

# Journal of the Senate

FORTY-SIXTH DAY

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SENATE CHAMBER, TOPEKA, KANSAS  
Thursday, March 14, 2024, 2:30 p.m.

The Senate was called to order by President Ty Masterson.

The roll was called with 40 senators present.

The President introduced Pastor Jacob Heine, Faith Lutheran Church, Topeka, to deliver the invocation:

Jesus called His disciples over and said to them, “You know that those who are regarded as rulers of the Gentiles lord it over them, and those in high positions act as tyrants over them. But it is not so among you. On the contrary, whoever wants to become great among you will be your servant, and whoever wants to be first among you will be a slave to all. For even the Son of Man did not come to be served but to serve, and to give his life as a ransom for many.” Mark 10:42-45

Heavenly Father, You remind us that our role in this world is one of service. You have called us to imitate Your Son, Jesus, who came not to be served but to serve. Forgive us for the times we have sought to have a place of honor rather than a place of service. Forgive us for the times when we have forgotten that You have placed us here to serve all people, not to be beholden to any one group or special interest.

As your servants, I ask that You would guide this government to do what is best for all people, regardless of their affinity or agenda. I ask You to help them to turn to You to ask what is best and not to look to themselves for personal thoughts and desires on what is best, so that none here would begin to lord over others their own agenda and purpose. I ask that You would guide each member of this chamber to seek Your agenda and Your purpose for the great state of Kansas. Give to each your heart of service, for in serving our neighbor we are able to truly see Your greatness.

Above all, O Lord, I ask that You would guide all hearts in this chamber, and throughout this great state, to once again come in humble submission before You, so that we would see all people, regardless of race, gender, or creed as those You love and therefore worthy of our love. In Jesus' name, Amen.

The Pledge of Allegiance was led by President Masterson.

## INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were introduced and read by title:

**SB 552**, AN ACT concerning the state board of regents; enacting the Kansas campus restoration act; relating to deferred maintenance and demolition of facilities at postsecondary educational institutions; authorizing the board to adopt rules and regulations; establishing the Kansas campus restoration fund in the state treasury;

authorizing certain transfers from the state general fund to the Kansas campus restoration fund; requiring annual reports be submitted to certain committees of the legislature, by Committee on Ways and Means.

**SB 553**, AN ACT concerning insurance; relating to health insurance; permitting a plan sponsor to authorize electronic delivery of plan documents and identification cards for certain insured individuals covered by a health benefit plan; amending K.S.A. 40-5801, 40-5803 and 40-5804 and repealing the existing sections; also repealing K.S.A. 40-5802, by Committee on Federal and State Affairs.

### REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to Committees as indicated:

Agriculture and Natural Resources: **SB 547**.

Federal and State Affairs: **SB 548, SB 549, SB 550, SB 551**.

Utilities: **HB 2527**.

### INTRODUCTION AND CONSIDERATION OF SENATE RESOLUTIONS

Senator Longbine introduced the following Senate resolution, which was read:

#### SENATE RESOLUTION No. 1746—

A RESOLUTION congratulating and commending  
the 2024 Kansas Master Teachers.

WHEREAS, Seven of Kansas' best teachers have been selected as Kansas Master Teachers for 2024; and

WHEREAS, Local teacher associations, educational organizations and school faculties nominate candidates for the awards. A committee representing educational organizations from across Kansas selected the 2024 winners; and

WHEREAS, The 2024 Kansas Master Teachers are Bre McGranahan, an intensive resource teacher at Stanley Elementary in Blue Valley, USD 229; Erica Threatt, a K-5 instructional coach at Meadowlark Elementary in Liberal, USD 480; Jennifer Fallin, an instructional coach at Washington Elementary in Geary County, USD 475; Jessica Brown, a first grade AVID teacher at Sunflower Elementary School in Lawrence, USD 497; Jessica Buchanan, an engineering teacher at Maize Middle School in Maize, USD 266; Lindsey Dowell, a 7<sup>th</sup>-8<sup>th</sup> grade gifted facilitator at Washburn Rural Middle School in Topeka, USD 437; and Sara Hoffman, a second grade teacher at Canyon Creek Elementary School in Olathe, USD 233; and

WHEREAS, Emporia State University established the Kansas Master Teacher Awards in 1953; and

WHEREAS, The awards are presented annually to teachers who have long served the profession and exemplify the outstanding qualities of earnest and conscientious teachers; and

WHEREAS, Since 1980, Bank of America has pledged more than \$100,000 to permanently endow the Kansas Master Teacher Awards; and

WHEREAS, In 1984, the Black family of Broken Arrow, Oklahoma, established an endowed chair for Kansas Master Teachers; and

WHEREAS, The fund provides a stipend to bring two Master Teachers to Emporia State University for a portion of a semester to provide presentations to classes of education students; and

WHEREAS, The members of the Senate of the State of Kansas recognize the invaluable contributions of great teachers such as those being honored today; and

WHEREAS, These 2024 Master Teachers serve as mentors and role models and lay the groundwork for the best educators of tomorrow. They go above and beyond what is expected and offer inspiration, as well as instruction. They teach with heart and soul, and by giving the best of themselves, they encourage students to give their best in return: Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That we congratulate and commend the 2024 Kansas Master Teachers for demonstrating excellence in their profession and devotion to the children of Kansas; and

*Be it further resolved:* That we offer our heartfelt thanks to those extraordinary educators who face so many challenges in the classroom each day, yet persevere, choosing the satisfaction of doing their best and overcoming the frustrations inherent in their job, and we extend our best wishes for their continued success and happiness; and

*Be it further resolved:* That the Secretary of the Senate shall send seven enrolled copies of this resolution to Senator Longbine.

On emergency motion of Senator Longbine **SR 1746** was adopted by voice vote.

#### **MESSAGES FROM THE HOUSE**

Announcing passage of **HB 2491, HB 2551, HB 2705**

Announcing passage of **SB 336, SB 431.**

Announcing passage of **SB 340**, as amended.

The House nonconcur in Senate amendments to **HB 2105**, requests a conference and has appointed Representatives Hoheisel, Clifford and Xu as conferees on the part of the House.

The House concurs in Senate amendments to **S Sub HB 2247.**

Announcing passage of **HB 2521.**

#### **INTRODUCTION OF HOUSE BILLS AND CONCURRENT RESOLUTIONS**

**HB 2491, HB 2521, HB 2551, HB 2705** were thereupon introduced and read by title.

#### **COMMITTEE OF THE WHOLE**

On motion of Senator Alley, the Senate resolved itself into Committee of the Whole, for consideration of bills on the calendar under the heading of General Orders with Senator Erickson in the chair.

On motion of Senator Erickson the following summary report was adopted:

**SB 480** be passed.

**Sub HB 2036** be passed by adoption of the committee report recommending a substitute bill

**Sub SB 60** be passed by adoption of the committee report recommending a substitute bill and as amended by Committee of the Whole

**SB 311, SB 376, SB 482, SB 498** be passed as amended by the adoption of the committee reports.

**SB 484, SB 539; HB 2465** be passed as amended by adoption of the committee reports and as further amended by Committee of the Whole.

**HB 2229, HB 2254, HB 2682** be passed over and retain a place on the calendar.

## COMMITTEE OF THE WHOLE ACTIONS

**SB 60** be amended by adoption of the committee report on **SB 60** recommending **Sub SB 60**, be amended by motion of Senator Peck; on page 1, following line 9, by inserting:

"New Section 1. (a) (1) On and after July 1, 2024, during the four-day period beginning at 12:01 a.m. on the first Thursday in August and ending at midnight on the Sunday following, all back-to-school-related sales of the following items shall be exempt from the tax imposed by the Kansas retailers' sales tax act:

(A) Clothing or clothing accessories or equipment with a sales price of \$300 or less per item;

(B) school supplies, school instructional materials or school art supplies with a sales price of \$100 or less per item;

(C) prewritten computer software with a sales price of \$300 or less per item; and

(D) computers or school computer supplies with a sales price of \$2,000 or less per item.

(2) Only items priced at or below the price threshold established in this subsection shall be exempt from taxation pursuant to this subsection. Notwithstanding K.S.A. 79-3609, and amendments thereto, the seller of items specified in this subsection is not required to obtain an exemption certificate from the purchaser of such items during the period of time specified in this subsection. There shall be no exemption pursuant to this subsection for only a portion of the price of an individual item.

(b) As used in this section:

(1) "Clothing" means all human wearing apparel suitable for general use.

(A) "Clothing" includes, but is not limited to:

(i) Aprons, household and shop;

(ii) athletic supporters;

(iii) baby receiving blankets;

(iv) bathing suits and caps;

(v) beach capes and coats;

(vi) belts and suspenders;

(vii) boots;

(viii) coats and jackets;

(ix) costumes;

(x) diapers, children and adult, including disposable diapers;

(xi) ear muffs;

(xii) footlets;

(xiii) formal wear;

(xiv) garters and garter belts;

(xv) girdles;

(xvi) gloves and mittens for general use;

(xvii) hats and caps;

(xviii) hosiery;

(xix) insoles for shoes;

(xx) lab coats;

(xxi) neckties;

(xxii) overshoes;

(xxiii) pantyhose;

- (xxiv) rainwear;
  - (xxv) rubber pants;
  - (xxvi) sandals;
  - (xxvii) scarves;
  - (xxviii) shoes and shoe laces;
  - (xxix) slippers;
  - (xxx) sneakers;
  - (xxxi) socks and stockings;
  - (xxxii) steel-toed shoes;
  - (xxxiii) underwear;
  - (xxxiv) uniforms, athletic and non-athletic; and
  - (xxxv) wedding apparel.
- (B) "Clothing" does not include:
- (i) Belt buckles sold separately;
  - (ii) costume masks sold separately;
  - (iii) patches and emblems sold separately;
  - (iv) sewing equipment and supplies, including, but not limited to, knitting needles, patterns, pins, scissors, sewing machines, sewing needles, tape measures and thimbles; and
  - (v) sewing materials that become part of clothing, including, but not limited to, buttons, fabric, lace, thread, yarn and zippers.
- (2) "Clothing accessories or equipment" means incidental items worn on the person or in conjunction with clothing. "Clothing accessories or equipment" includes, but is not limited to:
- (A) Briefcases;
  - (B) cosmetics;
  - (C) hair notions, including, but not limited to, barrettes, hair bows and hair nets;
  - (D) handbags;
  - (E) handkerchiefs;
  - (F) jewelry;
  - (G) sunglasses, nonprescription;
  - (H) umbrellas;
  - (I) wallets;
  - (J) watches; and
  - (K) wigs and hairpieces.
- (3) "Computer" means a personal computer such as a laptop or desktop computer or a tablet, but not including a phone.
- (4) "Eligible property" means an item of a type, such as clothing, that qualifies for the sales tax exemption as provided in this section.
- (5) "Layaway sale" means a transaction in which property is set aside for future delivery to a customer who makes a deposit, agrees to pay the balance of the purchase price over a period of time and, at the end of the payment period, receives the property. An order is accepted for layaway by the seller when the seller removes the property from normal inventory or clearly identifies the property as sold to the purchaser.
- (6) "Prewritten computer software" means the same as defined in K.S.A. 79-3602, and amendments thereto, except that such term only includes software designed for a computer as defined in this section.

(7) "Rain check" means the seller allows a customer to purchase an item at a certain price at a later time, because the particular item was out of stock.

(8) "School art supply" means an item commonly used by a student in a course of study for artwork. The following is an all-inclusive list:

- (A) Clay and glazes;
- (B) paints; acrylic, tempera and oil;
- (C) paintbrushes for artwork;
- (D) sketch and drawing pads; and
- (E) watercolors.

(9) "School computer supply" means an item commonly used by a student in a course of study in which a computer is used. The following is an all-inclusive list:

- (A) Computer storage media; diskettes, compact disks;
- (B) handheld electronic schedulers, except devices that are cellular phones;
- (C) personal digital assistants, except devices that are cellular phones;
- (D) computer printers; and
- (E) printer supplies for computers; printer paper, printer ink.

(10) "School instructional material" means written material commonly used by a student in a course of study as a reference and to learn the subject being taught. The following is an all-inclusive list:

- (A) Reference books;
- (B) reference maps and globes;
- (C) textbooks; and
- (D) workbooks.

(11) "School supply" means an item commonly used by a student in a course of study. The following is an all-inclusive list:

- (A) Binders;
- (B) book bags;
- (C) calculators;
- (D) cellophane tape;
- (E) blackboard chalk;
- (F) compasses;
- (G) composition books;
- (H) crayons;
- (I) erasers;
- (J) folders; expandable, pocket, plastic and manila;
- (K) glue, paste and paste sticks;
- (L) highlighters;
- (M) index cards;
- (N) index card boxes;
- (O) legal pads;
- (P) lunch boxes;
- (Q) markers;
- (R) notebooks;
- (S) paper; loose leaf ruled notebook paper, copy paper, graph paper, tracing paper, manila paper, colored paper, poster board and construction paper;
- (T) pencil boxes and other school supply boxes;
- (U) pencil sharpeners;

- (V) pencils;
- (W) pens;
- (X) protractors;
- (Y) rulers;
- (Z) scissors; and
- (AA) writing tablets.

