

## HOUSE BILL No. 2081

By Committee on Taxation

Requested by Representative Kessler

1-23

1 AN ACT relating to taxation; providing a sales tax exemption for  
2 community pharmacies that provide services to medically underserved  
3 individuals and families; amending K.S.A. 2024 Supp. 79-3606 and  
4 repealing the existing section.  
5

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

7 Section 1. K.S.A. 2024 Supp. 79-3606 is hereby amended to read as  
8 follows: 79-3606. The following shall be exempt from the tax imposed by  
9 this act:

10 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
11 or excise tax has been paid, not subject to refund, under the laws of this  
12 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
13 3301, and amendments thereto, including consumable material for such  
14 electronic cigarettes, cereal malt beverages and malt products as defined  
15 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
16 malt syrup and malt extract, that is not subject to taxation under the  
17 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles  
18 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
19 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
20 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
21 thereto, and gross receipts from regulated sports contests taxed pursuant to  
22 the Kansas professional regulated sports act, and amendments thereto;

23 (b) all sales of tangible personal property or service, including the  
24 renting and leasing of tangible personal property, purchased directly by the  
25 state of Kansas, a political subdivision thereof, other than a school or  
26 educational institution, or purchased by a public or private nonprofit  
27 hospital, public hospital authority, nonprofit blood, tissue or organ bank or  
28 nonprofit integrated community care organization and used exclusively for  
29 state, political subdivision, hospital, public hospital authority, nonprofit  
30 blood, tissue or organ bank or nonprofit integrated community care  
31 organization purposes, except when: (1) Such state, hospital or public  
32 hospital authority is engaged or proposes to engage in any business  
33 specifically taxable under the provisions of this act and such items of  
34 tangible personal property or service are used or proposed to be used in  
35 such business; or (2) such political subdivision is engaged or proposes to

1 engage in the business of furnishing gas, electricity or heat to others and  
2 such items of personal property or service are used or proposed to be used  
3 in such business;

4 (c) all sales of tangible personal property or services, including the  
5 renting and leasing of tangible personal property, purchased directly by a  
6 public or private elementary or secondary school or public or private  
7 nonprofit educational institution and used primarily by such school or  
8 institution for nonsectarian programs and activities provided or sponsored  
9 by such school or institution or in the erection, repair or enlargement of  
10 buildings to be used for such purposes. The exemption herein provided  
11 shall not apply to erection, construction, repair, enlargement or equipment  
12 of buildings used primarily for human habitation, except that such  
13 exemption shall apply to the erection, construction, repair, enlargement or  
14 equipment of buildings used for human habitation by the cerebral palsy  
15 research foundation of Kansas located in Wichita, Kansas, multi  
16 community diversified services, incorporated, located in McPherson,  
17 Kansas, the Kansas state school for the blind and the Kansas state school  
18 for the deaf;

19 (d) all sales of tangible personal property or services purchased by a  
20 contractor for the purpose of constructing, equipping, reconstructing,  
21 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
22 any public or private nonprofit hospital or public hospital authority, public  
23 or private elementary or secondary school, a public or private nonprofit  
24 educational institution, state correctional institution including a privately  
25 constructed correctional institution contracted for state use and ownership,  
26 that would be exempt from taxation under the provisions of this act if  
27 purchased directly by such hospital or public hospital authority, school,  
28 educational institution or a state correctional institution; and all sales of  
29 tangible personal property or services purchased by a contractor for the  
30 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
31 enlarging, furnishing or remodeling facilities for any political subdivision  
32 of the state or district described in subsection (s), the total cost of which is  
33 paid from funds of such political subdivision or district and that would be  
34 exempt from taxation under the provisions of this act if purchased directly  
35 by such political subdivision or district. Nothing in this subsection or in  
36 the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
37 deemed to exempt the purchase of any construction machinery, equipment  
38 or tools used in the constructing, equipping, reconstructing, maintaining,  
39 repairing, enlarging, furnishing or remodeling facilities for any political  
40 subdivision of the state or any such district. As used in this subsection,  
41 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
42 political subdivision" shall mean general tax revenues, the proceeds of any  
43 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the

1 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
2 furnishing or remodeling facilities that are to be leased to the donor. When  
3 any political subdivision of the state, district described in subsection (s),  
4 public or private nonprofit hospital or public hospital authority, public or  
5 private elementary or secondary school, public or private nonprofit  
6 educational institution, state correctional institution including a privately  
7 constructed correctional institution contracted for state use and ownership  
8 shall contract for the purpose of constructing, equipping, reconstructing,  
9 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
10 shall obtain from the state and furnish to the contractor an exemption  
11 certificate for the project involved, and the contractor may purchase  
12 materials for incorporation in such project. The contractor shall furnish the  
13 number of such certificate to all suppliers from whom such purchases are  
14 made, and such suppliers shall execute invoices covering the same bearing  
15 the number of such certificate. Upon completion of the project the  
16 contractor shall furnish to the political subdivision, district described in  
17 subsection (s), hospital or public hospital authority, school, educational  
18 institution or department of corrections concerned a sworn statement, on a  
19 form to be provided by the director of taxation, that all purchases so made  
20 were entitled to exemption under this subsection. As an alternative to the  
21 foregoing procedure, any such contracting entity may apply to the  
22 secretary of revenue for agent status for the sole purpose of issuing and  
23 furnishing project exemption certificates to contractors pursuant to rules  
24 and regulations adopted by the secretary establishing conditions and  
25 standards for the granting and maintaining of such status. All invoices  
26 shall be held by the contractor for a period of five years and shall be  
27 subject to audit by the director of taxation. If any materials purchased  
28 under such a certificate are found not to have been incorporated in the  
29 building or other project or not to have been returned for credit or the sales  
30 or compensating tax otherwise imposed upon such materials that will not  
31 be so incorporated in the building or other project reported and paid by  
32 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
33 month following the close of the month in which it shall be determined  
34 that such materials will not be used for the purpose for which such  
35 certificate was issued, the political subdivision, district described in  
36 subsection (s), hospital or public hospital authority, school, educational  
37 institution or the contractor contracting with the department of corrections  
38 for a correctional institution concerned shall be liable for tax on all  
39 materials purchased for the project, and upon payment thereof it may  
40 recover the same from the contractor together with reasonable attorney  
41 fees. Any contractor or any agent, employee or subcontractor thereof, who  
42 shall use or otherwise dispose of any materials purchased under such a  
43 certificate for any purpose other than that for which such a certificate is

1 issued without the payment of the sales or compensating tax otherwise  
2 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
3 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
4 79-3615(h), and amendments thereto;

5 (e) all sales of tangible personal property or services purchased by a  
6 contractor for the erection, repair or enlargement of buildings or other  
7 projects for the government of the United States, its agencies or  
8 instrumentalities, that would be exempt from taxation if purchased directly  
9 by the government of the United States, its agencies or instrumentalities.

10 When the government of the United States, its agencies or  
11 instrumentalities shall contract for the erection, repair, or enlargement of  
12 any building or other project, it shall obtain from the state and furnish to  
13 the contractor an exemption certificate for the project involved, and the  
14 contractor may purchase materials for incorporation in such project. The  
15 contractor shall furnish the number of such certificates to all suppliers  
16 from whom such purchases are made, and such suppliers shall execute  
17 invoices covering the same bearing the number of such certificate. Upon  
18 completion of the project the contractor shall furnish to the government of  
19 the United States, its agencies or instrumentalities concerned a sworn  
20 statement, on a form to be provided by the director of taxation, that all  
21 purchases so made were entitled to exemption under this subsection. As an  
22 alternative to the foregoing procedure, any such contracting entity may  
23 apply to the secretary of revenue for agent status for the sole purpose of  
24 issuing and furnishing project exemption certificates to contractors  
25 pursuant to rules and regulations adopted by the secretary establishing  
26 conditions and standards for the granting and maintaining of such status.  
27 All invoices shall be held by the contractor for a period of five years and  
28 shall be subject to audit by the director of taxation. Any contractor or any  
29 agent, employee or subcontractor thereof, who shall use or otherwise  
30 dispose of any materials purchased under such a certificate for any purpose  
31 other than that for which such a certificate is issued without the payment  
32 of the sales or compensating tax otherwise imposed upon such materials,  
33 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
34 subject to the penalties provided for in K.S.A. 79-3615(h), and  
35 amendments thereto;

36 (f) tangible personal property purchased by a railroad or public utility  
37 for consumption or movement directly and immediately in interstate  
38 commerce;

39 (g) sales of aircraft including remanufactured and modified aircraft  
40 sold to persons using directly or through an authorized agent such aircraft  
41 as certified or licensed carriers of persons or property in interstate or  
42 foreign commerce under authority of the laws of the United States or any  
43 foreign government or sold to any foreign government or agency or

1 instrumentality of such foreign government and all sales of aircraft for use  
2 outside of the United States and sales of aircraft repair, modification and  
3 replacement parts and sales of services employed in the remanufacture,  
4 modification and repair of aircraft;

5 (h) all rentals of nonsectarian textbooks by public or private  
6 elementary or secondary schools;

7 (i) the lease or rental of all films, records, tapes, or any type of sound  
8 or picture transcriptions used by motion picture exhibitors;

9 (j) meals served without charge or food used in the preparation of  
10 such meals to employees of any restaurant, eating house, dining car, hotel,  
11 drugstore or other place where meals or drinks are regularly sold to the  
12 public if such employees' duties are related to the furnishing or sale of  
13 such meals or drinks;

14 (k) any motor vehicle, semitrailer or pole trailer, as such terms are  
15 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and  
16 delivered in this state to a bona fide resident of another state, which motor  
17 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based  
18 in this state and which vehicle, semitrailer, pole trailer or aircraft will not  
19 remain in this state more than 10 days;

20 (l) all isolated or occasional sales of tangible personal property,  
21 services, substances or things, except isolated or occasional sale of motor  
22 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and  
23 amendments thereto;

24 (m) all sales of tangible personal property that become an ingredient  
25 or component part of tangible personal property or services produced,  
26 manufactured or compounded for ultimate sale at retail within or without  
27 the state of Kansas; and any such producer, manufacturer or compounder  
28 may obtain from the director of taxation and furnish to the supplier an  
29 exemption certificate number for tangible personal property for use as an  
30 ingredient or component part of the property or services produced,  
31 manufactured or compounded;

32 (n) all sales of tangible personal property that is consumed in the  
33 production, manufacture, processing, mining, drilling, refining or  
34 compounding of tangible personal property, the treating of by-products or  
35 wastes derived from any such production process, the providing of  
36 services or the irrigation of crops for ultimate sale at retail within or  
37 without the state of Kansas; and any purchaser of such property may  
38 obtain from the director of taxation and furnish to the supplier an  
39 exemption certificate number for tangible personal property for  
40 consumption in such production, manufacture, processing, mining,  
41 drilling, refining, compounding, treating, irrigation and in providing such  
42 services;

43 (o) all sales of animals, fowl and aquatic plants and animals, the

1 primary purpose of which is use in agriculture or aquaculture, as defined in  
2 K.S.A. 47-1901, and amendments thereto, the production of food for  
3 human consumption, the production of animal, dairy, poultry or aquatic  
4 plant and animal products, fiber or fur, or the production of offspring for  
5 use for any such purpose or purposes;

6 (p) all sales of drugs dispensed pursuant to a prescription order by a  
7 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
8 1626, and amendments thereto. As used in this subsection, "drug" means a  
9 compound, substance or preparation and any component of a compound,  
10 substance or preparation, other than food and food ingredients, dietary  
11 supplements or alcoholic beverages, recognized in the official United  
12 States pharmacopeia, official homeopathic pharmacopoeia of the United  
13 States or official national formulary, and supplement to any of them,  
14 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
15 of disease or intended to affect the structure or any function of the body,  
16 except that for taxable years commencing after December 31, 2013, this  
17 subsection shall not apply to any sales of drugs used in the performance or  
18 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
19 thereto;

20 (q) all sales of insulin dispensed by a person licensed by the state  
21 board of pharmacy to a person for treatment of diabetes at the direction of  
22 a person licensed to practice medicine by the state board of healing arts;

23 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
24 enteral feeding systems, prosthetic devices and mobility enhancing  
25 equipment prescribed in writing by a person licensed to practice the  
26 healing arts, dentistry or optometry, and in addition to such sales, all sales  
27 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,  
28 and repair and replacement parts therefor, including batteries, by a person  
29 licensed in the practice of dispensing and fitting hearing aids pursuant to  
30 the provisions of K.S.A. 74-5808, and amendments thereto. For the  
31 purposes of this subsection: (1) "Mobility enhancing equipment" means  
32 equipment including repair and replacement parts to same, but does not  
33 include durable medical equipment, which is primarily and customarily  
34 used to provide or increase the ability to move from one place to another  
35 and which is appropriate for use either in a home or a motor vehicle; is not  
36 generally used by persons with normal mobility; and does not include any  
37 motor vehicle or equipment on a motor vehicle normally provided by a  
38 motor vehicle manufacturer; and (2) "prosthetic device" means a  
39 replacement, corrective or supportive device including repair and  
40 replacement parts for same worn on or in the body to artificially replace a  
41 missing portion of the body, prevent or correct physical deformity or  
42 malfunction or support a weak or deformed portion of the body;

