2 paragraph to exceed or be imposed at any rate other than the rates
3 prescribed in K.S.A. 12-189, and amendments thereto.

4 (7) (A) The board of county commissioners of Clay, Dickinson
5 and Miami county may submit the question of imposing a countywide
6 retailers' sales tax at the rate of 0.50% in the case of Clay and
7 Dickinson county and at a rate of up to 1% in the case of Miami
8 county, and pledging the revenue received therefrom for the purpose
9 of financing the costs of roadway construction and improvement to the
10 electors at an election called and held thereon. Except as otherwise
11 provided, the tax imposed pursuant to this paragraph shall expire
12 after five years from the date such tax is first collected. The result of
13 the election held on November 2, 2004, on the question submitted by
14 the board of county commissioners of Miami county for the purpose of
15 extending for an additional five-year period the countywide retailers'
16 sales tax imposed pursuant to this subsection in Miami county is
17 hereby declared valid. The countywide retailers' sales tax imposed
18 pursuant to this subsection in Clay and Miami county may be
19 extended or reenacted for additional five-year periods upon the board
20 of county commissioners of Clay and Miami county submitting such
21 question to the electors at an election called and held thereon for each
22 additional five-year period as provided by law.

23 (B) *The board of county commissioners of Dickinson county may*
24 *submit the question of imposing a countywide retailers' sales tax at the*
25 *rate of 0.50% and pledging the revenue received therefrom for the*
26 *purpose of financing the costs of roadway construction and*
27 *improvement to the electors at an election called and held thereon. The*
28 *tax imposed pursuant to this subparagraph shall expire after 10 years*
29 *from the date such tax is first collected.*

30 (8) The board of county commissioners of Sherman county may
31 submit the question of imposing a countywide retailers' sales tax at the
32 rate of 1% and pledging the revenue received therefrom for the
33 purpose of financing the costs of street and roadway improvements to
34 the electors at an election called and held thereon. The tax imposed
35 pursuant to this paragraph shall expire upon payment of all costs
36 authorized pursuant to this paragraph in the financing of such
37 project.

38 (9) {{A}} The board of county commissioners of Cowley,
39 Crawford, Russell and Woodson county may submit the question of
40 imposing a countywide retailers' sales tax at the rate of 0.5% in the
41 case of Crawford, Russell and Woodson county and at a rate of up to
42 0.25%, in the case of Cowley county and pledging the revenue
43 received therefrom for the purpose of financing economic

1 **development initiatives or public infrastructure projects. The tax**
2 **imposed pursuant to this paragraph {subparagraph} shall expire after**
3 **five years from the date such tax is first collected.**

4 *(B) The board of county commissioners of Russell county may submit*
5 *the question of imposing a countywide retailers' sales tax at the rate of*
6 *0.5% and pledging the revenue received therefrom for the purpose of*
7 *financing economic development initiatives or public infrastructure*
8 *projects. The tax imposed pursuant to this subparagraph shall expire after*
9 *10 years from the date such tax is first collected.*

10 **(10) The board of county commissioners of Franklin county may**
11 **submit the question of imposing a countywide retailers' sales tax at the**
12 **rate of 0.25% and pledging the revenue received therefrom for the**
13 **purpose of financing recreational facilities. The tax imposed pursuant**
14 **to this paragraph shall expire upon payment of all costs authorized in**
15 **financing such facilities.**

16 **(11) The board of county commissioners of Douglas county may**
17 **submit the question of imposing a countywide retailers' sales tax at the**
18 **rate of 0.25% and pledging the revenue received therefrom for the**
19 **purposes of conservation, access and management of open space;**
20 **preservation of cultural heritage; and economic development projects**
21 **and activities.**

22 **(12) The board of county commissioners of Shawnee county may**
23 **submit the question of imposing a countywide retailers' sales tax at the**
24 **rate of 0.25% and pledging the revenue received therefrom to the city**
25 **of Topeka for the purpose of financing the costs of rebuilding the**
26 **Topeka boulevard bridge and other public infrastructure**
27 **improvements associated with such project to the electors at an**
28 **election called and held thereon. The tax imposed pursuant to this**
29 **paragraph shall expire upon payment of all costs authorized in**
30 **financing such project.**

31 ~~**(13) The board of county commissioners of Jackson county may**~~
32 ~~**submit the question of imposing a countywide retailers' sales tax at a rate**~~
33 ~~**of 0.4% and pledging the revenue received therefrom as follows: 50% of**~~
34 ~~**such revenues for the purpose of financing for economic development**~~
35 ~~**initiatives; and 50% of such revenues for the purpose of financing public**~~
36 ~~**infrastructure projects to the electors at an election called and held thereon.**~~
37 ~~**The tax imposed pursuant to this paragraph shall expire after seven years**~~
38 ~~**from the date such tax is first collected. The board of county**~~
39 ~~**commissioners of Jackson county may submit the question of**~~
40 ~~**imposing a countywide retailers' sales tax at a rate of 0.4% which such**~~
41 ~~**tax shall take effect after the expiration of the tax imposed pursuant to this**~~
42 ~~**paragraph prior to the effective date of this act, and pledging the revenue**~~
43 ~~**received therefrom for the purpose of financing public infrastructure**~~

1 projects to the electors at an election called and held thereon. Such tax
2 shall expire after seven years from the date such tax is first collected.

3 (14) The board of county commissioners of Neosho county may
4 submit the question of imposing a countywide retailers' sales tax at the
5 rate of 0.5% and pledging the revenue received therefrom for the
6 purpose of financing the costs of roadway construction and
7 improvement to the electors at an election called and held thereon.
8 The tax imposed pursuant to this paragraph shall expire upon
9 payment of all costs authorized pursuant to this paragraph in the
10 financing of such project.

11 (15) The board of county commissioners of Saline county may
12 submit the question of imposing a countywide retailers' sales tax at the
13 rate of up to 0.5% and pledging the revenue received therefrom for
14 the purpose of financing the costs of construction and operation of an
15 expo center to the electors at an election called and held thereon. The
16 tax imposed pursuant to this paragraph shall expire after five years
17 from the date such tax is first collected.

18 (16) The board of county commissioners of Harvey county may
19 submit the question of imposing a countywide retailers' sales tax at the
20 rate of 1.0% and pledging the revenue received therefrom for the
21 purpose of financing the costs of property tax relief, economic
22 development initiatives and public infrastructure improvements to the
23 electors at an election called and held thereon.

24 (17) The board of county commissioners of Atchison county may
25 submit the question of imposing a countywide retailers' sales tax at the
26 rate of 0.25% and pledging the revenue received therefrom for the
27 purpose of financing the costs of construction and maintenance of
28 sports and recreational facilities to the electors at an election called
29 and held thereon. The tax imposed pursuant to this paragraph shall
30 expire upon payment of all costs authorized in financing such
31 facilities.

32 (18) The board of county commissioners of Wabaunsee county
33 may submit the question of imposing a countywide retailers' sales tax
34 at the rate of 0.5% and pledging the revenue received therefrom for
35 the purpose of financing the costs of bridge and roadway construction
36 and improvement to the electors at an election called and held
37 thereon. The tax imposed pursuant to this paragraph shall expire after
38 15 years from the date such tax is first collected.

39 (19) The board of county commissioners of Jefferson county may
40 submit the question of imposing a countywide retailers' sales tax at the
41 rate of 1% and pledging the revenue received therefrom for the
42 purpose of financing the costs of roadway construction and
43 improvement to the electors at an election called and held thereon.

1 The tax imposed pursuant to this paragraph shall expire after six
2 years from the date such tax is first collected. The countywide
3 retailers' sales tax imposed pursuant to this paragraph may be
4 extended or reenacted for additional six-year periods upon the board
5 of county commissioners of Jefferson county submitting such question
6 to the electors at an election called and held thereon for each
7 additional six-year period as provided by law.

8 (20) The board of county commissioners of Riley county may
9 submit the question of imposing a countywide retailers' sales tax at the
10 rate of up to 1% and pledging the revenue received therefrom for the
11 purpose of financing the costs of bridge and roadway construction and
12 improvement to the electors at an election called and held thereon.
13 The tax imposed pursuant to this paragraph shall expire after five
14 years from the date such tax is first collected.

15 (21) The board of county commissioners of Johnson county may
16 submit the question of imposing a countywide retailers' sales tax at the
17 rate of 0.25% and pledging the revenue received therefrom for the
18 purpose of financing the construction and operation costs of public
19 safety projects, including, but not limited to, a jail, detention center,
20 sheriff's resource center, crime lab or other county administrative or
21 operational facility dedicated to public safety, to the electors at an
22 election called and held thereon. The tax imposed pursuant to this
23 paragraph shall expire after 10 years from the date such tax is first
24 collected. The countywide retailers' sales tax imposed pursuant to this
25 subsection may be extended or reenacted for additional periods not
26 exceeding 10 years upon the board of county commissioners of
27 Johnson county submitting such question to the electors at an election
28 called and held thereon for each additional ten-year period as
29 provided by law.

30 (22) The board of county commissioners of Wilson county may
31 submit the question of imposing a countywide retailers' sales tax at the
32 rate of up to 1% and pledging the revenue received therefrom for the
33 purpose of financing the costs of roadway construction and
34 improvements to federal highways, the development of a new
35 industrial park and other public infrastructure improvements to the
36 electors at an election called and held thereon. The tax imposed
37 pursuant to this paragraph shall expire upon payment of all costs
38 authorized pursuant to this paragraph in the financing of such project
39 or projects.

40 (23) The board of county commissioners of Butler county may
41 submit the question of imposing a countywide retailers' sales tax at the
42 rate of either 0.25%, 0.5%, 0.75% or 1% and pledging the revenue
43 received therefrom for the purpose of financing the costs of public

1 safety capital projects or bridge and roadway construction projects, or
2 both, to the electors at an election called and held thereon. The tax
3 imposed pursuant to this paragraph shall expire upon payment of all
4 costs authorized in financing such projects.

5 (24) The board of county commissioners of Barton county may
6 submit the question of imposing a countywide retailers' sales tax at the
7 rate of up to 0.5% and pledging the revenue received therefrom for the
8 purpose of financing the costs of roadway and bridge construction
9 and improvement and infrastructure development and improvement
10 to the electors at an election called and held thereon. The tax imposed
11 pursuant to this paragraph shall expire after 10 years from the date
12 such tax is first collected.

13 (25) The board of county commissioners of Jefferson county may
14 submit the question of imposing a countywide retailers' sales tax at the
15 rate of 0.25% and pledging the revenue received therefrom for the
16 purpose of financing the costs of the county's obligation as
17 participating employer to make employer contributions and other
18 required contributions to the Kansas public employees retirement
19 system for eligible employees of the county who are members of the
20 Kansas police and firemen's retirement system, to the electors at an
21 election called and held thereon. The tax imposed pursuant to this
22 paragraph shall expire upon payment of all costs authorized in
23 financing such purpose.

24 (26) The board of county commissioners of Pottawatomie county
25 may submit the question of imposing a countywide retailers' sales tax
26 at the rate of up to 0.5% and pledging the revenue received therefrom
27 for the purpose of financing the costs of construction or remodeling of
28 a courthouse, jail, law enforcement center facility or other county
29 administrative facility, or public infrastructure improvements, or
30 both, to the electors at an election called and held thereon. The tax
31 imposed pursuant to this paragraph shall expire upon payment of all
32 costs authorized in financing such project or projects.

33 (27) The board of county commissioners of Kingman county may
34 submit the question of imposing a countywide retailers' sales tax at the
35 rate of 0.25%, 0.5%, 0.75% or 1% and pledging the revenue received
36 therefrom for the purpose of financing the costs of constructing and
37 furnishing a law enforcement center and jail facility and the costs of
38 roadway and bridge improvements to the electors at an election called
39 and held thereon. The tax imposed pursuant to this paragraph shall
40 expire not later than 20 years from the date such tax is first collected.

41 (28) The board of county commissioners of Edwards county may
42 submit the question of imposing a countywide retailers' sales tax at the
43 rate of 0.375% and pledging the revenue therefrom for the purpose of

1 financing the costs of economic development initiatives to the electors
2 at an election called and held thereon.

3 (29) The board of county commissioners of Rooks county may
4 submit the question of imposing a countywide retailers' sales tax at the
5 rate of 0.5% and pledging the revenue therefrom for the purpose of
6 financing the costs of constructing or remodeling and furnishing a jail
7 facility to the electors at an election called and held thereon. The tax
8 imposed pursuant to this paragraph shall expire upon the payment of
9 all costs authorized in financing such project or projects.

