

## HOUSE BILL No. 2308

By Committee on Commerce, Labor and Economic Development

Requested by Rachel Willis on behalf of the Department of Commerce

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1 AN ACT concerning economic development; enacting the aviation and  
2 innovative manufacturing in Kansas act; relating to tax and other  
3 incentives for projects in specified industries or for headquarters with  
4 specified job requirements of at least 250 new employees and specified  
5 capital investment requirements; providing for a refundable income,  
6 privilege and premium tax credit for a portion of such capital  
7 investment; retention of certain payroll withholding taxes; sales tax  
8 exemption for project construction and machinery and equipment;  
9 Kansas first award for procurement made from Kansas companies;  
10 establishing the aviation and innovative manufacturing in Kansas act  
11 Kansas first fund; providing for appropriations for such fund;  
12 establishing the aviation and innovative manufacturing in Kansas act  
13 new employee training and education fund; amending K.S.A. 2024  
14 Supp. 79-3606 and repealing the existing section.  
15

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

17 New Section 1. (a) The provisions of sections 1 through 8, and  
18 amendment thereto, shall be known and may be cited as the aviation and  
19 innovative manufacturing in Kansas act.

20 (b) For purposes of the aviation and innovative manufacturing in  
21 Kansas act:

22 (1) "Abandons" means, when used in reference to a project, that  
23 construction for the purpose of establishing a qualified business facility  
24 has been discontinued or delayed indefinitely, as determined by the  
25 secretary.

26 (2) "Act" means the aviation and innovative manufacturing in Kansas  
27 act, sections 1 through 8, and amendments thereto.

28 (3) "Aircraft" means a device that is used or intended to be used for  
29 flight in the air as defined in 14 C.F.R. § 1.1, as in effect on July 1, 2025.

30 (4) "Applicant" means a legal entity seeking to certify as a qualified  
31 company for the economic development benefits pursuant to this act.

32 (5) "Commence investment" means to begin to invest, with action  
33 being directly connected to documentation describing the project  
34 previously submitted to the department.

35 (6) "Commencement of commercial operations" means the date, as

1 determined by the secretary, that the qualified business facility is first  
2 available for use by the qualified company or first capable of being used  
3 by the qualified company in the revenue-producing enterprise in which the  
4 qualified company intends to use the qualified business facility.

5 (7) "Commitment to invest" means one or both of the following:

6 (A) The qualified company relocates assets that it already owns to  
7 Kansas from an out-of-state location; or

8 (B) the qualified company enters into a written agreement with a third  
9 party to acquire assets that provides either party with legally enforceable  
10 remedies if the agreement is breached.

11 (8) "Construction" means construction, reconstruction, enlarging or  
12 remodeling for the purpose of establishing a qualified business facility.

13 (9) "County median wage" means the median wage paid to  
14 employees located in the county where the qualified company intends to  
15 employ new employees as reported by the department of labor in its  
16 annual Kansas wage survey for the previous year.

17 (10) "Department" means the department of commerce.

18 (11) "Electric motor vehicle" means a passenger or freight motor  
19 vehicle primarily powered by an electric motor that draws current from  
20 rechargeable storage batteries, fuel cells, photovoltaic arrays or other  
21 sources of electric current and may include an electric-hybrid vehicle.

22 (12) "Facility" means any factory, mill, plant, refinery, warehouse,  
23 headquarters, building or complex of buildings located within this state,  
24 including, but not limited to, the land on which such facility is located and  
25 all machinery, equipment and other real and tangible personal property at  
26 or within such facility used in connection with the operation of such  
27 facility. For the purposes of this paragraph, "building" means only  
28 structures within which individuals are customarily employed or that are  
29 customarily used to house machinery, equipment or other property.

30 (13) "Headquarters" means a qualified business facility that meets the  
31 following conditions:

32 (A) The main activity at the qualified business facility is providing  
33 direction, management or administrative support for the operation of  
34 multiple company-owned worksites or facilities that are engaged in  
35 qualified activities and in which the applicant has an ownership interest  
36 greater than 50%; and

37 (B) the qualified business facility would be capable of being  
38 geographically located in any state to carry out its activities, including the  
39 main activity as provided by subparagraph (A).

40 (14) "Hydrogen-powered vehicle" means a passenger or freight motor  
41 vehicle that uses hydrogen as a significant source of motive power, either  
42 through a fuel cell or internal combustion.

43 (15) "Metropolitan county" means the county of Douglas, Johnson,

1 Sedgwick, Shawnee or Wyandotte.

2 (16) "New employee" means a qualified business facility employee  
3 who is newly employed in Kansas by the qualified company in the  
4 qualified company's business operating in Kansas during the taxable year  
5 for which benefits are sought. Qualified business facility employees  
6 performing functions directly related to a relocating, expanding or new  
7 business facility, office, department or other operation shall be considered  
8 "new employees."

9 (17) "On-the-job training" means training situations during which a  
10 product or service that can be sold or used in internal operations is  
11 generated.

12 (18) "Qualified activities" means engaging in one or more of the  
13 following industries, as determined by the secretary:

14 (A) Any industry identified by NAICS code:

15 (i) Subsector 336; or

16 (ii) industry group 335910;

17 (B) research and development operations for any qualified activity;

18 (C) aircraft assembly;

19 (D) electric or hydrogen-powered vehicle manufacturing;

20 (E) component or subassembly manufacturing for any qualified  
21 activity;

22 (F) sustainable aviation fuel production;

23 (G) hydrogen production for use associated with another qualified  
24 activity; or

25 (H) battery production for use associated with another qualified  
26 activity.