43 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,

1 all sales of tangible personal property or services purchased directly or  
2 indirectly by a groundwater management district organized or operating  
3 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
4 by a rural water district organized or operating under the authority of  
5 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
6 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
7 3522 et seq. or 19-3545, and amendments thereto, which property or  
8 services are used in the construction activities, operation or maintenance of  
9 the district;

10 (t) all sales of farm machinery and equipment or aquaculture  
11 machinery and equipment, repair and replacement parts therefor and  
12 services performed in the repair and maintenance of such machinery and  
13 equipment. For the purposes of this subsection the term "farm machinery  
14 and equipment or aquaculture machinery and equipment" shall include a  
15 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
16 thereto, and is equipped with a bed or cargo box for hauling materials, and  
17 shall also include machinery and equipment used in the operation of  
18 Christmas tree farming but shall not include any passenger vehicle, truck,  
19 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
20 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
21 machinery and equipment" includes precision farming equipment that is  
22 portable or is installed or purchased to be installed on farm machinery and  
23 equipment. "Precision farming equipment" includes the following items  
24 used only in computer-assisted farming, ranching or aquaculture  
25 production operations: Soil testing sensors, yield monitors, computers,  
26 monitors, software, global positioning and mapping systems, guiding  
27 systems, modems, data communications equipment and any necessary  
28 mounting hardware, wiring and antennas. Each purchaser of farm  
29 machinery and equipment or aquaculture machinery and equipment  
30 exempted herein must certify in writing on the copy of the invoice or sales  
31 ticket to be retained by the seller that the farm machinery and equipment  
32 or aquaculture machinery and equipment purchased will be used only in  
33 farming, ranching or aquaculture production. Farming or ranching shall  
34 include the operation of a feedlot and farm and ranch work for hire and the  
35 operation of a nursery;

36 (u) all leases or rentals of tangible personal property used as a  
37 dwelling if such tangible personal property is leased or rented for a period  
38 of more than 28 consecutive days;

39 (v) all sales of tangible personal property to any contractor for use in  
40 preparing meals for delivery to homebound elderly persons over 60 years  
41 of age and to homebound disabled persons or to be served at a group-  
42 sitting at a location outside of the home to otherwise homebound elderly  
43 persons over 60 years of age and to otherwise homebound disabled

1 persons, as all or part of any food service project funded in whole or in  
2 part by government or as part of a private nonprofit food service project  
3 available to all such elderly or disabled persons residing within an area of  
4 service designated by the private nonprofit organization, and all sales of  
5 tangible personal property for use in preparing meals for consumption by  
6 indigent or homeless individuals whether or not such meals are consumed  
7 at a place designated for such purpose, and all sales of food products by or  
8 on behalf of any such contractor or organization for any such purpose;

9 (w) all sales of natural gas, electricity, heat and water delivered  
10 through mains, lines or pipes: (1) To residential premises for  
11 noncommercial use by the occupant of such premises; (2) for agricultural  
12 use and also, for such use, all sales of propane gas; (3) for use in the  
13 severing of oil; and (4) to any property which is exempt from property  
14 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this  
15 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
16 and amendments thereto. For all sales of natural gas, electricity and heat  
17 delivered through mains, lines or pipes pursuant to the provisions of  
18 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
19 on December 31, 2005;

20 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources  
21 for the production of heat or lighting for noncommercial use of an  
22 occupant of residential premises occurring prior to January 1, 2006;

23 (y) all sales of materials and services used in the repairing, servicing,  
24 altering, maintaining, manufacturing, remanufacturing, or modification of  
25 railroad rolling stock for use in interstate or foreign commerce under  
26 authority of the laws of the United States;

27 (z) all sales of tangible personal property and services purchased  
28 directly by a port authority or by a contractor therefor as provided by the  
29 provisions of K.S.A. 12-3418, and amendments thereto;

30 (aa) all sales of materials and services applied to equipment that is  
31 transported into the state from without the state for repair, service,  
32 alteration, maintenance, remanufacture or modification and that is  
33 subsequently transported outside the state for use in the transmission of  
34 liquids or natural gas by means of pipeline in interstate or foreign  
35 commerce under authority of the laws of the United States;

36 (bb) all sales of used mobile homes or manufactured homes. As used  
37 in this subsection: (1) "Mobile homes" and "manufactured homes" mean  
38 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)  
39 "sales of used mobile homes or manufactured homes" means sales other  
40 than the original retail sale thereof;

41 (cc) all sales of tangible personal property or services purchased prior  
42 to January 1, 2012, except as otherwise provided, for the purpose of and in  
43 conjunction with constructing, reconstructing, enlarging or remodeling a



1 business or retail business that meets the requirements established in  
2 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
3 machinery and equipment purchased for installation at any such business  
4 or retail business, and all sales of tangible personal property or services  
5 purchased on or after January 1, 2012, for the purpose of and in  
6 conjunction with constructing, reconstructing, enlarging or remodeling a  
7 business that meets the requirements established in K.S.A. 74-50,115(e),  
8 and amendments thereto, and the sale and installation of machinery and  
9 equipment purchased for installation at any such business. When a person  
10 shall contract for the construction, reconstruction, enlargement or  
11 remodeling of any such business or retail business, such person shall  
12 obtain from the state and furnish to the contractor an exemption certificate  
13 for the project involved, and the contractor may purchase materials,  
14 machinery and equipment for incorporation in such project. The contractor  
15 shall furnish the number of such certificates to all suppliers from whom  
16 such purchases are made, and such suppliers shall execute invoices  
17 covering the same bearing the number of such certificate. Upon  
18 completion of the project the contractor shall furnish to the owner of the  
19 business or retail business a sworn statement, on a form to be provided by  
20 the director of taxation, that all purchases so made were entitled to  
21 exemption under this subsection. All invoices shall be held by the  
22 contractor for a period of five years and shall be subject to audit by the  
23 director of taxation. Any contractor or any agent, employee or  
24 subcontractor thereof, who shall use or otherwise dispose of any materials,  
25 machinery or equipment purchased under such a certificate for any  
26 purpose other than that for which such a certificate is issued without the  
27 payment of the sales or compensating tax otherwise imposed thereon, shall  
28 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
29 to the penalties provided for in K.S.A. 79-3615(h), and amendments  
30 thereto. As used in this subsection, "business" and "retail business" mean  
31 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project  
32 exemption certificates that have been previously issued under this  
33 subsection by the department of revenue pursuant to K.S.A. 74-50,115,  
34 and amendments thereto, but not including K.S.A. 74-50,115(e), and  
35 amendments thereto, prior to January 1, 2012, and have not expired will  
36 be effective for the term of the project or two years from the effective date of  
37 the certificate, whichever occurs earlier. Project exemption certificates that  
38 are submitted to the department of revenue prior to January 1, 2012, and  
39 are found to qualify will be issued a project exemption certificate that will  
40 be effective for a two-year period or for the term of the project, whichever  
41 occurs earlier;

42 (dd) all sales of tangible personal property purchased with food  
43 stamps issued by the United States department of agriculture;

1 (ee) all sales of lottery tickets and shares made as part of a lottery  
2 operated by the state of Kansas;

3 (ff) on and after July 1, 1988, all sales of new mobile homes or  
4 manufactured homes to the extent of 40% of the gross receipts, determined  
5 without regard to any trade-in allowance, received from such sale. As used  
6 in this subsection, "mobile homes" and "manufactured homes" mean the  
7 same as defined in K.S.A. 58-4202, and amendments thereto;

8 (gg) all sales of tangible personal property purchased in accordance  
9 with vouchers issued pursuant to the federal special supplemental food  
10 program for women, infants and children;

11 (hh) all sales of medical supplies and equipment, including durable  
12 medical equipment, purchased directly by a nonprofit skilled nursing home  
13 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
14 and amendments thereto, for the purpose of providing medical services to  
15 residents thereof. This exemption shall not apply to tangible personal  
16 property customarily used for human habitation purposes. As used in this  
17 subsection, "durable medical equipment" means equipment including  
18 repair and replacement parts for such equipment, that can withstand  
19 repeated use, is primarily and customarily used to serve a medical purpose,  
20 generally is not useful to a person in the absence of illness or injury and is  
21 not worn in or on the body, but does not include mobility enhancing  
22 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
23 dialysis equipment or enteral feeding systems;

24 (ii) all sales of tangible personal property purchased directly by a  
25 nonprofit organization for nonsectarian comprehensive multidiscipline  
26 youth development programs and activities provided or sponsored by such  
27 organization, and all sales of tangible personal property by or on behalf of  
28 any such organization. This exemption shall not apply to tangible personal  
29 property customarily used for human habitation purposes;

30 (jj) all sales of tangible personal property or services, including the  
31 renting and leasing of tangible personal property, purchased directly on  
32 behalf of a community-based facility for people with intellectual disability  
33 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
34 amendments thereto, and licensed in accordance with the provisions of  
35 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible  
36 personal property or services purchased by contractors during the time  
37 period from July, 2003, through June, 2006, for the purpose of  
38 constructing, equipping, maintaining or furnishing a new facility for a  
39 community-based facility for people with intellectual disability or mental  
40 health center located in Riverton, Cherokee County, Kansas, that would  
41 have been eligible for sales tax exemption pursuant to this subsection if  
42 purchased directly by such facility or center. This exemption shall not  
43 apply to tangible personal property customarily used for human habitation

1 purposes;

2 (kk) (1) (A) all sales of machinery and equipment that are used in this  
3 state as an integral or essential part of an integrated production operation  
4 by a manufacturing or processing plant or facility;

5 (B) all sales of installation, repair and maintenance services  
6 performed on such machinery and equipment; and

7 (C) all sales of repair and replacement parts and accessories  
8 purchased for such machinery and equipment.

9 (2) For purposes of this subsection:

10 (A) "Integrated production operation" means an integrated series of  
11 operations engaged in at a manufacturing or processing plant or facility to  
12 process, transform or convert tangible personal property by physical,  
13 chemical or other means into a different form, composition or character  
14 from that in which it originally existed. Integrated production operations  
15 shall include: (i) Production line operations, including packaging  
16 operations; (ii) preproduction operations to handle, store and treat raw  
17 materials; (iii) post production handling, storage, warehousing and  
18 distribution operations; and (iv) waste, pollution and environmental  
19 control operations, if any;

20 (B) "production line" means the assemblage of machinery and  
21 equipment at a manufacturing or processing plant or facility where the  
22 actual transformation or processing of tangible personal property occurs;

23 (C) "manufacturing or processing plant or facility" means a single,  
24 fixed location owned or controlled by a manufacturing or processing  
25 business that consists of one or more structures or buildings in a  
26 contiguous area where integrated production operations are conducted to  
27 manufacture or process tangible personal property to be ultimately sold at  
28 retail. Such term shall not include any facility primarily operated for the  
29 purpose of conveying or assisting in the conveyance of natural gas,  
30 electricity, oil or water. A business may operate one or more manufacturing  
31 or processing plants or facilities at different locations to manufacture or  
32 process a single product of tangible personal property to be ultimately sold  
33 at retail;

34 (D) "manufacturing or processing business" means a business that  
35 utilizes an integrated production operation to manufacture, process,  
36 fabricate, finish or assemble items for wholesale and retail distribution as  
37 part of what is commonly regarded by the general public as an industrial  
38 manufacturing or processing operation or an agricultural commodity  
39 processing operation. (i) Industrial manufacturing or processing operations  
40 include, by way of illustration but not of limitation, the fabrication of  
41 automobiles, airplanes, machinery or transportation equipment, the  
42 fabrication of metal, plastic, wood or paper products, electricity power  
43 generation, water treatment, petroleum refining, chemical production,

1 wholesale bottling, newspaper printing, ready mixed concrete production,  
2 and the remanufacturing of used parts for wholesale or retail sale. Such  
3 processing operations shall include operations at an oil well, gas well,  
4 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
5 sand or gravel that has been extracted from the earth is cleaned, separated,  
6 crushed, ground, milled, screened, washed or otherwise treated or prepared  
7 before its transmission to a refinery or before any other wholesale or retail  
8 distribution. (ii) Agricultural commodity processing operations include, by  
9 way of illustration but not of limitation, meat packing, poultry slaughtering  
10 and dressing, processing and packaging farm and dairy products in sealed  
11 containers for wholesale and retail distribution, feed grinding, grain  
12 milling, frozen food processing, and grain handling, cleaning, blending,  
13 fumigation, drying and aeration operations engaged in by grain elevators  
14 or other grain storage facilities. (iii) Manufacturing or processing  
15 businesses do not include, by way of illustration but not of limitation,  
16 nonindustrial businesses whose operations are primarily retail and that  
17 produce or process tangible personal property as an incidental part of  
18 conducting the retail business, such as retailers who bake, cook or prepare  
19 food products in the regular course of their retail trade, grocery stores,  
20 meat lockers and meat markets that butcher or dress livestock or poultry in  
21 the regular course of their retail trade, contractors who alter, service, repair  
22 or improve real property, and retail businesses that clean, service or  
23 refurbish and repair tangible personal property for its owner;

24 (E) "repair and replacement parts and accessories" means all parts  
25 and accessories for exempt machinery and equipment, including, but not  
26 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
27 exempt machinery or that are otherwise used in production, and parts and  
28 accessories that require periodic replacement such as belts, drill bits,  
29 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
30 other refractory items for exempt kiln equipment used in production  
31 operations;

32 (F) "primary" or "primarily" mean more than 50% of the time.

