

HOUSE BILL No. 2419

By Committee on Taxation

2-27

AN ACT concerning property taxation; relating to exempt property; machinery, equipment, materials and supplies; amending K.S.A. 2002 Supp. 79-201w and repealing the existing section.

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

Section 1. K.S.A. 2002 Supp. 79-201w is hereby amended to read as follows: 79-201w. The following described property, to the extent specified by this section, shall be exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

Any item of machinery, equipment, materials and supplies which, except for the operation of the provisions of this section, would be required to be listed for the purpose of taxation pursuant to K.S.A. 79-306, and amendments thereto, and which is used or to be used in the conduct of the owner's business, or in the conduct of activities by an entity not subject to Kansas income taxation pursuant to K.S.A. 79-32,113, and amendments thereto, whose original retail cost when new is ~~\$250 or less for tax year 2002, and \$400 or less for tax year 2003, and all tax years thereafter.~~

An item of machinery, equipment, materials or supplies shall not be exempt from all property or ad valorem taxes pursuant to this section if it is a component part of another item of machinery, equipment, materials or supplies and is necessary or integral to the functionality and use of that other item.

Sec. 2. K.S.A. 2002 Supp. 79-201w is hereby repealed.

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