10 (30) The board of county commissioners of Douglas county may
11 submit the question of imposing a countywide retailers' sales tax at the
12 rate of 0.5% and pledging the revenue received therefrom for the
13 purpose of financing the construction or remodeling of a courthouse,
14 jail, law enforcement center facility, detention facility or other county
15 administrative facility, specifically including mental health and for the
16 operation thereof.

17 (31) The board of county commissioners of Bourbon county may
18 submit the question of imposing a countywide retailers' sales tax at the
19 rate of up to 1%, in increments of 0.05%, and pledging the revenue
20 received therefrom for the purpose of financing the costs of
21 constructing, furnishing and operating a courthouse, law enforcement
22 center or jail facility improvements to the electors at an election called
23 and held thereon.

24 (32) The board of county commissioners of Marion county may
25 submit the question of imposing a countywide retailers' sales tax at the
26 rate of 0.5% and pledging the revenue received therefrom for the
27 purpose of financing the costs of property tax relief, economic
28 development initiatives and the construction of public infrastructure
29 improvements, including buildings, to the electors at an election called
30 and held thereon.

31 (c) The boards of county commissioners of any two or more
32 contiguous counties, upon adoption of a joint resolution by such
33 boards, may submit the question of imposing a retailers' sales tax
34 within such counties to the electors of such counties at an election
35 called and held thereon and such boards of any two or more
36 contiguous counties shall be required to submit such question upon
37 submission of a petition in each of such counties, signed by a number
38 of electors of each of such counties where submitted equal in number
39 to not less than 10% of the electors of each of such counties who voted
40 at the last preceding general election for the office of secretary of state,
41 or upon receiving resolutions requesting such an election passed by
42 not less than $\frac{2}{3}$ of the membership of the governing body of each of
43 one or more cities within each of such counties which contains a

1 population of not less than 25% of the entire population of each of
2 such counties, or upon receiving resolutions requesting such an
3 election passed by $\frac{2}{3}$ of the membership of the governing body of each
4 of one or more taxing subdivisions within each of such counties which
5 levy not less than 25% of the property taxes levied by all taxing
6 subdivisions within each of such counties.

7 (d) Any city retailers' sales tax being levied by a city prior to July
8 1, 2006, shall continue in effect until repealed in the manner provided
9 herein for the adoption and approval of such tax or until repealed by
10 the adoption of an ordinance for such repeal. Any countywide
11 retailers' sales tax in the amount of 0.5% or 1% in effect on July 1,
12 1990, shall continue in effect until repealed in the manner provided
13 herein for the adoption and approval of such tax.

14 (e) Any city or county proposing to adopt a retailers' sales tax
15 shall give notice of its intention to submit such proposition for
16 approval by the electors in the manner required by K.S.A. 10-120, and
17 amendments thereto. The notices shall state the time of the election
18 and the rate and effective date of the proposed tax. If a majority of the
19 electors voting thereon at such election fail to approve the proposition,
20 such proposition may be resubmitted under the conditions and in the
21 manner provided in this act for submission of the proposition. If a
22 majority of the electors voting thereon at such election shall approve
23 the levying of such tax, the governing body of any such city or county
24 shall provide by ordinance or resolution, as the case may be, for the
25 levy of the tax. Any repeal of such tax or any reduction or increase in
26 the rate thereof, within the limits prescribed by K.S.A. 12-189, and
27 amendments thereto, shall be accomplished in the manner provided
28 herein for the adoption and approval of such tax except that the repeal
29 of any such city retailers' sales tax may be accomplished by the
30 adoption of an ordinance so providing.

31 (f) The sufficiency of the number of signers of any petition filed
32 under this section shall be determined by the county election officer.
33 Every election held under this act shall be conducted by the county
34 election officer.

35 (g) The governing body of the city or county proposing to levy
36 any retailers' sales tax shall specify the purpose or purposes for which
37 the revenue would be used, and a statement generally describing such
38 purpose or purposes shall be included as a part of the ballot
39 proposition.

40 *{Sec. 3. K.S.A. 2017 Supp. 79-3606 is hereby amended to read as*
41 *follows: 79-3606. The following shall be exempt from the tax imposed by*
42 *this act:*

43 (a) *All sales of motor-vehicle fuel or other articles upon which a*

1 *sales or excise tax has been paid, not subject to refund, under the laws of*
2 *this state except cigarettes and electronic cigarettes as defined by K.S.A.*
3 *79-3301, and amendments thereto, including consumable material for*
4 *such electronic cigarettes, cereal malt beverages and malt products as*
5 *defined by K.S.A. 79-3817, and amendments thereto, including wort,*
6 *liquid malt, malt syrup and malt extract, which is not subject to taxation*
7 *under the provisions of K.S.A. 79-41a02, and amendments thereto,*
8 *motor vehicles taxed pursuant to K.S.A. 79-5117, and amendments*
9 *thereto, tires taxed pursuant to K.S.A. 65-3424d, and amendments*
10 *thereto, drycleaning and laundry services taxed pursuant to K.S.A. 65-*
11 *34,150, and amendments thereto, and gross receipts from regulated*
12 *sports contests taxed pursuant to the Kansas professional regulated*
13 *sports act, and amendments thereto;*

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

29 *(c) all sales of tangible personal property or services, including the*
30 *renting and leasing of tangible personal property, purchased directly by*
31 *a public or private elementary or secondary school or public or private*
32 *nonprofit educational institution and used primarily by such school or*
33 *institution for nonsectarian programs and activities provided or*
34 *sponsored by such school or institution or in the erection, repair or*
35 *enlargement of buildings to be used for such purposes. The exemption*
36 *herein provided shall not apply to erection, construction, repair,*
37 *enlargement or equipment of buildings used primarily for human*
38 *habitation;*

39 *(d) all sales of tangible personal property or services purchased by*
40 *a contractor for the purpose of constructing, equipping, reconstructing,*
41 *maintaining, repairing, enlarging, furnishing or remodeling facilities*
42 *for any public or private nonprofit hospital or public hospital authority,*
43 *public or private elementary or secondary school, a public or private*

1 *nonprofit educational institution, state correctional institution including*
2 *a privately constructed correctional institution contracted for state use*
3 *and ownership, which would be exempt from taxation under the*
4 *provisions of this act if purchased directly by such hospital or public*
5 *hospital authority, school, educational institution or a state correctional*
6 *institution; and all sales of tangible personal property or services*
7 *purchased by a contractor for the purpose of constructing, equipping,*
8 *reconstructing, maintaining, repairing, enlarging, furnishing or*
9 *remodeling facilities for any political subdivision of the state or district*
10 *described in subsection (s), the total cost of which is paid from funds of*
11 *such political subdivision or district and which would be exempt from*
12 *taxation under the provisions of this act if purchased directly by such*
13 *political subdivision or district. Nothing in this subsection or in the*
14 *provisions of K.S.A. 12-3418, and amendments thereto, shall be deemed*
15 *to exempt the purchase of any construction machinery, equipment or*
16 *tools used in the constructing, equipping, reconstructing, maintaining,*
17 *repairing, enlarging, furnishing or remodeling facilities for any political*
18 *subdivision of the state or any such district. As used in this subsection,*
19 *K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a*
20 *political subdivision" shall mean general tax revenues, the proceeds of*
21 *any bonds and gifts or grants-in-aid. Gifts shall not mean funds used for*
22 *the purpose of constructing, equipping, reconstructing, repairing,*
23 *enlarging, furnishing or remodeling facilities which are to be leased to*
24 *the donor. When any political subdivision of the state, district described*
25 *in subsection (s), public or private nonprofit hospital or public hospital*
26 *authority, public or private elementary or secondary school, public or*
27 *private nonprofit educational institution, state correctional institution*
28 *including a privately constructed correctional institution contracted for*
29 *state use and ownership shall contract for the purpose of constructing,*
30 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*
31 *or remodeling facilities, it shall obtain from the state and furnish to the*
32 *contractor an exemption certificate for the project involved, and the*
33 *contractor may purchase materials for incorporation in such project.*
34 *The contractor shall furnish the number of such certificate to all*
35 *suppliers from whom such purchases are made, and such suppliers shall*
36 *execute invoices covering the same bearing the number of such*
37 *certificate. Upon completion of the project the contractor shall furnish*
38 *to the political subdivision, district described in subsection (s), hospital*
39 *or public hospital authority, school, educational institution or*
40 *department of corrections concerned a sworn statement, on a form to be*
41 *provided by the director of taxation, that all purchases so made were*
42 *entitled to exemption under this subsection. As an alternative to the*
43 *foregoing procedure, any such contracting entity may apply to the*

1 *secretary of revenue for agent status for the sole purpose of issuing and*
2 *furnishing project exemption certificates to contractors pursuant to rules*
3 *and regulations adopted by the secretary establishing conditions and*
4 *standards for the granting and maintaining of such status. All invoices*
5 *shall be held by the contractor for a period of five years and shall be*
6 *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*
9 *sales or compensating tax otherwise imposed upon such materials which*
10 *will not be so incorporated in the building or other project reported and*
11 *paid by such contractor to the director of taxation not later than the 20th*
12 *day of the month following the close of the month in which it shall be*
13 *determined that such materials will not be used for the purpose for*
14 *which such certificate was issued, the political subdivision, district*
15 *described in subsection (s), hospital or public hospital authority, school,*
16 *educational institution or the contractor contracting with the department*
17 *of corrections for a correctional institution concerned shall be liable for*
18 *tax on all materials purchased for the project, and upon payment thereof*
19 *it may recover the same from the contractor together with reasonable*
20 *attorney fees. Any contractor or any agent, employee or subcontractor*
21 *thereof, who shall use or otherwise dispose of any materials purchased*
22 *under such a certificate for any purpose other than that for which such*
23 *a certificate is issued without the payment of the sales or compensating*
24 *tax otherwise imposed upon such materials, shall be guilty of a*
25 *misdemeanor and, upon conviction therefor, shall be subject to the*
26 *penalties provided for in K.S.A. 79-3615(h), and amendments thereto;*

27 *(e) all sales of tangible personal property or services purchased by a*
28 *contractor for the erection, repair or enlargement of buildings or other*
29 *projects for the government of the United States, its agencies or*
30 *instrumentalities, which would be exempt from taxation if purchased*
31 *directly by the government of the United States, its agencies or*
32 *instrumentalities. When the government of the United States, its*
33 *agencies or instrumentalities shall contract for the erection, repair, or*
34 *enlargement of any building or other project, it shall obtain from the*
35 *state and furnish to the contractor an exemption certificate for the*
36 *project involved, and the contractor may purchase materials for*
37 *incorporation in such project. The contractor shall furnish the number*
38 *of such certificates to all suppliers from whom such purchases are made,*
39 *and such suppliers shall execute invoices covering the same bearing the*
40 *number of such certificate. Upon completion of the project the*
41 *contractor shall furnish to the government of the United States, its*
42 *agencies or instrumentalities concerned a sworn statement, on a form to*
43 *be provided by the director of taxation, that all purchases so made were*

1 *entitled to exemption under this subsection. As an alternative to the*
2 *foregoing procedure, any such contracting entity may apply to the*
3 *secretary of revenue for agent status for the sole purpose of issuing and*
4 *furnishing project exemption certificates to contractors pursuant to rules*
5 *and regulations adopted by the secretary establishing conditions and*
6 *standards for the granting and maintaining of such status. All invoices*
7 *shall be held by the contractor for a period of five years and shall be*
8 *subject to audit by the director of taxation. Any contractor or any agent,*
9 *employee or subcontractor thereof, who shall use or otherwise dispose of*
10 *any materials purchased under such a certificate for any purpose other*
11 *than that for which such a certificate is issued without the payment of*
12 *the sales or compensating tax otherwise imposed upon such materials,*
13 *shall be guilty of a misdemeanor and, upon conviction therefor, shall be*
14 *subject to the penalties provided for in K.S.A. 79-3615(h), and*
15 *amendments thereto;*

16 *(f) tangible personal property purchased by a railroad or public*
17 *utility for consumption or movement directly and immediately in*
18 *interstate commerce;*

19 *(g) sales of aircraft including remanufactured and modified*
20 *aircraft sold to persons using directly or through an authorized agent*
21 *such aircraft as certified or licensed carriers of persons or property in*
22 *interstate or foreign commerce under authority of the laws of the United*
23 *States or any foreign government or sold to any foreign government or*
24 *agency or instrumentality of such foreign government and all sales of*
25 *aircraft for use outside of the United States and sales of aircraft repair,*
26 *modification and replacement parts and sales of services employed in the*
27 *remanufacture, modification and repair of aircraft;*

28 *(h) all rentals of nonsectarian textbooks by public or private*
29 *elementary or secondary schools;*

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

32 *(j) meals served without charge or food used in the preparation of*
33 *such meals to employees of any restaurant, eating house, dining car,*
34 *hotel, drugstore or other place where meals or drinks are regularly sold*
35 *to the public if such employees' duties are related to the furnishing or*
36 *sale of such meals or drinks;*