(c) The secretary of revenue shall provide notice of the exemption period to retailers at least 60 days prior to the first day of the calendar month in which the exemption period established in this section commences.

(d) The following procedures are to be used in administering the exemption as provided in this section:

(1) A sale of eligible property under a layaway sale qualifies for exemption if:

(A) Final payment on a layaway order is made by, and the property is given to, the purchaser during the exemption period; or

(B) the purchaser selects the property and the retailer accepts the order for the item during the exemption period for immediate delivery upon full payment, even if delivery is made after the exemption period.

(2) There shall be no change during the period of exemption for the handling of a bundled sale as treated for sales tax purposes at times other than the exemption period.

(3) A discount by the seller reduces the sales price of the property, and the discounted sales price determines whether the sales price is within the price threshold provided in subsection (a). A coupon that reduces the sales price is treated as a discount if the seller is not reimbursed for the coupon amount by a third party. If a discount applies to the total amount paid by a purchaser rather than to the sales price of a particular item and the purchaser has purchased both eligible property and taxable property, the seller shall allocate the discount based on the total sales prices of the taxable property compared to the total sales prices of all property sold in that same transaction.

(4) Articles that are normally sold as a single unit must continue to be sold in that manner. Such articles cannot be priced separately and sold as individual items in order to obtain the exemption.

(5) Eligible property that customers purchase during the exemption period with use of a rain check will qualify for the exemption regardless of when the rain check was issued. Issuance of a rain check during the exemption period shall not qualify eligible property for the exemption if the property is actually purchased after the exemption period.

(6) The procedure for an exchange in regards to an exemption is as follows:

(A) If a customer purchases an item of eligible property during the exemption period but later exchanges the item for a similar eligible item, even if a different size, different color or other feature, no additional tax is due even if the exchange is made after the exemption period;

(B) if a customer purchases an item of eligible property during the exemption period, but after the exemption period has ended the customer returns the item and receives credit on the purchase of a different item, the appropriate sales tax is due on the sale of the new item; and

(C) if a customer purchases an item of eligible property before the exemption period, but during the exemption period the customer returns the item and receives

credit on the purchase of a different item of eligible property, no sales tax is due on the sale of the new item if the new item is purchased during the exemption period.

(7) For the purpose of an exemption, eligible property qualifies for the exemption if:

(A) The item is both delivered to and paid for by the customer during the exemption period; or

(B) the customer orders and pays for the item and the seller accepts the order during the exemption period for immediate shipment, even if delivery is made after the exemption period. For purposes of this subparagraph, the seller accepts an order when the seller has taken action to fill the order for immediate shipment. Actions to fill an order include placement of an "in date" stamp on a mail order or assignment of an order number to a telephone order. For purposes of this subparagraph, an order is for immediate shipment when the customer does not request delayed shipment. An order is for immediate shipment notwithstanding that the shipment may be delayed because of a backlog of orders or because stock is currently unavailable to, or on back order by, the seller.

(8) For a 60-day period immediately after the exemption period, when a customer returns an item that would qualify for the exemption, no credit for or refund of sales tax shall be given unless the customer provides a receipt or invoice that shows tax was paid or the seller has sufficient documentation to show that tax was paid on the specific item. The 60-day period is set solely for the purpose of designating a time period during which the customer must provide documentation that shows that sales tax was paid on returned merchandise. The 60-day period is not intended to change a seller's policy on the time period during which the seller will accept returns.

(9) The time zone of the seller's location determines the authorized time period for a sales tax holiday when the purchaser is located in one time zone and a seller is located in another.

(e) The provisions of this section shall be a part of and supplemental to the Kansas retailers' sales tax act.":

And by renumbering sections accordingly;

Also on page 1, in the title, in line 6, after "inc" by inserting a period; also in line 6, after the semicolon by inserting "establishing an exemption for certain sales of school supplies, computers and clothing during an annual sales tax holiday;"

**Sub SB 60** be further amended by motion of Senator Faust-Goudeau; on page 40, in line 7, by striking "and"; in line 14, after "self-sufficiency" by inserting "; and

(uuuu) all sales of menstrual discharge collection devices and diapers, children's and adult, including disposable diapers. As used in this subsection:

(1) "Adult diapers" means diapers other than children's diapers;

(2) "children's diapers" means diapers marketed to be worn by children;

(3) "diaper" means an absorbent garment worn by humans who are incapable of, or have difficulty, controlling their bladder or bowel movements;

(4) "grooming and hygiene products" includes soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants and suntan lotions and screens; and

(5) "menstrual discharge collection devices" means tampons, panty liners, menstrual cups, pads and other similar tangible personal property designed for use in connection with the human menstrual cycle but does not include grooming and hygiene products";



On page 1, in the title, in line 6, by striking "and" and inserting a comma; also in line 6, before the semicolon by inserting ". and sales of menstrual discharge collection devices and diapers"

**Sub SB 60** be further amended by motion of Senator Blasi; on page 40, in line 7, by striking "and"; in line 14, after "self-sufficiency" by inserting "; and

(uuuu) on and after January 1, 2024, all sales of tangible personal property or services purchased by exploration place, inc., an organization that is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code, and which such property and services are used for the purpose of constructing, remodeling, furnishing or equipping a riverfront amphitheater, a destination playscape, an education center and indoor renovations at exploration place in Wichita, Kansas, all sales of tangible personal property or services purchased by Kansas children's discovery center inc. in Topeka, Kansas, and which such property and services are used for the purpose of constructing, remodeling, furnishing or equipping projects that include indoor-outdoor classrooms, an expanded multi-media gallery, a workshop and loading dock and safety upgrades such as a tornado shelter, lactation room, first aid room and sensory room and all sales of tangible personal property or services purchased by a contractor for the purpose of constructing, remodeling, furnishing or equipping such projects, for such organizations, that would be exempt from taxation under the provisions of this section if purchased directly by such organizations. Nothing in this subsection shall be deemed to exempt the purchase of any construction machinery, equipment or tools used in the constructing, remodeling, furnishing or equipping of facilities for such organization. When such organization shall contract for the purpose of constructing, remodeling, furnishing or equipping such projects, it shall obtain from the state and furnish to the contractor an exemption certificate for the project involved, and the contractor may purchase materials for incorporation in such project. The contractor shall furnish the number of such certificate to all suppliers from whom such purchases are made, and such suppliers shall execute invoices covering the same bearing the number of such certificate. Upon completion of the project, the contractor shall furnish to such organization a sworn statement, on a form to be provided by the director of taxation, that all purchases so made were entitled to exemption under this subsection. All invoices shall be held by the contractor for a period of five years and shall be subject to audit by the director of taxation. If any materials purchased under such a certificate are found not to have been incorporated in such facilities or not to have been returned for credit or the sales or compensating tax otherwise imposed upon such materials that will not be so incorporated in such facilities reported and paid by such contractor to the director of taxation no later than the 20<sup>th</sup> day of the month following the close of the month in which it shall be determined that such materials will not be used for the purpose for which such certificate was issued, such organization shall be liable for tax on all materials purchased for the project, and upon payment thereof may recover the same from the contractor together with reasonable attorney fees. Any contractor or agent, employee or subcontractor thereof, who purchased under such a certificate for any purpose other than that for which such a certificate is issued without the payment of the sales or compensating tax otherwise imposed upon such materials, shall be guilty of a misdemeanor and, upon conviction therefor, shall be subject to the penalties provided for in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after January 1, 2024, but prior to the effective date of this act, upon the gross

receipts received from any sale exempted by the amendatory provisions of this subsection shall be refunded. Each claim for a sales tax refund shall be verified and submitted to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of sales tax paid as determined under the provisions of this subsection. All refunds shall be paid from the sales tax refund fund upon warrants of the director of accounts and reports pursuant to vouchers approved by the director or the director's designee. The provisions of this subsection shall expire and have no effect on and after December 31, 2030";

On page 1, in the title, in line 6, after "inc" by inserting ", exploration place, inc. and Kansas children's discovery center, inc."

A motion by Senator Steffen to amend **Sub SB 60** failed.

A motion by Senator Reddi to amend **Sub SB 60** failed.

**SB 311** be amended by the adoption of the committee amendments.

**SB 376** be amended by the adoption of the committee amendments.

A motion by Senator Steffen to amend **SB 376** failed.

**SB 480** be passed.

**SB 482** be amended by the adoption of the committee amendments.

**SB 484** be amended by the adoption of the committee amendments, be further amended by motion of Senator Peck; on page 1, in line 16, by striking "12,000" and inserting "15,000"

**SB 498** be amended by the adoption of the committee amendments.

A motion by Senator Sykes to amend **SB 498** failed and the following amendment was rejected; on page 1, by striking all in lines 12 through 36;

By striking all on page 2;

On page 3, by striking all in lines 1 through 30;

On page 4, following line 39, by inserting:

"New Section 1. (a) For tax year 2024, and all tax years thereafter, there shall be allowed a credit against the tax liability of a resident individual taxpayer imposed under the Kansas income tax act for each qualifying child of the taxpayer in the amount set forth in the following schedule for married individuals filing joint returns and all other individuals, except as provided in subsection (b):

Kansas adjusted	Amount of credit
gross income	per qualifying child
\$0 to \$25,000	\$600
Over \$25,000 but not over \$50,000	\$400
Over \$50,000 but not over \$75,000	\$200
Over \$75,000 but not over \$100,000	\$100
Over \$100,000 but not over \$200,000	\$75
Over \$200,000 but not over \$350,000	\$50
Over \$350,000	\$25

(b) Married individuals filing separate returns for a tax year for which they could have filed a joint return may each claim only  $\frac{1}{2}$  of the amount of credit per qualifying child that would have been claimed on a joint return.

(c) In the case of all tax years after tax year 2024, all threshold income amounts and

credit amounts prescribed in this section shall be increased by an amount equal to such amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

(d) Except as provided in subsection (b), an individual may be claimed as a qualifying child by only one taxpayer per tax year.

(e) If the amount of the credit allowed by this section exceeds the taxpayer's income tax liability imposed under the Kansas income tax act, such excess amount shall be refunded to the taxpayer.

(f) The secretary of revenue shall compile an annual report each year on the child tax credit that includes the number of taxpayers receiving the credit, the adjusted threshold income amounts and credit amounts pursuant to subsection (c), the aggregate amount of the credits, an analysis of the cost of the credit and any other information necessary to evaluate the effectiveness of the credit. On or before January 31 each year, the secretary of revenue shall submit such annual report in writing to the senate committee on assessment and taxation and the house committee on taxation.

(g) As used in this section, "qualifying child" means, with respect to any taxpayer for any taxable year, an individual who:

- (1) Bears a relationship to the taxpayer described in subsection (h);
- (2) has the same principal place of abode as the taxpayer for more than  $\frac{1}{2}$  of such taxable year;
- (3) has not attained 18 years of age as of the close of the calendar year in which the taxable year of the taxpayer begins;
- (4) has not provided over  $\frac{1}{2}$  of such individual's own support for the calendar year in which the taxable year of the taxpayer begins; and
- (5) has not filed a joint return, other than only for a claim of refund, with the individual's spouse for the taxable year.

(h) An individual bears a relationship to the taxpayer described in this section if such individual is:

- (1) A child of the taxpayer or a descendant of such a child; or
- (2) a brother, sister, stepbrother or stepsister of the taxpayer or a descendant of any such relative.

(i) The provisions of this section shall be a part of and supplemental to the Kansas income tax act.;

On page 6, by striking all in lines 2 through 43;

By striking all on pages 7 through 43;

On page 44, by striking all in lines 1 through 41; in line 42, by striking "and K.S.A. 2023 Supp. 79-3606 are" and inserting "is";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "income"; in line 2, by striking "credits"; also in line 2, by striking all after "a"; by striking all in line 3; in line 4, by striking "facilities" and inserting "child tax credit"; by striking all in lines 6 and 7; in line 8, by striking all before "amending"; also in line 8, by striking all after "79-32,202a"; in line 9, by striking all before "and"; also in line 9, by striking "sections" and inserting "section"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 11; Nays 27; Present and Passing 0; Absent or Not

Voting 2.

Yeas: Corson, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Pettey, Pittman, Reddi, Sykes, Ware.

Nays: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Dietrich, Erickson, Fagg, Gossage, Kerschen, Kloos, Longbine, Masterson, O'Shea, Olson, Peck, Petersen, Pyle, Ryckman, Shallenburger, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Absent or Not Voting: Doll, McGinn.

**SB 539** be amended by the adoption of the committee amendments.

In accordance with Senate Rule 27, Senator Masterson requested that the question on **SB 539** as amended by Senate Committee, be divided into four parts.

Part One was retained by voice vote.

Part Two was retained by voice vote.

Part Three was retained by voice vote.

Part Four was retained by voice vote.

**SB 539** be further amended by motion of Senator Thompson; on page 1, in line 25, by striking "\$80,000" and inserting "\$100,000"

**SB 539** be further amended by motion of Senator Shallenburger; on page 27, following line 3, by inserting:

"Sec. 8. K.S.A. 2023 Supp. 79-3603 is hereby amended to read as follows: 79-3603. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 6.5%. On and after January 1, 2023, 17% and on and after ~~January 1, 2025~~ July 1, 2024, 18% of the tax rate imposed pursuant to this section and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the state highway fund, the state highway fund purposes and those purposes specified in K.S.A. 68-416, and amendments thereto, and all revenue collected and received from such tax levy shall be deposited in the state highway fund.

