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6 **SENATE BILL No. 471**

7  
8 By Committee on Assessment and Taxation

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10 1-29

11  
12 AN ACT relating to sales taxation; concerning the local taxation of natural  
13 gas used for agricultural and residential purposes; amending K.S.A.  
14 12-189a and 13-13a39 and repealing the existing sections.

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

17 New Section 1. On and after January 1, 2003, there is hereby im-  
18 posed an excise tax upon the consumption of natural gas for residential  
19 or agricultural use by every city, county or municipal university imposing  
20 a retailers' sales tax. Such tax shall be measured by the volume of natural  
21 gas consumed, and shall be imposed at a rate, not to exceed \$.10 per mcf,  
22 established pursuant to an ordinance or resolution adopted for such pur-  
23 pose. Such rate may be changed in the same manner. Any city, county or  
24 municipal university imposing such tax is prohibited from administering  
25 or collecting such tax locally, but shall utilize the services of the state  
26 department of revenue to administer, enforce and collect such tax. Such  
27 tax shall be administered and enforced by the department of revenue,  
28 and all laws and rules and regulations of the department relating to the  
29 Kansas retailers' sales tax act shall apply to such excise tax insofar as the  
30 same may be made applicable.

31 (b) The secretary of revenue is authorized to administer, enforce and  
32 collect a city's, county's or municipal university's excise tax and to adopt  
33 such rules and regulations necessary for the efficient and effective ad-  
34 ministration, enforcement and collection thereof. The state director of  
35 taxation shall cause such taxes to be collected within the boundaries of  
36 such taxing subdivision at the same time and in the same manner provided  
37 for the collection of the local retailers' sales tax. All moneys collected by  
38 the director of taxation pursuant to the provisions of this section shall be  
39 ~~remitted to the state treasurer in accordance with the provisions~~  
40 ~~of K.S.A. 75-4215, and amendments thereto. Upon receipt of each~~  
41 ~~such remittance, the state treasurer shall deposit the entire amount~~  
42 ~~in the state treasury and shall credit 2% of all taxes so collected to~~  
43 ~~the state general fund to defray the expenses of the department in~~

1 ~~the administration and enforcement of the collection thereof. The~~  
2 ~~remainder of such taxes shall be~~ credited to the city and county natural  
3 gas consumption tax fund or to the municipal university natural gas con-  
4 sumption fund, which funds are hereby established in the state treasury.  
5 Any refund due on any city's, county's or municipal university's excise tax  
6 collected pursuant to this section shall be paid out of the sales tax refund  
7 fund and reimbursement to such fund shall be made by the director of  
8 taxation from collections of excise tax revenue. All moneys collected pur-  
9 suant to this section for a city or county shall be remitted at least quarterly  
10 by the state treasurer to the treasurer of such city, county or university.

11 (c) All revenue received by any county treasurer from such excise tax  
12 shall be apportioned among the county and each city located in such  
13 county in the same manner as provided in K.S.A. 12-192, and amend-  
14 ments thereto, for apportionment of revenue received from a countywide  
15 retailers' sales tax.

16 Sec. 2. On and after January 1, 2003, K.S.A. 12-189a is hereby  
17 amended to read as follows: 12-189a. The following sales shall be subject  
18 to the taxes levied and collected by all cities and counties under the pro-  
19 visions of K.S.A. 12-187 *et seq.* and amendments thereto:

20 (a) All sales of ~~natural gas~~, electricity, heat and water delivered  
21 through mains, lines or pipes to residential premises for noncommercial  
22 use by the occupant of such premises and all sales of ~~natural gas~~, elec-  
23 tricity, heat and water delivered through mains, lines or pipes for agri-  
24 cultural use;

25 (b) All sales of propane gas, LP-gas, coal, wood and other fuel sources  
26 for the production of heat or lighting for noncommercial use of an oc-  
27 cupant of residential premises;

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

30 Sec. 3. On and after January 1, 2003, K.S.A. 13-13a39 is hereby  
31 amended to read as follows: 13-13a39. The following sales shall be subject  
32 to the taxes levied by Washburn University of Topeka under the provi-  
33 sions of K.S.A. 13-13a38, and amendments thereto:

34 (a) All sales of ~~natural gas~~, electricity, heat and water delivered  
35 through mains, lines or pipes to residential premises for noncommercial  
36 use by the occupant of such premises and all sales of ~~natural gas~~, elec-  
37 tricity, heat and water delivered through mains, lines or pipes for agri-  
38 cultural use;

39 (b) all sales of propane gas, LP-gas, coal, wood and other fuel sources  
40 for the production of heat or lighting for noncommercial use of an oc-  
41 cupant of residential premises; and

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

1     Sec. 4. On and after January 1, 2003, K.S.A. 12-189a and 13-13a39  
2 are hereby repealed.

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

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