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

43 *(l) all isolated or occasional sales of tangible personal property,*

1 *services, substances or things, except isolated or occasional sale of*
2 *motor vehicles specifically taxed under the provisions of K.S.A. 79-*
3 *3603(o), and amendments thereto;*

4 *(m) all sales of tangible personal property which become an*
5 *ingredient or component part of tangible personal property or services*
6 *produced, manufactured or compounded for ultimate sale at retail*
7 *within or without the state of Kansas; and any such producer,*
8 *manufacturer or compounder may obtain from the director of taxation*
9 *and furnish to the supplier an exemption certificate number for tangible*
10 *personal property for use as an ingredient or component part of the*
11 *property or services produced, manufactured or compounded;*

12 *(n) all sales of tangible personal property which is consumed in the*
13 *production, manufacture, processing, mining, drilling, refining or*
14 *compounding of tangible personal property, the treating of by-products*
15 *or wastes derived from any such production process, the providing of*
16 *services or the irrigation of crops for ultimate sale at retail within or*
17 *without the state of Kansas; and any purchaser of such property may*
18 *obtain from the director of taxation and furnish to the supplier an*
19 *exemption certificate number for tangible personal property for*
20 *consumption in such production, manufacture, processing, mining,*
21 *drilling, refining, compounding, treating, irrigation and in providing*
22 *such services;*

23 *(o) all sales of animals, fowl and aquatic plants and animals, the*
24 *primary purpose of which is use in agriculture or aquaculture, as*
25 *defined in K.S.A. 47-1901, and amendments thereto, the production of*
26 *food for human consumption, the production of animal, dairy, poultry or*
27 *aquatic plant and animal products, fiber or fur, or the production of*
28 *offspring for use for any such purpose or purposes;*

29 *(p) all sales of drugs dispensed pursuant to a prescription order by*
30 *a licensed practitioner or a mid-level practitioner as defined by K.S.A.*
31 *65-1626, and amendments thereto. As used in this subsection, "drug"*
32 *means a compound, substance or preparation and any component of a*
33 *compound, substance or preparation, other than food and food*
34 *ingredients, dietary supplements or alcoholic beverages, recognized in*
35 *the official United States pharmacopoeia, official homeopathic*
36 *pharmacopoeia of the United States or official national formulary, and*
37 *supplement to any of them, intended for use in the diagnosis, cure,*
38 *mitigation, treatment or prevention of disease or intended to affect the*
39 *structure or any function of the body, except that for taxable years*
40 *commencing after December 31, 2013, this subsection shall not apply to*
41 *any sales of drugs used in the performance or induction of an abortion,*
42 *as defined in K.S.A. 65-6701, and amendments thereto;*

43 *(q) all sales of insulin dispensed by a person licensed by the state*

1 *board of pharmacy to a person for treatment of diabetes at the direction*
2 *of a person licensed to practice medicine by the board of healing arts;*

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

24 *(s) except as provided in K.S.A. 2017 Supp. 82a-2101, and*
25 *amendments thereto, all sales of tangible personal property or services*
26 *purchased directly or indirectly by a groundwater management district*
27 *organized or operating under the authority of K.S.A. 82a-1020 et seq.,*
28 *and amendments thereto, by a rural water district organized or operating*
29 *under the authority of K.S.A. 82a-612, and amendments thereto, or by a*
30 *water supply district organized or operating under the authority of*
31 *K.S.A. 19-3501 et seq., 19-3522 et seq., or 19-3545, and amendments*
32 *thereto, which property or services are used in the construction*
33 *activities, operation or maintenance of the district;*

34 *(t) all sales of farm machinery and equipment or aquaculture*
35 *machinery and equipment, repair and replacement parts therefor and*
36 *services performed in the repair and maintenance of such machinery*
37 *and equipment. For the purposes of this subsection the term "farm*
38 *machinery and equipment or aquaculture machinery and equipment"*
39 *shall include a work-site utility vehicle, as defined in K.S.A. 8-126, and*
40 *amendments thereto, and is equipped with a bed or cargo box for*
41 *hauling materials, and shall also include machinery and equipment used*
42 *in the operation of Christmas tree farming but shall not include any*
43 *passenger vehicle, truck, truck tractor, trailer, semitrailer or pole trailer,*

1 *other than a farm trailer, as such terms are defined by K.S.A. 8-126, and*
2 *amendments thereto. "Farm machinery and equipment" includes*
3 *precision farming equipment that is portable or is installed or purchased*
4 *to be installed on farm machinery and equipment. "Precision farming*
5 *equipment" includes the following items used only in computer-assisted*
6 *farming, ranching or aquaculture production operations: Soil testing*
7 *sensors, yield monitors, computers, monitors, software, global*
8 *positioning and mapping systems, guiding systems, modems, data*
9 *communications equipment and any necessary mounting hardware,*
10 *wiring and antennas. Each purchaser of farm machinery and equipment*
11 *or aquaculture machinery and equipment exempted herein must certify*
12 *in writing on the copy of the invoice or sales ticket to be retained by the*
13 *seller that the farm machinery and equipment or aquaculture machinery*
14 *and equipment purchased will be used only in farming, ranching or*
15 *aquaculture production. Farming or ranching shall include the*
16 *operation of a feedlot and farm and ranch work for hire and the*
17 *operation of a nursery;*

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

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

35 *(w) all sales of natural gas, electricity, heat and water delivered*
36 *through mains, lines or pipes: (1) To residential premises for*
37 *noncommercial use by the occupant of such premises; (2) for*
38 *agricultural use and also, for such use, all sales of propane gas; (3) for*
39 *use in the severing of oil; and (4) to any property which is exempt from*
40 *property taxation pursuant to K.S.A. 79-201b, Second through Sixth. As*
41 *used in this paragraph, "severing" shall have the meaning ascribed*
42 *thereto by K.S.A. 79-4216(k), and amendments thereto. For all sales of*
43 *natural gas, electricity and heat delivered through mains, lines or pipes*

1 *pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions*
2 *of this subsection shall expire on December 31, 2005;*

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

6 *(y) all sales of materials and services used in the repairing,*
7 *servicing, altering, maintaining, manufacturing, remanufacturing, or*
8 *modification of railroad rolling stock for use in interstate or foreign*
9 *commerce under authority of the laws of the United States;*

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

13 *(aa) all sales of materials and services applied to equipment which*
14 *is transported into the state from without the state for repair, service,*
15 *alteration, maintenance, remanufacture or modification and which is*
16 *subsequently transported outside the state for use in the transmission of*
17 *liquids or natural gas by means of pipeline in interstate or foreign*
18 *commerce under authority of the laws of the United States;*

19 *(bb) all sales of used mobile homes or manufactured homes. As*
20 *used in this subsection: (1) "Mobile homes" and "manufactured*
21 *homes" shall have the meanings ascribed thereto by K.S.A. 58-4202, and*
22 *amendments thereto; and (2) "sales of used mobile homes or*
23 *manufactured homes" means sales other than the original retail sale*
24 *thereof;*

25 *(cc) all sales of tangible personal property or services purchased*
26 *prior to January 1, 2012, except as otherwise provided, for the purpose*
27 *of and in conjunction with constructing, reconstructing, enlarging or*
28 *remodeling a business or retail business which meets the requirements*
29 *established in K.S.A. 74-50,115, and amendments thereto, and the sale*
30 *and installation of machinery and equipment purchased for installation*
31 *at any such business or retail business, and all sales of tangible personal*
32 *property or services purchased on or after January 1, 2012, for the*
33 *purpose of and in conjunction with constructing, reconstructing,*
34 *enlarging or remodeling a business which meets the requirements*
35 *established in K.S.A. 74-50,115(e), and amendments thereto, and the*
36 *sale and installation of machinery and equipment purchased for*
37 *installation at any such business. When a person shall contract for the*
38 *construction, reconstruction, enlargement or remodeling of any such*
39 *business or retail business, such person shall obtain from the state and*
40 *furnish to the contractor an exemption certificate for the project*
41 *involved, and the contractor may purchase materials, machinery and*
42 *equipment for incorporation in such project. The contractor shall*
43 *furnish the number of such certificates to all suppliers from whom such*

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

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

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

32 *(ff) on and after July 1, 1988, all sales of new mobile homes or*
33 *manufactured homes to the extent of 40% of the gross receipts,*
34 *determined without regard to any trade-in allowance, received from such*
35 *sale. As used in this subsection, "mobile homes" and "manufactured*
36 *homes" shall have the meanings ascribed thereto by K.S.A. 58-4202, and*
37 *amendments thereto;*

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

41 *(hh) all sales of medical supplies and equipment, including durable*
42 *medical equipment, purchased directly by a nonprofit skilled nursing*
43 *home or nonprofit intermediate nursing care home, as defined by K.S.A.*

1 39-923, and amendments thereto, for the purpose of providing medical
2 services to residents thereof. This exemption shall not apply to tangible
3 personal property customarily used for human habitation purposes. As
4 used in this subsection, "durable medical equipment" means equipment
5 including repair and replacement parts for such equipment, which can
6 withstand repeated use, is primarily and customarily used to serve a
7 medical purpose, generally is not useful to a person in the absence of
8 illness or injury and is not worn in or on the body, but does not include
9 mobility enhancing equipment as defined in subsection (r), oxygen
10 delivery equipment, kidney dialysis equipment or enteral feeding
11 systems;

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

19 (jj) all sales of tangible personal property or services, including the
20 renting and leasing of tangible personal property, purchased directly on
21 behalf of a community-based facility for people with intellectual
22 disability or mental health center organized pursuant to K.S.A. 19-4001
23 et seq., and amendments thereto, and licensed in accordance with the
24 provisions of K.S.A. 75-3307b, and amendments thereto, and all sales of
25 tangible personal property or services purchased by contractors during
26 the time period from July, 2003, through June, 2006, for the purpose of
27 constructing, equipping, maintaining or furnishing a new facility for a
28 community-based facility for people with intellectual disability or mental
29 health center located in Riverton, Cherokee County, Kansas, which
30 would have been eligible for sales tax exemption pursuant to this
31 subsection if purchased directly by such facility or center. This
32 exemption shall not apply to tangible personal property customarily used
33 for human habitation purposes;

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

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

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

41 (2) For purposes of this subsection:

42 (A) "Integrated production operation" means an integrated series
43 of operations engaged in at a manufacturing or processing plant or

1 *facility to process, transform or convert tangible personal property by*
2 *physical, chemical or other means into a different form, composition or*
3 *character from that in which it originally existed. Integrated production*
4 *operations shall include: (i) Production line operations, including*
5 *packaging operations; (ii) preproduction operations to handle, store and*
6 *treat raw materials; (iii) post production handling, storage, warehousing*
7 *and distribution operations; and (iv) waste, pollution and environmental*
8 *control operations, if any;*

9 *(B) "production line" means the assemblage of machinery and*
10 *equipment at a manufacturing or processing plant or facility where the*
11 *actual transformation or processing of tangible personal property*
12 *occurs;*

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

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

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

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

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

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

28 (A) *To receive, transport, convey, handle, treat or store raw*
29 *materials in preparation of its placement on the production line;*

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

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

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

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

41 (F) *to plan, manage, control or record the receipt and flow of*
42 *inventories of raw materials, consumables and component parts, the*
43 *flow of the property undergoing manufacturing or processing and the*

1 *management of inventories of the finished product;*

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

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

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

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

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

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

23 *(M) to control pollution at the plant or facility where the pollution*
24 *is 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*
30 *for engineering of the finished product or for research and development*
31 *or product design; (B) machinery and equipment that is utilized by a*
32 *manufacturing or processing business to manufacture or rebuild*
33 *tangible personal property that is used in manufacturing or processing*
34 *operations, including tools, dies, molds, forms and other parts of*
35 *qualifying machinery and equipment; (C) portable plants for aggregate*
36 *concrete, bulk cement and asphalt including cement mixing drums to be*
37 *attached to a motor vehicle; (D) industrial fixtures, devices, support*
38 *facilities and special foundations necessary for manufacturing and*
39 *production operations, and materials and other tangible personal*
40 *property sold for the purpose of fabricating such fixtures, devices,*
41 *facilities and foundations. An exemption certificate for such purchases*
42 *shall be signed by the manufacturer or processor. If the fabricator*
43 *purchases such material, the fabricator shall also sign the exemption*

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

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

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

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

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

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

26 *(E) furniture and other furnishings;*

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

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

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

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

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

40 *(6) Subsections (3) and (5) shall not be construed as exclusive*
41 *listings of the machinery and equipment that qualify or do not qualify as*
42 *an integral or essential part of an integrated production operation.*
43 *When machinery or equipment is used as an integral or essential part of*