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

Such tax shall be imposed upon:

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

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

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

(d) the gross receipts from the sale of meals or drinks furnished at any private club, drinking establishment, catered event, restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public;

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

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

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

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

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

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

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

(l) (1) except as otherwise provided by paragraph (2), the gross receipts received

from the sales of tangible personal property to all contractors, subcontractors or repairmen for use by them in erecting structures, or building on, or otherwise improving, altering, or repairing real or personal property.

(2) Any such contractor, subcontractor or repairman who maintains an inventory of such property both for sale at retail and for use by them for the purposes described by paragraph (1) shall be deemed a retailer with respect to purchases for and sales from such inventory, except that the gross receipts received from any such sale, other than a sale at retail, shall be equal to the total purchase price paid for such property and the tax imposed thereon shall be paid by the deemed retailer;

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

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

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are transferred to such other corporation or limited liability company; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and amendments thereto, by an immediate family member to another immediate family member. For the purposes of paragraph (3), immediate family member means lineal ascendants or descendants, and their spouses. Any amount of sales tax paid pursuant to the Kansas retailers sales tax act on the isolated or occasional sale of motor vehicles or trailers on and after July 1, 2004, which the base for computing the tax was the value pursuant to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when such amount was higher than the amount of sales tax which would have been paid under the law as it existed on June 30, 2004, shall be refunded to the taxpayer pursuant to the procedure prescribed by this section. Such refund shall be

in an amount equal to the difference between the amount of sales tax paid by the taxpayer and the amount of sales tax which would have been paid by the taxpayer under the law as it existed on June 30, 2004. Each claim for a sales tax refund shall be verified and submitted not later than six months from the effective date of this act to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of tax paid as provided by this act. All such refunds shall be paid from the sales tax refund fund, upon warrants of the director of accounts and reports pursuant to vouchers approved by the director of taxation or the director's designee. No refund for an amount less than \$10 shall be paid pursuant to this act. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

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

For the purposes of this subsection:

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

(2) "building" means only those enclosures within which individuals customarily are employed, or which are customarily used to house machinery, equipment or other property, and including the land improvements immediately surrounding such building;

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as follows: 79-3603d. (a) There is hereby levied and there shall be collected and paid a tax upon the gross receipts from the sale of food and food ingredients. The rate of tax shall be as follows:

(1) Commencing on January 1, 2023, at the rate of 4%;

(2) commencing on January 1, 2024, at the rate of 2%; and

(3) commencing on ~~January 1, 2025~~ July 1, 2024, and thereafter, at the rate of 0%.

(b) The provisions of this section shall not apply to prepared food unless sold without eating utensils provided by the seller and described below:

(1) Food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries);

(2) (A) food sold in an unheated state by weight or volume as a single item; or

(B) only meat or seafood sold in an unheated state by weight or volume as a single item;

(3) bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies and tortillas; or

(4) food sold that ordinarily requires additional cooking, as opposed to just reheating, by the consumer prior to consumption.

(c) The provisions of this section shall be a part of and supplemental to the Kansas retailers' sales tax act.



Sec. 10. K.S.A. 2023 Supp. 79-3620 is hereby amended to read as follows: 79-3620. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsections (c), (d) and (e), to the credit of the state general fund.

(b) A refund fund, designated as "sales tax refund fund" not to exceed \$100,000 shall be set apart and maintained by the director from sales tax collections and estimated tax collections and held by the state treasurer for prompt payment of all sales tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act. In the event such fund as established by this section is, at any time, insufficient to provide for the payment of refunds due claimants thereof, the director shall certify the amount of additional funds required to the director of accounts and reports who shall promptly transfer the required amount from the state general fund to the sales tax refund fund, and notify the state treasurer, who shall make proper entry in the records.

(c) (1) On January 1, 2023, the state treasurer shall credit 17% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On ~~January 1, 2025~~ July 1, 2024, and thereafter, the state treasurer shall credit 18% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a STAR bond project district occupied by a STAR bond project or taxpayers doing business with such entity financed by a STAR bond project as defined in K.S.A. 12-17,162, and amendments thereto, that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state or the project was designated as a STAR bond project as defined in K.S.A. 12-17,162, and amendments thereto, to the city bond finance fund, which fund is hereby created. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under K.S.A. 79-3710(d), and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such STAR bond project.

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of

this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding \$150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

Sec. 11. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as follows: 79-3703. (a) There is hereby levied and there shall be collected from every person in this state a tax or excise for the privilege of using, storing, or consuming within this state any article of tangible personal property. Such tax shall be levied and collected in an amount equal to the consideration paid by the taxpayer multiplied by the rate of 6.5%.

(b) Commencing on January 1, 2023, and thereafter, the state rate on the amount equal to the consideration paid by the taxpayer from the sale of food and food ingredients as provided in K.S.A. 79-3603, and amendments thereto, shall be as set forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.

(c) On and after January 1, 2023, 17% and on and after ~~January 1, 2025~~ July 1, 2024, 18% of the tax rate imposed pursuant to this section and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the state highway fund, the state highway fund purposes and those purposes specified in K.S.A. 68-416, and amendments thereto, and all revenue collected and received from such tax levy shall be deposited in the state highway fund.

(d) Within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax of 2% until the earlier of: (1) The date the bonds issued to finance or refinance the redevelopment project undertaken in the district have been paid in full; or (2) the final scheduled maturity of the first series of bonds issued to finance the redevelopment project.

(e) All property purchased or leased within or without this state and subsequently used, stored or consumed in this state shall be subject to the compensating tax if the same property or transaction would have been subject to the Kansas retailers' sales tax had the transaction been wholly within this state.

Sec. 12. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as follows: 79-3710. (a) All revenue collected or received by the director under the provisions of this

act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c), (d) and (e), to the credit of the state general fund.

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

(c) (1) On January 1, 2023, the state treasurer shall credit 17% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On ~~January 1, 2025~~ July 1, 2024, and thereafter, the state treasurer shall credit 18% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

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

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

\$53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding \$150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.";

Also on page 27, in line 5, by striking "and" and inserting a comma; in line 6, before "are" by inserting ", 79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710";

And by renumbering sections accordingly;

And by adjusting the title and repealer accordingly if multiple amendments are adopted;

On page 1, in the title, in line 11, before "amending" by inserting "relating to sales and compensating use tax; reducing the state rate of tax on sales of food and food ingredients; modifying the percent credited to the state highway fund from revenue collected;"; in line 12, by striking "and" and inserting a comma; in line 13, before "and" by inserting ", 79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710"

**SB 539** be further amended by motion of Senator O'Shea; on page 1, following line 19, by inserting:

"New Section 1. (a) For tax year 2024, and all tax years thereafter, there shall be allowed a credit against the tax liability of a resident individual taxpayer imposed under the Kansas income tax act for each qualifying child of the taxpayer in the amount set forth in the following schedule for married individuals filing joint returns and all other individuals, except as provided in subsection (b):

Kansas adjusted gross income	Amount of credit per qualifying child
\$0 to \$25,000	\$600
Over \$25,000 but not over \$50,000	\$400
Over \$50,000 but not over \$75,000	\$200
Over \$75,000 but not over \$100,000	\$100
Over \$100,000 but not over \$200,000	\$75
Over \$200,000 but not over \$350,000	\$50
Over \$350,000	\$25

(b) Married individuals filing separate returns for a tax year for which they could have filed a joint return may each claim only  $\frac{1}{2}$  of the amount of credit per qualifying child that would have been claimed on a joint return.

(c) In the case of all tax years after tax year 2024, all threshold income amounts and credit amounts prescribed in this section shall be increased by an amount equal to such amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of

the federal internal revenue code for the calendar year in which the taxable year commences.

(d) Except as provided in subsection (b), an individual may be claimed as a qualifying child by only one taxpayer per tax year.

(e) If the amount of the credit allowed by this section exceeds the taxpayer's income tax liability imposed under the Kansas income tax act, such excess amount shall be refunded to the taxpayer.

(f) The secretary of revenue shall compile an annual report each year on the child tax credit that includes the number of taxpayers receiving the credit, the adjusted threshold income amounts and credit amounts pursuant to subsection (c), the aggregate amount of the credits, an analysis of the cost of the credit and any other information necessary to evaluate the effectiveness of the credit. On or before January 31 each year, the secretary of revenue shall submit such annual report in writing to the senate committee on assessment and taxation and the house committee on taxation.

(g) As used in this section, "qualifying child" means, with respect to any taxpayer for any taxable year, an individual who:

- (1) Bears a relationship to the taxpayer described in subsection (h);
- (2) has the same principal place of abode as the taxpayer for more than  $\frac{1}{2}$  of such taxable year;
- (3) has not attained 5 years of age as of the close of the calendar year in which the taxable year of the taxpayer begins;
- (4) has not provided over  $\frac{1}{2}$  of such individual's own support for the calendar year in which the taxable year of the taxpayer begins; and
- (5) has not filed a joint return, other than only for a claim of refund, with the individual's spouse for the taxable year.

(h) An individual bears a relationship to the taxpayer described in this section if such individual is:

- (1) A child of the taxpayer or a descendant of such a child; or
- (2) a brother, sister, stepbrother or stepsister of the taxpayer or a descendant of any such relative.

(i) The provisions of this section shall be a part of and supplemental to the Kansas income tax act.";

And by renumbering sections accordingly;

Also on page 1, in the title, in line 5, after the semicolon by inserting "establishing a child tax credit;"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 26; Nays 6; Present and Passing 8; Absent or Not Voting 0.

Yeas: Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Kerschen, Longbine, McGinn, O'Shea, Olson, Petersen, Pettey, Pittman, Pyle, Reddi, Shallenburger, Straub, Sykes, Ware, Wilborn.

Nays: Doll, Fagg, Peck, Steffen, Thompson, Tyson.

Present and Passing: Alley, Baumgardner, Erickson, Gossage, Kloos, Masterson, Ryckman, Warren.

A motion by Senator Haley to amend **SB 539** failed. and the following amendment was rejected; on page 1, following line 19, by inserting:

"New Section 1. (a) Any county is hereby empowered and authorized in accordance

with the provisions of this act to levy an earnings tax upon:

(1) All individuals employed or working within such county; and  
(2) all resident individuals of such county who are employed or working outside such county.

(b) The rate of any earnings tax pursuant to subsection (a) shall not exceed 1% per annum.

(c) The revenue derived from the earnings tax authorized by this act shall be pledged for general county purposes.

(d) At least 50% of the revenue derived from the earnings tax authorized by this act shall be credited in the budget of the county to reduce the amount of revenue otherwise necessary to be derived from the ad valorem property tax.

(e) If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act, which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.

New Sec. 2. As used in this act:

(a) "Act" means the provisions of sections 1 through 6, and amendments thereto.

(b) "Earnings tax" means a tax on the salaries, wages, commissions and other compensation earned by:

(1) Residents of the county; and

(2) nonresidents of the county for work done or services performed or rendered in the county.

(c) "Salaries, wages, commissions and other compensation" does not include contributions to any deferred compensation plans, including, but not limited to, any salary reduction plans, cafeteria plans or any other similar plans deferring the receipt of compensation by a resident or nonresident if such contribution is not subject to Kansas state income tax at the time such contribution is made.

New Sec. 3. (a) No county shall levy an earnings tax until the governing body of such county shall first submit such proposition to and receive the approval of a majority of the electors of the county voting thereon at election specified by the county. Any county proposing to adopt an earnings tax shall adopt a resolution giving notice of its intention to subject such proposition for approval by the electors in the manner required by K.S.A. 25-105, and amendments thereto. The notice shall state the time of the election, the rate of the tax and the purpose for which the proceeds will be expended in accordance with section 1(c), and amendments thereto. Every election held under this act shall be conducted by the county election officer.

(b) If a majority of the electors voting thereon at such election shall approve the levying of such tax, the governing body of that county shall provide by resolution the levy of the tax. Any repeal of such tax, or any reduction or increase in the rate thereof, within the limits of this act, shall be accomplished in the manner provided for in this act for the adoption and approval of such tax, except that the governing body of a county shall be required to submit such question upon submission of a petition signed by the electors of such county equal in number to not less than 10% of the electors of such county. If a majority of the electors voting thereon at such election fail to approve the proposition, it may be resubmitted under the conditions and in the manner provided in this act for submission of the original proposition.

(c) Any resolution that has been adopted to give notice of the intention of the

governing body of the county to submit the proposition of levying an earnings tax to the electors of the county shall contain provisions pledging the use of the revenue to be received from such tax if such resolution is approved by the voters in accordance with the provisions of section 1(c), and amendments thereto. Such description shall be consistent with that contained in the notice of election required by subsection (a).

(d) In any county imposing an earnings tax pursuant to this act, once every five years after the initial levy of the earnings tax by the county, the question whether to continue to impose an earnings tax shall be submitted to the electors in the same manner provided in this act for the original proposition.