33 (3) For purposes of this subsection, machinery and equipment shall  
34 be deemed to be used as an integral or essential part of an integrated  
35 production operation when used to:

36 (A) Receive, transport, convey, handle, treat or store raw materials in  
37 preparation of its placement on the production line;

38 (B) transport, convey, handle or store the property undergoing  
39 manufacturing or processing at any point from the beginning of the  
40 production line through any warehousing or distribution operation of the  
41 final product that occurs at the plant or facility;

42 (C) act upon, effect, promote or otherwise facilitate a physical change  
43 to the property undergoing manufacturing or processing;

1 (D) guide, control or direct the movement of property undergoing  
2 manufacturing or processing;

3 (E) test or measure raw materials, the property undergoing  
4 manufacturing or processing or the finished product, as a necessary part of  
5 the manufacturer's integrated production operations;

6 (F) plan, manage, control or record the receipt and flow of inventories  
7 of raw materials, consumables and component parts, the flow of the  
8 property undergoing manufacturing or processing and the management of  
9 inventories of the finished product;

10 (G) produce energy for, lubricate, control the operating of or  
11 otherwise enable the functioning of other production machinery and  
12 equipment and the continuation of production operations;

13 (H) package the property being manufactured or processed in a  
14 container or wrapping in which such property is normally sold or  
15 transported;

16 (I) transmit or transport electricity, coke, gas, water, steam or similar  
17 substances used in production operations from the point of generation, if  
18 produced by the manufacturer or processor at the plant site, to that  
19 manufacturer's production operation; or, if purchased or delivered from  
20 off-site, from the point where the substance enters the site of the plant or  
21 facility to that manufacturer's production operations;

22 (J) cool, heat, filter, refine or otherwise treat water, steam, acid, oil,  
23 solvents or other substances that are used in production operations;

24 (K) provide and control an environment required to maintain certain  
25 levels of air quality, humidity or temperature in special and limited areas  
26 of the plant or facility, where such regulation of temperature or humidity is  
27 part of and essential to the production process;

28 (L) treat, transport or store waste or other byproducts of production  
29 operations at the plant or facility; or

30 (M) control pollution at the plant or facility where the pollution is  
31 produced by the manufacturing or processing operation.

32 (4) The following machinery, equipment and materials shall be  
33 deemed to be exempt even though it may not otherwise qualify as  
34 machinery and equipment used as an integral or essential part of an  
35 integrated production operation: (A) Computers and related peripheral  
36 equipment that are utilized by a manufacturing or processing business for  
37 engineering of the finished product or for research and development or  
38 product design; (B) machinery and equipment that is utilized by a  
39 manufacturing or processing business to manufacture or rebuild tangible  
40 personal property that is used in manufacturing or processing operations,  
41 including tools, dies, molds, forms and other parts of qualifying machinery  
42 and equipment; (C) portable plants for aggregate concrete, bulk cement  
43 and asphalt including cement mixing drums to be attached to a motor

1 vehicle; (D) industrial fixtures, devices, support facilities and special  
2 foundations necessary for manufacturing and production operations, and  
3 materials and other tangible personal property sold for the purpose of  
4 fabricating such fixtures, devices, facilities and foundations. An exemption  
5 certificate for such purchases shall be signed by the manufacturer or  
6 processor. If the fabricator purchases such material, the fabricator shall  
7 also sign the exemption certificate; (E) a manufacturing or processing  
8 business' laboratory equipment that is not located at the plant or facility,  
9 but that would otherwise qualify for exemption under subsection (3)(E);  
10 (F) all machinery and equipment used in surface mining activities as  
11 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
12 from the time a reclamation plan is filed to the acceptance of the  
13 completed final site reclamation.

14 (5) "Machinery and equipment used as an integral or essential part of  
15 an integrated production operation" shall not include:

16 (A) Machinery and equipment used for nonproduction purposes,  
17 including, but not limited to, machinery and equipment used for plant  
18 security, fire prevention, first aid, accounting, administration, record  
19 keeping, advertising, marketing, sales or other related activities, plant  
20 cleaning, plant communications and employee work scheduling;

21 (B) machinery, equipment and tools used primarily in maintaining  
22 and repairing any type of machinery and equipment or the building and  
23 plant;

24 (C) transportation, transmission and distribution equipment not  
25 primarily used in a production, warehousing or material handling  
26 operation at the plant or facility, including the means of conveyance of  
27 natural gas, electricity, oil or water, and equipment related thereto, located  
28 outside the plant or facility;

29 (D) office machines and equipment including computers and related  
30 peripheral equipment not used directly and primarily to control or measure  
31 the manufacturing process;

32 (E) furniture and other furnishings;

33 (F) buildings, other than exempt machinery and equipment that is  
34 permanently affixed to or becomes a physical part of the building, and any  
35 other part of real estate that is not otherwise exempt;

36 (G) building fixtures that are not integral to the manufacturing  
37 operation, such as utility systems for heating, ventilation, air conditioning,  
38 communications, plumbing or electrical;

39 (H) machinery and equipment used for general plant heating, cooling  
40 and lighting;

41 (I) motor vehicles that are registered for operation on public  
42 highways; or

43 (J) employee apparel, except safety and protective apparel that is

1 purchased by an employer and furnished gratuitously to employees who  
2 are involved in production or research activities.

3 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings  
4 of the machinery and equipment that qualify or do not qualify as an  
5 integral or essential part of an integrated production operation. When  
6 machinery or equipment is used as an integral or essential part of  
7 production operations part of the time and for nonproduction purposes at  
8 other times, the primary use of the machinery or equipment shall  
9 determine whether or not such machinery or equipment qualifies for  
10 exemption.

11 (7) The secretary of revenue shall adopt rules and regulations  
12 necessary to administer the provisions of this subsection;

13 (ll) all sales of educational materials purchased for distribution to the  
14 public at no charge by a nonprofit corporation organized for the purpose of  
15 encouraging, fostering and conducting programs for the improvement of  
16 public health, except that for taxable years commencing after December  
17 31, 2013, this subsection shall not apply to any sales of such materials  
18 purchased by a nonprofit corporation which performs any abortion, as  
19 defined in K.S.A. 65-6701, and amendments thereto;

20 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,  
21 herbicides, germicides, pesticides and fungicides; and services, purchased  
22 and used for the purpose of producing plants in order to prevent soil  
23 erosion on land devoted to agricultural use;

24 (nn) except as otherwise provided in this act, all sales of services  
25 rendered by an advertising agency or licensed broadcast station or any  
26 member, agent or employee thereof;

27 (oo) all sales of tangible personal property purchased by a community  
28 action group or agency for the exclusive purpose of repairing or  
29 weatherizing housing occupied by low-income individuals;

30 (pp) all sales of drill bits and explosives actually utilized in the  
31 exploration and production of oil or gas;

32 (qq) all sales of tangible personal property and services purchased by  
33 a nonprofit museum or historical society or any combination thereof,  
34 including a nonprofit organization that is organized for the purpose of  
35 stimulating public interest in the exploration of space by providing  
36 educational information, exhibits and experiences, that is exempt from  
37 federal income taxation pursuant to section 501(c)(3) of the federal  
38 internal revenue code of 1986;

39 (rr) all sales of tangible personal property that will admit the  
40 purchaser thereof to any annual event sponsored by a nonprofit  
41 organization that is exempt from federal income taxation pursuant to  
42 section 501(c)(3) of the federal internal revenue code of 1986, except that  
43 for taxable years commencing after December 31, 2013, this subsection

1 shall not apply to any sales of such tangible personal property purchased  
2 by a nonprofit organization which performs any abortion, as defined in  
3 K.S.A. 65-6701, and amendments thereto;

4 (ss) all sales of tangible personal property and services purchased by  
5 a public broadcasting station licensed by the federal communications  
6 commission as a noncommercial educational television or radio station;

7 (tt) all sales of tangible personal property and services purchased by  
8 or on behalf of a not-for-profit corporation that is exempt from federal  
9 income taxation pursuant to section 501(c)(3) of the federal internal  
10 revenue code of 1986, for the sole purpose of constructing a Kansas  
11 Korean War memorial;

12 (uu) all sales of tangible personal property and services purchased by  
13 or on behalf of any rural volunteer fire-fighting organization for use  
14 exclusively in the performance of its duties and functions;

15 (vv) all sales of tangible personal property purchased by any of the  
16 following organizations that are exempt from federal income taxation  
17 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
18 for the following purposes, and all sales of any such property by or on  
19 behalf of any such organization for any such purpose:

20 (1) The American heart association, Kansas affiliate, inc. for the  
21 purposes of providing education, training, certification in emergency  
22 cardiac care, research and other related services to reduce disability and  
23 death from cardiovascular diseases and stroke;

24 (2) the Kansas alliance for the mentally ill, inc. for the purpose of  
25 advocacy for persons with mental illness and to education, research and  
26 support for their families;

27 (3) the Kansas mental illness awareness council for the purposes of  
28 advocacy for persons who are mentally ill and for education, research and  
29 support for them and their families;

30 (4) the American diabetes association Kansas affiliate, inc. for the  
31 purpose of eliminating diabetes through medical research, public education  
32 focusing on disease prevention and education, patient education including  
33 information on coping with diabetes, and professional education and  
34 training;

35 (5) the American lung association of Kansas, inc. for the purpose of  
36 eliminating all lung diseases through medical research, public education  
37 including information on coping with lung diseases, professional education  
38 and training related to lung disease and other related services to reduce the  
39 incidence of disability and death due to lung disease;

40 (6) the Kansas chapters of the Alzheimer's disease and related  
41 disorders association, inc. for the purpose of providing assistance and  
42 support to persons in Kansas with Alzheimer's disease, and their families  
43 and caregivers;



- 1 (7) the Kansas chapters of the Parkinson's disease association for the  
2 purpose of eliminating Parkinson's disease through medical research and  
3 public and professional education related to such disease;
- 4 (8) the national kidney foundation of Kansas and western Missouri  
5 for the purpose of eliminating kidney disease through medical research  
6 and public and private education related to such disease;
- 7 (9) the heartstrings community foundation for the purpose of  
8 providing training, employment and activities for adults with  
9 developmental disabilities;
- 10 (10) the cystic fibrosis foundation, heart of America chapter, for the  
11 purposes of assuring the development of the means to cure and control  
12 cystic fibrosis and improving the quality of life for those with the disease;
- 13 (11) the spina bifida association of Kansas for the purpose of  
14 providing financial, educational and practical aid to families and  
15 individuals with spina bifida. Such aid includes, but is not limited to,  
16 funding for medical devices, counseling and medical educational  
17 opportunities;
- 18 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
19 neighborhoods through the construction of new homes, acquiring and  
20 renovating existing homes and other related activities, and promoting  
21 economic development in such neighborhoods;
- 22 (13) the cross-lines cooperative council for the purpose of providing  
23 social services to low income individuals and families;
- 24 (14) the dreams work, inc., for the purpose of providing young adult  
25 day services to individuals with developmental disabilities and assisting  
26 families in avoiding institutional or nursing home care for a  
27 developmentally disabled member of their family;
- 28 (15) the KSDS, Inc., for the purpose of promoting the independence  
29 and inclusion of people with disabilities as fully participating and  
30 contributing members of their communities and society through the  
31 training and providing of guide and service dogs to people with  
32 disabilities, and providing disability education and awareness to the  
33 general public;
- 34 (16) the lyme association of greater Kansas City, Inc., for the purpose  
35 of providing support to persons with lyme disease and public education  
36 relating to the prevention, treatment and cure of lyme disease;
- 37 (17) the dream factory, inc., for the purpose of granting the dreams of  
38 children with critical and chronic illnesses;
- 39 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
40 students and families with education and resources necessary to enable  
41 each child to develop fine character and musical ability to the fullest  
42 potential;
- 43 (19) the international association of lions clubs for the purpose of

