

HOUSE BILL No. 2499

By Special Committee on Assessment and Taxation

1-9

AN ACT concerning taxation; relating to city, county or municipal university compensating use tax on services; amending K.S.A. 2003 Supp. 12-198 and repealing the existing section.

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

Section 1. K.S.A. 2003 Supp. 12-198 is hereby amended to read as follows: 12-198. (a) A compensating use tax for the privilege of using or storing within a city or county any tangible personal property or any vehicle which is required to be registered under the provisions of article 1 of chapter 8 of the Kansas Statutes Annotated, and amendments thereto, or any vessel, as defined by K.S.A. 82a-802, and amendments thereto, *or using, consuming or realizing the benefits from within a city or county any service that would otherwise be subject to retailer's sales tax if purchased in this state*, is hereby imposed by every city, county or municipal university imposing a retailers' sales tax. The rate of any such tax shall be fixed at the same rate as such city's, county's or university's retailers' sales tax. Any city, county or municipal university imposing a compensating use tax is prohibited from administering or collecting such tax locally, but shall utilize the services of the state department of revenue to administer, enforce and collect such tax. Such tax shall be identical in its application and exemptions therefrom to the Kansas compensating tax, and all laws and rules and regulations of the state department of revenue relating to the Kansas compensating tax shall apply to such local compensating use tax insofar as the same may be made applicable.

(b) The secretary of revenue is authorized to administer, enforce and collect a city's, county's or municipal university's compensating use tax and to adopt such rules and regulations necessary for the efficient and effective administration, enforcement and collection thereof. The state director of taxation shall cause such taxes to be collected within the boundaries of such taxing subdivision at the same time and in the same manner provided for the collection of the state compensating use tax. All moneys collected by the director of taxation pursuant to the provisions of this section shall be credited to the city and county compensating use tax fund or to the municipal university compensating use tax fund, which funds are hereby established in the state treasury. Any refund due on any

1 city's, county's municipal university's compensating use tax collected pur-
2 suant to this section shall be paid out of the sales tax refund fund and
3 reimbursement to such fund shall be made by the director of taxation
4 from collections of local compensating use tax revenue. All moneys col-
5 lected pursuant to this section for a city or county shall be remitted at
6 least quarterly by the state treasurer to the treasurer of such city, county
7 or university.

8 (c) All revenue received by any county treasurer from a countywide
9 compensating use tax shall be apportioned among the county and each
10 city located in such county in the same manner as provided in K.S.A. 12-
11 192, and amendments thereto, for the apportionment of revenue received
12 from a countywide retailers' sales tax.

13 Sec. 2. K.S.A. 2003 Supp. 12-198 is hereby repealed.

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

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