New Sec. 4. Any person exempt from the payment of state income tax pursuant to K.S.A. 79-32,113, and amendments thereto, shall be exempt from the payment of an earnings tax levied pursuant to this act.

New Sec. 5. The amount of earnings tax paid to another county with an earnings tax by a resident individual shall be allowed as a credit against the earnings tax of the county of such individual's residence.

New Sec. 6. (a) By resolution, the county may provide for deductions and exemptions from salaries, wages and commissions and may provide exemptions on account of spouses and dependents.

(b) The earnings subject to earnings tax of any nonresident individual when work is performed or rendered both within and without the county may be ascertained by a formula set forth by resolution of the county.

(c) The state of Kansas and its political subdivisions shall deduct from the earnings of their employees the amount of any county earnings tax levied upon the income of the particular employee and remit the same to the county levying such tax. The state of Kansas and its political subdivisions shall be entitled to deduct and retain of the total amount so collected to compensate such employer for collecting the tax a percentage as follows: 3% if such county earnings tax is less than 1% of gross earnings; or 1.5% if such county earnings tax is 1% of gross earnings.

(d) Any county levying an earnings tax is hereby authorized to impose, by resolution, upon employers within the county the duty of collecting and remitting to the county any tax that may be levied upon the earnings of employees pursuant to this act and to prescribe penalties for failure to perform such duty. If any such county should impose such duty on employers, each such employer shall be entitled to deduct and retain 1.5% of the total amount collected to compensate such employer for collecting such tax. The governing body of any such county, by resolution, may reduce, eliminate or reimpose, if eliminated, the fee allowed to employers by this subsection.

(e) (1) All employers within the state, upon request as provided in this subsection, shall submit to any county levying an earnings tax a complete listing of all their employees who reside within the territorial limits or boundaries of the requesting county and their current addresses according to the records of the employer. Any request shall be made in writing and shall be mailed to the principal office of the employer. If the employer is a corporation, the written request shall be made to the registered agent of the corporation at its registered office. All written requests provided for in this subsection shall be by registered or certified mail. Such request may not be made more than once each year. This subsection shall not apply to employers who deduct from the earnings of their employees the amount of any county earnings tax levied upon the income of the particular employee and remit the same to the county

levying such tax.

(2) No list of employees furnished to the county shall be used for any purpose other than in connection with the collection of an earnings tax. Such lists shall be treated as confidential records and, except in accordance with a proper judicial order, shall not be disclosed by the county. Such lists shall not be open to public inspection pursuant to the Kansas open records act.

(3) The provisions of this subsection providing for the confidentiality of records shall expire on July 1, 2029, unless the legislature reviews and continues such provisions in accordance with K.S.A. 45-229, and amendments thereto, prior to July 1, 2029.

Sec. 7. K.S.A. 19-101a is hereby amended to read as follows: 19-101a. (a) The board of county commissioners may transact all county business and perform all powers of local legislation and administration it deems appropriate, subject only to the following limitations, restrictions or prohibitions:

(1) Counties shall be subject to all acts of the legislature which apply uniformly to all counties.

(2) Counties may not affect the courts located therein.

(3) Counties shall be subject to acts of the legislature prescribing limits of indebtedness.

(4) In the exercise of powers of local legislation and administration authorized under provisions of this section, the home rule power conferred on cities to determine their local affairs and government shall not be superseded or impaired without the consent of the governing body of each city within a county which may be affected.

(5) Counties may not legislate on social welfare administered under state law enacted pursuant to or in conformity with public law No. 271 – 74<sup>th</sup> congress, or amendments thereof.

(6) Counties shall be subject to all acts of the legislature concerning elections, election commissioners and officers and their duties as such officers and the election of county officers.

(7) Counties shall be subject to the limitations and prohibitions imposed under K.S.A. 12-187 through 12-195, and amendments thereto, prescribing limitations upon the levy of retailers' sales taxes by counties.

(8) Counties may not exempt from or effect changes in statutes made nonuniform in application solely by reason of authorizing exceptions for counties having adopted a charter for county government.

(9) No county may levy ad valorem taxes under the authority of this section upon real property located within any redevelopment project area established under the authority of K.S.A. 12-1772, and amendments thereto, unless the resolution authorizing the same specifically authorized a portion of the proceeds of such levy to be used to pay the principal of and interest upon bonds issued by a city under the authority of K.S.A. 12-1774, and amendments thereto.

(10) Counties shall have no power under this section to exempt from any statute authorizing or requiring the levy of taxes and providing substitute and additional provisions on the same subject, unless the resolution authorizing the same specifically provides for a portion of the proceeds of such levy to be used to pay a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto.



(11) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-4601 through 19-4625, and amendments thereto.

(12) Except as otherwise specifically authorized by K.S.A. 12-1,101 through 12-1,109, and amendments thereto, and sections 1 through 6, and amendments thereto, counties may not levy and collect taxes on incomes from whatever source derived.

(13) Counties may not exempt from or effect changes in K.S.A. 19-430, and amendments thereto.

(14) Counties may not exempt from or effect changes in K.S.A. 19-302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

(15) Counties may not exempt from or effect changes in K.S.A. 19-15,139, 19-15,140 and 19-15,141, and amendments thereto.

(16) Counties may not exempt from or effect changes in the provisions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-1226, and amendments thereto, or the provisions of K.S.A. 12-1260 through 12-1270 and 12-1276, and amendments thereto.

(17) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-211, and amendments thereto.

(18) Counties may not exempt from or effect changes in the provisions of K.S.A. 19-4001 through 19-4015, and amendments thereto.

(19) Counties may not regulate the production or drilling of any oil or gas well in any manner which would result in the duplication of regulation by the state corporation commission and the Kansas department of health and environment pursuant to chapter 55 and chapter 65 of the Kansas Statutes Annotated, and amendments thereto, and any rules and regulations adopted pursuant thereto. Counties may not require any license or permit for the drilling or production of oil and gas wells. Counties may not impose any fee or charge for the drilling or production of any oil or gas well.

(20) Counties may not exempt from or effect changes in K.S.A. 79-41a04, and amendments thereto.

(21) Counties may not exempt from or effect changes in K.S.A. 79-1611, and amendments thereto.

(22) Counties may not exempt from or effect changes in K.S.A. 79-1494, and amendments thereto.

(23) Counties may not exempt from or effect changes in K.S.A. 19-202(b), and amendments thereto.

(24) Counties may not exempt from or effect changes in K.S.A. 19-204(b), and amendments thereto.

(25) Counties may not levy or impose an excise, severance or any other tax in the nature of an excise tax upon the physical severance and production of any mineral or other material from the earth or water.

(26) Counties may not exempt from or effect changes in K.S.A. 79-2017 or 79-2101, and amendments thereto.

(27) Counties may not exempt from or effect changes in K.S.A. 2-3302, 2-3305, 2-3307, 2-3318, 17-5904, 17-5908, 47-1219, 65-171d, 65-1,178 through 65-1,199, 65-3001 through 65-3028, and amendments thereto.

(28) Counties may not exempt from or effect changes in K.S.A. 80-121, and amendments thereto.

(29) Counties may not exempt from or effect changes in K.S.A. 19-228, and amendments thereto.

(30) Counties may not exempt from or effect changes in the Kansas 911 act.

(31) Counties may not exempt from or effect changes in K.S.A. 26-601, and amendments thereto.

(32) (A) Counties may not exempt from or effect changes in the Kansas liquor control act except as provided by paragraph (B).

(B) Counties may adopt resolutions which are not in conflict with the Kansas liquor control act.

(33) (A) Counties may not exempt from or effect changes in the Kansas cereal malt beverage act except as provided by paragraph (B).

(B) Counties may adopt resolutions which are not in conflict with the Kansas cereal malt beverage act.

(34) Counties may not exempt from or effect changes in the Kansas lottery act.

(35) Counties may not exempt from or effect changes in the Kansas expanded lottery act.

(36) Counties may neither exempt from nor effect changes to the eminent domain procedure act.

(37) Any county granted authority pursuant to the provisions of K.S.A. 19-5001 through 19-5005, and amendments thereto, shall be subject to the limitations and prohibitions imposed under K.S.A. 19-5001 through 19-5005, and amendments thereto.

(38) Except as otherwise specifically authorized by K.S.A. 19-5001 through 19-5005, and amendments thereto, counties may not exercise any authority granted pursuant to K.S.A. 19-5001 through 19-5005, and amendments thereto, including the imposition or levy of any retailers' sales tax.

(39) Counties may not exempt from or effect changes in K.S.A. 65-201 and 65-202, and amendments thereto.

(b) Counties shall apply the powers of local legislation granted in subsection (a) by resolution of the board of county commissioners. If no statutory authority exists for such local legislation other than that set forth in subsection (a) and the local legislation proposed under the authority of such subsection is not contrary to any act of the legislature, such local legislation shall become effective upon passage of a resolution of the board and publication in the official county newspaper. If the legislation proposed by the board under authority of subsection (a) is contrary to an act of the legislature which is applicable to the particular county but not uniformly applicable to all counties, such legislation shall become effective by passage of a charter resolution in the manner provided in K.S.A. 19-101b, and amendments thereto.

(c) Any resolution adopted by a county which conflicts with the restrictions in subsection (a) is null and void.";

On page 27, in line 4, after the first "K.S.A." by inserting "19-101a,";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, after "taxation;" by inserting "authorizing counties to impose an earnings tax;"; in line 11, after the first "K.S.A." by inserting "19-101a,"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 6; Nays 31; Present and Passing 3; Absent or Not Voting 0.

Yeas: Faust-Goudeau, Francisco, Haley, Holscher, Pettey, Pittman.

Nays: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Gossage, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pyle, Reddi, Ryckman, Shallenburger, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Present and Passing: Holland, Sykes, Ware.

#### EXPLANATION OF VOTE

I offered this Amendment and obviously Vote AYE on the same. If it had passed, the Amendment would simply allow any County, if it so chose, to put before its' respective voters an Earnings tax of from 1-1.5% which, when collected, would be applied to property tax reductions in the enacting County. Taken from the successful model of Missouri's enabling legislation, Kansas City (MO) and St. Louis (MO) have implemented and prospered from Earnings taxes for decades; overwhelmingly renewed by their respective County's voters on ballots held every ten years. For example, Wyandotte County, MY County, would put the ballot question out to our people and, recognizing that only 30% of our employee work force actually resides in Wyandotte County (70% of the people who work in Wyandotte County are just "day-timers;" come to earn by day and leave the County at night.) The denial of this Amendment's adoption deprives Counties like mine, and perhaps yours, the ability to put before their people an opportunity to drastically reduce escalating real property tax bills by supplementing County revenues with a percent or more of all employment income earned in the County; the "host-site" which has infrastructure and public service needs to have met that all employees who work there need and benefit from. I vote AYE and hope one day that upon further study and reflection that a majority of our Legislature will join me in providing this economic parity tool option for our constituencies.—DAVID HALEY

A motion by Senator Sykes to amend **SB 539** failed and the following amendment was rejected; on page 1, by striking all in lines 16 through 18; by striking all in lines 20 through 36;

By striking all on pages 2 through 26; on page 27, by striking all in lines 1 through 6; by striking all floor amendments adopted by the Senate Committee of the Whole on March 14, 2024; also on page 27, following line 6, by inserting:

"Section 1. K.S.A. 2023 Supp. 79-201x is hereby amended to read as follows: 79-201x. (a) For taxable year 2022, ~~and all taxable years thereafter~~, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-5142, and amendments thereto: Property used for residential purposes to the extent of \$40,000 of its appraised valuation.

(b) For taxable year 2023, ~~and all taxable years thereafter~~, ~~the dollar amount of the extent of appraised valuation that is exempt pursuant to subsection (a) shall be adjusted to reflect the average percentage change in statewide residential valuation of all residential real property for the preceding 10 years. Such average percentage change shall not be less than zero. The director of property valuation shall calculate the average percentage change for purposes of this annual adjustment and calculate the dollar amount of the extent of appraised valuation that is exempt pursuant to this section each year~~ the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-

5142, and amendments thereto: Property used for residential purposes to the extent of \$42,049 of its appraised valuation.

(c) For taxable year 2024, and all taxable years thereafter, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 72-5142, and amendments thereto: Property used for residential purposes to the extent of \$100,000 of its appraised valuation.

Sec. 2. K.S.A. 79-1107 is hereby amended to read as follows: 79-1107. Every national banking association and state bank located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

(a) (1) For tax year 2023, the normal tax shall be an amount equal to ~~2<sup>+</sup>/<sub>4</sub>%~~ 2.25% of such net income;

(2) for tax year 2024, the normal tax shall be an amount equal to 1.94% of such net income; and

(3) for tax year 2025, and all tax years thereafter, the normal tax shall be an amount equal to 1.63% of such net income; and

(b) the surtax shall be an amount equal to ~~2<sup>+</sup>/<sub>4</sub>%~~ 2.125% of such net income in excess of \$25,000.

The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivisions thereof upon shares of capital stock or the intangible assets of national banking associations and state banks.