27 (19) "Qualified business facility" means a facility located in Kansas  
28 that satisfies the requirements of subparagraphs (A) and (B):

29 (A) Such facility is for use by the qualified company in the overall  
30 operation of a revenue-producing enterprise. Such facility shall not be  
31 considered a "qualified business facility" in the hands of the qualified  
32 company if the qualified company's only activity with respect to such  
33 facility is to lease it to another person or persons. If the qualified company  
34 employs only a portion of such facility in the operation of a revenue-  
35 producing enterprise and leases another portion of such facility to another  
36 person or persons or does not otherwise use such other portions in the  
37 operation of a revenue-producing enterprise, the portion employed by the  
38 qualified company in the operation of a revenue-producing enterprise shall  
39 be considered a "qualified business facility" if the requirements of  
40 subparagraph (B) are satisfied.

41 (B) If such facility was acquired or leased by the qualified company  
42 from another person or persons, the facility was not used, either  
43 immediately prior to the transfer of title to the qualified company or to the

1 commencement of the term of the lease to the qualified company, by any  
2 other person or persons in the operation of a revenue-producing enterprise  
3 that is the same or substantially the same as the revenue-producing  
4 enterprise continued by the qualified company at the facility unless the  
5 other person or persons in the operation of the revenue-producing  
6 enterprise ceased such operations at the facility and the acquisition or lease  
7 of the facility by the qualified company was made with an intent by the  
8 qualified company to continue such operations or substantially the same  
9 operations or such revenue-producing enterprise was acquired by the  
10 qualified company, and the secretary determines that the acquisition or  
11 lease of the facility by the qualified company is in the best interests of the  
12 economic welfare and development of this state.

13 (20) "Qualified business facility employee" means an individual  
14 employed in Kansas by the qualified company at a qualified business  
15 facility project site, employed full time and scheduled to work for an  
16 average minimum of 30 hours per week.

17 (21) "Qualified business facility investment" or "qualified  
18 investment" means the value of the real and tangible personal property,  
19 except inventory or property held for sale to customers in the ordinary  
20 course of the qualified company's business, that constitutes the qualified  
21 business facility or that is used by the qualified company in the operation  
22 of the qualified business facility, including such property used for  
23 administrative or managerial functions, during the taxable years for which  
24 the tax credit allowed by sections 2 and 3, and amendments thereto, is  
25 claimed. "Qualified business facility investment" does not include any  
26 building, land or other real or tangible personal property that is granted,  
27 leased or transferred to the qualified company without cost to the qualified  
28 company. For purposes of calculating the qualified business facility  
29 investment, real or tangible personal property that is granted, leased or  
30 transferred to the qualified company at a cost of less than fair market value  
31 shall be reduced in value, by the difference in cost to the qualified  
32 company and fair market value. The value of such property during such  
33 taxable year shall be:

34 (A) Such property's original cost if owned by the qualified company;  
35 or

36 (B) eight times the net annual rental rate if leased by the qualified  
37 company. The net annual rental rate shall be the annual rental rate paid by  
38 the qualified company less any annual rental rate received by the qualified  
39 company from subrentals. The "qualified business facility investment"  
40 shall be determined by dividing by 12 the sum of the total value of such  
41 property on the last business day of each calendar month of the taxable  
42 year. Notwithstanding the provisions of this paragraph, for the purpose of  
43 computing the credit allowed by section 3, and amendments thereto, in the

1 case of a "qualified business facility investment" in a qualified business  
2 facility that existed and was operated by the qualified company or a related  
3 taxpayer prior to the investment, the amount of the qualified company's  
4 investment shall be computed as follows: Such investment amount shall be  
5 reduced by the average amount, computed as provided in this paragraph,  
6 of the investment of the qualified company or a related taxpayer in the  
7 facility for the taxable year preceding the taxable year in which the  
8 "qualified business facility investment" was made in the facility.

9 (22) "Qualified company" means a for-profit business establishment,  
10 subject to state income, sales or property taxes, that is:

11 (A) Engaged in one or more qualified activities;

12 (B) establishing a headquarters for a business engaged in one or more  
13 qualified activities;

14 (C) engaged in any industry or revenue-producing activity if seeking  
15 benefits for a qualified business facility that is the headquarters of the for-  
16 profit business;

17 (D) a supplier of components, sub-assemblies, chemicals or other  
18 process-related tangible goods that are used in a qualified activity, is  
19 located in Kansas and is owned by:

20 (i) An individual, any partnership, association, limited liability  
21 corporation or corporation domiciled in Kansas; or

22 (ii) any business, including any business owned by an individual, any  
23 partnership, association, limited liability corporation or corporation, even  
24 if the business is a wholly owned subsidiary of a foreign corporation, that  
25 operates in the state of Kansas for the purpose of supplying a qualified  
26 company engaged in qualified activities; and

27 (E) eligible for benefits under this act as determined by the secretary.

28 (23) "Research and development operation" means an operation that  
29 is conducted solely to advance scientific and technical knowledge in any  
30 qualified activity.

31 (24) "Revenue-producing enterprise" means an enterprise that creates  
32 revenue subject to tax liability in this state.