1 creating and fostering a spirit of understanding among all people for  
2 humanitarian needs by providing voluntary services through community  
3 involvement and international cooperation;

4 (20) the Johnson county young matrons, inc., for the purpose of  
5 promoting a positive future for members of the community through  
6 volunteerism, financial support and education through the efforts of an all  
7 volunteer organization;

8 (21) the American cancer society, inc., for the purpose of eliminating  
9 cancer as a major health problem by preventing cancer, saving lives and  
10 diminishing suffering from cancer, through research, education, advocacy  
11 and service;

12 (22) the community services of Shawnee, inc., for the purpose of  
13 providing food and clothing to those in need;

14 (23) the angel babies association, for the purpose of providing  
15 assistance, support and items of necessity to teenage mothers and their  
16 babies; and

17 (24) the Kansas fairgrounds foundation for the purpose of the  
18 preservation, renovation and beautification of the Kansas state fairgrounds;

19 (ww) all sales of tangible personal property purchased by the habitat  
20 for humanity for the exclusive use of being incorporated within a housing  
21 project constructed by such organization;

22 (xx) all sales of tangible personal property and services purchased by  
23 a nonprofit zoo that is exempt from federal income taxation pursuant to  
24 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
25 of such zoo by an entity itself exempt from federal income taxation  
26 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
27 contracted with to operate such zoo and all sales of tangible personal  
28 property or services purchased by a contractor for the purpose of  
29 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
30 furnishing or remodeling facilities for any nonprofit zoo that would be  
31 exempt from taxation under the provisions of this section if purchased  
32 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
33 this subsection shall be deemed to exempt the purchase of any construction  
34 machinery, equipment or tools used in the constructing, equipping,  
35 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
36 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
37 the purpose of constructing, equipping, reconstructing, maintaining,  
38 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
39 from the state and furnish to the contractor an exemption certificate for the  
40 project involved, and the contractor may purchase materials for  
41 incorporation in such project. The contractor shall furnish the number of  
42 such certificate to all suppliers from whom such purchases are made, and  
43 such suppliers shall execute invoices covering the same bearing the

1 number of such certificate. Upon completion of the project the contractor  
2 shall furnish to the nonprofit zoo concerned a sworn statement, on a form  
3 to be provided by the director of taxation, that all purchases so made were  
4 entitled to exemption under this subsection. All invoices shall be held by  
5 the contractor for a period of five years and shall be subject to audit by the  
6 director of taxation. If any materials purchased under such a certificate are  
7 found not to have been incorporated in the building or other project or not  
8 to have been returned for credit or the sales or compensating tax otherwise  
9 imposed upon such materials that will not be so incorporated in the  
10 building or other project reported and paid by such contractor to the  
11 director of taxation not later than the 20<sup>th</sup> day of the month following the  
12 close of the month in which it shall be determined that such materials will  
13 not be used for the purpose for which such certificate was issued, the  
14 nonprofit zoo concerned shall be liable for tax on all materials purchased  
15 for the project, and upon payment thereof it may recover the same from  
16 the contractor together with reasonable attorney fees. Any contractor or  
17 any agent, employee or subcontractor thereof, who shall use or otherwise  
18 dispose of any materials purchased under such a certificate for any purpose  
19 other than that for which such a certificate is issued without the payment  
20 of the sales or compensating tax otherwise imposed upon such materials,  
21 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
22 subject to the penalties provided for in K.S.A. 79-3615(h), and  
23 amendments thereto;

24 (yy) all sales of tangible personal property and services purchased by  
25 a parent-teacher association or organization, and all sales of tangible  
26 personal property by or on behalf of such association or organization;

27 (zz) all sales of machinery and equipment purchased by over-the-air,  
28 free access radio or television station that is used directly and primarily for  
29 the purpose of producing a broadcast signal or is such that the failure of  
30 the machinery or equipment to operate would cause broadcasting to cease.  
31 For purposes of this subsection, machinery and equipment shall include,  
32 but not be limited to, that required by rules and regulations of the federal  
33 communications commission, and all sales of electricity which are  
34 essential or necessary for the purpose of producing a broadcast signal or is  
35 such that the failure of the electricity would cause broadcasting to cease;

36 (aaa) all sales of tangible personal property and services purchased by  
37 a religious organization that is exempt from federal income taxation  
38 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
39 exclusively for religious purposes, and all sales of tangible personal  
40 property or services purchased by a contractor for the purpose of  
41 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
42 furnishing or remodeling facilities for any such organization that would be  
43 exempt from taxation under the provisions of this section if purchased

1 directly by such organization. Nothing in this subsection shall be deemed  
2 to exempt the purchase of any construction machinery, equipment or tools  
3 used in the constructing, equipping, reconstructing, maintaining, repairing,  
4 enlarging, furnishing or remodeling facilities for any such organization.  
5 When any such organization shall contract for the purpose of constructing,  
6 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
7 remodeling facilities, it shall obtain from the state and furnish to the  
8 contractor an exemption certificate for the project involved, and the  
9 contractor may purchase materials for incorporation in such project. The  
10 contractor shall furnish the number of such certificate to all suppliers from  
11 whom such purchases are made, and such suppliers shall execute invoices  
12 covering the same bearing the number of such certificate. Upon  
13 completion of the project the contractor shall furnish to such organization  
14 concerned a sworn statement, on a form to be provided by the director of  
15 taxation, that all purchases so made were entitled to exemption under this  
16 subsection. All invoices shall be held by the contractor for a period of five  
17 years and shall be subject to audit by the director of taxation. If any  
18 materials purchased under such a certificate are found not to have been  
19 incorporated in the building or other project or not to have been returned  
20 for credit or the sales or compensating tax otherwise imposed upon such  
21 materials that will not be so incorporated in the building or other project  
22 reported and paid by such contractor to the director of taxation not later  
23 than the 20<sup>th</sup> day of the month following the close of the month in which it  
24 shall be determined that such materials will not be used for the purpose for  
25 which such certificate was issued, such organization concerned shall be  
26 liable for tax on all materials purchased for the project, and upon payment  
27 thereof it may recover the same from the contractor together with  
28 reasonable attorney fees. Any contractor or any agent, employee or  
29 subcontractor thereof, who shall use or otherwise dispose of any materials  
30 purchased under such a certificate for any purpose other than that for  
31 which such a certificate is issued without the payment of the sales or  
32 compensating tax otherwise imposed upon such materials, shall be guilty  
33 of a misdemeanor and, upon conviction therefor, shall be subject to the  
34 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
35 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
36 this act upon the gross receipts received from any sale exempted by the  
37 amendatory provisions of this subsection shall be refunded. Each claim for  
38 a sales tax refund shall be verified and submitted to the director of taxation  
39 upon forms furnished by the director and shall be accompanied by any  
40 additional documentation required by the director. The director shall  
41 review each claim and shall refund that amount of sales tax paid as  
42 determined under the provisions of this subsection. All refunds shall be  
43 paid from the sales tax refund fund upon warrants of the director of

1 accounts and reports pursuant to vouchers approved by the director or the  
2 director's designee;

3 (bbb) all sales of food for human consumption by an organization that  
4 is exempt from federal income taxation pursuant to section 501(c)(3) of  
5 the federal internal revenue code of 1986, pursuant to a food distribution  
6 program that offers such food at a price below cost in exchange for the  
7 performance of community service by the purchaser thereof;

8 (ccc) (1) ~~on and after July 1, 1999, as provided by paragraph (3),~~ all  
9 sales of tangible personal property and services purchased by a *community*  
10 *pharmacy*, primary care clinic or health center the primary purpose of  
11 which is to provide services to medically underserved individuals and  
12 families, and that is exempt from federal income taxation pursuant to  
13 section 501(c)(3) of the federal internal revenue code, and all sales of  
14 tangible personal property or services purchased by a contractor for the  
15 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
16 enlarging, furnishing or remodeling facilities for any such *pharmacy*, clinic  
17 or center that would be exempt from taxation under the provisions of this  
18 section if purchased directly by such *pharmacy*, clinic or center, except  
19 ~~that for taxable years commencing after December 31, 2013,~~ this  
20 subsection shall not apply to any sales of such tangible personal property  
21 and services purchased by a primary care clinic or health center ~~which that~~  
22 performs any abortion, as defined in K.S.A. 65-6701, and amendments  
23 thereto, *or a community pharmacy that dispenses a prescription drug*  
24 *intended to be used for the purpose of causing an abortion, as defined in*  
25 *K.S.A. 65-6701, and amendments thereto, of a pregnancy.* Nothing in this  
26 subsection shall be deemed to exempt the purchase of any construction  
27 machinery, equipment or tools used in the constructing, equipping,  
28 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
29 facilities for any such *pharmacy*, clinic or center. When any such  
30 *pharmacy*, clinic or center shall contract for the purpose of constructing,  
31 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
32 remodeling facilities, it shall obtain from the state and furnish to the  
33 contractor an exemption certificate for the project involved, and the  
34 contractor may purchase materials for incorporation in such project. The  
35 contractor shall furnish the number of such certificate to all suppliers from  
36 whom such purchases are made, and such suppliers shall execute invoices  
37 covering ~~the same~~ *such purchases* bearing the number of such certificate.  
38 Upon completion of the project the contractor shall furnish to such  
39 *pharmacy*, clinic or center concerned a sworn statement, on a form to be  
40 provided by the director of taxation, that all purchases so made were  
41 entitled to exemption under this subsection. All invoices shall be held by  
42 the contractor for a period of five years and shall be subject to audit by the  
43 director of taxation. If any materials purchased under such a certificate are

1 found not to have been incorporated in the building or other project or ~~not~~  
2 ~~to have been~~ returned for credit or the sales or compensating tax otherwise  
3 imposed upon such materials that will not be so incorporated in the  
4 building or other project *not* reported and paid by such contractor to the  
5 director of taxation not later than the 20<sup>th</sup> day of the month following the  
6 close of the month in which it shall be determined that such materials will  
7 not be used for the purpose for which such certificate was issued, such  
8 *pharmacy*, clinic or center concerned shall be liable for tax *not paid on* ~~all~~  
9 *such* materials purchased for the project, and upon payment thereof ~~such~~  
10 *pharmacy, clinic or center* may recover the same from the contractor  
11 together with reasonable attorney fees. Any contractor or any agent,  
12 employee or subcontractor thereof, who shall use or otherwise dispose of  
13 any materials purchased under such a certificate for any purpose other than  
14 that for which such a certificate is issued without the payment of the sales  
15 or compensating tax otherwise imposed upon such materials, shall be  
16 guilty of a misdemeanor and, upon conviction therefor, shall be subject to  
17 the penalties provided for in K.S.A. 79-3615(h), and amendments thereto.

18 (2) *For purposes of this subsection, "community pharmacy" or*  
19 *"pharmacy" means a retail pharmacy engaged in the dispensing of*  
20 *prescriptions and that may also provide other healthcare products or*  
21 *services.*

22 (3) *The provisions of paragraph (1) shall apply to a community*  
23 *pharmacy on and after July 1, 2025;*

24 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
25 sales of materials and services purchased by any class II or III railroad as  
26 classified by the federal surface transportation board for the construction,  
27 renovation, repair or replacement of class II or III railroad track and  
28 facilities used directly in interstate commerce. In the event any such track  
29 or facility for which materials and services were purchased sales tax  
30 exempt is not operational for five years succeeding the allowance of such  
31 exemption, the total amount of sales tax that would have been payable  
32 except for the operation of this subsection shall be recouped in accordance  
33 with rules and regulations adopted for such purpose by the secretary of  
34 revenue;

35 (eee) on and after January 1, 1999, and before January 1, 2001, all  
36 sales of materials and services purchased for the original construction,  
37 reconstruction, repair or replacement of grain storage facilities, including  
38 railroad sidings providing access thereto;

39 (fff) all sales of material handling equipment, racking systems and  
40 other related machinery and equipment that is used for the handling,  
41 movement or storage of tangible personal property in a warehouse or  
42 distribution facility in this state; all sales of installation, repair and  
43 maintenance services performed on such machinery and equipment; and

1 all sales of repair and replacement parts for such machinery and  
2 equipment. For purposes of this subsection, a warehouse or distribution  
3 facility means a single, fixed location that consists of buildings or  
4 structures in a contiguous area where storage or distribution operations are  
5 conducted that are separate and apart from the business' retail operations,  
6 if any, and that do not otherwise qualify for exemption as occurring at a  
7 manufacturing or processing plant or facility. Material handling and  
8 storage equipment shall include aeration, dust control, cleaning, handling  
9 and other such equipment that is used in a public grain warehouse or other  
10 commercial grain storage facility, whether used for grain handling, grain  
11 storage, grain refining or processing, or other grain treatment operation;

