

HOUSE BILL No. 2427

By Committee on Federal and State Affairs

2-7

AN ACT relating to sales taxation; exempting certain sales of natural gas from local sales taxes; amending K.S.A. 12-189a and repealing the existing section.

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

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

(a) All sales of natural gas, electricity, heat and water delivered through mains, lines or pipes to residential premises for noncommercial use by the occupant of such premises and all sales of natural gas, electricity, heat and water delivered through mains, lines or pipes for agricultural use, *except that, all such sales of natural gas occurring on and after the effective date of this act, but before July 1, 2002, shall not be subject to such taxes;*

(b) 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;

(c) All sales of intrastate telephone and telegraph services for non-commercial use.

New Sec. 2. On July 10, 2001, the director of accounts and reports shall transfer from the state general fund to the county and city revenue sharing fund any amount of natural gas severance tax receipts received and credited to the general fund during the preceding fiscal year in excess of \$72,700,000, except that in no case shall such transfer exceed \$6,800,000.

Sec. 3. K.S.A. 12-189a is hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the Kansas register.