33 (25) "Residency in Kansas" means:

34 (A) Owning, living, renting or leasing real estate in Kansas with the  
35 intent to make the real estate or other real estate in Kansas an employee's  
36 primary home; and

37 (B) engaging in a trade, business or profession within Kansas.

38 (26) "Secretary" means the secretary of commerce.

39 (27) (A) "Total payroll cost" means the payroll amount defined by the  
40 department of labor as total wages on the quarterly wage report and  
41 unemployment tax return. For a qualified business facility, "total payroll  
42 cost" during the appropriate measurement period may be combined with  
43 any pretax earnings in which an employee has elected to direct to a:

- 1 (i) Flexible spending plan;
- 2 (ii) deferred compensation plan; or
- 3 (iii) retirement plan that includes earnings that the employee would
- 4 otherwise have received in the form of taxable wages had it not been for
- 5 the voluntary deferral.

6 (B) "Total payroll cost" does not include company-paid costs for

7 health insurance, dental insurance and any other employee benefits that are

8 not reported to the Kansas department of labor on the employer's quarterly

9 wage report and unemployment tax return.

10 (28) (A) "Training and education eligible expense" means the amount

11 actually paid for training and education of the group of employees, or

12 portion thereof, at any Kansas community college or technical college and

13 from which the qualified company expects to derive increased productivity

14 or quality.

15 (B) "Training and education eligible expense" includes instructor

16 salaries, curriculum planning and development, materials and supplies,

17 textbooks, manuals, minor training equipment, certain training facility

18 costs and any other expenditure that is eligible under the Kansas industrial

19 training or the Kansas industrial retraining programs.

20 (C) "Training and education eligible expense" may include, subject to

21 maximum limits determined by the secretary:

- 22 (i) Wages of employees during eligible training; and
- 23 (ii) salaries of employee instructors.

24 (D) "Training and education eligible expense" does not include:

- 25 (i) Compensation paid to an employee trainee who is receiving on-
- 26 the-job training;
- 27 (ii) compensation paid to an employee during self-training, except for
- 28 time in which the employee is involved in activities related to an approved
- 29 computerized course of study;
- 30 (iii) bonus pay received as compensation related to the company's
- 31 financial performance or the employee's job performance, or both;
- 32 (iv) overtime pay, unless the employee is being paid at an overtime
- 33 rate while participating in eligible training;
- 34 (v) operations manuals and reference manuals, except that training-
- 35 specific manuals may be allowable;
- 36 (vi) training and education costs covered by moneys or grants
- 37 obtained from state, federal or other government-sponsored workforce
- 38 training programs; and
- 39 (vii) training and education costs that were paid to a non-Kansas
- 40 college or technical college or any other entity that is not a Kansas college
- 41 or technical college.

42 New Sec. 2. (a) There is hereby established the aviation and

43 innovative manufacturing in Kansas program to be administered by the

1 secretary of commerce. The purpose of the aviation and innovative  
2 manufacturing in Kansas program is to attract businesses engaged in  
3 electric motor vehicle and hydrogen-powered vehicle production  
4 industries, aircraft assembly or other qualified activities to build new  
5 business facilities and operations, research and development operations or  
6 new headquarters in Kansas and to encourage the development of a  
7 Kansas-based supply chain for such enterprises.

8 (b) A qualified company or qualified companies that jointly meet the  
9 requirements of this act may be eligible for the following incentives as  
10 approved by the secretary:

11 (1) The investment tax credit pursuant to section 3, and amendments  
12 thereto;

13 (2) retention of a percentage of total payroll tax pursuant to section 4,  
14 and amendments thereto;

15 (3) reimbursement of eligible employee training and education  
16 expenses pursuant to sections 5 and 6, and amendments thereto;

17 (4) a sales tax exemption for construction costs of a qualified  
18 business facility pursuant to K.S.A. 79-3606, and amendments thereto, and  
19 section 7, and amendments thereto; and

20 (5) the Kansas first benefit pursuant to section 8, and amendments  
21 thereto, for procurement made from Kansas companies.

22 (c) To be eligible to receive an incentive listed in subsection (b), a  
23 qualified company shall:

24 (1) Submit an application to the secretary in the form and manner  
25 prescribed by the secretary that describes the project or projects and  
26 includes all information requested by the secretary. Two or more qualified  
27 companies may jointly submit an application to meet the requirements of  
28 the act;

29 (2) agree to complete the project described in the application within  
30 five years of the date of the commitment to invest;

31 (3) agree to hire a minimum of 250 new employees within five years  
32 from the date of commencement of commercial operations with starting  
33 wages at least 100% of the county median wage of the county where the  
34 employees are employed;

35 (4) agree to retain such number of new employees for 10 years from  
36 the date of commencement of commercial operations;

37 (5) agree to in the case of a qualified company that submits an  
38 application to construct a qualified business facility for an electric or  
39 hydrogen motor vehicle assembly operation project or an aircraft assembly  
40 operation project, agree to make a qualified business facility investment of  
41 at least \$250,000,000 to be completed within five years of such date as  
42 specified in the agreement with the secretary made pursuant to this section  
43 and commence commercial operations within five years of either the

1 commitment to invest or the date as specified in the agreement. This  
2 capital investment requirement shall not apply to projects for other  
3 qualified activities;