12 (ggg) all sales of tangible personal property and services purchased  
13 by or on behalf of the Kansas academy of science, which is exempt from  
14 federal income taxation pursuant to section 501(c)(3) of the federal  
15 internal revenue code of 1986, and used solely by such academy for the  
16 preparation, publication and dissemination of education materials;

17 (hhh) all sales of tangible personal property and services purchased  
18 by or on behalf of all domestic violence shelters that are member agencies  
19 of the Kansas coalition against sexual and domestic violence;

20 (iii) all sales of personal property and services purchased by an  
21 organization that is exempt from federal income taxation pursuant to  
22 section 501(c)(3) of the federal internal revenue code of 1986, and such  
23 personal property and services are used by any such organization in the  
24 collection, storage and distribution of food products to nonprofit  
25 organizations that distribute such food products to persons pursuant to a  
26 food distribution program on a charitable basis without fee or charge, and  
27 all sales of tangible personal property or services purchased by a  
28 contractor for the purpose of constructing, equipping, reconstructing,  
29 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
30 for the collection and storage of such food products for any such  
31 organization which is exempt from federal income taxation pursuant to  
32 section 501(c)(3) of the federal internal revenue code of 1986, that would  
33 be exempt from taxation under the provisions of this section if purchased  
34 directly by such organization. Nothing in this subsection shall be deemed  
35 to exempt the purchase of any construction machinery, equipment or tools  
36 used in the constructing, equipping, reconstructing, maintaining, repairing,  
37 enlarging, furnishing or remodeling facilities for any such organization.  
38 When any such organization shall contract for the purpose of constructing,  
39 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
40 remodeling facilities, it shall obtain from the state and furnish to the  
41 contractor an exemption certificate for the project involved, and the  
42 contractor may purchase materials for incorporation in such project. The  
43 contractor shall furnish the number of such certificate to all suppliers from

1 whom such purchases are made, and such suppliers shall execute invoices  
2 covering the same bearing the number of such certificate. Upon  
3 completion of the project the contractor shall furnish to such organization  
4 concerned a sworn statement, on a form to be provided by the director of  
5 taxation, that all purchases so made were entitled to exemption under this  
6 subsection. All invoices shall be held by the contractor for a period of five  
7 years and shall be subject to audit by the director of taxation. If any  
8 materials purchased under such a certificate are found not to have been  
9 incorporated in such facilities or not to have been returned for credit or the  
10 sales or compensating tax otherwise imposed upon such materials that will  
11 not be so incorporated in such facilities reported and paid by such  
12 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
13 month following the close of the month in which it shall be determined  
14 that such materials will not be used for the purpose for which such  
15 certificate was issued, such organization concerned shall be liable for tax  
16 on all materials purchased for the project, and upon payment thereof it  
17 may recover the same from the contractor together with reasonable  
18 attorney fees. Any contractor or any agent, employee or subcontractor  
19 thereof, who shall use or otherwise dispose of any materials purchased  
20 under such a certificate for any purpose other than that for which such a  
21 certificate is issued without the payment of the sales or compensating tax  
22 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
23 and, upon conviction therefor, shall be subject to the penalties provided for  
24 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
25 July 1, 2005, but prior to the effective date of this act upon the gross  
26 receipts received from any sale exempted by the amendatory provisions of  
27 this subsection shall be refunded. Each claim for a sales tax refund shall be  
28 verified and submitted to the director of taxation upon forms furnished by  
29 the director and shall be accompanied by any additional documentation  
30 required by the director. The director shall review each claim and shall  
31 refund that amount of sales tax paid as determined under the provisions of  
32 this subsection. All refunds shall be paid from the sales tax refund fund  
33 upon warrants of the director of accounts and reports pursuant to vouchers  
34 approved by the director or the director's designee;

35 (jjj) all sales of dietary supplements dispensed pursuant to a  
36 prescription order by a licensed practitioner or a mid-level practitioner as  
37 defined by K.S.A. 65-1626, and amendments thereto. As used in this  
38 subsection, "dietary supplement" means any product, other than tobacco,  
39 intended to supplement the diet that: (1) Contains one or more of the  
40 following dietary ingredients: A vitamin, a mineral, an herb or other  
41 botanical, an amino acid, a dietary substance for use by humans to  
42 supplement the diet by increasing the total dietary intake or a concentrate,  
43 metabolite, constituent, extract or combination of any such ingredient; (2)



1 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or  
2 liquid form, or if not intended for ingestion, in such a form, is not  
3 represented as conventional food and is not represented for use as a sole  
4 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
5 supplement, identifiable by the supplemental facts box found on the label  
6 and as required pursuant to 21 C.F.R. § 101.36;

7 (lll) all sales of tangible personal property and services purchased by  
8 special olympics Kansas, inc. for the purpose of providing year-round  
9 sports training and athletic competition in a variety of olympic-type sports  
10 for individuals with intellectual disabilities by giving them continuing  
11 opportunities to develop physical fitness, demonstrate courage, experience  
12 joy and participate in a sharing of gifts, skills and friendship with their  
13 families, other special olympics athletes and the community, and activities  
14 provided or sponsored by such organization, and all sales of tangible  
15 personal property by or on behalf of any such organization;

16 (mmm) all sales of tangible personal property purchased by or on  
17 behalf of the Marillac center, inc., which is exempt from federal income  
18 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
19 for the purpose of providing psycho-social-biological and special  
20 education services to children, and all sales of any such property by or on  
21 behalf of such organization for such purpose;

22 (nnn) all sales of tangible personal property and services purchased  
23 by the west Sedgwick county-sunrise rotary club and sunrise charitable  
24 fund for the purpose of constructing a boundless playground which is an  
25 integrated, barrier free and developmentally advantageous play  
26 environment for children of all abilities and disabilities;

27 (ooo) all sales of tangible personal property by or on behalf of a  
28 public library serving the general public and supported in whole or in part  
29 with tax money or a not-for-profit organization whose purpose is to raise  
30 funds for or provide services or other benefits to any such public library;

31 (ppp) all sales of tangible personal property and services purchased  
32 by or on behalf of a homeless shelter that is exempt from federal income  
33 taxation pursuant to section 501(c)(3) of the federal income tax code of  
34 1986, and used by any such homeless shelter to provide emergency and  
35 transitional housing for individuals and families experiencing  
36 homelessness, and all sales of any such property by or on behalf of any  
37 such homeless shelter for any such purpose;

38 (qqq) all sales of tangible personal property and services purchased  
39 by TLC for children and families, inc., hereinafter referred to as TLC,  
40 which is exempt from federal income taxation pursuant to section 501(c)  
41 (3) of the federal internal revenue code of 1986, and such property and  
42 services are used for the purpose of providing emergency shelter and  
43 treatment for abused and neglected children as well as meeting additional

1 critical needs for children, juveniles and family, and all sales of any such  
2 property by or on behalf of TLC for any such purpose; and all sales of  
3 tangible personal property or services purchased by a contractor for the  
4 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
5 remodeling facilities for the operation of services for TLC for any such  
6 purpose that would be exempt from taxation under the provisions of this  
7 section if purchased directly by TLC. Nothing in this subsection shall be  
8 deemed to exempt the purchase of any construction machinery, equipment  
9 or tools used in the constructing, maintaining, repairing, enlarging,  
10 furnishing or remodeling such facilities for TLC. When TLC contracts for  
11 the purpose of constructing, maintaining, repairing, enlarging, furnishing  
12 or remodeling such facilities, it shall obtain from the state and furnish to  
13 the contractor an exemption certificate for the project involved, and the  
14 contractor may purchase materials for incorporation in such project. The  
15 contractor shall furnish the number of such certificate to all suppliers from  
16 whom such purchases are made, and such suppliers shall execute invoices  
17 covering the same bearing the number of such certificate. Upon  
18 completion of the project the contractor shall furnish to TLC a sworn  
19 statement, on a form to be provided by the director of taxation, that all  
20 purchases so made were entitled to exemption under this subsection. All  
21 invoices shall be held by the contractor for a period of five years and shall  
22 be subject to audit by the director of taxation. If any materials purchased  
23 under such a certificate are found not to have been incorporated in the  
24 building or other project or not to have been returned for credit or the sales  
25 or compensating tax otherwise imposed upon such materials that will not  
26 be so incorporated in the building or other project reported and paid by  
27 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
28 month following the close of the month in which it shall be determined  
29 that such materials will not be used for the purpose for which such  
30 certificate was issued, TLC shall be liable for tax on all materials  
31 purchased for the project, and upon payment thereof it may recover the  
32 same from the contractor together with reasonable attorney fees. Any  
33 contractor or any agent, employee or subcontractor thereof, who shall use  
34 or otherwise dispose of any materials purchased under such a certificate  
35 for any purpose other than that for which such a certificate is issued  
36 without the payment of the sales or compensating tax otherwise imposed  
37 upon such materials, shall be guilty of a misdemeanor and, upon  
38 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
39 79-3615(h), and amendments thereto;

40 (rrr) all sales of tangible personal property and services purchased by  
41 any county law library maintained pursuant to law and sales of tangible  
42 personal property and services purchased by an organization that would  
43 have been exempt from taxation under the provisions of this subsection if

1 purchased directly by the county law library for the purpose of providing  
2 legal resources to attorneys, judges, students and the general public, and  
3 all sales of any such property by or on behalf of any such county law  
4 library;

5 (sss) all sales of tangible personal property and services purchased by  
6 catholic charities or youthville, hereinafter referred to as charitable family  
7 providers, which is exempt from federal income taxation pursuant to  
8 section 501(c)(3) of the federal internal revenue code of 1986, and which  
9 such property and services are used for the purpose of providing  
10 emergency shelter and treatment for abused and neglected children as well  
11 as meeting additional critical needs for children, juveniles and family, and  
12 all sales of any such property by or on behalf of charitable family  
13 providers for any such purpose; and all sales of tangible personal property  
14 or services purchased by a contractor for the purpose of constructing,  
15 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
16 the operation of services for charitable family providers for any such  
17 purpose which would be exempt from taxation under the provisions of this  
18 section if purchased directly by charitable family providers. Nothing in  
19 this subsection shall be deemed to exempt the purchase of any construction  
20 machinery, equipment or tools used in the constructing, maintaining,  
21 repairing, enlarging, furnishing or remodeling such facilities for charitable  
22 family providers. When charitable family providers contracts for the  
23 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
24 remodeling such facilities, it shall obtain from the state and furnish to the  
25 contractor an exemption certificate for the project involved, and the  
26 contractor may purchase materials for incorporation in such project. The  
27 contractor shall furnish the number of such certificate to all suppliers from  
28 whom such purchases are made, and such suppliers shall execute invoices  
29 covering the same bearing the number of such certificate. Upon  
30 completion of the project the contractor shall furnish to charitable family  
31 providers a sworn statement, on a form to be provided by the director of  
32 taxation, that all purchases so made were entitled to exemption under this  
33 subsection. All invoices shall be held by the contractor for a period of five  
34 years and shall be subject to audit by the director of taxation. If any  
35 materials purchased under such a certificate are found not to have been  
36 incorporated in the building or other project or not to have been returned  
37 for credit or the sales or compensating tax otherwise imposed upon such  
38 materials that will not be so incorporated in the building or other project  
39 reported and paid by such contractor to the director of taxation not later  
40 than the 20<sup>th</sup> day of the month following the close of the month in which it  
41 shall be determined that such materials will not be used for the purpose for  
42 which such certificate was issued, charitable family providers shall be  
43 liable for tax on all materials purchased for the project, and upon payment

1 thereof it may recover the same from the contractor together with  
2 reasonable attorney fees. Any contractor or any agent, employee or  
3 subcontractor thereof, who shall use or otherwise dispose of any materials  
4 purchased under such a certificate for any purpose other than that for  
5 which such a certificate is issued without the payment of the sales or  
6 compensating tax otherwise imposed upon such materials, shall be guilty  
7 of a misdemeanor and, upon conviction therefor, shall be subject to the  
8 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