1 *production operations part of the time and for nonproduction purposes*
2 *at other times, the primary use of the machinery or equipment shall*
3 *determine whether or not such machinery or equipment qualifies for*
4 *exemption.*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (9) *the heartstrings community foundation for the purpose of*
2 *providing training, employment and activities for adults with*
3 *developmental disabilities;*

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

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

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

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

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

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

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

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

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

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

42 (20) *the Johnson county young matrons, inc., for the purpose of*
43 *promoting a positive future for members of the community through*

1 *volunteerism, financial support and education through the efforts of an*
2 *all volunteer organization;*

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

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

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

12 *(24) the Kansas fairgrounds foundation for the purpose of the*
13 *preservation, renovation and beautification of the Kansas state*
14 *fairgrounds;*

15 *(ww) all sales of tangible personal property purchased by the*
16 *habitat for humanity for the exclusive use of being incorporated within a*
17 *housing project constructed by such organization;*

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

1 *purchases so made were entitled to exemption under this subsection. All*
2 *invoices shall be held by the contractor for a period of five years and*
3 *shall be subject to audit by the director of taxation. If any materials*
4 *purchased under such a certificate are found not to have been*
5 *incorporated in the building or other project or not to have been*
6 *returned for credit or the sales or compensating tax otherwise imposed*
7 *upon such materials which will not be so incorporated in the building or*
8 *other project reported and paid by such contractor to the director of*
9 *taxation not later than the 20th day of the month following the close of*
10 *the month in which it shall be determined that such materials will not be*
11 *used for the purpose for which such certificate was issued, the nonprofit*
12 *zoo concerned 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*
17 *purpose other than that for which such a certificate is issued without the*
18 *payment of the sales or compensating tax otherwise imposed upon such*
19 *materials, shall be guilty of a misdemeanor and, upon conviction*
20 *therefor, shall be subject to the penalties provided for in K.S.A. 79-*
21 *3615(h), and amendments thereto;*

22 *(yy) all sales of tangible personal property and services purchased*
23 *by a parent-teacher association or organization, and all sales of tangible*
24 *personal property by or on behalf of such association or organization;*

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

35 *(aaa) all sales of tangible personal property and services purchased*
36 *by a religious organization which is exempt from federal income*
37 *taxation pursuant to section 501(c)(3) of the federal internal revenue*
38 *code, and used exclusively for religious purposes, and all sales of*
39 *tangible personal property or services purchased by a contractor for the*
40 *purpose of constructing, equipping, reconstructing, maintaining,*
41 *repairing, enlarging, furnishing or remodeling facilities for any such*
42 *organization which would be exempt from taxation under the provisions*
43 *of this section if purchased directly by such organization. Nothing in this*

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

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

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

10 *(ccc) on and after July 1, 1999, all sales of tangible personal*
11 *property and services purchased by a primary care clinic or health*
12 *center the primary purpose of which is to provide services to medically*
13 *underserved individuals and families, and which is exempt from federal*
14 *income taxation pursuant to section 501(c)(3) of the federal internal*
15 *revenue code, 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*
18 *remodeling facilities for any such clinic or center which would be*
19 *exempt from taxation under the provisions of this section if purchased*
20 *directly by such clinic or center, except that for taxable years*
21 *commencing after December 31, 2013, this subsection shall not apply to*
22 *any sales of such tangible personal property and services purchased by a*
23 *primary care clinic or health center which performs any abortion, as*
24 *defined in K.S.A. 65-6701, and amendments thereto. Nothing in this*
25 *subsection shall be deemed to exempt the purchase of any construction*
26 *machinery, equipment or tools used in the constructing, equipping,*
27 *reconstructing, maintaining, repairing, enlarging, furnishing or*
28 *remodeling facilities for any such clinic or center. When any such clinic*
29 *or center shall contract for the purpose of constructing, equipping,*
30 *reconstructing, maintaining, repairing, enlarging, furnishing or*
31 *remodeling facilities, it shall obtain from the state and furnish to the*
32 *contractor an exemption certificate for the project involved, and the*
33 *contractor may purchase materials for incorporation in such project.*
34 *The contractor shall furnish the number of such certificate to all*
35 *suppliers from whom such purchases are made, and such suppliers shall*
36 *execute invoices covering the same bearing the number of such*
37 *certificate. Upon completion of the project the contractor shall furnish*
38 *to such clinic or center concerned a sworn statement, on a form to be*
39 *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*
42 *the director of taxation. If any materials purchased under such a*
43 *certificate are found not to have been incorporated in the building or*

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

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

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

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

1 *occurring at a manufacturing or processing plant or facility. Material*
2 *handling and storage equipment shall include aeration, dust control,*
3 *cleaning, handling and other such equipment that is used in a public*
4 *grain warehouse or other commercial grain storage facility, whether*
5 *used for grain handling, grain storage, grain refining or processing, or*
6 *other grain treatment operation;*

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

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

15 *(iii) all sales of personal property and services purchased by an*
16 *organization which is exempt from federal income taxation pursuant to*
17 *section 501(c)(3) of the federal internal revenue code of 1986, and which*
18 *such personal property and services are used by any such organization*
19 *in the collection, storage and distribution of food products to nonprofit*
20 *organizations which distribute such food products to persons pursuant*
21 *to a food distribution program on a charitable basis without fee or*
22 *charge, and all sales of tangible personal property or services purchased*
23 *by a contractor for the purpose of constructing, equipping,*
24 *reconstructing, maintaining, repairing, enlarging, furnishing or*
25 *remodeling facilities used for the collection and storage of such food*
26 *products for any such organization which is exempt from federal income*
27 *taxation pursuant to section 501(c)(3) of the federal internal revenue*
28 *code of 1986, which would be exempt from taxation under the provisions*
29 *of this section if purchased directly by such organization. Nothing in this*
30 *subsection shall be deemed to exempt the purchase of any construction*
31 *machinery, equipment or tools used in the constructing, equipping,*
32 *reconstructing, maintaining, repairing, enlarging, furnishing or*
33 *remodeling facilities for any such organization. When any such*
34 *organization shall contract for the purpose of constructing, equipping,*
35 *reconstructing, maintaining, repairing, enlarging, furnishing or*
36 *remodeling facilities, it shall obtain from the state and furnish to the*
37 *contractor an exemption certificate for the project involved, and the*
38 *contractor may purchase materials for incorporation in such project.*
39 *The contractor shall furnish the number of such certificate to all*
40 *suppliers from whom such purchases are made, and such suppliers shall*
41 *execute invoices covering the same bearing the number of such*
42 *certificate. Upon completion of the project the contractor shall furnish*
43 *to such organization concerned a sworn statement, on a form to be*

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

33 *(jjj) all sales of dietary supplements dispensed pursuant to a*
34 *prescription order by a licensed practitioner or a mid-level practitioner*
35 *as defined by K.S.A. 65-1626, and amendments thereto. As used in this*
36 *subsection, "dietary supplement" means any product, other than*
37 *tobacco, intended to supplement the diet that: (1) Contains one or more*
38 *of the following dietary ingredients: A vitamin, a mineral, an herb or*
39 *other botanical, an amino acid, a dietary substance for use by humans to*
40 *supplement the diet by increasing the total dietary intake or a*
41 *concentrate, metabolite, constituent, extract or combination of any such*
42 *ingredient; (2) is intended for ingestion in tablet, capsule, powder,*
43 *softgel, gelcap or liquid form, or if not intended for ingestion, in such a*

1 *form, is not represented as conventional food and is not represented for*
2 *use as a sole item of a meal or of the diet; and (3) is required to be*
3 *labeled as a dietary supplement, identifiable by the supplemental facts*
4 *box found on the label and as required pursuant to 21 C.F.R. § 101.36;*

5 *(lll) all sales of tangible personal property and services purchased*
6 *by special olympics Kansas, inc. for the purpose of providing year-round*
7 *sports training and athletic competition in a variety of olympic-type*
8 *sports for individuals with intellectual disabilities by giving them*
9 *continuing opportunities to develop physical fitness, demonstrate*
10 *courage, experience joy and participate in a sharing of gifts, skills and*
11 *friendship with their families, other special olympics athletes and the*
12 *community, and activities provided or sponsored by such organization,*
13 *and all sales of tangible personal property by or on behalf of any such*
14 *organization;*

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

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

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

31 *(ppp) all sales of tangible personal property and services purchased*
32 *by or on behalf of a homeless shelter which is exempt from federal*
33 *income taxation pursuant to section 501(c)(3) of the federal income tax*
34 *code of 1986, and used by any such homeless shelter to provide*
35 *emergency and transitional housing for individuals and families*
36 *experiencing homelessness, and all sales of any such property by or on*
37 *behalf of any such homeless shelter for any such purpose;*

38 *(qqq) all sales of tangible personal property and services purchased*
39 *by TLC for children and families, inc., hereinafter referred to as TLC,*
40 *which is exempt from federal income taxation pursuant to section 501(c)*
41 *(3) of the federal internal revenue code of 1986, and which such*
42 *property and services are used for the purpose of providing emergency*
43 *shelter and treatment for abused and neglected children as well as*

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

1 *tangible personal property and services purchased by an organization*
2 *which would have been exempt from taxation under the provisions of*
3 *this subsection if purchased directly by the county law library for the*
4 *purpose of providing legal resources to attorneys, judges, students and*
5 *the general public, and all sales of any such property by or on behalf of*
6 *any such county law library;*

7 *(sss) all sales of tangible personal property and services purchased*
8 *by catholic charities or youthville, hereinafter referred to as charitable*
9 *family providers, which is exempt from federal income taxation*
10 *pursuant to section 501(c)(3) of the federal internal revenue code of*
11 *1986, and which such property and services are used for the purpose of*
12 *providing emergency shelter and treatment for abused and neglected*
13 *children as well as meeting additional critical needs for children,*
14 *juveniles and family, and all sales of any such property by or on behalf*
15 *of charitable family providers for any such purpose; and all sales of*
16 *tangible personal property or services purchased by a contractor for the*
17 *purpose of constructing, maintaining, repairing, enlarging, furnishing*
18 *or remodeling facilities for the operation of services for charitable*
19 *family providers for any such purpose which would be exempt from*
20 *taxation under the provisions of this section if purchased directly by*
21 *charitable family providers. Nothing in this subsection shall be deemed*
22 *to exempt the purchase of any construction machinery, equipment, or*
23 *tools used in the constructing, maintaining, repairing, enlarging,*
24 *furnishing or remodeling such facilities for charitable family providers.*
25 *When charitable family providers contracts for the purpose of*
26 *constructing, maintaining, repairing, enlarging, furnishing or*
27 *remodeling such facilities, it shall obtain from the state and furnish to*
28 *the contractor an exemption certificate for the project involved, and the*
29 *contractor may purchase materials for incorporation in such project.*
30 *The contractor shall furnish the number of such certificate to all*
31 *suppliers from whom such purchases are made, and such suppliers shall*
32 *execute invoices covering the same bearing the number of such*
33 *certificate. Upon completion of the project the contractor shall furnish*
34 *to charitable family providers a sworn statement, on a form to be*
35 *provided by the director of taxation, that all purchases so made were*
36 *entitled to exemption under this subsection. All invoices shall be held by*
37 *the contractor for a period of five years and shall be subject to audit by*
38 *the director of taxation. If any materials purchased under such a*
39 *certificate are found not to have been incorporated in the building or*
40 *other project or not to have been returned for credit or the sales or*
41 *compensating tax otherwise imposed upon such materials which will not*
42 *be so incorporated in the building or other project reported and paid by*
43 *such contractor to the director of taxation not later than the 20th day of*

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

14 *(ttt) all sales of tangible personal property or services purchased by*
15 *a contractor for a project for the purpose of restoring, constructing,*
16 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*
17 *or remodeling a home or facility owned by a nonprofit museum which*
18 *has been granted an exemption pursuant to subsection (qq), which such*
19 *home or facility is located in a city which has been designated as a*
20 *qualified hometown pursuant to the provisions of K.S.A. 75-5071 et seq.,*
21 *and amendments thereto, and which such project is related to the*
22 *purposes of K.S.A. 75-5071 et seq., and amendments thereto, and which*
23 *would be exempt from taxation under the provisions of this section if*
24 *purchased directly by such nonprofit museum. Nothing in this*
25 *subsection shall be deemed to exempt the purchase of any construction*
26 *machinery, equipment or tools used in the restoring, constructing,*
27 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*
28 *or remodeling a home or facility for any such nonprofit museum. When*
29 *any such nonprofit museum shall contract for the purpose of restoring,*
30 *constructing, equipping, reconstructing, maintaining, repairing,*
31 *enlarging, furnishing or remodeling a home or facility, it shall obtain*
32 *from the state and furnish to the contractor an exemption certificate for*
33 *the project involved, and the contractor may purchase materials for*
34 *incorporation in such project. The contractor shall furnish the number*
35 *of such certificates to all suppliers from whom such purchases are made,*
36 *and such suppliers shall execute invoices covering the same bearing the*
37 *number of such certificate. Upon completion of the project, the*
38 *contractor shall furnish to such nonprofit museum a sworn statement on*
39 *a form to be provided by the director of taxation that all purchases so*
40 *made were entitled to exemption under this subsection. All invoices shall*
41 *be held by the contractor for a period of five years and shall be subject to*
42 *audit by the director of taxation. If any materials purchased under such*
43 *a certificate are found not to have been incorporated in the building or*