4 (6) if requested by the secretary, prior to making a commitment to  
5 invest in a qualified business facility, submit a certificate of intent to invest  
6 in the qualified business facility to the secretary;

7 (7) if the application is approved by the secretary, enter into a binding  
8 agreement with the secretary with such terms and conditions as required  
9 by the secretary and including the agreements required by subsection (c).  
10 The agreement shall be entered into before any benefits may be provided  
11 under this act. The secretary shall not enter into an agreement with any  
12 qualified company after December 31, 2027; and

13 (8) as a condition of receiving any benefit pursuant to this act,  
14 commit to repayment of any benefit or benefits received, connected to or  
15 associated with a term or a condition of the agreement that has been  
16 breached as determined by the secretary and the forfeiture of any such  
17 earned benefits and the suspension or cessation of such future benefits for  
18 as long as the breach is not corrected. Such commitment may additionally  
19 include payment of interest from the date benefits were received at a rate  
20 to be determined by the secretary and included in the agreement. All  
21 repayments of benefits or interest by a qualified company pursuant to this  
22 act shall be submitted to the secretary. The secretary shall remit all moneys  
23 received from such repayments or interest to the state treasurer in  
24 accordance with the provisions of K.S.A. 75-4215, and amendments  
25 thereto. Upon receipt of each such remittance, the state treasurer shall  
26 deposit the entire amount in the state treasury to the credit of the state  
27 general fund. In addition to any specific provisions for repayment of  
28 benefits as provided by this act, such commitment shall include the  
29 following:

30 (A) (1) If required pursuant to subsection (c)(5), the qualified  
31 company fails to invest a minimum of at least \$250,000,000 within five  
32 years of the date specified in the agreement, or if any qualified company  
33 abandons a project before the agreement expires, all benefits earned  
34 pursuant to this act shall be revoked and benefits received shall be  
35 reimbursed by the qualified company to the state of Kansas; and

36 (2) if the qualified company fails to invest at least 90% of the  
37 committed capital investment within five years of the date specified in the  
38 agreement, and if required pursuant to subsection (c)(5) has made a  
39 minimum investment of at least \$250,000,000, the qualified company shall  
40 reimburse to the state of Kansas a percentage of the total benefits earned  
41 pursuant to this act that is equivalent to a percentage that is the difference  
42 between 100% of the total committed capital investment and the  
43 percentage of such total committed capital investment that was actually



1 invested.

2 (B) If the qualified company fails to maintain at least 90% of the new  
3 employment required by this section, or any higher new employment  
4 commitment required by the agreement, during the period of 10 years after  
5 commencement of commercial operations, the qualified company shall  
6 repay the benefits received pursuant to section 4 or 7, and amendments  
7 thereto, in an amount that reflects the same percentage of the aggregate of  
8 such benefits received as the shortfall, expressed as a percentage, of the  
9 total new employment retention requirement and the new employees  
10 actually retained.

11 (d) (1) The secretary shall conduct an annual review of the activities  
12 undertaken by a qualified company to ensure that the qualified company:

13 (A) Remains in good standing with the state;

14 (B) remains in compliance with the provisions of this act, any rules  
15 and regulations adopted by the secretary and any agreement entered into  
16 pursuant to this act; and

17 (C) continues to meet the requirements for benefits.

18 (2) The secretary of commerce shall certify annually to the secretary  
19 of revenue that the qualified company meets the criteria for designation as  
20 a qualified company and is eligible for such benefits. The secretary of  
21 commerce may obtain any information reasonably necessary to determine  
22 such eligibility. Such information shall be confidential to the same extent  
23 as information provided to the secretary to determine eligibility pursuant  
24 to K.S.A.74-50,131, and amendments thereto.

25 (3) Confidential financial information, any trade secret or other  
26 information obtained pursuant to this section that in the judgment of the  
27 secretary would place the qualified company at a disadvantage in the  
28 marketplace or would significantly interfere with the purposes of this act if  
29 disclosed shall not be subject to disclosure pursuant to K.S.A. 45-215 et  
30 seq., and amendments thereto, but shall be made available to the division  
31 of legislative post audit upon request. The provisions of this paragraph  
32 shall expire on July 1, 2030, unless the legislature reviews and reenacts  
33 such provisions pursuant to K.S.A. 45-229, and amendments thereto.

34 (e) (1) The books and records concerning investments made, sales,  
35 employment or employee wages for which the qualified company or third  
36 party has retained any Kansas payroll withholding taxes or any other  
37 financial, employee or other records that pertain to eligibility for benefits  
38 or compliance with the requirements of this act shall be available for  
39 inspection by the secretary or the secretary's duly authorized agents or  
40 employees.

41 (2) (A) Any inspection pursuant to paragraph (1) shall be conducted  
42 within business hours.

43 (B) The secretary shall provide written notice to the qualified

1 company or third party 10 days prior to any such inspection.

2 (3) Upon request by the secretary, the secretary of revenue shall audit  
3 a qualified company or a third party, if applicable, for compliance with the  
4 provisions of this act.

5 (f) The secretary of revenue, in consultation with the secretary of  
6 commerce, shall develop a form that shall be completed annually by any  
7 qualified company that received any tax benefit pursuant to this section  
8 and section 3 or 4, and amendments thereto. Such form shall require, at a  
9 minimum, the information required by K.S.A. 79-32,243(a)(1) through (a)  
10 (6), and amendments thereto, and any other information as shall be  
11 required by the secretary of revenue and the secretary of commerce.