Sec. 3. K.S.A. 79-1108 is hereby amended to read as follows: 79-1108. Every trust company and savings and loan association located or doing business within the state shall pay to the state for the privilege of doing business within the state a tax according to or measured by its net income for the next preceding taxable year to be computed as provided in this act. Such tax shall consist of a normal tax and a surtax and shall be computed as follows:

(a) (1) For tax year 2023, the normal tax on every trust company and savings and loan association shall be an amount equal to ~~2<sup>+</sup>/<sub>4</sub>%~~ 2.25% of such net income;

(2) for tax year 2024, the normal tax shall be an amount equal to 1.93% of such net income; and

(3) for tax year 2025, and all tax years thereafter, the normal tax shall be an amount equal to 1.61% of such net income; and

(b) the surtax on every trust company and savings and loan association shall be an amount equal to ~~2<sup>+</sup>/<sub>4</sub>%~~ 2.25% of such net income in excess of \$25,000.

The tax levied shall be in lieu of ad valorem taxes which might otherwise be imposed by the state or political subdivision thereof upon shares of capital stock or other intangible assets of trust companies and savings and loan associations.

Sec. 4. K.S.A. 2023 Supp. 79-32,110 is hereby amended to read as follows: 79-32,110. (a) *Resident Individuals*. Except as otherwise provided by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby imposed upon the Kansas taxable income of every resident individual, which tax shall be computed in accordance with the following tax schedules:

(1) *Married individuals filing joint returns.*

(A) For tax year 2012:

If the taxable income is:	The tax is:
Not over \$30,000.....	3.5% of Kansas taxable income
Over \$30,000 but not over \$60,000.....	\$1,050 plus 6.25% of excess over \$30,000
Over \$60,000.....	\$2,925 plus 6.45% of excess over \$60,000

(B) For tax year 2013:

If the taxable income is:	The tax is:
Not over \$30,000.....	3.0% of Kansas taxable income
Over \$30,000.....	\$900 plus 4.9% of excess over \$30,000

(C) For tax year 2014:

If the taxable income is:	The tax is:
Not over \$30,000.....	2.7% of Kansas taxable income
Over \$30,000.....	\$810 plus 4.8% of excess over \$30,000

(D) For tax years 2015 and 2016:

If the taxable income is:	The tax is:
Not over \$30,000.....	2.7% of Kansas taxable income
Over \$30,000.....	\$810 plus 4.6% of excess over \$30,000

(E) For tax year 2017:

If the taxable income is:	The tax is:
Not over \$30,000.....	2.9% of Kansas taxable income
Over \$30,000 but not over \$60,000.....	\$870 plus 4.9% of excess over \$30,000
Over \$60,000.....	\$2,340 plus 5.2% of excess over \$60,000

(F) For tax-year years 2018, and all tax years thereafter through 2023:

If the taxable income is:	The tax is:
Not over \$30,000.....	3.1% of Kansas taxable income
Over \$30,000 but not over \$60,000.....	\$930 plus 5.25% of excess over \$30,000
Over \$60,000.....	\$2,505 plus 5.7% of excess over \$60,000

(B) For tax year 2024, and all tax years thereafter:

If the taxable income is:	The tax is:
Not over \$30,000.....	3.0% of Kansas taxable income
Over \$30,000 but not over \$60,000.....	\$900 plus 5.15% of excess over \$30,000
Over \$60,000.....	\$2,445 plus 5.6% of excess over \$60,000

(2) *All other individuals.*

(A) For tax year 2012:

If the taxable income is:	The tax is:
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Not over \$15,000.....	3.5% of Kansas taxable income
Over \$15,000 but not over \$30,000.....	\$525 plus 6.25% of excess over \$15,000
Over \$30,000.....	\$1,462.50 plus 6.45% of excess over \$30,000

(B) For tax year 2013:

If the taxable income is:.....	The tax is:
Not over \$15,000.....	3.0% of Kansas taxable income
Over \$15,000.....	\$450 plus 4.9% of excess over \$15,000

(C) For tax year 2014:

If the taxable income is:.....	The tax is:
Not over \$15,000.....	2.7% of Kansas taxable income
Over \$15,000.....	\$405 plus 4.8% of excess over \$15,000

(D) For tax years 2015 and 2016:

If the taxable income is:.....	The tax is:
Not over \$15,000.....	2.7% of Kansas taxable income
Over \$15,000.....	\$405 plus 4.6% of excess over \$15,000

(E) For tax year 2017:

If the taxable income is:.....	The tax is:
Not over \$15,000.....	2.9% of Kansas taxable income
Over \$15,000 but not over \$30,000.....	\$435 plus 4.9% of excess over \$15,000
Over \$30,000.....	\$1,170 plus 5.2% of excess over \$30,000

(F) For tax-year years 2018, and all tax years thereafter through 2023:

If the taxable income is:.....	The tax is:
Not over \$15,000.....	3.1% of Kansas taxable income
Over \$15,000 but not over \$30,000.....	\$465 plus 5.25% of excess over \$15,000
Over \$30,000.....	\$1,252.50 plus 5.7% of excess over \$30,000

(B) For tax year 2024, and all tax years thereafter:

If the taxable income is:.....	The tax is:
Not over \$15,000.....	3.0% of Kansas taxable income
Over \$15,000 but not over \$30,000.....	\$450 plus 5.15% of excess over \$15,000
Over \$30,000.....	\$1,222.50 plus 5.6% of excess over \$30,000

(b) *Nonresident Individuals.* A tax is hereby imposed upon the Kansas taxable income of every nonresident individual, which tax shall be an amount equal to the tax computed under subsection (a) as if the nonresident were a resident multiplied by the ratio of modified Kansas source income to Kansas adjusted gross income.

(c) *Corporations.* A tax is hereby imposed upon the Kansas taxable income of every corporation doing business within this state or deriving income from sources

within this state. Such tax shall consist of a normal tax and a surtax and shall be computed as follows unless otherwise modified pursuant to K.S.A. 2023 Supp. 74-50,321, and amendments thereto:

(1) The normal tax shall be in an amount equal to 4% of the Kansas taxable income of such corporation; and

(2) The surtax shall be in an amount equal to 3% of the Kansas taxable income of such corporation in excess of \$50,000.

(d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable income of estates and trusts at the rates provided in subsection (a)(2) hereof.

(e) Notwithstanding the provisions of subsections (a) and (b): ~~(1) For tax years 2016 and 2017, married individuals filing joint returns with taxable income of \$12,500 or less, and all other individuals with taxable income of \$5,000 or less, shall have a tax liability of zero; and (2), for tax year 2018, and all tax years thereafter, married individuals filing joint returns with taxable income of \$5,000 or less, and all other individuals with taxable income of \$2,500 or less, shall have a tax liability of zero.~~

~~(f) No taxpayer shall be assessed penalties and interest arising from the underpayment of taxes due to changes to the rates in subsection (a) that became law on July 1, 2017, so long as such underpayment is rectified on or before April 17, 2018.~~

Sec. 5. K.S.A. 79-32,111c is hereby amended to read as follows: 79-32,111c. (a) There shall be allowed as a credit against the tax liability of a resident individual imposed under the Kansas income tax act an amount equal to 12.5% for tax year 2018; an amount equal to 18.75% for tax year 2019; ~~and an amount equal to 25% for tax-year years 2020 through 2023; and an amount equal to 100% for tax year 2024,~~ and all tax years thereafter, of the amount of the credit allowed against such taxpayer's federal income tax liability pursuant to 26 U.S.C. § 21 for the taxable year in which such credit was claimed against the taxpayer's federal income tax liability.

(b) The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by K.S.A. 79-32,110, and amendments thereto, reduced by the sum of any other credits allowable pursuant to law.

(c) No credit provided under this section shall be allowed to any individual who fails to provide a valid social security number issued by the social security administration, to such individual, the individual's spouse and every dependent of the individual.

Sec. 6. K.S.A. 2023 Supp. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the purchase of state or political subdivision obligations, to the extent that the same is not included in federal adjusted gross income, on obligations of any state or political subdivision thereof, but to the extent that interest income on obligations of this state or a political subdivision thereof issued prior to January 1, 1988, is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations, it shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income. Interest income on obligations of this state or a political subdivision thereof issued after December 31, 1987, shall be excluded from

computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction, except that the federal net operating loss deduction shall not be added to an individual's federal adjusted gross income for tax years beginning after December 31, 2016.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below zero.

(v) The amount of any depreciation deduction or business expense deduction claimed on the taxpayer's federal income tax return for any capital expenditure in making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965, and amendments thereto.

(vii) The amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

(ix) The amount of any ad valorem taxes and assessments paid and the amount of any costs incurred for habitat management or construction and maintenance of improvements on real property, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203, and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xv) or if such amounts are not already included in the federal adjusted gross income.



(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xiii), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,256, and amendments thereto.

(xviii) For taxable years commencing after December 31, 2006, the amount of any ad valorem or property taxes and assessments paid to a state other than Kansas or local government located in a state other than Kansas by a taxpayer who resides in a state other than Kansas, when the law of such state does not allow a resident of Kansas who earns income in such other state to claim a deduction for ad valorem or property taxes or assessments paid to a political subdivision of the state of Kansas in determining taxable income for income tax purposes in such other state, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xix) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Loss from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) loss from rental real estate, royalties, partnerships, S corporations, except those with wholly owned subsidiaries subject to the Kansas privilege tax, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) farm loss as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent deducted or subtracted in determining the taxpayer's federal adjusted gross income. For purposes of this

subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011, and as revised thereafter by the internal revenue service.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for self-employment taxes under section 164(f) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer, to the extent the deduction is attributable to income reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income tax return.

(xxi) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for pension, profit sharing, and annuity plans of self-employed individuals under section 62(a)(6) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for health insurance under section 162(l) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for domestic production activities under section 199 of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid for medical care of the taxpayer or the taxpayer's spouse or dependents when such expenses were paid or incurred for an abortion, or for a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid by a taxpayer for health care when such expenses were paid or incurred for abortion coverage, a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, when such expenses were paid or incurred for abortion coverage or amounts contributed to health savings accounts for such taxpayer's employees for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as a deduction for federal income tax purposes.

(xxvi) For all taxable years beginning after December 31, 2016, the amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and amendments thereto, and is also claimed as an itemized deduction for federal income tax purposes.

(xxvii) For all taxable years commencing after December 31, 2020, the amount deducted by reason of a carryforward of disallowed business interest pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

(xxviii) For all taxable years beginning after December 31, 2021, the amount of any contributions to, or earnings from, a first-time home buyer savings account if distributions from the account were not used to pay for expenses or transactions authorized pursuant to K.S.A. 2023 Supp. 58-4904, and amendments thereto, or were not held for the minimum length of time required pursuant to K.S.A. 2023 Supp. 58-4904, and amendments thereto. Contributions to, or earnings from, such account shall also include any amount resulting from the account holder not designating a surviving payable on death beneficiary pursuant to K.S.A. 2023 Supp. 58-4904(e), and amendments thereto.

(c) There shall be subtracted from federal adjusted gross income:

(i) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States and its possessions less any related expenses directly incurred in the purchase of such obligations or securities, to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(ii) Any amounts received which are included in federal adjusted gross income but which are specifically exempt from Kansas income taxation under the laws of the state of Kansas.

(iii) The portion of any gain or loss from the sale or other disposition of property having a higher adjusted basis for Kansas income tax purposes than for federal income tax purposes on the date such property was sold or disposed of in a transaction in which gain or loss was recognized for purposes of federal income tax that does not exceed such difference in basis, but if a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to that portion of such gain which is included in federal adjusted gross income.

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

(v) The amount of any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in gross income for federal income tax purposes.

(vi) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income.

(vii) Amounts received as annuities under the federal civil service retirement system from the civil service retirement and disability fund and other amounts received as retirement benefits in whatever form which were earned for being employed by the federal government or for service in the armed forces of the United States.

(viii) Amounts received by retired railroad employees as a supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and 228c(a)(1) et seq.

(ix) Amounts received by retired employees of a city and by retired employees of any board of such city as retirement allowances pursuant to K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter ordinance exempting a city from the provisions of K.S.A. 13-14,106, and amendments thereto.

(x) For taxable years beginning after December 31, 1976, the amount of the federal

tentative jobs tax credit disallowance under the provisions of 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the amount of the targeted jobs tax credit and work incentive credit disallowances under 26 U.S.C. § 280C.

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas venture capital, inc.

(xii) For taxable years beginning after December 31, 1989, amounts received by retired employees of a board of public utilities as pension and retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249, and amendments thereto.

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 74-50,201 et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such corporation and which is not distributed to the stockholders as dividends of the corporation. For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of modification under this subsection shall exclude the portion of income or loss reported on schedule E and included on line 17 of the taxpayer's form 1040 federal individual income tax return.

(xv) For all taxable years beginning after December 31, 2017, the cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple filing a joint return, for each designated beneficiary that are contributed to: (1) A family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary; or (2) an achieving a better life experience (ABLE) account established under the Kansas ABLE savings program or a qualified ABLE program established and maintained by another state or agency or instrumentality thereof pursuant to section 529A of the internal revenue code of 1986, as amended, for the purpose of saving private funds to support an individual with a disability. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and amendments thereto, and the provisions of such sections are hereby incorporated by reference for all purposes thereof.