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

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

1 *taxation, that all purchases so made were entitled to exemption under*
2 *this subsection. All invoices shall be held by the contractor for a period*
3 *of five years and shall be subject to audit by the director of taxation. If*
4 *any materials purchased under such a certificate are found not to have*
5 *been incorporated in the building or other project or not to have been*
6 *returned for credit or the sales or compensating tax otherwise imposed*
7 *upon such materials which will not be so incorporated in the building or*
8 *other project reported and paid by such contractor to the director of*
9 *taxation not later than the 20th day of the month following the close of*
10 *the month in which it shall be determined that such materials will not be*
11 *used for the purpose for which such certificate was issued, KCSL shall*
12 *be liable for tax on all materials purchased for the project, and upon*
13 *payment thereof it may recover the same from the contractor together*
14 *with reasonable attorney fees. Any contractor or any agent, employee or*
15 *subcontractor thereof, who shall use or otherwise dispose of any*
16 *materials purchased under such a certificate for any purpose other than*
17 *that for which such a certificate is issued without the payment of the*
18 *sales or compensating tax otherwise imposed upon such materials, shall*
19 *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 *(vvv) all sales of tangible personal property or services, including*
23 *the renting and leasing of tangible personal property or services,*
24 *purchased by jazz in the woods, inc., a Kansas corporation which is*
25 *exempt from federal income taxation pursuant to section 501(c)(3) of the*
26 *federal internal revenue code, for the purpose of providing jazz in the*
27 *woods, an event benefiting children-in-need and other nonprofit*
28 *charities assisting such children, and all sales of any such property by or*
29 *on behalf of such organization for such purpose;*

30 *(www) all sales of tangible personal property purchased by or on*
31 *behalf of the Frontenac education foundation, which is exempt from*
32 *federal income taxation pursuant to section 501(c)(3) of the federal*
33 *internal revenue code, for the purpose of providing education support*
34 *for students, and all sales of any such property by or on behalf of such*
35 *organization for such purpose;*

36 *(xxx) all sales of personal property and services purchased by the*
37 *booth theatre foundation, inc., an organization which is exempt from*
38 *federal income taxation pursuant to section 501(c)(3) of the federal*
39 *internal revenue code of 1986, and which such personal property and*
40 *services are used by any such organization in the constructing,*
41 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*
42 *or remodeling of the booth theatre, and all sales of tangible personal*
43 *property or services purchased by a contractor for the purpose of*

1 *constructing, equipping, reconstructing, maintaining, repairing,*
2 *enlarging, furnishing or remodeling the booth theatre for such*
3 *organization, which would be exempt from taxation under the provisions*
4 *of this section if purchased directly by such organization. Nothing in this*
5 *subsection shall be deemed to exempt the purchase of any construction*
6 *machinery, equipment or tools used in the constructing, equipping,*
7 *reconstructing, maintaining, repairing, enlarging, furnishing or*
8 *remodeling facilities for any such organization. When any such*
9 *organization shall contract for the purpose of constructing, equipping,*
10 *reconstructing, maintaining, repairing, enlarging, furnishing or*
11 *remodeling facilities, it shall obtain from the state and furnish to the*
12 *contractor an exemption certificate for the project involved, and the*
13 *contractor may purchase materials for incorporation in such project.*
14 *The contractor shall furnish the number of such certificate to all*
15 *suppliers from whom such purchases are made, and such suppliers shall*
16 *execute invoices covering the same bearing the number of such*
17 *certificate. Upon completion of the project the contractor shall furnish*
18 *to such organization concerned a sworn statement, on a form to be*
19 *provided by the director of taxation, that all purchases so made were*
20 *entitled to exemption under this subsection. All invoices shall be held by*
21 *the contractor for a period of five years and shall be subject to audit by*
22 *the director of taxation. If any materials purchased under such a*
23 *certificate are found not to have been incorporated in such facilities or*
24 *not to have been returned for credit or the sales or compensating tax*
25 *otherwise imposed upon such materials which will not be so*
26 *incorporated in such facilities reported and paid by such contractor to*
27 *the director of taxation not later than the 20th day of the month following*
28 *the close of the month in which it shall be determined that such*
29 *materials will not be used for the purpose for which such certificate was*
30 *issued, such organization concerned shall be liable for tax on all*
31 *materials purchased for the project, and upon payment thereof it may*
32 *recover the same from the contractor together with reasonable attorney*
33 *fees. Any contractor or any agent, employee or subcontractor thereof,*
34 *who shall use or otherwise dispose of any materials purchased under*
35 *such a certificate for any purpose other than that for which such a*
36 *certificate is issued without the payment of the sales or compensating tax*
37 *otherwise imposed upon such materials, shall be guilty of a*
38 *misdemeanor and, upon conviction therefor, shall be subject to the*
39 *penalties provided for in K.S.A. 79-3615(h), and amendments thereto.*
40 *Sales tax paid on and after January 1, 2007, but prior to the effective*
41 *date of this act upon the gross receipts received from any sale which*
42 *would have been exempted by the provisions of this subsection had such*
43 *sale occurred after the effective date of this act shall be refunded. Each*

1 *claim for a sales tax refund shall be verified and submitted to the*
2 *director of taxation upon forms furnished by the director and shall be*
3 *accompanied by any additional documentation required by the director.*
4 *The director shall review each claim and shall refund that amount of*
5 *sales tax paid as determined under the provisions of this subsection. All*
6 *refunds shall be paid from the sales tax refund fund upon warrants of*
7 *the director of accounts and reports pursuant to vouchers approved by*
8 *the director or the director's designee;*

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

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

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

18 *(aaaa) all sales of personal property and services purchased by or*
19 *on behalf of victory in the valley, inc., which is exempt from federal*
20 *income taxation pursuant to section 501(c)(3) of the federal internal*
21 *revenue code, for the purpose of providing a cancer support group and*
22 *services for persons with cancer, and all sales of any such property by or*
23 *on behalf of any such organization for any such purpose;*

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

29 *(cccc) all sales of tangible personal property or services purchased*
30 *by or on behalf of wayside waifs, inc., which is exempt from federal*
31 *income taxation pursuant to section 501(c)(3) of the federal internal*
32 *revenue code, for the purpose of providing such organization's annual*
33 *fundraiser, an event whose purpose is to support the care of homeless*
34 *and abandoned animals, animal adoption efforts, education programs*
35 *for children and efforts to reduce animal over-population and animal*
36 *welfare services, and all sales of any such property, including entry or*
37 *participation fees or charges, by or on behalf of such organization for*
38 *such purpose;*

39 *(dddd) all sales of tangible personal property or services purchased*
40 *by or on behalf of goodwill industries or Easter seals of Kansas, inc.,*
41 *both of which are exempt from federal income taxation pursuant to*
42 *section 501(c)(3) of the federal internal revenue code, for the purpose of*
43 *providing education, training and employment opportunities for people*

1 *with disabilities and other barriers to employment;*

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

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

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

14 *(gggg) all sales of game birds for which the primary purpose is use*
15 *in hunting;*

16 *(hhhh) all sales of tangible personal property or services purchased*
17 *on or after July 1, 2014, for the purpose of and in conjunction with*
18 *constructing, reconstructing, enlarging or remodeling a business*
19 *identified under the North American industry classification system*
20 *(NAICS) subsectors 1123, 1124, 112112, 112120 or 112210, and the sale*
21 *and installation of machinery and equipment purchased for installation*
22 *at any such business. The exemption provided in this subsection shall*
23 *not apply to projects that have actual total costs less than \$50,000. When*
24 *a person contracts for the construction, reconstruction, enlargement or*
25 *remodeling of any such business, such person shall obtain from the state*
26 *and furnish to the contractor an exemption certificate for the project*
27 *involved, and the contractor may purchase materials, machinery and*
28 *equipment for incorporation in such project. The contractor shall*
29 *furnish the number of such certificates to all suppliers from whom such*
30 *purchases are made, and such suppliers shall execute invoices covering*
31 *the same bearing the number of such certificate. Upon completion of the*
32 *project, the contractor shall furnish to the owner of the business 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*
36 *shall be subject to audit by the director of taxation. Any contractor or*
37 *any agent, employee or subcontractor of the contractor, who shall use or*
38 *otherwise dispose of any materials, machinery or equipment purchased*
39 *under such a certificate for any purpose other than that for which such*
40 *a certificate is issued without the payment of the sales or compensating*
41 *tax otherwise imposed thereon, shall be guilty of a misdemeanor and,*
42 *upon conviction therefor, shall be subject to the penalties provided for in*
43 *K.S.A. 79-3615(h), and amendments thereto;*

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

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

1 *code, for the purpose of providing those desiring help with food, shelter,*
2 *clothing and other necessities of life during times of special need;*

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

11 *(llll) all sales of tangible personal property and services purchased*
12 *by Gove county healthcare endowment foundation, inc., which is exempt*
13 *from federal income taxation pursuant to section 501(c)(3) of the federal*
14 *internal revenue code of 1986, and which such property and services are*
15 *used for the purpose of constructing and equipping an airport in*
16 *Quinter, Kansas, and all sales of tangible personal property or services*
17 *purchased by a contractor for the purpose of constructing and equipping*
18 *an airport in Quinter, Kansas, for such organization, which would be*
19 *exempt from taxation under the provisions of this section if purchased*
20 *directly by such organization. Nothing in this subsection shall be*
21 *deemed to exempt the purchase of any construction machinery,*
22 *equipment or tools used in the constructing or equipping of facilities for*
23 *such organization. When such organization shall contract for the*
24 *purpose of constructing or equipping an airport in Quinter, Kansas, it*
25 *shall obtain from the state and furnish to the contractor an exemption*
26 *certificate for the project involved, and the contractor may purchase*
27 *materials for incorporation in such project. The contractor shall furnish*
28 *the number of such certificate to all suppliers from whom such*
29 *purchases are made, and such suppliers shall execute invoices covering*
30 *the same bearing the number of such certificate. Upon completion of the*
31 *project, the contractor shall furnish to such organization concerned a*
32 *sworn statement, on a form to be provided by the director of taxation,*
33 *that all purchases so made were entitled to exemption under this*
34 *subsection. All invoices shall be held by the contractor for a period of*
35 *five years and shall be subject to audit by the director of taxation. If any*
36 *materials purchased under such a certificate are found not to have been*
37 *incorporated in such facilities or not to have been returned for credit or*
38 *the sales or compensating tax otherwise imposed upon such materials*
39 *which will not be so incorporated in such facilities reported and paid by*
40 *such contractor to the director of taxation no later than the 20th day of*
41 *the month following the close of the month in which it shall be*
42 *determined that such materials will not be used for the purpose for*
43 *which such certificate was issued, such organization concerned shall be*

1 *liable for tax on all materials purchased for the project, and upon*
2 *payment thereof it may recover the same from the contractor together*
3 *with reasonable attorney fees. Any contractor or any agent, employee or*
4 *subcontractor thereof, who purchased under such a certificate for any*
5 *purpose other than that for which such a certificate is issued without the*
6 *payment of the sales or compensating tax otherwise imposed upon such*
7 *materials, shall be guilty of a misdemeanor and, upon conviction*
8 *therefor, shall be subject to the penalties provided for in K.S.A. 79-*
9 *3615(h), and amendments thereto. The provisions of this subsection*
10 *shall expire and have no effect on and after July 1, 2019; and*

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

16 **Sec. 4.** *K.S.A. 2017 Supp. 79-3606 is hereby amended to read as*
17 *follows: 79-3606. The following shall be exempt from the tax imposed by*
18 *this act:*