12 (g) The secretary of commerce and the secretary of revenue may  
13 adopt rules and regulations for the implementation of this act.

14 New Sec. 3. (a) (1) For taxable years commencing after January 1,  
15 2025, a qualified company that makes a qualified business investment in a  
16 qualified business facility and meets the requirements of section 2, and  
17 amendments thereto, and of this section shall be allowed a credit for such  
18 investment as provided by this section against the tax imposed by the  
19 Kansas income tax act, the premium tax or privilege fees imposed  
20 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as  
21 measured by the net income of financial institutions imposed pursuant to  
22 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments  
23 thereto. The credit shall be earned by the taxpayer each taxable year based  
24 on the amount of the qualified investment made in that taxable year as  
25 provided by paragraph (2). The entire amount of the credit that is earned  
26 each taxable year shall not be claimed by the taxpayer in the taxable year  
27 that such credit is earned but shall be divided into not less than five equal  
28 portions, as determined by the secretary. A portion shall be claimed by the  
29 qualified company in each successive taxable year commencing with the  
30 taxable year after the credit is earned. The amount of a portion that  
31 exceeds the qualified company's tax liability for the taxable year in which  
32 such portion is claimed shall be refunded to the taxpayer.

33 (2) The amount of the tax credit earned in a taxable year pursuant to  
34 this subsection shall be up to 10%, at the discretion of the secretary, of the  
35 entire amount of the qualified investment that is invested during such  
36 taxable year, except for qualified investments for eligible projects located  
37 outside of a metropolitan county. For eligible projects located outside of a  
38 metropolitan county, the amount of the tax credit earned in a taxable year  
39 shall be 10%. Such percentage shall be set forth in the agreement pursuant  
40 to section 2, and amendments thereto. The total qualified investment shall  
41 be completed within five years as provided by section 2, and amendments  
42 thereto. The total amount of the qualified investment shall be at least  
43 \$250,000,000 for a qualified company that submits an application to

1 construct a qualified business facility for an electric or hydrogen motor  
2 vehicle assembly operation or an aircraft assembly project.

3 (b) No credit shall be issued by the secretary of revenue unless the  
4 qualified company has been certified by the secretary of commerce as  
5 eligible as provided by section 2, and amendments thereto, for each  
6 taxable year that the credit or portion of a credit is claimed.

7 (c) In addition to any other repayment provisions pursuant to this act,  
8 if the qualified company invests less than 90% of the qualified investment  
9 required under section 2, and amendments thereto, the qualified company  
10 shall be liable for repayment to the state of the amount of the tax credits  
11 received pursuant to this section as provided by section 2, and  
12 amendments thereto.

13 (d) As a condition for claiming credits pursuant to this section, a  
14 qualified company shall provide information pursuant to K.S.A. 79-  
15 32,243, and amendments thereto, as part of the tax return in which such  
16 credits are claimed. Such credits shall not be denied solely on the basis of  
17 the contents of the information provided by a qualified company pursuant  
18 to K.S.A. 79-32,243, and amendments thereto.

19 New Sec. 4. (a) For taxable years commencing after January 1, 2025,  
20 a qualified company that meets the requirements of section 2, and  
21 amendments thereto, and this section may be eligible to retain or be  
22 refunded up to 100% of the qualified company's Kansas payroll  
23 withholding taxes under the Kansas withholding and declaration of  
24 estimated tax act for the qualified company's employees that are paid  
25 wages equal to or greater than the county median wage of the county  
26 where the qualified business facility is or will be located. This benefit shall  
27 be available for a period of up to 10 successive taxable years, as  
28 determined by the secretary.

29 (b) The agreement with the secretary, as required by section 2, and  
30 amendments thereto, shall set forth the percentage of payroll withholding  
31 taxes to be retained each year, the starting date for this benefit and the  
32 duration of the benefit. The agreement shall in addition establish any  
33 county median wage standard for purposes of determining eligibility for  
34 the withholding tax benefit pursuant to subsection (a). This standard shall  
35 remain the same for the term of the agreement.

36 (c) The agreement between the secretary of commerce and a qualified  
37 company shall specify that, if a qualified company fails to hire the number  
38 of new employees as required pursuant to section 2, and amendments  
39 thereto, within five years of the date specified in the agreement, a qualified  
40 company shall remit to the secretary an amount that shall be determined by  
41 comparing the shortfall in job creation expressed as a percentage to the  
42 amount of the aggregate Kansas payroll withholding taxes retained by the  
43 qualified company or remitted to the qualified company by a third party.

1 This repayment requirement shall be in addition to any other repayment  
2 provisions pursuant to this act.

3 (d) For each year that the agreement is in effect, the secretary of  
4 commerce shall certify to the secretary of revenue:

5 (1) That a qualified company is eligible to receive benefits under this  
6 act and the terms of the agreement;

7 (2) the number of employees;

8 (3) the amount of gross wages being paid to each such employee; and

9 (4) the percentage of payroll withholding taxes to be retained by the  
10 qualified company.

11 (e) Any qualified company that has entered into an agreement with  
12 the secretary of commerce pursuant to this section and section 2, and  
13 amendments thereto, and is eligible to receive benefits pursuant to this  
14 section, shall complete and submit to the department of revenue the  
15 amount of Kansas payroll withholding tax being retained by a qualified  
16 company or refunded to such company in the form and manner prescribed  
17 by the director of taxation.