(xvi) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are or were members of the armed forces of the United States, including service in the Kansas army and air national guard, as a recruitment, sign up or retention bonus received by such taxpayer as an incentive to join, enlist or remain in the armed services of the United States, including service in the Kansas army and air national guard, and amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and received by such taxpayer as a result of such taxpayer's service in the armed forces of the United States, including service in the

Kansas army and air national guard.

(xvii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for death benefits pursuant to K.S.A. 48-282, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

~~(xviii) For the taxable year beginning after December 31, 2006, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$50,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly; and (1) For all taxable years beginning after December 31, 2007, and ending before January 1, 2024, amounts received as benefits under the federal social security act which that are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly.~~

(2) For all taxable years beginning after December 31, 2023, amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer.

(xix) Amounts received by retired employees of Washburn university as retirement and pension benefits under the university's retirement plan.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Net profit from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) net income, not including guaranteed payments as defined in section 707(c) of the federal internal revenue code and as reported to the taxpayer from federal schedule K-1, (form 1065-B), in box 9, code F or as reported to the taxpayer from federal schedule K-1, (form 1065) in box 4, from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) net farm profit as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent included in the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011 and as revised thereafter by the internal revenue service.

(xxi) For all taxable years beginning after December 31, 2013, amounts equal to the unreimbursed travel, lodging and medical expenditures directly incurred by a taxpayer while living, or a dependent of the taxpayer while living, for the donation of one or more human organs of the taxpayer, or a dependent of the taxpayer, to another person for human organ transplantation. The expenses may be claimed as a subtraction modification provided for in this section to the extent the expenses are not already subtracted from the taxpayer's federal adjusted gross income. In no circumstances shall the subtraction modification provided for in this section for any individual, or a

dependent, exceed \$5,000. As used in this section, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung or bone marrow. The provisions of this paragraph shall take effect on the day the secretary of revenue certifies to the director of the budget that the cost for the department of revenue of modifications to the automated tax system for the purpose of implementing this paragraph will not exceed \$20,000.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of net gain from the sale of: (1) Cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 24 months or more from the date of acquisition; and (2) other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 12 months or more from the date of acquisition. The subtraction from federal adjusted gross income shall be limited to the amount of the additions recognized under the provisions of subsection (b)(xix) attributable to the business in which the livestock sold had been used. As used in this paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012, amounts received under either the Overland Park, Kansas police department retirement plan or the Overland Park, Kansas fire department retirement plan, both as established by the city of Overland Park, pursuant to the city's home rule authority.

(xxiv) For taxable years beginning after December 31, 2013, and ending before January 1, 2017, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.

(xxv) For all taxable years commencing after December 31, 2020, 100% of global intangible low-taxed income under section 951A of the federal internal revenue code of 1986, before any deductions allowed under section 250(a)(1)(B) of such code.

(xxvi) For all taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 163(j) of the federal internal revenue code of 1986, as in effect on January 1, 2018.

(xxvii) For taxable years commencing after December 31, 2020, the amount disallowed as a deduction pursuant to section 274 of the federal internal revenue code of 1986 for meal expenditures shall be allowed to the extent such expense was deductible for determining federal income tax and was allowed and in effect on December 31, 2017.

(xxviii) For all taxable years beginning after December 31, 2021: (1) The amount contributed to a first-time home buyer savings account pursuant to K.S.A. 2023 Supp. 58-4903, and amendments thereto, in an amount not to exceed \$3,000 for an individual or \$6,000 for a married couple filing a joint return; or (2) amounts received as income earned from assets in a first-time home buyer savings account.

(d) There shall be added to or subtracted from federal adjusted gross income the taxpayer's share, as beneficiary of an estate or trust, of the Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and amendments thereto.

(e) The amount of modifications required to be made under this section by a partner which relates to items of income, gain, loss, deduction or credit of a partnership shall be determined under K.S.A. 79-32,131, and amendments thereto, to the extent that such items affect federal adjusted gross income of the partner.

Sec. 7. K.S.A. 2023 Supp. 79-32,119 is hereby amended to read as follows: 79-32,119. (a) The Kansas standard deduction of an individual, including a husband and

wife who are either both residents or who file a joint return as if both were residents, shall be equal to the sum of the standard deduction amount allowed pursuant to this section, and the additional standard deduction amount allowed pursuant to this section for each such deduction allowable to such individual or to such husband and wife under the federal internal revenue code.

(b) For tax year 1998, and all tax years thereafter, the additional standard deduction amount shall be as follows: Single individual and head of household filing status, \$850; and married filing status, \$700.

(c) (1) For tax year 2013 through tax year 2020, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, \$3,000; married filing status, \$7,500; and head of household filing status, \$5,500.

(2) For tax-year years 2021, ~~and all tax years thereafter through 2023~~, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, \$3,500; married filing status, \$8,000; and head of household filing status, \$6,000.

(3) For tax year 2024, and all tax years thereafter, the standard deduction amount of an individual, including husband and wife who are either both residents or who file a joint return as if both were residents, shall be as follows: Single individual filing status, \$5,000; married filing status, \$10,000; and head of household filing status, \$7,500.

(d) For purposes of this section, the federal standard deduction allowable to a husband and wife filing separate Kansas income tax returns shall be determined on the basis that separate federal returns were filed, and the federal standard deduction of a husband and wife filing a joint Kansas income tax return shall be determined on the basis that a joint federal income tax return was filed.

Sec. 8. K.S.A. 2023 Supp. 79-3603 is hereby amended to read as follows: 79-3603. For the privilege of engaging in the business of selling tangible personal property at retail in this state or rendering or furnishing any of the services taxable under this act, there is hereby levied and there shall be collected and paid a tax at the rate of 6.5%. On and after January 1, 2023, 17% and on and after ~~January 1, 2025~~ July 1, 2024, 18% of the tax rate imposed pursuant to this section and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the state highway fund, the state highway fund purposes and those purposes specified in K.S.A. 68-416, and amendments thereto, and all revenue collected and received from such tax levy shall be deposited in the state highway fund.

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

Such tax shall be imposed upon:

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

(b) the gross receipts from intrastate, interstate or international telecommunications services and any ancillary services sourced to this state in accordance with K.S.A. 79-3673, and amendments thereto, except that telecommunications service does not

include: (1) Any interstate or international 800 or 900 service; (2) any interstate or international private communications service as defined in K.S.A. 79-3673, and amendments thereto; (3) any value-added nonvoice data service; (4) any telecommunication service to a provider of telecommunication services which will be used to render telecommunications services, including carrier access services; or (5) any service or transaction defined in this section among entities classified as members of an affiliated group as provided by section 1504 of the federal internal revenue code of 1986, as in effect on January 1, 2001;

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

(d) the gross receipts from the sale of meals or drinks furnished at any private club, drinking establishment, catered event, restaurant, eating house, dining car, hotel, drugstore or other place where meals or drinks are regularly sold to the public;

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

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

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

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



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

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

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

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

(2) Any such contractor, subcontractor or repairman who maintains an inventory of such property both for sale at retail and for use by them for the purposes described by paragraph (1) shall be deemed a retailer with respect to purchases for and sales from such inventory, except that the gross receipts received from any such sale, other than a sale at retail, shall be equal to the total purchase price paid for such property and the tax imposed thereon shall be paid by the deemed retailer;

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

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

(o) the gross receipts received from the isolated or occasional sale of motor vehicles or trailers but not including: (1) The transfer of motor vehicles or trailers by a person to a corporation or limited liability company solely in exchange for stock securities or membership interest in such corporation or limited liability company; (2) the transfer of motor vehicles or trailers by one corporation or limited liability company to another when all of the assets of such corporation or limited liability company are transferred to such other corporation or limited liability company; or (3) the sale of motor vehicles or trailers which are subject to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and amendments thereto, by an immediate family member to

another immediate family member. For the purposes of paragraph (3), immediate family member means lineal ascendants or descendants, and their spouses. Any amount of sales tax paid pursuant to the Kansas retailers sales tax act on the isolated or occasional sale of motor vehicles or trailers on and after July 1, 2004, which the base for computing the tax was the value pursuant to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when such amount was higher than the amount of sales tax which would have been paid under the law as it existed on June 30, 2004, shall be refunded to the taxpayer pursuant to the procedure prescribed by this section. Such refund shall be in an amount equal to the difference between the amount of sales tax paid by the taxpayer and the amount of sales tax which would have been paid by the taxpayer under the law as it existed on June 30, 2004. Each claim for a sales tax refund shall be verified and submitted not later than six months from the effective date of this act to the director of taxation upon forms furnished by the director and shall be accompanied by any additional documentation required by the director. The director shall review each claim and shall refund that amount of tax paid as provided by this act. All such refunds shall be paid from the sales tax refund fund, upon warrants of the director of accounts and reports pursuant to vouchers approved by the director of taxation or the director's designee. No refund for an amount less than \$10 shall be paid pursuant to this act. In determining the base for computing the tax on such isolated or occasional sale, the fair market value of any motor vehicle or trailer traded in by the purchaser to the seller may be deducted from the selling price;

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

For the purposes of this subsection:

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

(2) "building" means only those enclosures within which individuals customarily are employed, or which are customarily used to house machinery, equipment or other property, and including the land improvements immediately surrounding such building;

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

improvements immediately surrounding such facility;

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

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

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

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

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

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

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

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

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

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

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

Sec. 9. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as follows: 79-3603d. (a) There is hereby levied and there shall be collected and paid a tax upon the gross receipts from the sale of food and food ingredients. The rate of tax shall be as follows:

(1) Commencing on January 1, 2023, at the rate of 4%;

(2) commencing on January 1, 2024, at the rate of 2%; and

(3) commencing on ~~January 1, 2025~~ July 1, 2024, and thereafter, at the rate of 0%.

(b) The provisions of this section shall not apply to prepared food unless sold without eating utensils provided by the seller and described below:

(1) Food sold by a seller whose proper primary NAICS classification is manufacturing in sector 311, except subsector 3118 (bakeries);

(2) (A) food sold in an unheated state by weight or volume as a single item; or

(B) only meat or seafood sold in an unheated state by weight or volume as a single item;

(3) bakery items, including bread, rolls, buns, biscuits, bagels, croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies and tortillas; or

(4) food sold that ordinarily requires additional cooking, as opposed to just reheating, by the consumer prior to consumption.

(c) The provisions of this section shall be a part of and supplemental to the Kansas retailers' sales tax act.

Sec. 10. K.S.A. 2023 Supp. 79-3620 is hereby amended to read as follows: 79-3620. (a) All revenue collected or received by the director of taxation from the taxes imposed by this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts withheld as provided in subsection (b) and amounts credited as provided in subsections (c), (d) and (e), to the credit of the state general fund.

(b) A refund fund, designated as "sales tax refund fund" not to exceed \$100,000 shall be set apart and maintained by the director from sales tax collections and estimated tax collections and held by the state treasurer for prompt payment of all sales tax refunds. Such fund shall be in such amount, within the limit set by this section, as the director shall determine is necessary to meet current refunding requirements under this act. In the event such fund as established by this section is, at any time, insufficient to provide for the payment of refunds due claimants thereof, the director shall certify the amount of additional funds required to the director of accounts and reports who shall promptly transfer the required amount from the state general fund to the sales tax refund fund, and notify the state treasurer, who shall make proper entry in the records.

(c) (1) On January 1, 2023, the state treasurer shall credit 17% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On ~~January 1, 2025~~ July 1, 2024, and thereafter, the state treasurer shall credit 18% of the revenue collected and received from the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(d) The state treasurer shall credit all revenue collected or received from the tax imposed by K.S.A. 79-3603, and amendments thereto, as certified by the director, from taxpayers doing business within that portion of a STAR bond project district occupied by a STAR bond project or taxpayers doing business with such entity financed by a STAR bond project as defined in K.S.A. 12-17,162, and amendments thereto, that was determined by the secretary of commerce to be of statewide as well as local importance or will create a major tourism area for the state or the project was designated as a STAR bond project as defined in K.S.A. 12-17,162, and amendments thereto, to the city bond finance fund, which fund is hereby created. The provisions of this subsection shall expire when the total of all amounts credited hereunder and under K.S.A. 79-3710(d),

and amendments thereto, is sufficient to retire the special obligation bonds issued for the purpose of financing all or a portion of the costs of such STAR bond project.

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding \$150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

Sec. 11. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as follows: 79-3703. (a) There is hereby levied and there shall be collected from every person in this state a tax or excise for the privilege of using, storing, or consuming within this state any article of tangible personal property. Such tax shall be levied and collected in an amount equal to the consideration paid by the taxpayer multiplied by the rate of 6.5%.

(b) Commencing on January 1, 2023, and thereafter, the state rate on the amount equal to the consideration paid by the taxpayer from the sale of food and food ingredients as provided in K.S.A. 79-3603, and amendments thereto, shall be as set forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.

(c) On and after January 1, 2023, 17% and on and after ~~January 1, 2025~~ July 1, 2024, 18% of the tax rate imposed pursuant to this section and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the state highway fund, the state highway fund purposes and those purposes specified in K.S.A. 68-416, and amendments thereto, and all revenue collected and received from such tax levy shall be deposited in the state highway fund.