19 *(a) All sales of motor-vehicle fuel or other articles upon which a*
20 *sales or excise tax has been paid, not subject to refund, under the laws of*
21 *this state except cigarettes and electronic cigarettes as defined by K.S.A.*
22 *79-3301, and amendments thereto, including consumable material for*
23 *such electronic cigarettes, cereal malt beverages and malt products as*
24 *defined by K.S.A. 79-3817, and amendments thereto, including wort,*
25 *liquid malt, malt syrup and malt extract, which is not subject to taxation*
26 *under the provisions of K.S.A. 79-41a02, and amendments thereto,*
27 *motor vehicles taxed pursuant to K.S.A. 79-5117, and amendments*
28 *thereto, fires taxed pursuant to K.S.A. 65-3424d, and amendments*
29 *thereto, drycleaning and laundry services taxed pursuant to K.S.A. 65-*
30 *34,150, and amendments thereto, and gross receipts from regulated*
31 *sports contests taxed pursuant to the Kansas professional regulated*
32 *sports act, and amendments thereto;*

33 *(b) all sales of tangible personal property or service, including the*
34 *renting and leasing of tangible personal property, purchased directly by*
35 *the state of Kansas, a political subdivision thereof, other than a school*
36 *or educational institution, or purchased by a public or private nonprofit*
37 *hospital or public hospital authority or nonprofit blood, tissue or organ*
38 *bank and used exclusively for state, political subdivision, hospital or*
39 *public hospital authority or nonprofit blood, tissue or organ bank*
40 *purposes, except when: (1) Such state, hospital or public hospital*
41 *authority is engaged or proposes to engage in any business specifically*
42 *taxable under the provisions of this act and such items of tangible*
43 *personal property or service are used or proposed to be used in such*

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

5 *(c) all sales of tangible personal property or services, including the*
6 *renting and leasing of tangible personal property, purchased directly by*
7 *a public or private elementary or secondary school or public or private*
8 *nonprofit educational institution and used primarily by such school or*
9 *institution for nonsectarian programs and activities provided or*
10 *sponsored by such school or institution or in the erection, repair or*
11 *enlargement of buildings to be used for such purposes. The exemption*
12 *herein provided shall not apply to erection, construction, repair,*
13 *enlargement or equipment of buildings used primarily for human*
14 *habitation;*

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

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

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

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

35 *(f) tangible personal property purchased by a railroad or public*
36 *utility for consumption or movement directly and immediately in*
37 *interstate commerce;*

38 *(g) sales of aircraft including remanufactured and modified*
39 *aircraft sold to persons using directly or through an authorized agent*
40 *such aircraft as certified or licensed carriers of persons or property in*
41 *interstate or foreign commerce under authority of the laws of the United*
42 *States or any foreign government or sold to any foreign government or*
43 *agency or instrumentality of such foreign government and all sales of*

1 *aircraft for use outside of the United States and sales of aircraft repair,*
2 *modification and replacement parts and sales of services employed in the*
3 *remanufacture, modification and repair of aircraft;*

4 *(h) all rentals of nonsectarian textbooks by public or private*
5 *elementary or secondary schools;*

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

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

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

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

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

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

42 *(o) all sales of animals, fowl and aquatic plants and animals, the*
43 *primary purpose of which is use in agriculture or aquaculture, as*

1 *defined in K.S.A. 47-1901, and amendments thereto, the production of*
2 *food for human consumption, the production of animal, dairy, poultry or*
3 *aquatic plant and animal products, fiber or fur, or the production of*
4 *offspring for use for any such purpose or purposes;*

5 *(p) all sales of drugs dispensed pursuant to a prescription order by*
6 *a licensed practitioner or a mid-level practitioner as defined by K.S.A.*
7 *65-1626, and amendments thereto. As used in this subsection, "drug"*
8 *means a compound, substance or preparation and any component of a*
9 *compound, substance or preparation, other than food and food*
10 *ingredients, dietary supplements or alcoholic beverages, recognized in*
11 *the official United States pharmacopoeia, official homeopathic*
12 *pharmacopoeia of the United States or official national formulary, and*
13 *supplement to any of them, intended for use in the diagnosis, cure,*
14 *mitigation, treatment or prevention of disease or intended to affect the*
15 *structure or any function of the body, except that for taxable years*
16 *commencing after December 31, 2013, this subsection shall not apply to*
17 *any sales of drugs used in the performance or induction of an abortion,*
18 *as defined in K.S.A. 65-6701, and amendments thereto;*

19 *(q) all sales of insulin dispensed by a person licensed by the state*
20 *board of pharmacy to a person for treatment of diabetes at the direction*
21 *of a person licensed to practice medicine by the board of healing arts;*

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

43 *(s) except as provided in K.S.A. 2017 Supp. 82a-2101, and*

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

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

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

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

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

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

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

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

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

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

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

1 *(cc) all sales of tangible personal property or services purchased*
2 *prior to January 1, 2012, except as otherwise provided, for the purpose*
3 *of and in conjunction with constructing, reconstructing, enlarging or*
4 *remodeling a business or retail business which meets the requirements*
5 *established in K.S.A. 74-50,115, and amendments thereto, and the sale*
6 *and installation of machinery and equipment purchased for installation*
7 *at any such business or retail business, and all sales of tangible personal*
8 *property or services purchased on or after January 1, 2012, for the*
9 *purpose of and in conjunction with constructing, reconstructing,*
10 *enlarging or remodeling a business which meets the requirements*
11 *established in K.S.A. 74-50,115(e), and amendments thereto, and the*
12 *sale and installation of machinery and equipment purchased for*
13 *installation at any such business. When a person shall contract for the*
14 *construction, reconstruction, enlargement or remodeling of any such*
15 *business or retail business, such person shall obtain from the state and*
16 *furnish to the contractor an exemption certificate for the project*
17 *involved, and the contractor may purchase materials, machinery and*
18 *equipment for incorporation in such project. The contractor shall*
19 *furnish the number of such certificates to all suppliers from whom such*
20 *purchases are made, and such suppliers shall execute invoices covering*
21 *the same bearing the number of such certificate. Upon completion of the*
22 *project the contractor shall furnish to the owner of the business or retail*
23 *business a sworn statement, on a form to be provided by the director of*
24 *taxation, that all purchases so made were entitled to exemption under*
25 *this subsection. All invoices shall be held by the contractor for a period*
26 *of five years and shall be subject to audit by the director of taxation. Any*
27 *contractor or any agent, employee or subcontractor thereof, who shall*
28 *use or otherwise dispose of any materials, machinery or equipment*
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 thereon, shall be guilty of a*
32 *misdemeanor and, upon conviction therefor, shall be subject to the*
33 *penalties provided for in K.S.A. 79-3615(h), and amendments thereto. As*
34 *used in this subsection, "business" and "retail business" have the*
35 *meanings respectively ascribed thereto by K.S.A. 74-50,114, and*
36 *amendments thereto. Project exemption certificates that have been*
37 *previously issued under this subsection by the department of revenue*
38 *pursuant to K.S.A. 74-50,115, and amendments thereto, but not*
39 *including K.S.A. 74-50,115(e), and amendments thereto, prior to*
40 *January 1, 2012, and have not expired will be effective for the term of*
41 *the project or two years from the effective date of the certificate,*
42 *whichever occurs earlier. Project exemption certificates that are*
43 *submitted to the department of revenue prior to January 1, 2012, and are*

1 *found to qualify will be issued a project exemption certificate that will be*
2 *effective for a two-year period or for the term of the project, whichever*
3 *occurs earlier;*

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

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

8 *(ff) on and after July 1, 1988, all sales of new mobile homes or*
9 *manufactured homes to the extent of 40% of the gross receipts,*
10 *determined without regard to any trade-in allowance, received from such*
11 *sale. As used in this subsection, "mobile homes" and "manufactured*
12 *homes" shall have the meanings ascribed thereto by K.S.A. 58-4202, and*
13 *amendments thereto;*

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

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

31 *(ii) all sales of tangible personal property purchased directly by a*
32 *nonprofit organization for nonsectarian comprehensive multidiscipline*
33 *youth development programs and activities provided or sponsored by*
34 *such organization, and all sales of tangible personal property by or on*
35 *behalf of any such organization. This exemption shall not apply to*
36 *tangible personal property customarily used for human habitation*
37 *purposes;*

38 *(jj) all sales of tangible personal property or services, including the*
39 *renting and leasing of tangible personal property, purchased directly on*
40 *behalf of a community-based facility for people with intellectual*
41 *disability or mental health center organized pursuant to K.S.A. 19-4001*
42 *et seq., and amendments thereto, and licensed in accordance with the*
43 *provisions of K.S.A. 75-3307b, and amendments thereto, and all sales of*

1 *tangible personal property or services purchased by contractors during*
2 *the time period from July, 2003, through June, 2006, for the purpose of*
3 *constructing, equipping, maintaining or furnishing a new facility for a*
4 *community-based facility for people with intellectual disability or mental*
5 *health center located in Riverton, Cherokee County, Kansas, which*
6 *would have been eligible for sales tax exemption pursuant to this*
7 *subsection if purchased directly by such facility or center. This*
8 *exemption shall not apply to tangible personal property customarily used*
9 *for human habitation purposes;*

10 *(kk) (1) (A) all sales of machinery and equipment which are used in*
11 *this state as an integral or essential part of an integrated production*
12 *operation by a manufacturing or processing plant or facility;*

13 *(B) all sales of installation, repair and maintenance services*
14 *performed on such machinery and equipment; and*

15 *(C) all sales of repair and replacement parts and accessories*
16 *purchased for such machinery and equipment.*

17 *(2) For purposes of this subsection:*

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

28 *(B) "production line" means the assemblage of machinery and*
29 *equipment at a manufacturing or processing plant or facility where the*
30 *actual transformation or processing of tangible personal property*
31 *occurs;*

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

43 *(D) "manufacturing or processing business" means a business that*

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

35 *(E) "repair and replacement parts and accessories" means all parts*
36 *and accessories for exempt machinery and equipment, including, but not*
37 *limited to, dies, jigs, molds, patterns and safety devices that are attached*
38 *to exempt machinery or that are otherwise used in production, and parts*
39 *and accessories that require periodic replacement such as belts, drill*
40 *bits, grinding wheels, grinding balls, cutting bars, saws, refractory brick*
41 *and other refractory items for exempt kiln equipment used in production*
42 *operations;*

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

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

4 (A) *To receive, transport, convey, handle, treat or store raw*
5 *materials in preparation of its placement on the production line;*

6 (B) *to transport, convey, handle or store the property undergoing*
7 *manufacturing or processing at any point from the beginning of the*
8 *production line through any warehousing or distribution operation of*
9 *the final product that occurs at the plant or facility;*

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

12 (D) *to guide, control or direct the movement of property undergoing*
13 *manufacturing or processing;*

14 (E) *to test or measure raw materials, the property undergoing*
15 *manufacturing or processing or the finished product, as a necessary part*
16 *of the manufacturer's integrated production operations;*

17 (F) *to plan, manage, control or record the receipt and flow of*
18 *inventories of raw materials, consumables and component parts, the*
19 *flow of the property undergoing manufacturing or processing and the*
20 *management of inventories of the finished product;*

21 (G) *to produce energy for, lubricate, control the operating of or*
22 *otherwise enable the functioning of other production machinery and*
23 *equipment and the continuation of production operations;*

24 (H) *to package the property being manufactured or processed in a*
25 *container or wrapping in which such property is normally sold or*
26 *transported;*

27 (I) *to transmit or transport electricity, coke, gas, water, steam or*
28 *similar substances used in production operations from the point of*
29 *generation, if produced by the manufacturer or processor at the plant*
30 *site, to that manufacturer's production operation; or, if purchased or*
31 *delivered from off-site, from the point where the substance enters the site*
32 *of the plant or facility to that manufacturer's production operations;*

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

35 (K) *to provide and control an environment required to maintain*
36 *certain levels of air quality, humidity or temperature in special and*
37 *limited areas of the plant or facility, where such regulation of*
38 *temperature or humidity is part of and essential to the production*
39 *process;*

40 (L) *to treat, transport or store waste or other byproducts of*
41 *production operations at the plant or facility; or*

42 (M) *to control pollution at the plant or facility where the pollution*
43 *is produced by the manufacturing or processing operation.*

1 (4) *The following machinery, equipment and materials shall be*
2 *deemed to be exempt even though it may not otherwise qualify as*
3 *machinery and equipment used as an integral or essential part of an*
4 *integrated production operation: (A) Computers and related peripheral*
5 *equipment that are utilized by a manufacturing or processing business*
6 *for engineering of the finished product or for research and development*
7 *or product design; (B) machinery and equipment that is utilized by a*
8 *manufacturing or processing business to manufacture or rebuild*
9 *tangible personal property that is used in manufacturing or processing*
10 *operations, including tools, dies, molds, forms and other parts of*
11 *qualifying machinery and equipment; (C) portable plants for aggregate*
12 *concrete, bulk cement and asphalt including cement mixing drums to be*
13 *attached to a motor vehicle; (D) industrial fixtures, devices, support*
14 *facilities and special foundations necessary for manufacturing and*
15 *production operations, and materials and other tangible personal*
16 *property sold for the purpose of fabricating such fixtures, devices,*
17 *facilities and foundations. An exemption certificate for such purchases*
18 *shall be signed by the manufacturer or processor. If the fabricator*
19 *purchases such material, the fabricator shall also sign the exemption*
20 *certificate; (E) a manufacturing or processing business' laboratory*
21 *equipment that is not located at the plant or facility, but that would*
22 *otherwise qualify for exemption under subsection (3)(E); (F) all*
23 *machinery and equipment used in surface mining activities as described*
24 *in K.S.A. 49-601 et seq., and amendments thereto, beginning from the*
25 *time a reclamation plan is filed to the acceptance of the completed final*
26 *site reclamation.*

