

Approved: May 7, 2008  
Date

## MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 11:20 A.M. on February 28, 2008, at the rail outside the Senate Chamber of the Capitol.

All members were present except:

Senator Carolyn McGinn - excused  
Senator Steve Morris - excused

Committee staff present:

Jill Wolters, Assistant Revisor of Statutes  
Audrey Dunkel, Kansas Legislative Research Department  
J. G. Scott, Kansas Legislative Research Department  
Jarod Waltner, Kansas Legislative Research Department  
Melinda Gaul, Chief of Staff, Senate Ways & Means  
Mary Shaw, Committee Assistant

Conferees appearing before the committee: none

### **Bill Introduction**

Senator V. Schmidt moved, with a second by Senator Teichman, to introduce a conceptual bill concerning sales tax refund on certain purchases of telecommunications machinery and equipment. Motion carried on a voice vote.

The bill was requested by Senator Barbara Allen, Chairwoman, Senate Assessment and Taxation Committee (Attachment 1).

The meeting adjourned at 11:22 a.m. The next meeting was scheduled for March 4, 2008.

HOUSE BILL No. 2288

By Committee on Taxation

1-30

9 AN ACT concerning sales taxation; relating to refunds; certain purchases  
10 of telecommunications machinery and equipment.

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

12 Section 1. (a) ~~On and after July 1, 2007, all sales tax paid on the sale~~  
13 ~~of telecommunications machinery and equipment pursuant to K.S.A. 79-~~  
14 ~~3603, and amendments thereto, by a person providing services taxable~~  
15 ~~pursuant to the provisions of subsection (b) of K.S.A. 79-3603, and~~  
16 ~~amendments thereto, shall be refunded as provided in this section. Any~~  
17 ~~claim for refund shall be submitted within the time period proscribed by~~  
18 ~~K.S.A. 79-3609, and amendments thereto. Each claim for a sales tax re-~~  
19 ~~fund shall be verified and submitted to the director of taxation upon forms~~  
20 ~~furnished by the director and shall be accompanied by any additional~~  
21 ~~documentation required by the director. The director shall review each~~  
22 ~~claim and shall refund the amount of sales tax paid as determined under~~  
23 ~~the provisions of this section. All refunds shall be paid from the sales tax~~  
24 ~~refund fund upon warrants of the director of accounts and reports pur-~~  
25 ~~suant to vouchers approved by the director or the director's designee.~~  
26 ~~The secretary of revenue is hereby authorized to adopt rules and regu-~~  
27 ~~lations to administer the provisions of this section.~~

28 (b) For purposes of this section, "telecommunications machinery and  
29 equipment" means machinery, equipment and software that is used for  
30 the purpose of sending, receiving or storing voice or data communications  
31 and all equipment that is used to enable, facilitate, maintain or monitor  
32 such machinery, equipment and software. "Telecommunications machin-  
33 ery and equipment" includes, but is not limited to: Antennas, towers,  
34 amplifiers, poles, wires, cables, rectifiers, duplexers, multiplexers, receiv-  
35 ers, repeaters, transmitters, power equipment, modems, routers, storage  
36 devices and general central office switching equipment such as circuit  
37 switches, analog electronic switches, digital electronic switches and  
38 switches for operator assistance.

39 Sec. 2. This act shall take effect and be in force from and after its  
40 publication in the statute book.  
41

Sales tax paid pursuant to K.S.A. 79-3603, and amendments thereto, on the sale of telecommunications machinery and equipment by a person providing services taxable pursuant to subsection (b) of K.S.A. 79-3603, and amendments thereto, shall be refunded as follows:

(1) one-quarter of said tax paid by such person on the sale of telecommunications machinery and equipment during the period July 1, 2008 through June 30, 2009 shall be refunded;

(2) one-half of said tax paid by such person on the sale of telecommunications machinery and equipment during the period July 1, 2009 through June 30, 2010 shall be refunded;

(3) three-quarters of said tax paid by such person on the sale of telecommunications machinery and equipment during the period July 1, 2010 through June 30, 2011 shall be refunded; and

(4) all of said tax paid by such person on the sale of telecommunications machinery and equipment on and after July 1, 2011 shall be refunded.

one year from the date of payment of the tax.

No interest shall be paid on refunds granted under this section. In no event shall any city or county sales tax paid on the sale of telecommunications machinery and equipment be refunded under this section.

directly and predominantly

network

network

fiber optic cable

triplexers,

, closures, conduits, controllers, filters, input devices, insulators, microwave equipment, output devices, pedestals, power converters, radio channels, terminals, timing units, transformers, bridges, network computers, cross connects, plug in circuitry, oscillators, network software, servers, power transport equipment, test equipment, connectors, attenuators.

Senate Ways and Means  
2-28-08  
Attachment 1