9 (ttt) all sales of tangible personal property or services purchased by a  
10 contractor for a project for the purpose of restoring, constructing,  
11 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
12 remodeling a home or facility owned by a nonprofit museum that has been  
13 granted an exemption pursuant to subsection (qq), which such home or  
14 facility is located in a city that has been designated as a qualified  
15 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
16 amendments thereto, and which such project is related to the purposes of  
17 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
18 exempt from taxation under the provisions of this section if purchased  
19 directly by such nonprofit museum. Nothing in this subsection shall be  
20 deemed to exempt the purchase of any construction machinery, equipment  
21 or tools used in the restoring, constructing, equipping, reconstructing,  
22 maintaining, repairing, enlarging, furnishing or remodeling a home or  
23 facility for any such nonprofit museum. When any such nonprofit museum  
24 shall contract for the purpose of restoring, constructing, equipping,  
25 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
26 a home or facility, it shall obtain from the state and furnish to the  
27 contractor an exemption certificate for the project involved, and the  
28 contractor may purchase materials for incorporation in such project. The  
29 contractor shall furnish the number of such certificates to all suppliers  
30 from whom such purchases are made, and such suppliers shall execute  
31 invoices covering the same bearing the number of such certificate. Upon  
32 completion of the project, the contractor shall furnish to such nonprofit  
33 museum a sworn statement on a form to be provided by the director of  
34 taxation that all purchases so made were entitled to exemption under this  
35 subsection. All invoices shall be held by the contractor for a period of five  
36 years and shall be subject to audit by the director of taxation. If any  
37 materials purchased under such a certificate are found not to have been  
38 incorporated in the building or other project or not to have been returned  
39 for credit or the sales or compensating tax otherwise imposed upon such  
40 materials that will not be so incorporated in a home or facility or other  
41 project reported and paid by such contractor to the director of taxation not  
42 later than the 20<sup>th</sup> day of the month following the close of the month in  
43 which it shall be determined that such materials will not be used for the

1 purpose for which such certificate was issued, such nonprofit museum  
2 shall be liable for tax on all materials purchased for the project, and upon  
3 payment thereof it may recover the same from the contractor together with  
4 reasonable attorney fees. Any contractor or any agent, employee or  
5 subcontractor thereof, who shall use or otherwise dispose of any materials  
6 purchased under such a certificate for any purpose other than that for  
7 which such a certificate is issued without the payment of the sales or  
8 compensating tax otherwise imposed upon such materials, shall be guilty  
9 of a misdemeanor and, upon conviction therefor, shall be subject to the  
10 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

11 (uuu) all sales of tangible personal property and services purchased  
12 by Kansas children's service league, hereinafter referred to as KCSL,  
13 which is exempt from federal income taxation pursuant to section 501(c)  
14 (3) of the federal internal revenue code of 1986, and which such property  
15 and services are used for the purpose of providing for the prevention and  
16 treatment of child abuse and maltreatment as well as meeting additional  
17 critical needs for children, juveniles and family, and all sales of any such  
18 property by or on behalf of KCSL for any such purpose; and all sales of  
19 tangible personal property or services purchased by a contractor for the  
20 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
21 remodeling facilities for the operation of services for KCSL for any such  
22 purpose that would be exempt from taxation under the provisions of this  
23 section if purchased directly by KCSL. Nothing in this subsection shall be  
24 deemed to exempt the purchase of any construction machinery, equipment  
25 or tools used in the constructing, maintaining, repairing, enlarging,  
26 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
27 for the purpose of constructing, maintaining, repairing, enlarging,  
28 furnishing or remodeling such facilities, it shall obtain from the state and  
29 furnish to the contractor an exemption certificate for the project involved,  
30 and the contractor may purchase materials for incorporation in such  
31 project. The contractor shall furnish the number of such certificate to all  
32 suppliers from whom such purchases are made, and such suppliers shall  
33 execute invoices covering the same bearing the number of such certificate.  
34 Upon completion of the project the contractor shall furnish to KCSL a  
35 sworn statement, on a form to be provided by the director of taxation, that  
36 all purchases so made were entitled to exemption under this subsection.  
37 All invoices shall be held by the contractor for a period of five years and  
38 shall be subject to audit by the director of taxation. If any materials  
39 purchased under such a certificate are found not to have been incorporated  
40 in the building or other project or not to have been returned for credit or  
41 the sales or compensating tax otherwise imposed upon such materials that  
42 will not be so incorporated in the building or other project reported and  
43 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>

1 day of the month following the close of the month in which it shall be  
2 determined that such materials will not be used for the purpose for which  
3 such certificate was issued, KCSL shall be liable for tax on all materials  
4 purchased for the project, and upon payment thereof it may recover the  
5 same from the contractor together with reasonable attorney fees. Any  
6 contractor or any agent, employee or subcontractor thereof, who shall use  
7 or otherwise dispose of any materials purchased under such a certificate  
8 for any purpose other than that for which such a certificate is issued  
9 without the payment of the sales or compensating tax otherwise imposed  
10 upon such materials, shall be guilty of a misdemeanor and, upon  
11 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
12 79-3615(h), and amendments thereto;

13 (vvv) all sales of tangible personal property or services, including the  
14 renting and leasing of tangible personal property or services, purchased by  
15 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
16 income taxation pursuant to section 501(c)(3) of the federal internal  
17 revenue code, for the purpose of providing jazz in the woods, an event  
18 benefiting children-in-need and other nonprofit charities assisting such  
19 children, and all sales of any such property by or on behalf of such  
20 organization for such purpose;

21 (www) all sales of tangible personal property purchased by or on  
22 behalf of the Frontenac education foundation, which is exempt from  
23 federal income taxation pursuant to section 501(c)(3) of the federal  
24 internal revenue code, for the purpose of providing education support for  
25 students, and all sales of any such property by or on behalf of such  
26 organization for such purpose;

27 (xxx) all sales of personal property and services purchased by the  
28 booth theatre foundation, inc., an organization, which is exempt from  
29 federal income taxation pursuant to section 501(c)(3) of the federal  
30 internal revenue code of 1986, and which such personal property and  
31 services are used by any such organization in the constructing, equipping,  
32 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
33 of the booth theatre, and all sales of tangible personal property or services  
34 purchased by a contractor for the purpose of constructing, equipping,  
35 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
36 the booth theatre for such organization, that would be exempt from  
37 taxation under the provisions of this section if purchased directly by such  
38 organization. Nothing in this subsection shall be deemed to exempt the  
39 purchase of any construction machinery, equipment or tools used in the  
40 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
41 furnishing or remodeling facilities for any such organization. When any  
42 such organization shall contract for the purpose of constructing, equipping,  
43 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling

1 facilities, it shall obtain from the state and furnish to the contractor an  
2 exemption certificate for the project involved, and the contractor may  
3 purchase materials for incorporation in such project. The contractor shall  
4 furnish the number of such certificate to all suppliers from whom such  
5 purchases are made, and such suppliers shall execute invoices covering the  
6 same bearing the number of such certificate. Upon completion of the  
7 project the contractor shall furnish to such organization concerned a sworn  
8 statement, on a form to be provided by the director of taxation, that all  
9 purchases so made were entitled to exemption under this subsection. All  
10 invoices shall be held by the contractor for a period of five years and shall  
11 be subject to audit by the director of taxation. If any materials purchased  
12 under such a certificate are found not to have been incorporated in such  
13 facilities or not to have been returned for credit or the sales or  
14 compensating tax otherwise imposed upon such materials that will not be  
15 so incorporated in such facilities reported and paid by such contractor to  
16 the director of taxation not later than the 20<sup>th</sup> day of the month following  
17 the close of the month in which it shall be determined that such materials  
18 will not be used for the purpose for which such certificate was issued, such  
19 organization concerned shall be liable for tax on all materials purchased  
20 for the project, and upon payment thereof it may recover the same from  
21 the contractor together with reasonable attorney fees. Any contractor or  
22 any agent, employee or subcontractor thereof, who shall use or otherwise  
23 dispose of any materials purchased under such a certificate for any purpose  
24 other than that for which such a certificate is issued without the payment  
25 of the sales or compensating tax otherwise imposed upon such materials,  
26 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
27 subject to the penalties provided for in K.S.A. 79-3615(h), and  
28 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
29 to the effective date of this act upon the gross receipts received from any  
30 sale which would have been exempted by the provisions of this subsection  
31 had such sale occurred after the effective date of this act shall be refunded.  
32 Each claim for a sales tax refund shall be verified and submitted to the  
33 director of taxation upon forms furnished by the director and shall be  
34 accompanied by any additional documentation required by the director.  
35 The director shall review each claim and shall refund that amount of sales  
36 tax paid as determined under the provisions of this subsection. All refunds  
37 shall be paid from the sales tax refund fund upon warrants of the director  
38 of accounts and reports pursuant to vouchers approved by the director or  
39 the director's designee;

40 (yyy) all sales of tangible personal property and services purchased  
41 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
42 which is exempt from federal income taxation pursuant to section 501(c)  
43 (3) of the federal internal revenue code of 1986, and which such property

1 and services are used for the purpose of encouraging private philanthropy  
2 to further the vision, values, and goals of TLC for children and families,  
3 inc.; and all sales of such property and services by or on behalf of TLC  
4 charities for any such purpose and all sales of tangible personal property or  
5 services purchased by a contractor for the purpose of constructing,  
6 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
7 the operation of services for TLC charities for any such purpose that would  
8 be exempt from taxation under the provisions of this section if purchased  
9 directly by TLC charities. Nothing in this subsection shall be deemed to  
10 exempt the purchase of any construction machinery, equipment or tools  
11 used in the constructing, maintaining, repairing, enlarging, furnishing or  
12 remodeling such facilities for TLC charities. When TLC charities contracts  
13 for the purpose of constructing, maintaining, repairing, enlarging,  
14 furnishing or remodeling such facilities, it shall obtain from the state and  
15 furnish to the contractor an exemption certificate for the project involved,  
16 and the contractor may purchase materials for incorporation in such  
17 project. The contractor shall furnish the number of such certificate to all  
18 suppliers from whom such purchases are made, and such suppliers shall  
19 execute invoices covering the same bearing the number of such certificate.  
20 Upon completion of the project the contractor shall furnish to TLC  
21 charities a sworn statement, on a form to be provided by the director of  
22 taxation, that all purchases so made were entitled to exemption under this  
23 subsection. All invoices shall be held by the contractor for a period of five  
24 years and shall be subject to audit by the director of taxation. If any  
25 materials purchased under such a certificate are found not to have been  
26 incorporated in the building or other project or not to have been returned  
27 for credit or the sales or compensating tax otherwise imposed upon such  
28 materials that will not be incorporated into the building or other project  
29 reported and paid by such contractor to the director of taxation not later  
30 than the 20<sup>th</sup> day of the month following the close of the month in which it  
31 shall be determined that such materials will not be used for the purpose for  
32 which such certificate was issued, TLC charities shall be liable for tax on  
33 all materials purchased for the project, and upon payment thereof it may  
34 recover the same from the contractor together with reasonable attorney  
35 fees. Any contractor or any agent, employee or subcontractor thereof, who  
36 shall use or otherwise dispose of any materials purchased under such a  
37 certificate for any purpose other than that for which such a certificate is  
38 issued without the payment of the sales or compensating tax otherwise  
39 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
40 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
41 79-3615(h), and amendments thereto;

42 (zzz) all sales of tangible personal property purchased by the rotary  
43 club of shawnee foundation, which is exempt from federal income taxation



1 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
2 as amended, used for the purpose of providing contributions to community  
3 service organizations and scholarships;

4 (aaaa) all sales of personal property and services purchased by or on  
5 behalf of victory in the valley, inc., which is exempt from federal income  
6 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
7 for the purpose of providing a cancer support group and services for  
8 persons with cancer, and all sales of any such property by or on behalf of  
9 any such organization for any such purpose;

10 (bbbb) all sales of entry or participation fees, charges or tickets by  
11 Guadalupe health foundation, which is exempt from federal income  
12 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
13 for such organization's annual fundraising event which purpose is to  
14 provide health care services for uninsured workers;

15 (cccc) all sales of tangible personal property or services purchased by  
16 or on behalf of wayside waifs, inc., which is exempt from federal income  
17 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
18 for the purpose of providing such organization's annual fundraiser, an  
19 event whose purpose is to support the care of homeless and abandoned  
20 animals, animal adoption efforts, education programs for children and  
21 efforts to reduce animal over-population and animal welfare services, and  
22 all sales of any such property, including entry or participation fees or  
23 charges, by or on behalf of such organization for such purpose;

24 (dddd) all sales of tangible personal property or services purchased  
25 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
26 of which are exempt from federal income taxation pursuant to section  
27 501(c)(3) of the federal internal revenue code, for the purpose of providing  
28 education, training and employment opportunities for people with  
29 disabilities and other barriers to employment;

30 (eeee) all sales of tangible personal property or services purchased by  
31 or on behalf of all American beef battalion, inc., which is exempt from  
32 federal income taxation pursuant to section 501(c)(3) of the federal  
33 internal revenue code, for the purpose of educating, promoting and  
34 participating as a contact group through the beef cattle industry in order to  
35 carry out such projects that provide support and morale to members of the  
36 United States armed forces and military services;

37 (ffff) all sales of tangible personal property and services purchased by  
38 sheltered living, inc., which is exempt from federal income taxation  
39 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
40 and which such property and services are used for the purpose of  
41 providing residential and day services for people with developmental  
42 disabilities or intellectual disability, or both, and all sales of any such  
43 property by or on behalf of sheltered living, inc., for any such purpose; and