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

29 (A) *Machinery and equipment used for nonproduction purposes,*
30 *including, but not limited to, machinery and equipment used for plant*
31 *security, fire prevention, first aid, accounting, administration, record*
32 *keeping, advertising, marketing, sales or other related activities, plant*
33 *cleaning, plant communications, and employee work scheduling;*

34 (B) *machinery, equipment and tools used primarily in maintaining*
35 *and repairing any type of machinery and equipment or the building and*
36 *plant;*

37 (C) *transportation, transmission and distribution equipment not*
38 *primarily used in a production, warehousing or material handling*
39 *operation at the plant or facility, including the means of conveyance of*
40 *natural gas, electricity, oil or water, and equipment related thereto,*
41 *located outside the plant or facility;*

42 (D) *office machines and equipment including computers and*
43 *related peripheral equipment not used directly and primarily to control*

1 *or measure the manufacturing process;*

2 *(E) furniture and other furnishings;*

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

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

9 *(H) machinery and equipment used for general plant heating,*
10 *cooling and lighting;*

11 *(I) motor vehicles that are registered for operation on public*
12 *highways; or*

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

16 *(6) Subsections (3) and (5) shall not be construed as exclusive*
17 *listings of the machinery and equipment that qualify or do not qualify as*
18 *an integral or essential part of an integrated production operation.*
19 *When machinery or equipment is used as an integral or essential part of*
20 *production operations part of the time and for nonproduction purposes*
21 *at other times, the primary use of the machinery or equipment shall*
22 *determine whether or not such machinery or equipment qualifies for*
23 *exemption.*

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

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

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

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

40 *(oo) all sales of tangible personal property purchased by a*
41 *community action group or agency for the exclusive purpose of*
42 *repairing or weatherizing housing occupied by low income individuals;*

43 *(pp) all sales of drill bits and explosives actually utilized in the*

1 *exploration and production of oil or gas;*

2 *(qq) all sales of tangible personal property and services purchased*
3 *by a nonprofit museum or historical society or any combination thereof,*
4 *including a nonprofit organization which is organized for the purpose of*
5 *stimulating public interest in the exploration of space by providing*
6 *educational information, exhibits and experiences, which is exempt from*
7 *federal income taxation pursuant to section 501(c)(3) of the federal*
8 *internal revenue code of 1986;*

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

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

20 *(tt) all sales of tangible personal property and services purchased by*
21 *or on behalf of a not-for-profit corporation which is exempt from federal*
22 *income taxation pursuant to section 501(c)(3) of the federal internal*
23 *revenue code of 1986, for the sole purpose of constructing a Kansas*
24 *Korean War memorial;*

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

28 *(vv) all sales of tangible personal property purchased by any of the*
29 *following organizations which are exempt from federal income taxation*
30 *pursuant to section 501(c)(3) of the federal internal revenue code of*
31 *1986, for the following purposes, and all sales of any such property by or*
32 *on behalf of any such organization for any such purpose:*

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

37 *(2) the Kansas alliance for the mentally ill, inc. for the purpose of*
38 *advocacy for persons with mental illness and to education, research and*
39 *support for their families;*

40 *(3) the Kansas mental illness awareness council for the purposes of*
41 *advocacy for persons who are mentally ill and for education, research*
42 *and support for them and their families;*

43 *(4) the American diabetes association Kansas affiliate, inc. for the*

1 *purpose of eliminating diabetes through medical research, public*
2 *education focusing on disease prevention and education, patient*
3 *education including information on coping with diabetes, and*
4 *professional education and training;*

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

10 *(6) the Kansas chapters of the Alzheimer's disease and related*
11 *disorders association, inc. for the purpose of providing assistance and*
12 *support to persons in Kansas with Alzheimer's disease, and their families*
13 *and caregivers;*

14 *(7) the Kansas chapters of the Parkinson's disease association for*
15 *the purpose of eliminating Parkinson's disease through medical*
16 *research and public and professional education related to such disease;*

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

20 *(9) the heartstrings community foundation for the purpose of*
21 *providing training, employment and activities for adults with*
22 *developmental disabilities;*

23 *(10) the cystic fibrosis foundation, heart of America chapter, for the*
24 *purposes of assuring the development of the means to cure and control*
25 *cystic fibrosis and improving the quality of life for those with the*
26 *disease;*

27 *(11) the spina bifida association of Kansas for the purpose of*
28 *providing financial, educational and practical aid to families and*
29 *individuals with spina bifida. Such aid includes, but is not limited to,*
30 *funding for medical devices, counseling and medical educational*
31 *opportunities;*

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

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

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

42 *(15) the KSDS, Inc., for the purpose of promoting the independence*
43 *and inclusion of people with disabilities as fully participating and*

1 *contributing members of their communities and society through the*
2 *training and providing of guide and service dogs to people with*
3 *disabilities, and providing disability education and awareness to the*
4 *general public;*

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

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

10 *(18) the Ottawa Suzuki strings, inc., for the purpose of providing*
11 *students and families with education and resources necessary to enable*
12 *each child to develop fine character and musical ability to the fullest*
13 *potential;*

14 *(19) the international association of lions clubs for the purpose of*
15 *creating and fostering a spirit of understanding among all people for*
16 *humanitarian needs by providing voluntary services through community*
17 *involvement and international cooperation;*

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

22 *(21) the American cancer society, inc., for the purpose of*
23 *eliminating cancer as a major health problem by preventing cancer,*
24 *saving lives and diminishing suffering from cancer, through research,*
25 *education, advocacy and service;*

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

28 *(23) the angel babies association, for the purpose of providing*
29 *assistance, support and items of necessity to teenage mothers and their*
30 *babies; and*

31 *(24) the Kansas fairgrounds foundation for the purpose of the*
32 *preservation, renovation and beautification of the Kansas state*
33 *fairgrounds;*

34 *(ww) all sales of tangible personal property purchased by the*
35 *habitat for humanity for the exclusive use of being incorporated within a*
36 *housing project constructed by such organization;*

37 *(xx) all sales of tangible personal property and services purchased*
38 *by a nonprofit zoo which is exempt from federal income taxation*
39 *pursuant to section 501(c)(3) of the federal internal revenue code of*
40 *1986, or on behalf of such zoo by an entity itself exempt from federal*
41 *income taxation pursuant to section 501(c)(3) of the federal internal*
42 *revenue code of 1986 contracted with to operate such zoo and all sales of*
43 *tangible personal property or services purchased by a contractor for the*

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

41 *(yy) all sales of tangible personal property and services purchased*
42 *by a parent-teacher association or organization, and all sales of tangible*
43 *personal property by or on behalf of such association or organization;*

1 ~~(zz) all sales of machinery and equipment purchased by over-the-~~
2 ~~air, free access radio or television station which is used directly and~~
3 ~~primarily for the purpose of producing a broadcast signal or is such that~~
4 ~~the failure of the machinery or equipment to operate would cause~~
5 ~~broadcasting to cease. For purposes of this subsection, machinery and~~
6 ~~equipment shall include, but not be limited to, that required by rules and~~
7 ~~regulations of the federal communications commission, and all sales of~~
8 ~~electricity which are essential or necessary for the purpose of producing~~
9 ~~a broadcast signal or is such that the failure of the electricity would~~
10 ~~cause broadcasting to cease;~~

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

1 *determined that such materials will not be used for the purpose for*
2 *which such certificate was issued, such organization concerned shall be*
3 *liable for tax on all materials purchased for the project, and upon*
4 *payment thereof it may recover the same from the contractor together*
5 *with reasonable attorney fees. Any contractor or any agent, employee or*
6 *subcontractor thereof, who shall use or otherwise dispose of any*
7 *materials purchased under such a certificate for any purpose other than*
8 *that for which such a certificate is issued without the payment of the*
9 *sales or compensating tax otherwise imposed upon such materials, shall*
10 *be guilty of a misdemeanor and, upon conviction therefor, shall be*
11 *subject to the penalties provided for in K.S.A. 79-3615(h), and*
12 *amendments thereto. Sales tax paid on and after July 1, 1998, but prior*
13 *to the effective date of this act upon the gross receipts received from any*
14 *sale exempted by the amendatory provisions of this subsection shall be*
15 *refunded. Each claim for a sales tax refund shall be verified and*
16 *submitted to the director of taxation upon forms furnished by the*
17 *director and shall be accompanied by any additional documentation*
18 *required by the director. The director shall review each claim and shall*
19 *refund that amount of sales tax paid as determined under the provisions*
20 *of this subsection. All refunds shall be paid from the sales tax refund*
21 *fund upon warrants of the director of accounts and reports pursuant to*
22 *vouchers approved by the director or the director's designee;*

23 *(bbb) all sales of food for human consumption by an organization*
24 *which is exempt from federal income taxation pursuant to section 501(c)*
25 *(3) of the federal internal revenue code of 1986, pursuant to a food*
26 *distribution program which offers such food at a price below cost in*
27 *exchange for the performance of community service by the purchaser*
28 *thereof;*

29 *(ccc) on and after July 1, 1999, all sales of tangible personal*
30 *property and services purchased by a primary care clinic or health*
31 *center the primary purpose of which is to provide services to medically*
32 *underserved individuals and families, and which is exempt from federal*
33 *income taxation pursuant to section 501(c)(3) of the federal internal*
34 *revenue code, and all sales of tangible personal property or services*
35 *purchased by a contractor for the purpose of constructing, equipping,*
36 *reconstructing, maintaining, repairing, enlarging, furnishing or*
37 *remodeling facilities for any such clinic or center which would be*
38 *exempt from taxation under the provisions of this section if purchased*
39 *directly by such clinic or center, except that for taxable years*
40 *commencing after December 31, 2013, this subsection shall not apply to*
41 *any sales of such tangible personal property and services purchased by a*
42 *primary care clinic or health center which performs any abortion, as*
43 *defined in K.S.A. 65-6701, and amendments thereto. Nothing in this*

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

37 *(ddd) on and after January 1, 1999, and before January 1, 2000, all*
38 *sales of materials and services purchased by any class II or III railroad*
39 *as classified by the federal surface transportation board for the*
40 *construction, renovation, repair or replacement of class II or III*
41 *railroad track and facilities used directly in interstate commerce. In the*
42 *event any such track or facility for which materials and services were*
43 *purchased sales tax exempt is not operational for five years succeeding*

1 *the allowance of such exemption, the total amount of sales tax which*
2 *would have been payable except for the operation of this subsection*
3 *shall be recouped in accordance with rules and regulations adopted for*
4 *such purpose by the secretary of revenue;*

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

9 *(fff) all sales of material handling equipment, racking systems and*
10 *other related machinery and equipment that is used for the handling,*
11 *movement or storage of tangible personal property in a warehouse or*
12 *distribution facility in this state; all sales of installation, repair and*
13 *maintenance services performed on such machinery and equipment; and*
14 *all sales of repair and replacement parts for such machinery and*
15 *equipment. For purposes of this subsection, a warehouse or distribution*
16 *facility means a single, fixed location that consists of buildings or*
17 *structures in a contiguous area where storage or distribution operations*
18 *are conducted that are separate and apart from the business' retail*
19 *operations, if any, and which do not otherwise qualify for exemption as*
20 *occurring at a manufacturing or processing plant or facility. Material*
21 *handling and storage equipment shall include aeration, dust control,*
22 *cleaning, handling and other such equipment that is used in a public*
23 *grain warehouse or other commercial grain storage facility, whether*
24 *used for grain handling, grain storage, grain refining or processing, or*
25 *other grain treatment operation;*

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

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

34 *(iii) all sales of personal property and services purchased by an*
35 *organization which is exempt from federal income taxation pursuant to*
36 *section 501(c)(3) of the federal internal revenue code of 1986, and which*
37 *such personal property and services are used by any such organization*
38 *in the collection, storage and distribution of food products to nonprofit*
39 *organizations which distribute such food products to persons pursuant*
40 *to a food distribution program on a charitable basis without fee or*
41 *charge, and all sales of tangible personal property or services purchased*
42 *by a contractor for the purpose of constructing, equipping,*
43 *reconstructing, maintaining, repairing, enlarging, furnishing or*