(d) Within a redevelopment district established pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby levied and there shall be collected and paid an additional tax of 2% until the earlier of: (1) The date the bonds issued to finance or refinance the redevelopment project undertaken in the district have been paid in full; or

(2) the final scheduled maturity of the first series of bonds issued to finance the redevelopment project.

(e) All property purchased or leased within or without this state and subsequently used, stored or consumed in this state shall be subject to the compensating tax if the same property or transaction would have been subject to the Kansas retailers' sales tax had the transaction been wholly within this state.

Sec. 12. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as follows: 79-3710. (a) All revenue collected or received by the director under the provisions of this act shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, less amounts set apart as provided in subsection (b) and amounts credited as provided in subsection (c), (d) and (e), to the credit of the state general fund.

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

(c) (1) On January 1, 2023, the state treasurer shall credit 17% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

(2) On ~~January 1, 2025~~ July 1, 2024, and thereafter, the state treasurer shall credit 18% of the revenue collected and received from the tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments thereto, and deposited as provided by subsection (a), exclusive of amounts credited pursuant to subsection (d), in the state highway fund.

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

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

(e) All revenue certified by the director of taxation as having been collected or received from the tax imposed by K.S.A. 79-3603(c), and amendments thereto, on the sale or furnishing of gas, water, electricity and heat for use or consumption within the

intermodal facility district described in this subsection, shall be credited by the state treasurer to the state highway fund. Such revenue may be transferred by the secretary of transportation to the rail service improvement fund pursuant to law. The provisions of this subsection shall take effect upon certification by the secretary of transportation that a notice to proceed has been received for the construction of the improvements within the intermodal facility district, but not later than December 31, 2010, and shall expire when the secretary of revenue determines that the total of all amounts credited hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all revenues shall be collected and distributed in accordance with applicable law. For all tax reporting periods during which the provisions of this subsection are in effect, none of the exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply to the sale or furnishing of any gas, water, electricity and heat for use or consumption within the intermodal facility district. As used in this subsection, "intermodal facility district" shall consist of an intermodal transportation area as defined by K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county within the polygonal-shaped area having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the western boundary, and Highway 56 as the northern boundary, and the polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the southern boundary, Waverly Road as the western boundary, and the BNSF mainline track as the northern boundary, that includes capital investment in an amount exceeding \$150 million for the construction of an intermodal facility to handle the transfer, storage and distribution of freight through railway and trucking operations.

Sec. 13 K.S.A. 79-1107, 79-1108 and 79-32,111c and K.S.A. 2023 Supp. 79-201x, 79-32,110, 79-32,117, 79-32,119, 79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710 are hereby repealed.";

On page 1, in the title, in line 1, by striking all after the semicolon; by striking all in lines 2 through 12; in line 13, after stricken material by inserting "relating to property tax; increasing extent of exemption for residential property from statewide school levy; relating to privilege tax; decreasing the normal tax rates on banks, trust companies and savings and loan associations; relating to income tax; decreasing tax rates for individuals; increasing the tax credit amount for household and dependent care expenses; eliminating the income limitation to receive the subtraction modification exempting social security benefits; increasing the Kansas standard deduction; relating to sales and compensating use tax; reducing the state rate of tax on sales of food and food ingredients; modifying the percent credited to the state highway fund from revenue collected; amending K.S.A. 79-1107, 79-1108 and 79-32,111c and K.S.A. 2023 Supp. 79-201x, 79-32,110, 79-32,117, 79-32,119, 79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710"

Upon the showing of five hands a roll call vote was requested

On roll call, the vote was: Yeas 14; Nays 26; Present and Passing 0; Absent or Not Voting 0.

Yeas: Corson, Doll, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Olson, Pettey, Pittman, Pyle, Reddi, Sykes, Ware.

Nays: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Dietrich, Erickson, Fagg, Gossage, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Ryckman, Shallenburger, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

**HB 2036** be amended by adoption of the committee report on **HB 2036** recommending **S Sub HB 2036**.

**HB 2229** be passed over and retain a place on the calendar.

**HB 2254** be passed over and retain a place on the calendar.

**HB 2465** be amended by the adoption of the committee amendments, be further amended by motion of Senator Holland; on page 13, following line 38, by inserting:

"Sec. 4. K.S.A. 2023 Supp. 79-4508a is hereby amended to read as follows: 79-4508a. (a) For tax year 2022, and all tax years thereafter, the amount of any claim pursuant to this section shall be computed by deducting the claimant's base year ad valorem tax amount for the homestead from the claimant's homestead ad valorem tax amount for the tax year for which the refund is sought. This section shall be known and may be cited as the golden years homestead property tax freeze program.

(b) As used in this section:

(1) "Base year" means the year in which an individual becomes an eligible claimant and who is also eligible for a claim for refund pursuant to this section. For any individual who would otherwise be an eligible claimant prior to 2021, such base year shall be deemed to be 2021 for the purposes of this act.

(2) "Claimant" means a person who has filed a claim under the provisions of this act and was, during the entire calendar year preceding the year in which such claim was filed for refund under this act, except as provided in K.S.A. 79-4503, and amendments thereto, both domiciled in this state and was: (A) A person who is 65 years of age or older; or (B) a disabled veteran. The surviving spouse of a person 65 years of age or older or a disabled veteran who was receiving benefits pursuant to this section at the time of the claimant's death shall be eligible to continue to receive benefits until such time the surviving spouse remarries.

(3) "Household income" means all income as defined in K.S.A. 79-4502(a), and amendments thereto, excluding all payments received under the federal social security act received by persons of a household in a calendar year while members of such household.

(c) A claimant shall only be eligible for a claim for refund under this section if:

(1) The claimant's household income for the year in which the claim is filed is \$50,000 or less; and

(2) the appraised value of the claimant's homestead for the base year is ~~\$350,000~~ \$595,000 or less.

The provisions of K.S.A. 79-4522, and amendments thereto, shall not apply to a claim pursuant to this section. In the case of all tax years commencing after December 31, 2022, the upper limit household income threshold amount prescribed in this subsection shall be increased by an amount equal to such threshold amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences. In the case of all base years commencing after December 31, 2021, the upper limit appraised value threshold amount prescribed in this subsection shall be increased each year to reflect the average percentage change in statewide residential valuation of existing residential real property for the preceding 10 years.

(d) A taxpayer shall not be eligible for a homestead property tax refund claim pursuant to this section if such taxpayer has received for such property for such tax year



either: (1) A homestead property tax refund pursuant to K.S.A. 79-4508, and amendments thereto; or (2) the selective assistance for effective senior relief (SAFESR) credit pursuant to K.S.A. 79-32,263, and amendments thereto.

(e) The amount of any claim shall be computed to the nearest \$1.

(f) The household income and appraised value amendments made to this section by this act shall apply retroactively, and the deadline to file claims for tax years 2022 and 2023 shall be extended to on or before April 15, 2025.

(g) The provisions of this section shall be a part of and supplemental to the homestead property tax refund act.;

Also on page 13, in line 39, by striking "and" and inserting a comma; in line 40, before "are" by inserting "and 79-4508a";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "income"; in line 8, after the semicolon by inserting "excluding social security payments from household income and increasing the appraised value threshold for eligibility of seniors and disabled veterans related to increased property tax claims; citing the section as the golden years homestead property tax freeze program.;" in line 9, by striking the first "and" and inserting a comma; also in line 9, after "79-32,287" by inserting "and 79-4508a"

**HB 2465** be further amended by motion of Senator Holland; by amending the bill as amended by the amendment designated as fa\_2024\_hb2465\_s\_3594 adopted by the Senate Committee of the Whole on March 14, 2024, on page 2, in subsection (c)(1) of Sec. 4 in K.S.A. 2023 Supp. 79-4508a, by striking "\$50,000" and inserting "\$80,000"

### CONSIDERATION OF MOTIONS TO CONCUR AND NONCONCUR

On motion of Senator Gossage the Senate nonconcurred in the House amendments to **Sub SB 233** and requested a conference committee be appointed.

The President appointed Senators Gossage, Erickson and Pettey as a conference committee on the part of the Senate.

Senator Billinger moved the Senate concur in House amendments to **SB 307**.

**SB 307**, AN ACT concerning the Kansas fights addiction act; adding for-profit private entities to the definition of "qualified applicant"; authorizing members of the Kansas fights addiction grant review board to be paid subsistence allowances, mileage and other expenses when attending meetings of the board after January 8, 2024; amending K.S.A. 2023 Supp. 75-776 and 75-778 and repealing the existing sections.

On roll call, the vote was: Yeas 39; Nays 1; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Shallenburger, Steffen, Straub, Sykes, Thompson, Ware, Warren, Wilborn.

Nays: Tyson.

The Senate concurred.

### FINAL ACTION ON CONSENT CALENDAR

**HB 2587** having appeared on the Consent Calendar for the required two full

legislative days without objection from any member, was considered on final action.

**HB 2587**, AN ACT concerning drainage districts; relating to the governance thereof; authorizing the board of directors of such districts to hold executive sessions in accordance with the open meetings act; amending K.S.A. 24-416 and repealing the existing section.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

The bill passed.

### FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

**SB 500**, AN ACT concerning drivers' licenses; relating to failure to comply with a traffic citation; authorizing certain individuals to be eligible for restricted driving privileges; permitting individuals with restricted driving privileges to drive to and from dropping off or picking up children from school or child care, to and from purchasing groceries or fuel and to and from religious worship services; providing for hardship payment plans and waiver of fines; amending K.S.A. 8-286 and 8-2110 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 38; Nays 2; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Shallenburger, Steffen.

The bill passed, as amended.

**SB 514**, AN ACT making and concerning appropriations for the fiscal years ending June 30, 2024, June 30, 2025, June 30, 2026, June 30, 2027, and June 30, 2028, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 2023 Supp. 2-223, 12-1775a, 12-5256, 65-180, 74-50,107, 74-8711, 74-99b34, 76-775, 76-7,107, 79-2959, 79-2964, 79-2989, 79-3425i, 79-34,171 and 82a-955 and repealing the existing sections.

Upon the showing of five hands a Call of the Senate was requested.

On roll call, the vote was: Yeas 24; Nays 15; Present and Passing 1; Absent or Not Voting 0.

Yeas: Alley, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Fagg, Faust-Goudeau, Gossage, Kerschen, Kloos, Longbine, Masterson, McGinn, Petersen, Pettey, Pittman, Reddi, Ryckman, Thompson, Ware, Wilborn.

Nays: Baumgardner, Erickson, Francisco, Haley, Holland, Holscher, O'Shea, Olson, Peck, Pyle, Shallenburger, Steffen, Straub, Tyson, Warren.

Present and Passing: Sykes.

The Call was lifted.

Without objection, Senator Sykes passed on **SB 514**.

#### EXPLANATION OF VOTE

I vote NO on **SB 514**. Giving \$28 million to the organizers of the 2026 World Cup Games in Kansas City is yet another sorry example of the Kansas Statehouse once again shoveling so-called “economic development incentives” to the special interests while critical needs of our Kansas citizens go unfilled.—TOM HOLLAND

Senator Straub requests the record to show she concurs with the “Explanation of Vote” offered by Senator Holland on **SB 514**.

#### EMERGENCY FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

On motion of Senator Alley an emergency was declared by a 2/3 constitutional majority, **Sub SB 60, SB 311, SB 376, SB 480, SB 482, SB 484, SB 498, SB 539; Sub HB 2036; HB 2465** were advanced to Final Action and roll call.

**Sub SB 60**, AN ACT concerning sales taxation; relating to exemptions; providing exemptions for custom meat processing services, purchases for the construction or repair of buildings used for human habitation by the Kansas state school for the blind and the Kansas state school for the deaf, certain purchases and sales by the Johnson county Christmas bureau association, certain purchases by doorstep inc. and sales of menstrual discharge collection devices and diapers, exploration place, inc. and Kansas children's discovery center, inc.; establishing an exemption for certain sales of school supplies, computers and clothing during an annual sales tax holiday; amending K.S.A. 2023 Supp. 79-3606 and repealing the existing section.

On roll call, the vote was: Yeas 38; Nays 2; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Shallenburger, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Olson, Steffen.

The substitute bill passed, as amended.

**SB 311**, AN ACT concerning property taxation; relating to valuation; excluding internal revenue code section 1031 exchange, build-to-suit and sale-leaseback arrangement transactions as indicators of fair market value; amending K.S.A. 79-503a and repealing the existing section.

On roll call, the vote was: Yeas 21; Nays 19; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Blasi, Bowers, Claeys, Dietrich, Erickson, Gossage, Kerschen, Kloos, Masterson, O'Shea, Peck, Petersen, Pyle, Ryckman, Steffen, Straub, Thompson, Tyson, Warren.

Nays: Billinger, Corson, Doll, Fagg, Faust-Goudeau, Francisco, Haley, Holland, Holscher, Longbine, McGinn, Olson, Pettey, Pittman, Reddi, Shallenburger, Sykes, Ware, Wilborn.

The bill passed, as amended.