1 all sales of tangible personal property or services purchased by a  
2 contractor for the purpose of rehabilitating, constructing, maintaining,  
3 repairing, enlarging, furnishing or remodeling homes and facilities for  
4 sheltered living, inc., for any such purpose that would be exempt from  
5 taxation under the provisions of this section if purchased directly by  
6 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
7 the purchase of any construction machinery, equipment or tools used in the  
8 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
9 such homes and facilities for sheltered living, inc. When sheltered living,  
10 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
11 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
12 shall obtain from the state and furnish to the contractor an exemption  
13 certificate for the project involved, and the contractor may purchase  
14 materials for incorporation in such project. The contractor shall furnish the  
15 number of such certificate to all suppliers from whom such purchases are  
16 made, and such suppliers shall execute invoices covering the same bearing  
17 the number of such certificate. Upon completion of the project the  
18 contractor shall furnish to sheltered living, inc., a sworn statement, on a  
19 form to be provided by the director of taxation, that all purchases so made  
20 were entitled to exemption under this subsection. All invoices shall be held  
21 by the contractor for a period of five years and shall be subject to audit by  
22 the director of taxation. If any materials purchased under such a certificate  
23 are found not to have been incorporated in the building or other project or  
24 not to have been returned for credit or the sales or compensating tax  
25 otherwise imposed upon such materials that will not be so incorporated in  
26 the building or other project reported and paid by such contractor to the  
27 director of taxation not later than the 20<sup>th</sup> day of the month following the  
28 close of the month in which it shall be determined that such materials will  
29 not be used for the purpose for which such certificate was issued, sheltered  
30 living, inc., shall be liable for tax on all materials purchased for the  
31 project, and upon payment thereof it may recover the same from the  
32 contractor together with reasonable attorney fees. Any contractor or any  
33 agent, employee or subcontractor thereof, who shall use or otherwise  
34 dispose of any materials purchased under such a certificate for any purpose  
35 other than that for which such a certificate is issued without the payment  
36 of the sales or compensating tax otherwise imposed upon such materials,  
37 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
38 subject to the penalties provided for in K.S.A. 79-3615(h), and  
39 amendments thereto;

40 (gggg) all sales of game birds for which the primary purpose is use in  
41 hunting;

42 (hhhh) all sales of tangible personal property or services purchased  
43 on or after July 1, 2014, for the purpose of and in conjunction with

1 constructing, reconstructing, enlarging or remodeling a business identified  
2 under the North American industry classification system (NAICS)  
3 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
4 installation of machinery and equipment purchased for installation at any  
5 such business. The exemption provided in this subsection shall not apply  
6 to projects that have actual total costs less than \$50,000. When a person  
7 contracts for the construction, reconstruction, enlargement or remodeling  
8 of any such business, such person shall obtain from the state and furnish to  
9 the contractor an exemption certificate for the project involved, and the  
10 contractor may purchase materials, machinery and equipment for  
11 incorporation in such project. The contractor shall furnish the number of  
12 such certificates to all suppliers from whom such purchases are made, and  
13 such suppliers shall execute invoices covering the same bearing the  
14 number of such certificate. Upon completion of the project, the contractor  
15 shall furnish to the owner of the business a sworn statement, on a form to  
16 be provided by the director of taxation, that all purchases so made were  
17 entitled to exemption under this subsection. All invoices shall be held by  
18 the contractor for a period of five years and shall be subject to audit by the  
19 director of taxation. Any contractor or any agent, employee or  
20 subcontractor of the contractor, who shall use or otherwise dispose of any  
21 materials, machinery or equipment purchased under such a certificate for  
22 any purpose other than that for which such a certificate is issued without  
23 the payment of the sales or compensating tax otherwise imposed thereon,  
24 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
25 subject to the penalties provided for in K.S.A. 79-3615(h), and  
26 amendments thereto;

27 (iii) all sales of tangible personal property or services purchased by a  
28 contractor for the purpose of constructing, maintaining, repairing,  
29 enlarging, furnishing or remodeling facilities for the operation of services  
30 for Wichita children's home for any such purpose that would be exempt  
31 from taxation under the provisions of this section if purchased directly by  
32 Wichita children's home. Nothing in this subsection shall be deemed to  
33 exempt the purchase of any construction machinery, equipment or tools  
34 used in the constructing, maintaining, repairing, enlarging, furnishing or  
35 remodeling such facilities for Wichita children's home. When Wichita  
36 children's home contracts for the purpose of constructing, maintaining,  
37 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain  
38 from the state and furnish to the contractor an exemption certificate for the  
39 project involved, and the contractor may purchase materials for  
40 incorporation in such project. The contractor shall furnish the number of  
41 such certificate to all suppliers from whom such purchases are made, and  
42 such suppliers shall execute invoices covering the same bearing the  
43 number of such certificate. Upon completion of the project, the contractor

1 shall furnish to Wichita children's home a sworn statement, on a form to be  
2 provided by the director of taxation, that all purchases so made were  
3 entitled to exemption under this subsection. All invoices shall be held by  
4 the contractor for a period of five years and shall be subject to audit by the  
5 director of taxation. If any materials purchased under such a certificate are  
6 found not to have been incorporated in the building or other project or not  
7 to have been returned for credit or the sales or compensating tax otherwise  
8 imposed upon such materials that will not be so incorporated in the  
9 building or other project reported and paid by such contractor to the  
10 director of taxation not later than the 20<sup>th</sup> day of the month following the  
11 close of the month in which it shall be determined that such materials will  
12 not be used for the purpose for which such certificate was issued, Wichita  
13 children's home shall be liable for the tax on all materials purchased for the  
14 project, and upon payment, it may recover the same from the contractor  
15 together with reasonable attorney fees. Any contractor or any agent,  
16 employee or subcontractor, who shall use or otherwise dispose of any  
17 materials purchased under such a certificate for any purpose other than that  
18 for which such a certificate is issued without the payment of the sales or  
19 compensating tax otherwise imposed upon such materials, shall be guilty  
20 of a misdemeanor and, upon conviction, shall be subject to the penalties  
21 provided for in K.S.A. 79-3615(h), and amendments thereto;

22 (jjjj) all sales of tangible personal property or services purchased by  
23 or on behalf of the beacon, inc., that is exempt from federal income  
24 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
25 for the purpose of providing those desiring help with food, shelter, clothing  
26 and other necessities of life during times of special need;

27 (kkkk) all sales of tangible personal property and services purchased  
28 by or on behalf of reaching out from within, inc., which is exempt from  
29 federal income taxation pursuant to section 501(c)(3) of the federal  
30 internal revenue code, for the purpose of sponsoring self-help programs for  
31 incarcerated persons that will enable such incarcerated persons to become  
32 role models for non-violence while in correctional facilities and productive  
33 family members and citizens upon return to the community;

34 (llll) all sales of tangible personal property and services purchased by  
35 Gove county healthcare endowment foundation, inc., which is exempt  
36 from federal income taxation pursuant to section 501(c)(3) of the federal  
37 internal revenue code of 1986, and which such property and services are  
38 used for the purpose of constructing and equipping an airport in Quinter,  
39 Kansas, and all sales of tangible personal property or services purchased  
40 by a contractor for the purpose of constructing and equipping an airport in  
41 Quinter, Kansas, for such organization, that would be exempt from  
42 taxation under the provisions of this section if purchased directly by such  
43 organization. Nothing in this subsection shall be deemed to exempt the

1 purchase of any construction machinery, equipment or tools used in the  
2 constructing or equipping of facilities for such organization. When such  
3 organization shall contract for the purpose of constructing or equipping an  
4 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
5 contractor an exemption certificate for the project involved, and the  
6 contractor may purchase materials for incorporation in such project. The  
7 contractor shall furnish the number of such certificate to all suppliers from  
8 whom such purchases are made, and such suppliers shall execute invoices  
9 covering the same bearing the number of such certificate. Upon  
10 completion of the project, the contractor shall furnish to such organization  
11 concerned a sworn statement, on a form to be provided by the director of  
12 taxation, that all purchases so made were entitled to exemption under this  
13 subsection. All invoices shall be held by the contractor for a period of five  
14 years and shall be subject to audit by the director of taxation. If any  
15 materials purchased under such a certificate are found not to have been  
16 incorporated in such facilities or not to have been returned for credit or the  
17 sales or compensating tax otherwise imposed upon such materials that will  
18 not be so incorporated in such facilities reported and paid by such  
19 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
20 following the close of the month in which it shall be determined that such  
21 materials will not be used for the purpose for which such certificate was  
22 issued, such organization concerned shall be liable for tax on all materials  
23 purchased for the project, and upon payment thereof it may recover the  
24 same from the contractor together with reasonable attorney fees. Any  
25 contractor or any agent, employee or subcontractor thereof, who purchased  
26 under such a certificate for any purpose other than that for which such a  
27 certificate is issued without the payment of the sales or compensating tax  
28 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
29 and, upon conviction therefor, shall be subject to the penalties provided for  
30 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
31 subsection shall expire and have no effect on and after July 1, 2019;

32 (mmmm) all sales of gold or silver coins; and palladium, platinum,  
33 gold or silver bullion. For the purposes of this subsection, "bullion" means  
34 bars, ingots or commemorative medallions of gold, silver, platinum,  
35 palladium, or a combination thereof, for which the value of the metal  
36 depends on its content and not the form;

37 (nnnn) all sales of tangible personal property or services purchased  
38 by friends of hospice of Jefferson county, an organization that is exempt  
39 from federal income taxation pursuant to section 501(c)(3) of the federal  
40 internal revenue code of 1986, for the purpose of providing support to the  
41 Jefferson county hospice agency in end-of-life care of Jefferson county  
42 families, friends and neighbors, and all sales of entry or participation fees,  
43 charges or tickets by friends of hospice of Jefferson county for such

1 organization's fundraising event for such purpose;

2 (oooo) all sales of tangible personal property or services purchased  
3 for the purpose of and in conjunction with constructing, reconstructing,  
4 enlarging or remodeling a qualified business facility by a qualified firm or  
5 qualified supplier that meets the requirements established in K.S.A. 2024  
6 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
7 been approved for a project exemption certificate by the secretary of  
8 commerce, and the sale and installation of machinery and equipment  
9 purchased by such qualified firm or qualified supplier for installation at  
10 any such qualified business facility. When a person shall contract for the  
11 construction, reconstruction, enlargement or remodeling of any such  
12 qualified business facility, such person shall obtain from the state and  
13 furnish to the contractor an exemption certificate for the project involved,  
14 and the contractor may purchase materials, machinery and equipment for  
15 incorporation in such project. The contractor shall furnish the number of  
16 such certificates to all suppliers from whom such purchases are made, and  
17 such suppliers shall execute invoices covering the same bearing the  
18 number of such certificate. Upon completion of the project, the contractor  
19 shall furnish to the owner of the qualified firm or qualified supplier a  
20 sworn statement, on a form to be provided by the director of taxation, that  
21 all purchases so made were entitled to exemption under this subsection.  
22 All invoices shall be held by the contractor for a period of five years and  
23 shall be subject to audit by the director of taxation. Any contractor or any  
24 agent, employee or subcontractor thereof who shall use or otherwise  
25 dispose of any materials, machinery or equipment purchased under such a  
26 certificate for any purpose other than that for which such a certificate is  
27 issued without the payment of the sales or compensating tax otherwise  
28 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
29 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
30 3615(h), and amendments thereto. As used in this subsection, "qualified  
31 business facility," "qualified firm" and "qualified supplier" mean the same  
32 as defined in K.S.A. 2024 Supp. 74-50,311, and amendments thereto;

33 (pppp) (1) all sales of tangible personal property or services  
34 purchased by a not-for-profit corporation that is designated as an area  
35 agency on aging by the secretary for aging and disabilities services and is  
36 exempt from federal income taxation pursuant to section 501(c)(3) of the  
37 federal internal revenue code for the purpose of coordinating and  
38 providing seniors and those living with disabilities with services that  
39 promote person-centered care, including home-delivered meals,  
40 congregate meal settings, long-term case management, transportation,  
41 information, assistance and other preventative and intervention services to  
42 help service recipients remain in their homes and communities or for the  
43 purpose of constructing, equipping, reconstructing, maintaining, repairing,

1 enlarging, furnishing or remodeling facilities for such area agency on  
2 aging; and