18 (f) The secretary of revenue and the secretary of commerce shall  
19 cooperate to develop and coordinate procedures to implement the  
20 provisions of this act.

21 New Sec. 5. (a) On and after July 1, 2025, a qualified company that  
22 meets the requirements of section 2, and amendments thereto, and this  
23 section may be eligible for reimbursement for up to one year of training  
24 and education eligible expenses for training or education completed by  
25 each new employee, as determined by the secretary and as provided by this  
26 section. The maximum amount of reimbursement paid to a qualified  
27 company shall be \$5,000,000 per qualifying project.

28 (b) The training shall be in Kansas at any Kansas community college  
29 or technical college as agreed by such community or technical college and  
30 the qualified company. The curriculum shall be provided by the qualified  
31 company. The qualified company and one or more Kansas community  
32 colleges or technical colleges selected for the training by the qualified  
33 company and the secretary of commerce may enter into an agreement  
34 specifically regarding such training consistent with the provisions of  
35 section 2, and amendments thereto, and this section.

36 (c) A qualified company shall be eligible commencing on the date the  
37 qualified company enters into an agreement with the secretary as provided  
38 in section 2, and amendments thereto, or as determined by the secretary.  
39 Only training and education expenses for new employees that will  
40 establish residency in Kansas by the completion of the training or  
41 education program and are employed in Kansas at a qualified business  
42 facility of a qualified company that is located and operating in Kansas  
43 shall be eligible for reimbursement.

1 (d) The agreement with the secretary as required by section 2, and  
2 amendments thereto, shall require an annual showing of eligibility,  
3 including evidence showing the number of new hires, amount of eligible  
4 training and education expense and state residency of the new employee  
5 trainee at the completion of the training, for each year that the incentive is  
6 claimed. The secretary shall require proof of Kansas residency for each  
7 employee for which reimbursement of training and education expenses are  
8 claimed. Such proof may include, but not be limited to, lease or rental  
9 agreements or utility bills in the name of the employee and showing a  
10 Kansas street address.

11 (e) Subject to appropriations therefor, reimbursement in the amount  
12 approved by the secretary and pursuant to the terms of the agreement as  
13 required by section 2, and amendments thereto, and any agreement as  
14 provided by subsection (a) shall be made by the secretary from the  
15 aviation and innovative manufacturing in Kansas act new employee  
16 training and education fund established in section 6, and amendments  
17 thereto, in accordance with appropriation acts upon warrants of the  
18 director of accounts and reports issued pursuant to vouchers approved by  
19 the secretary of commerce or the secretary's designee.

20 (f) No reimbursement shall be issued unless the qualified company  
21 can demonstrate that the new employee trainee has established Kansas  
22 residency within three months after completing the training and has been  
23 certified by the secretary, as provided in section 2, and amendments  
24 thereto, as meeting all requirements of this act, any rules and regulations  
25 of the secretary and the agreement executed pursuant to section 2, and  
26 amendments thereto. As provided by subsection (d), the secretary shall  
27 require proof of Kansas residency for each employee for which  
28 reimbursement of training and education expenses are claimed.

29 (g) If a qualified company breaches the terms and conditions of the  
30 agreement pursuant to section 2, and amendments thereto, repayment of  
31 any benefits provided pursuant to this section shall be made to the state as  
32 provided by section 2, and amendments thereto.

33 New Sec. 6. There is hereby established in the state treasury the  
34 aviation and innovative manufacturing in Kansas act new employee  
35 training and education fund to be administered by the secretary of  
36 commerce. All moneys credited to the aviation and innovative  
37 manufacturing in Kansas act new employee training and education fund  
38 shall be used by the Kansas department of commerce for reimbursement to  
39 qualified companies for training and education eligible expenses pursuant  
40 to the provisions of sections 2 and 5, and amendments thereto. All  
41 expenditures from the aviation and innovative manufacturing in Kansas act  
42 new employee training and education fund shall be made in accordance  
43 with appropriation acts upon warrants of the director of accounts and

1 reports issued pursuant to vouchers approved by the secretary of  
2 commerce or the secretary's designee.

3 New Sec. 7. (a) On and after July 1, 2025, a qualified company that  
4 meets the requirements of section 2, and amendments thereto, and this  
5 section may be eligible for a sales tax exemption under the provisions of  
6 K.S.A. 79-3606(xxxx), and amendments thereto, if approved by the  
7 secretary of commerce.

8 (b) The sales tax exemption may be made available to a qualified  
9 company on the date that the qualified company commences construction  
10 of the qualified business facility, as determined by the secretary, or an  
11 earlier date if agreed by the secretary and incorporated into the agreement  
12 required by section 2, and amendments thereto.

13 (c) The secretary of commerce shall provide notice to the secretary of  
14 revenue regarding an approval of a sales tax exemption under this section.  
15 The sales tax exemption shall be valid until construction of the qualified  
16 business facility has been completed as certified by the secretary of  
17 commerce to the secretary of revenue or the date specified for completion  
18 of the qualified business facility in the agreement executed pursuant to  
19 section 2, and amendments thereto, whichever occurs first. No sales tax  
20 exemption shall be issued by the secretary of revenue unless the qualified  
21 company has been certified by the secretary of commerce as meeting all  
22 applicable requirements of section 2, and amendments thereto, this section  
23 and the agreement required by section 2, and amendments thereto, for  
24 failing to meet the requirements of section 2, and amendments thereto, this  
25 section or the agreement required by section 2, and amendments thereto.