## EXPLANATION OF VOTE

**SB 311** seeks to reverse the Kansas Supreme Court's decision to reject the "dark store" theory of valuing commercial property. If **SB 311** becomes law, millions of dollars in property tax revenue generated from commercial properties will disappear. This would significantly shift the property tax burden to residential homeowners, simply to benefit large commercial enterprises that are often owned by companies from outside Kansas. There was no hearing on this portion of **SB 311**, which was added to the bill just yesterday. Therefore, there's no fiscal note on the devastating impact this will have on all levels of Kansas government, and there was no chance for any parties to weigh in on this legislation.—ETHAN CORSON

Senators Francisco, Haley, Pettey and Ware request the record to show they concur with the "Explanation of Vote" offered by Senator Corson on **SB 311**.

**SB 376**, AN ACT concerning income taxation; relating to credits; extending the time period for the single city port authority credit; amending K.S.A. 2023 Supp. 79-32,212 and repealing the existing section.

On roll call, the vote was: Yeas 35; Nays 5; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Shallenburger, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: McGinn, O'Shea, Olson, Steffen, Straub.

The bill passed, as amended.

**SB 480**, AN ACT concerning taxation; relating to the state board of tax appeals; authorizing teleconference or video conference hearings in the small claims and expedited hearings division; amending K.S.A. 2023 Supp. 74-2433f and repealing the existing section.

On roll call, the vote was: Yeas 39; Nays 1; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Olson.

The bill passed.

**SB 482**, AN ACT concerning property taxation; relating to tax levy rates; providing that county clerks are not required to send revenue neutral rate notices to property owners of exempt property; modifying and prescribing the contents of the revenue neutral rate public hearing notice; permitting a tax levy that generates the same amount of revenue as the previous year when the final assessed valuation decreases compared to the estimated assessed valuation; requiring that the governing body's vote be conducted on the same day as the commencement of the public hearing; amending K.S.A. 2023 Supp. 79-2988 and repealing the existing section.

Upon the showing of five hands a Call of the Senate was requested.

On roll call, the vote was: Yeas 32; Nays 8; Present and Passing 0; Absent or Not

Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Haley, Holland, Kerschen, Kloos, Longbine, Masterson, O'Shea, Peck, Petersen, Pittman, Pyle, Reddi, Ryckman, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Nays: Francisco, Holscher, McGinn, Olson, Pettey, Shallenburger, Sykes, Ware.

The bill passed, as amended.

The Call was lifted.

**SB 484**, AN ACT concerning property taxation; relating to exemptions; providing exemptions for certain personal property including watercraft, marine equipment, off-road vehicles, motorized bicycles and certain trailers; amending K.S.A. 79-213 and 79-5501 and repealing the existing sections.

Upon the showing of five hands a Call of the Senate was requested.

On roll call, the vote was: Yeas 29; Nays 11; Present and Passing 0; Absent or Not Voting 0.

Yeas: Baumgardner, Blasi, Bowers, Claeys, Corson, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Haley, Holland, Holscher, Kloos, Masterson, Peck, Petersen, Pettey, Pittman, Pyle, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: Alley, Billinger, Dietrich, Francisco, Kerschen, Longbine, McGinn, O'Shea, Olson, Reddi, Ryckman.

The bill passed, as amended.

The Call was lifted.

**SB 498**, AN ACT concerning taxation; relating to income, privilege and premium tax credits; establishing a credit for contributions to eligible charitable organizations operating pregnancy centers or residential maternity facilities; increasing the tax credit amount for adoption expenses and making the credit refundable; relating to sales and compensating use tax; providing for a sales tax exemption for purchases by pregnancy resource centers and residential maternity facilities; amending K.S.A. 79-32,202a and K.S.A. 2023 Supp. 79-3606 and repealing the existing sections.

Upon the showing of five hands a Call of the Senate was requested.

On roll call, the vote was: Yeas 28; Nays 12; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Kerschen, Kloos, Longbine, Masterson, O'Shea, Peck, Petersen, Pyle, Ryckman, Shallenburger, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Nays: Corson, Francisco, Haley, Holland, Holscher, McGinn, Olson, Pettey, Pittman, Reddi, Sykes, Ware.

The bill passed, as amended.

The Call was lifted.

**SB 539**, AN ACT concerning taxation; relating to income tax; modifying tax rates for individuals; increasing the Kansas standard deduction and the Kansas personal exemption; eliminating the income limitation to receive the subtraction modification exempting social security benefits; establishing a child tax credit; relating to privilege tax; decreasing the normal tax rate; relating to property tax; increasing the extent of exemption for residential property from the statewide school levy; relating to sales and

compensating use tax; reducing the state rate of tax on sales of food and food ingredients; modifying the percent credited to the state highway fund from revenue collected; amending K.S.A. 79-1107 and 79-1108 and K.S.A. 2023 Supp. 79-201x, 79-32,110, 79-32,117, 79-32,119, 79-32,121, 79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710 and repealing the existing sections.

Upon the showing of five hands a Call of the Senate was requested.

On roll call, the vote was: Yeas 29; Nays 11; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Dietrich, Doll, Erickson, Fagg, Gossage, Haley, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Peck, Petersen, Pyle, Ryckman, Shallenburger, Steffen, Straub, Thompson, Tyson, Warren, Wilborn.

Nays: Corson, Faust-Goudeau, Francisco, Holland, Holscher, Olson, Pettey, Pittman, Reddi, Sykes, Ware.

The bill passed, as amended.

The Call was lifted.

#### EXPLANATION OF VOTE

Having voted to “Pass” on affirmation or denial of this long-debated, and pondered, tax bill, a Call of the Senate compelling me to “choose” will now produce a “no” on this bill; a reluctant “no” though at that. As this bill continues to make its way through the process; no doubt to a Governor’s veto and back, my consternation for immediate and significant tax-relief for ALL Kansans remains paramount. With all deliberate speed, we should cut social-security taxes, deduct the first \$100,000 in residential appraisal from taxation, accelerate the food sales and change the income exemptions immediately. The devil in the details of an inequitable single rate (or “flat-tax”) equation should be resolved from the 5.7 to, arguably, a 6.25% or better for my solid support; along with significant exemptions for middle-income earners as opposed to the practically non-measurable ones there in **SB 539** now. Rumor has it I actually voted For this measure today. I contend I voted Against it today; albeit ambiguously, reluctantly, merely compelled to.—DAVID HALEY

The idea that changing the structure of our tax system from three tiers to one tier gives inherent advantage is a fallacy in my mind; similar tax certainty can be had with the current three tier system. The current posture of **SB 539** is an attempt to replicate our current limited progressive tax structure using exemptions combined with a higher flat rate with decreasing yearly rates that appear to give the most benefits to the most wealthy. There was a compromise offered that gave significant tax cuts on property, social security, food and even income tax. This body can come up with a compromise that meets the needs of our citizens by continuing to work together and not deal with absolutes. I vote no on **SB 539**.—JEFF PITTMAN

Senator Francisco requests the record to show she concurs with the "Explanation of Vote" offered by Senator Pittman on **SB 539**.

**S Sub HB 2036**, AN ACT concerning sales taxation; relating to exemptions; providing an exemption for certain purchases by disabled veterans of the armed forces of the United States.

On roll call, the vote was: Yeas 38; Nays 2; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Shallenburger, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: McGinn, Steffen.

The substitute bill passed.

#### EXPLANATION OF VOTE

**Senate Substitute for HB 2036** is a win for our disabled veterans. I was proud to be a bipartisan co-sponsor on the original bill **SB 58** giving critical sales tax exemptions on key goods. Sales tax cuts help the most needed. With that said, there still needs to be done to help this same group with property tax relief, as we have potentially done on with the current amendments we did this evening on **HB 2465** and more. I vote Aye.—JEFF PITTMAN

I voted YES on **S Sub HB 2036** because it provides sales tax relief for disabled veterans, however **HB 2036** passed in the House with a 123-1 vote which exempts property taxes for disabled veterans. My constituents include Fort Riley, military families, and disabled veterans. I received an overwhelming number of emails to support **HB 2036** for property tax relief, instead with the “gut and go” element of legislation the bill was replaced with another bill. The process creates confusion and is deceptive to the public.—USHA REDDI

**HB 2465**, AN ACT concerning taxation; relating to the salt parity act; clarifying the determination of taxable income of an electing pass-through entity; providing for the passing through of tax credits to electing pass-through entity owners; relating to Kansas adjusted gross income; providing subtraction modifications for certain federal credit disallowances and the employee retention credit disallowance and to permit the carryforward of certain net operating losses; clarifying the disallowed business interest expense deduction; excluding social security payments from household income and increasing the appraised value threshold for eligibility of seniors and disabled veterans related to increased property tax claims; citing the section as the golden years homestead property tax freeze program; amending K.S.A. 2023 Supp. 79-32,117, 79-32,284, 79-32,287 and 79-4508a and repealing the existing sections.

On roll call, the vote was: Yeas 38; Nays 2; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Blasi, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, O'Shea, Peck, Petersen, Pettey, Pittman, Pyle, Reddi, Ryckman, Shallenburger, Steffen, Straub, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Nays: McGinn, Olson.

The bill passed, as amended.

## EXPLANATION OF VOTE

I appreciate the amendments we have made to **HB 2465**, increasing the number of disabled veterans who will be able to realize property tax relief by increasing the eligibility income and property tax limits for tax freezes. I vote Aye.—JEFF PITTMAN

Senator Francisco requests the record to show she concurs with the "Explanation of Vote" offered by Senator Pittman on **HB 2465**.

## REPORTS OF STANDING COMMITTEES

Committee on **Assessment and Taxation** recommends **HB 2317** be amended by substituting with a new bill to be designated as "Senate Substitute for HOUSE BILL NO. 2317," as follows:

"Senate Substitute for HOUSE BILL NO. 2317

By Committee on Assessment and Taxation

"AN ACT concerning sales taxation; relating to exemptions; providing a sales tax exemption for sales of over-the-counter drugs; amending K.S.A. 2023 Supp. 79-3606 and repealing the existing section.";

And the substitute bill be passed.

Committee on **Commerce** recommends **HB 2745**, As Amended by House Committee, be passed.

Also, **HB 2790**, As Amended by House Committee, be amended on page 1, in line 17, by striking "March" and inserting "January";

On page 4, in line 5, by striking "March" and inserting "January";

On page 7, in line 24, by striking "March" and inserting "January";

On page 8, in line 11, by striking "March" and inserting "January"; in line 40, by striking "March" and inserting "January";

On page 9, in line 39, by striking "March" and inserting "January";

On page 10, in line 3, by striking "March" and inserting "January";

On page 1, in the title, in line 5, by striking "March" and inserting "January"; and the bill be passed as amended.

Committee on **Education** recommends **HB 2703** be passed.

Committee on **Public Health and Welfare** recommends **HB 2629**, As Amended by House Committee, be amended on page 2, in line 7, by striking all after the period; by striking all in line 8; in line 9, by striking all before the period and inserting "Once the autopsy has been completed, the coroner shall immediately notify the parent or legal guardian that such autopsy has been completed and provide information on how to obtain the results"; and the bill be passed as amended.

Committee on **Transportation** recommends **HB 2481**, As Amended by House Committee, be amended on page 1, following line 21, by inserting:

"New Sec. 3. Bridge No. 160-96-293.72 located on United States highway 160 in Sumner county is hereby designated as the SrA Derek Scott Martin memorial bridge. Upon compliance with K.S.A. 68-10,114, and amendments thereto, the secretary of transportation shall place suitable signs to indicate that such bridge is the SrA Derek Scott Martin memorial bridge.";

And by renumbering sections accordingly;

Also on page 1, in the title, in line 3, after the semicolon by inserting "designating bridge No. 160-96-293.72 in Sumner county as the SrA Derek Scott Martin memorial



bridge;"; and the bill be passed as amended.

Also, **HB 2498** be amended on page 2, following line 35, by inserting:

"Sec. 2. (a) On and after January 1, 2025, license plates furnished for a motor vehicle and issued by the division of vehicles shall have designated the county of registration for such motor vehicle. The director of vehicles may either print the abbreviation of the county of registration directly on the license plate or affix to the license plate by a decal the abbreviation of the county of registration. Except as otherwise provided in subsection (b), the provisions of this section shall apply to:

(1) Any passenger vehicle or truck as defined in K.S.A. 8-126, and amendments thereto, that is subject to taxation pursuant to K.S.A. 79-5101 et seq., and amendments thereto; or

(2) any vehicle that displays a distinctive or personalized license plate.

(b) The provisions of this section shall not apply to distinctive license plates designating a person as a recipient of the congressional medal of honor issued pursuant to K.S.A. 8-1,145, and amendments thereto.";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, after "plate" by inserting "; requiring certain license plates to have the county of registration for the motor vehicle identified on the plate"; and the bill be passed as amended.

Committee on **Utilities** recommends **HB 2590** be passed.

Committee on **Ways and Means** recommends **SB 524** be passed and, because the committee is of the opinion that the bill is of a noncontroversial nature, be placed on the consent calendar.

On motion of Senator Alley, the Senate adjourned pro forma until 9:00 a.m., Friday, March 15, 2024.

CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*

COREY CARNAHAN, *Secretary of the Senate.*