1 *remodeling facilities used for the collection and storage of such food*
2 *products for any such organization which is exempt from federal income*
3 *taxation pursuant to section 501(c)(3) of the federal internal revenue*
4 *code of 1986, which would be exempt from taxation under the provisions*
5 *of this section if purchased directly by such organization. Nothing in this*
6 *subsection shall be deemed to exempt the purchase of any construction*
7 *machinery, equipment or tools used in the constructing, equipping,*
8 *reconstructing, maintaining, repairing, enlarging, furnishing or*
9 *remodeling facilities for any such organization. When any such*
10 *organization shall contract for the purpose of constructing, equipping,*
11 *reconstructing, maintaining, repairing, enlarging, furnishing or*
12 *remodeling facilities, it shall obtain from the state and furnish to the*
13 *contractor an exemption certificate for the project involved, and the*
14 *contractor may purchase materials for incorporation in such project.*
15 *The contractor shall furnish the number of such certificate to all*
16 *suppliers from whom such purchases are made, and such suppliers shall*
17 *execute invoices covering the same bearing the number of such*
18 *certificate. Upon completion of the project the contractor shall furnish*
19 *to such organization concerned 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*
23 *the director of taxation. If any materials purchased under such a*
24 *certificate are found not to have been incorporated in such facilities or*
25 *not to have been returned for credit or the sales or compensating tax*
26 *otherwise imposed upon such materials which will not be so*
27 *incorporated in such facilities reported and paid by such contractor to*
28 *the director of taxation not later than the 20th day of the month*
29 *following the close of the month in which it shall be determined that*
30 *such materials will not be used for the purpose for which such certificate*
31 *was issued, such organization concerned shall be liable for tax on all*
32 *materials purchased for the project, and upon payment thereof it may*
33 *recover the same from the contractor together with reasonable attorney*
34 *fees. Any contractor or any agent, employee or subcontractor thereof,*
35 *who shall use or otherwise dispose of any materials purchased under*
36 *such a certificate for any purpose other than that for which such a*
37 *certificate is issued without the payment of the sales or compensating tax*
38 *otherwise imposed upon such materials, shall be guilty of a*
39 *misdemeanor and, upon conviction therefor, shall be subject to the*
40 *penalties provided for in K.S.A. 79-3615(h), and amendments thereto.*
41 *Sales tax paid on and after July 1, 2005, but prior to the effective date of*
42 *this act upon the gross receipts received from any sale exempted by the*
43 *amendatory provisions of this subsection shall be refunded. Each claim*

1 *for a sales tax refund shall be verified and submitted to the director of*
2 *taxation upon forms furnished by the director and shall be accompanied*
3 *by any additional documentation required by the director. The director*
4 *shall review each claim and shall refund that amount of sales tax paid*
5 *as determined under the provisions of this subsection. All refunds shall*
6 *be paid from the sales tax refund fund upon warrants of the director of*
7 *accounts and reports pursuant to vouchers approved by the director or*
8 *the director's designee;*

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

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

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

40 *(nnn) all sales of tangible personal property and services purchased*
41 *by the west Sedgwick county-sunrise rotary club and sunrise charitable*
42 *fund for the purpose of constructing a boundless playground which is*
43 *an integrated, barrier free and developmentally advantageous play*

1 *environment for children of all abilities and disabilities;*

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

7 *(ppp) all sales of tangible personal property and services purchased*
8 *by or on behalf of a homeless shelter which is exempt from federal*
9 *income taxation pursuant to section 501(c)(3) of the federal income tax*
10 *code of 1986, and used by any such homeless shelter to provide*
11 *emergency and transitional housing for individuals and families*
12 *experiencing homelessness, and all sales of any such property by or on*
13 *behalf of any such homeless shelter for any such purpose;*

14 *(qqq) all sales of tangible personal property and services purchased*
15 *by TLC for children and families, inc., hereinafter referred to as TLC,*
16 *which is exempt from federal income taxation pursuant to section 501(c)*
17 *(3) of the federal internal revenue code of 1986, and which such*
18 *property and services are used for the purpose of providing emergency*
19 *shelter and treatment for abused and neglected children as well as*
20 *meeting additional critical needs for children, juveniles and family, and*
21 *all sales of any such property by or on behalf of TLC for any such*
22 *purpose; and all sales of tangible personal property or services*
23 *purchased by a contractor for the purpose of constructing, maintaining,*
24 *repairing, enlarging, furnishing or remodeling facilities for the*
25 *operation of services for TLC for any such purpose which would be*
26 *exempt from taxation under the provisions of this section if purchased*
27 *directly by TLC. Nothing in this subsection shall be deemed to exempt*
28 *the purchase of any construction machinery, equipment or tools used in*
29 *the constructing, maintaining, repairing, enlarging, furnishing or*
30 *remodeling such facilities for TLC. When TLC contracts for the purpose*
31 *of constructing, maintaining, repairing, enlarging, furnishing or*
32 *remodeling such facilities, it shall obtain from the state and furnish to*
33 *the contractor an exemption certificate for the project involved, and the*
34 *contractor may purchase materials for incorporation in such project.*
35 *The contractor shall furnish the number of such certificate to all*
36 *suppliers from whom such purchases are made, and such suppliers shall*
37 *execute invoices covering the same bearing the number of such*
38 *certificate. Upon completion of the project the contractor shall furnish*
39 *to TLC a sworn statement, on a form to be provided by the director of*
40 *taxation, that all purchases so made were entitled to exemption under*
41 *this subsection. All invoices shall be held by the contractor for a period*
42 *of five years and shall be subject to audit by the director of taxation. If*
43 *any materials purchased under such a certificate are found not to have*

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

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

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

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

33 *(ttt) all sales of tangible personal property or services purchased by*
34 *a contractor for a project for the purpose of restoring, constructing,*
35 *equipping, reconstructing, maintaining, repairing, enlarging, furnishing*
36 *or remodeling a home or facility owned by a nonprofit museum which*
37 *has been granted an exemption pursuant to subsection (qq), which such*
38 *home or facility is located in a city which has been designated as a*
39 *qualified hometown pursuant to the provisions of K.S.A. 75-5071 et seq.,*
40 *and amendments thereto, and which such project is related to the*
41 *purposes of K.S.A. 75-5071 et seq., and amendments thereto, and which*
42 *would be exempt from taxation under the provisions of this section if*
43 *purchased directly by such nonprofit museum. Nothing in this*

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

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

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

41 *(vvv) all sales of tangible personal property or services, including*
42 *the renting and leasing of tangible personal property or services,*
43 *purchased by jazz in the woods, inc., a Kansas corporation which is*

1 *exempt from federal income taxation pursuant to section 501(c)(3) of the*
2 *federal internal revenue code, for the purpose of providing jazz in the*
3 *woods, an event benefiting children-in-need and other nonprofit*
4 *charities assisting such children, and all sales of any such property by or*
5 *on behalf of such organization for such purpose;*

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

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

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

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

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

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

37 *(aaaa) all sales of personal property and services purchased by or*
38 *on behalf of victory in the valley, inc., which is exempt from federal*
39 *income taxation pursuant to section 501(c)(3) of the federal internal*
40 *revenue code, for the purpose of providing a cancer support group and*
41 *services for persons with cancer, and all sales of any such property by or*
42 *on behalf of any such organization for any such purpose;*

43 *(bbbb) all sales of entry or participation fees, charges or tickets by*

1 *Guadalupe health foundation, which is exempt from federal income*
2 *taxation pursuant to section 501(c)(3) of the federal internal revenue*
3 *code, for such organization's annual fundraising event which purpose is*
4 *to provide health care services for uninsured workers;*

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

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

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

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

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

33 *(gggg) all sales of game birds for which the primary purpose is use*
34 *in hunting;*

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

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

20 *(iii) all sales of tangible personal property or services purchased by*
21 *a contractor for the purpose of constructing, maintaining, repairing,*
22 *enlarging, furnishing or remodeling facilities for the operation of*
23 *services for Wichita children's home for any such purpose which would*
24 *be exempt from taxation under the provisions of this section if*
25 *purchased directly by Wichita children's home. Nothing in this*
26 *subsection shall be deemed to exempt the purchase of any construction*
27 *machinery, equipment or tools used in the constructing, maintaining,*
28 *repairing, enlarging, furnishing or remodeling such facilities for*
29 *Wichita children's home. When Wichita children's home contracts for*
30 *the purpose of constructing, maintaining, repairing, enlarging,*
31 *furnishing or remodeling such facilities, it shall obtain from the state*
32 *and furnish to the contractor an exemption certificate for the project*
33 *involved, and the contractor may purchase materials for incorporation*
34 *in such project. The contractor shall furnish the number of such*
35 *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*
38 *contractor shall furnish to Wichita children's home a sworn statement,*
39 *on a form to be provided by the director of taxation, that all purchases so*
40 *made were entitled to exemption under this subsection. All invoices shall*
41 *be held by the contractor for a period of five years and shall be subject to*
42 *audit by the director of taxation. If any materials purchased under such*
43 *a certificate are found not to have been incorporated in the building or*

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

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

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

30 *(llll) all sales of tangible personal property and services purchased*
31 *by Gove county healthcare endowment foundation, inc., which is exempt*
32 *from federal income taxation pursuant to section 501(c)(3) of the federal*
33 *internal revenue code of 1986, and which such property and services are*
34 *used for the purpose of constructing and equipping an airport in*
35 *Quinter, Kansas, and all sales of tangible personal property or services*
36 *purchased by a contractor for the purpose of constructing and equipping*
37 *an airport in Quinter, Kansas, for such organization, which would be*
38 *exempt from taxation under the provisions of this section if purchased*
39 *directly by such organization. Nothing in this subsection shall be*
40 *deemed to exempt the purchase of any construction machinery,*
41 *equipment or tools used in the constructing or equipping of facilities for*
42 *such organization. When such organization shall contract for the*
43 *purpose of constructing or equipping an airport in Quinter, Kansas, it*

1 *shall obtain from the state and furnish to the contractor an exemption*
 2 *certificate for the project involved, and the contractor may purchase*
 3 *materials for incorporation in such project. The contractor shall furnish*
 4 *the number of such certificate to all suppliers from whom such*
 5 *purchases are made, and such suppliers shall execute invoices covering*
 6 *the same bearing the number of such certificate. Upon completion of the*
 7 *project, the contractor shall furnish to such organization concerned a*
 8 *sworn statement, on a form to be provided by the director of taxation,*
 9 *that all purchases so made were entitled to exemption under this*
 10 *subsection. All invoices shall be held by the contractor for a period of*
 11 *five years and shall be subject to audit by the director of taxation. If any*
 12 *materials purchased under such a certificate are found not to have been*
 13 *incorporated in such facilities or not to have been returned for credit or*
 14 *the sales or compensating tax otherwise imposed upon such materials*
 15 *which will not be so incorporated in such facilities reported and paid by*
 16 *such contractor to the director of taxation no later than the 20th day of*
 17 *the month following the close of the month in which it shall be*
 18 *determined that such materials will not be used for the purpose for*
 19 *which such certificate was issued, such organization concerned shall be*
 20 *liable for tax on all materials purchased for the project, and upon*
 21 *payment thereof it may recover the same from the contractor together*
 22 *with reasonable attorney fees. Any contractor or any agent, employee or*
 23 *subcontractor thereof, who purchased under such a certificate for any*
 24 *purpose other than that for which such a certificate is issued without the*
 25 *payment of the sales or compensating tax otherwise imposed upon such*
 26 *materials, shall be guilty of a misdemeanor and, upon conviction*
 27 *thereof, shall be subject to the penalties provided for in K.S.A. 79-*
 28 *3615(h), and amendments thereto. The provisions of this subsection*
 29 *shall expire and have no effect on and after July 1, 2019; and*

30 *(mmmm) all sales of tangible personal property and services*
 31 *purchased by midland care connection, inc., Harry Hynes memorial*
 32 *hospice, inc. or hospice of the prairie, inc., which are exempt from federal*
 33 *income taxation pursuant to section 501(c)(3) of the federal internal*
 34 *revenue code of 1986, and which such property and services are used for*
 35 *the purpose of providing healthcare services to persons in the community}.*

36 ~~Sec. 2-3.1 {5.}~~ K.S.A. 2017 Supp. ~~{12-187-and}{,}~~ 12-189 ~~is {and~~
 37 ~~79-3606} {are}~~ hereby repealed.

38 ~~Sec. 3-4.1 {6.}~~ This act shall take effect and be in force from and
 39 after its publication in the ~~statute book~~ **Kansas register**.