26 (d) A sales tax exemption shall be revoked by the secretary of  
27 revenue upon notification by the secretary of commerce that the qualified  
28 company has been disapproved by the secretary of commerce for failing to  
29 meet the requirements of section 2, and amendments thereto, this section  
30 or the agreement required by section 2, and amendments thereto. In such  
31 event, the qualified company shall remit to the secretary the amount of  
32 sales or compensating use tax exempted as provided by section 2, and  
33 amendments thereto, except as otherwise specified by subsection (e).

34 (e) If a qualified company breaches the terms and conditions of the  
35 agreement required by section 2, and amendments thereto, for failure to  
36 hire and or retain a minimum of 90% of the number of new employees as  
37 specified in the agreement the qualified company shall be required to remit  
38 to the secretary an amount that shall be determined by comparing the  
39 shortfall in job creation and retention, expressed as a percentage, to the  
40 amount of the sales tax exemption provided to the qualified company. This  
41 repayment requirement or any repayment pursuant to subsection (d) shall  
42 be in addition to any other applicable repayment requirement pursuant to  
43 this act.

1 New Sec. 8. (a) Subject to appropriations therefore and upon  
2 approval by the secretary, a qualified company may receive a Kansas first  
3 benefit as provided by this section of up to \$1,000,000 for every  
4 \$20,000,000 of procurement of goods or services made in a fiscal year  
5 from one or more Kansas companies that are not affiliated in any manner  
6 by ownership or control with the qualified company. The Kansas company  
7 or companies from which procurement is made by the qualified company  
8 shall be registered with the Kansas secretary of state and legally  
9 conducting business within Kansas, have the principal place of business in  
10 Kansas and be in good standing. The secretary shall verify and approve the  
11 amount of procurement and that the qualified company and the Kansas  
12 company or companies meet the requirements of this section prior to any  
13 payment of this benefit.

14 (b) The Kansas first benefit pursuant to this section may be claimed  
15 by a qualified company once for a fiscal year and shall be limited to three  
16 separate claims per qualified company based on procurement made in the  
17 fiscal year for which each claim is made. Such claims need not be made in  
18 consecutive fiscal years but shall be made within the term of the  
19 agreement with the secretary pursuant to section 3, and amendments  
20 thereto, and during a period when the qualified company is receiving one  
21 or more other benefits pursuant to this act. The claim shall be made after  
22 the end of the fiscal year that the claim is based upon at such time as  
23 determined by the secretary. The maximum aggregate amount awarded by  
24 the secretary for a fiscal year shall be \$5,000,000. If more than one  
25 qualified company makes a claim for a fiscal year, the secretary shall make  
26 awards, if approved, to each claimant in an amount proportionate to the  
27 aggregate \$5,000,000 award limit as the amount of procurement made by  
28 the claimant is proportionate to the aggregate procurement made by all  
29 claimants for such fiscal year. The amount of an approved claim shall be  
30 paid to the qualified company from the aviation and innovative  
31 manufacturing in Kansas act Kansas first fund, established by subsection  
32 (e).

33 (c) The qualified company and any Kansas company asserted by the  
34 qualified company as a procurement vendor or service provider shall  
35 submit all documentation requested by the secretary for the purpose of  
36 verifying that the requirements of this section have been met, an award  
37 should be approved and the amount of an award.

38 (d) If a qualified company breaches the terms and conditions of the  
39 agreement pursuant to section 3, and amendments thereto, or the  
40 provisions of this section, the qualified company shall reimburse the state  
41 of Kansas the total amount of benefits provided to the qualified company  
42 pursuant to this section with interest, as provided by section 3, and  
43 amendments thereto.

1 (e) There is hereby established in the state treasury the aviation and  
2 innovative manufacturing in Kansas act Kansas first fund to be  
3 administered by the secretary of commerce. All moneys credited to the  
4 aviation and innovative manufacturing in Kansas act Kansas first fund  
5 shall be used by the department of commerce for awards to qualified  
6 companies for procurement made from Kansas companies pursuant to the  
7 provisions of this section. Expenditures from the aviation and innovative  
8 manufacturing in Kansas act Kansas first fund shall be made in accordance  
9 with appropriation acts upon warrants of the director of accounts and  
10 reports issued pursuant to vouchers approved by the secretary of  
11 commerce or the secretary's designee.

12 (f) (1) On July 1, 2025, or as soon thereafter as moneys are available,  
13 the director of accounts and reports shall transfer \$5,000,000 from the state  
14 general fund to the aviation and innovative manufacturing in Kansas act  
15 Kansas first fund.

16 (2) Funds remaining in the aviation and innovative manufacturing in  
17 Kansas act Kansas first fund at the end of any fiscal year may be used by  
18 the secretary as provided in this section in any succeeding fiscal year or  
19 years.