3 (2) all sales of tangible personal property or services purchased by a  
4 contractor for the purpose of constructing, equipping, reconstructing,  
5 maintaining, repairing, enlarging, furnishing or remodeling facilities for an  
6 area agency on aging that would be exempt from taxation under the  
7 provisions of this section if purchased directly by such area agency on  
8 aging. Nothing in this paragraph shall be deemed to exempt the purchase  
9 of any construction machinery, equipment or tools used in the  
10 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
11 furnishing or remodeling facilities for an area agency on aging. When an  
12 area agency on aging contracts for the purpose of constructing, equipping,  
13 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
14 facilities, it shall obtain from the state and furnish to the contractor an  
15 exemption certificate for the project involved, and such contractor may  
16 purchase materials for incorporation in such project. The contractor shall  
17 furnish the number of such certificate to all suppliers from whom such  
18 purchases are made, and such suppliers shall execute invoices covering the  
19 same bearing the number of such certificate. Upon completion of the  
20 project, the contractor shall furnish to such area agency on aging a sworn  
21 statement, on a form to be provided by the director of taxation, that all  
22 purchases so made were entitled to exemption under this subsection. All  
23 invoices shall be held by the contractor for a period of five years and shall  
24 be subject to audit by the director of taxation. If any materials purchased  
25 under such a certificate are found not to have been incorporated in the  
26 building or other project or not to have been returned for credit or the sales  
27 or compensating tax otherwise imposed upon such materials that will not  
28 be so incorporated in the building or other project reported and paid by  
29 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
30 month following the close of the month in which it shall be determined  
31 that such materials will not be used for the purpose for which such  
32 certificate was issued, the area agency on aging concerned shall be liable  
33 for tax on all materials purchased for the project, and upon payment  
34 thereof, the area agency on aging may recover the same from the  
35 contractor together with reasonable attorney fees. Any contractor or any  
36 agent, employee or subcontractor thereof who shall use or otherwise  
37 dispose of any materials purchased under such a certificate for any purpose  
38 other than that for which such a certificate is issued without the payment  
39 of the sales or compensating tax otherwise imposed upon such materials  
40 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
41 subject to the penalties provided for in K.S.A. 79-3615(h), and  
42 amendments thereto;

43 (qqqq) all sales of tangible personal property or services purchased

1 by Kansas suicide prevention HQ, inc., an organization that is exempt  
2 from federal income taxation pursuant to section 501(c)(3) of the federal  
3 internal revenue code of 1986, for the purpose of bringing suicide  
4 prevention training and awareness to communities across the state;

5 (rrrr) all sales of the services of slaughtering, butchering, custom  
6 cutting, dressing, processing and packaging of an animal for human  
7 consumption when the animal is delivered or furnished by a customer that  
8 owns the animal and such meat or poultry is for use or consumption by  
9 such customer;

10 (ssss) all sales of tangible personal property or services purchased by  
11 or on behalf of doorstep inc., an organization that is exempt from federal  
12 income taxation pursuant to section 501(c)(3) of the federal internal  
13 revenue code of 1986, for the purpose of providing short-term emergency  
14 aid to families and individuals in need, including assistance with food,  
15 clothing, rent, prescription medications, transportation and utilities, and  
16 providing information on services to promote long-term self-sufficiency;

17 (tttt) on and after January 1, 2024, all sales of tangible personal  
18 property or services purchased by exploration place, inc., an organization  
19 that is exempt from federal income taxation pursuant to section 501(c)(3)  
20 of the federal internal revenue code, and which such property and services  
21 are used for the purpose of constructing, remodeling, furnishing or  
22 equipping a riverfront amphitheater, a destination playscape, an education  
23 center and indoor renovations at exploration place in Wichita, Kansas, all  
24 sales of tangible personal property or services purchased by Kansas  
25 children's discovery center inc. in Topeka, Kansas, and which such  
26 property and services are used for the purpose of constructing, remodeling,  
27 furnishing or equipping projects that include indoor-outdoor classrooms,  
28 an expanded multi-media gallery, a workshop and loading dock and safety  
29 upgrades such as a tornado shelter, lactation room, first aid room and  
30 sensory room and all sales of tangible personal property or services  
31 purchased by a contractor for the purpose of constructing, remodeling,  
32 furnishing or equipping such projects, for such organizations, that would  
33 be exempt from taxation under the provisions of this section if purchased  
34 directly by such organizations. Nothing in this subsection shall be deemed  
35 to exempt the purchase of any construction machinery, equipment or tools  
36 used in the constructing, remodeling, furnishing or equipping of facilities  
37 for such organization. When such organization shall contract for the  
38 purpose of constructing, remodeling, furnishing or equipping such  
39 projects, it shall obtain from the state and furnish to the contractor an  
40 exemption certificate for the project involved, and the contractor may  
41 purchase materials for incorporation in such project. The contractor shall  
42 furnish the number of such certificate to all suppliers from whom such  
43 purchases are made, and such suppliers shall execute invoices covering the



1 same bearing the number of such certificate. Upon completion of the  
2 project, the contractor shall furnish to such organization a sworn statement,  
3 on a form to be provided by the director of taxation, that all purchases so  
4 made were entitled to exemption under this subsection. All invoices shall  
5 be held by the contractor for a period of five years and shall be subject to  
6 audit by the director of taxation. If any materials purchased under such a  
7 certificate are found not to have been incorporated in such facilities or not  
8 to have been returned for credit or the sales or compensating tax otherwise  
9 imposed upon such materials that will not be so incorporated in such  
10 facilities reported and paid by such contractor to the director of taxation no  
11 later than the 20<sup>th</sup> day of the month following the close of the month in  
12 which it shall be determined that such materials will not be used for the  
13 purpose for which such certificate was issued, such organization shall be  
14 liable for tax on all materials purchased for the project, and upon payment  
15 thereof may recover the same from the contractor together with reasonable  
16 attorney fees. Any contractor or agent, employee or subcontractor thereof,  
17 who purchased under such a certificate for any purpose other than that for  
18 which such a certificate is issued without the payment of the sales or  
19 compensating tax otherwise imposed upon such materials, shall be guilty  
20 of a misdemeanor and, upon conviction therefor, shall be subject to the  
21 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
22 Sales tax paid on and after January 1, 2024, but prior to the effective date  
23 of this act, upon the gross receipts received from any sale exempted by the  
24 amendatory provisions of this subsection shall be refunded. Each claim for  
25 a sales tax refund shall be verified and submitted to the director of taxation  
26 upon forms furnished by the director and shall be accompanied by any  
27 additional documentation required by the director. The director shall  
28 review each claim and shall refund that amount of sales tax paid as  
29 determined under the provisions of this subsection. All refunds shall be  
30 paid from the sales tax refund fund upon warrants of the director of  
31 accounts and reports pursuant to vouchers approved by the director or the  
32 director's designee. The provisions of this subsection shall expire and have  
33 no effect on and after December 31, 2030;

34 (uuuu) (1) (A) all sales of equipment, machinery, software, ancillary  
35 components, appurtenances, accessories or other infrastructure purchased  
36 for use in the provision of communications services; and

37 (B) all services purchased by a provider in the provision of the  
38 communications service used in the repair, maintenance or installation in  
39 such communications service.

40 (2) As used in this subsection:

41 (A) "Communications service" means internet access service,  
42 telecommunications service, video service or any combination thereof.

43 (B) "Equipment, machinery, software, ancillary components,

1 appurtenances, accessories or other infrastructure" includes, but is not  
2 limited to:

3 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,  
4 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
5 transmitters, circuit cards, insulating and protective materials and cases,  
6 power equipment, backup power equipment, diagnostic equipment, storage  
7 devices, modems, cable modem termination systems and servers;

8 (ii) other general central office or headend equipment, such as  
9 channel cards, frames and cabinets;

10 (iii) equipment used in successor technologies, including items used  
11 to monitor, test, maintain, enable or facilitate qualifying equipment,  
12 machinery, software, ancillary components, appurtenances and  
13 accessories; and

14 (iv) other infrastructure that is used in whole or in part to provide  
15 communications services, including broadcasting, distributing, sending,  
16 receiving, storing, transmitting, retransmitting, amplifying, switching,  
17 providing connectivity for or routing communications services.

18 (C) "Internet access service" means the same as internet access as  
19 defined in section 1105 of the internet tax freedom act amendments of  
20 2007, public law 110-108.

21 (D) "Provider" means a person or entity that sells communications  
22 service, including an affiliate or subsidiary.

23 (E) "Telecommunications service" means the same as defined in  
24 K.S.A. 79-3602, and amendments thereto.

25 (F) "Video service" means the same as defined in K.S.A. 12-2022,  
26 and amendments thereto.

27 (3) The provisions of this subsection shall expire and have no effect  
28 on and after July 1, 2029;

29 (vvvv) (1) all sales of tangible personal property or services  
30 purchased by a contractor for the purpose of constructing, equipping,  
31 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
32 a building that is operated by, or is intended to be operated by, the Kansas  
33 fairgrounds foundation, a not-for-profit corporation exempt from federal  
34 income taxation pursuant to section 501(c)(3) of the federal internal  
35 revenue code of 1986, and located on the grounds of the Kansas state fair,  
36 and such tangible personal property would be exempt from taxation under  
37 the provisions of this paragraph if purchased directly by such eligible not-  
38 for-profit corporation. Nothing in this subsection shall be deemed to  
39 exempt the purchase of any construction machinery, equipment or tools  
40 used in the constructing, equipping, reconstructing, maintaining, repairing,  
41 enlarging, furnishing or remodeling a building for such eligible not-for-  
42 profit corporation. When such eligible not-for-profit corporation contracts  
43 for the purpose of constructing, equipping, reconstructing, maintaining,

1 repairing, enlarging, furnishing or remodeling a building, such corporation  
2 shall obtain from the state and furnish to the contractor an exemption  
3 certificate for the project involved, and such contractor may purchase  
4 materials for incorporation in such project. The contractor shall furnish the  
5 number of such certificate to all suppliers from whom such purchases are  
6 made, and such suppliers shall execute invoices covering such purchases  
7 bearing the number of such certificate. Upon completion of the project, the  
8 contractor shall furnish to such eligible not-for-profit corporation a sworn  
9 statement, on a form to be provided by the director of taxation, that all  
10 purchases so made were entitled to exemption under this subsection. All  
11 invoices shall be held by the contractor for a period of five years and shall  
12 be subject to audit by the director of taxation. If any materials purchased  
13 under such a certificate are found not to have been incorporated in the  
14 building or returned for credit, the contractor shall report and pay the sales  
15 or compensating tax to the director of taxation not later than the 20<sup>th</sup> day of  
16 the month following the close of the month in which it is determined that  
17 such materials will not be used for the purpose for which such certificate  
18 was issued. The eligible not-for-profit corporation concerned shall be  
19 liable for tax on all materials purchased for the project, and upon payment  
20 thereof, the eligible not-for-profit corporation may recover the same from  
21 the contractor together with reasonable attorney fees. Any contractor or  
22 any agent, employee or subcontractor thereof who shall use or otherwise  
23 dispose of any materials purchased under such a certificate for any purpose  
24 other than that for which such a certificate is issued without the payment  
25 of the sales or compensating tax otherwise imposed upon such materials  
26 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
27 subject to the penalties provided for in K.S.A. 79-3615(h), and  
28 amendments thereto.

29 (2) Sales tax paid on and after May 19, 2023, but prior to the effective  
30 date of this act upon the gross receipts received from any sale which would  
31 have been exempted by the provisions of this subsection had such sale  
32 occurred after the effective date of this act shall be refunded. Each claim  
33 for a sales tax refund shall be verified and submitted to the director of  
34 taxation upon forms furnished by the director and shall be accompanied by  
35 any additional documentation required by the director. The director shall  
36 review each claim and shall refund that amount of sales tax paid as  
37 determined under the provisions of this subsection. All refunds shall be  
38 paid from the sales tax refund fund upon warrants of the director of  
39 accounts and reports pursuant to vouchers approved by the director or the  
40 director's designee; and

41 (www) (1) All sales of tangible personal property or services  
42 purchased by a pregnancy resource center or residential maternity facility.

43 (2) As used in this subsection, "pregnancy resource center" or

1 "residential maternity facility" means an organization that is:

2 (A) Exempt from federal income taxation pursuant to section 501(c)  
3 (3) of the federal internal revenue code of 1986;

4 (B) a nonprofit organization organized under the laws of this state;  
5 and

6 (C) a pregnancy resource center or residential maternity facility that:

7 (i) Maintains a dedicated phone number for clients;

8 (ii) maintains in this state its primary physical office, clinic or  
9 residential home that is open for clients for a minimum of 20 hours per  
10 week, excluding state holidays;

11 (iii) offers services, at no cost to the client, for the express purpose of  
12 providing assistance to women in order to carry their pregnancy to term,  
13 encourage parenting or adoption, prevent abortion and promote healthy  
14 childbirth; and

15 (iv) utilizes trained healthcare providers, as defined by K.S.A. 2024  
16 Supp. 79-32,316, and amendments thereto, to perform any available  
17 medical procedures.

18 Sec. 2. K.S.A. 2024 Supp. 79-3606 is hereby repealed.

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