20 New Sec. 9. (a) On or before January 31 of each year, the secretary of  
21 commerce shall transmit to the governor, the senate standing committees  
22 on assessment and taxation and commerce and the house of representatives  
23 standing committees on taxation and commerce, labor and economic  
24 development, or any successor committing, a report based on information  
25 received from each qualified company receiving benefits under this act,  
26 describing, at a minimum, the following:

27 (1) The names of the qualified companies;

28 (2) the types of qualified companies utilizing the act;

29 (3) the location of such companies and the location, description and  
30 economic and industry impact of such companies' business operations in  
31 Kansas;

32 (4) the cumulative number of new employees hired and the new  
33 employees hired in that calendar year, with respect to each qualified  
34 company;

35 (5) the number of employees who reside in Kansas and the number of  
36 employees who reside in other states, designated with respect to each other  
37 state and, if available, the number of employees who have relocated to  
38 Kansas from another state;

39 (6) the wages paid for such new employees;

40 (7) the annual and cumulative amount of investments made;

41 (8) the annual amount of each benefit provided under this act;

42 (9) the estimated net state fiscal impact, including the direct and  
43 indirect new state taxes derived from the new employees hired;



1 (10) an estimate of the multiplier effect on the Kansas economy of the  
2 benefits received under this act; and

3 (11) any material defaults by a qualified company of the terms of any  
4 agreement pursuant to section 2, and amendments thereto.

5 Sec. 10. K.S.A. 2024 Supp. 79-3606 is hereby amended to read as  
6 follows: 79-3606. The following shall be exempt from the tax imposed by  
7 this act:

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

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

37 (c) all sales of tangible personal property or services, including the  
38 renting and leasing of tangible personal property, purchased directly by a  
39 public or private elementary or secondary school or public or private  
40 nonprofit educational institution and used primarily by such school or  
41 institution for nonsectarian programs and activities provided or sponsored  
42 by such school or institution or in the erection, repair or enlargement of  
43 buildings to be used for such purposes. The exemption herein provided

1 shall not apply to erection, construction, repair, enlargement or equipment  
2 of buildings used primarily for human habitation, except that such  
3 exemption shall apply to the erection, construction, repair, enlargement or  
4 equipment of buildings used for human habitation by the cerebral palsy  
5 research foundation of Kansas located in Wichita, Kansas, multi  
6 community diversified services, incorporated, located in McPherson,  
7 Kansas, the Kansas state school for the blind and the Kansas state school  
8 for the deaf;

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

1 certificate for the project involved, and the contractor may purchase  
2 materials for incorporation in such project. The contractor shall furnish the  
3 number of such certificate to all suppliers from whom such purchases are  
4 made, and such suppliers shall execute invoices covering the same bearing  
5 the number of such certificate. Upon completion of the project the  
6 contractor shall furnish to the political subdivision, district described in  
7 subsection (s), hospital or public hospital authority, school, educational  
8 institution or department of corrections concerned a sworn statement, on a  
9 form to be provided by the director of taxation, that all purchases so made  
10 were entitled to exemption under this subsection. As an alternative to the  
11 foregoing procedure, any such contracting entity may apply to the  
12 secretary of revenue for agent status for the sole purpose of issuing and  
13 furnishing project exemption certificates to contractors pursuant to rules  
14 and regulations adopted by the secretary establishing conditions and  
15 standards for the granting and maintaining of such status. All invoices  
16 shall be held by the contractor for a period of five years and shall be  
17 subject to audit by the director of taxation. If any materials purchased  
18 under such a certificate are found not to have been incorporated in the  
19 building or other project or not to have been returned for credit or the sales  
20 or compensating tax otherwise imposed upon such materials that will not  
21 be so incorporated in the building or other project reported and paid by  
22 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
23 month following the close of the month in which it shall be determined  
24 that such materials will not be used for the purpose for which such  
25 certificate was issued, the political subdivision, district described in  
26 subsection (s), hospital or public hospital authority, school, educational  
27 institution or the contractor contracting with the department of corrections  
28 for a correctional institution concerned shall be liable for tax on all  
29 materials purchased for the project, and upon payment thereof it may  
30 recover the same from the contractor together with reasonable attorney  
31 fees. Any contractor or any agent, employee or subcontractor thereof, who  
32 shall use or otherwise dispose of any materials purchased under such a  
33 certificate for any purpose other than that for which such a certificate is  
34 issued without the payment of the sales or compensating tax otherwise  
35 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
36 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
37 79-3615(h), and amendments thereto;

38 (e) all sales of tangible personal property or services purchased by a  
39 contractor for the erection, repair or enlargement of buildings or other  
40 projects for the government of the United States, its agencies or  
41 instrumentalities, that would be exempt from taxation if purchased directly  
42 by the government of the United States, its agencies or instrumentalities.  
43 When the government of the United States, its agencies or

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

26 (f) tangible personal property purchased by a railroad or public utility  
27 for consumption or movement directly and immediately in interstate  
28 commerce;

29 (g) sales of aircraft including remanufactured and modified aircraft  
30 sold to persons using directly or through an authorized agent such aircraft  
31 as certified or licensed carriers of persons or property in interstate or  
32 foreign commerce under authority of the laws of the United States or any  
33 foreign government or sold to any foreign government or agency or  
34 instrumentality of such foreign government and all sales of aircraft for use  
35 outside of the United States and sales of aircraft repair, modification and  
36 replacement parts and sales of services employed in the remanufacture,  
37 modification and repair of aircraft;

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

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

42 (j) meals served without charge or food used in the preparation of  
43 such meals to employees of any restaurant, eating house, dining car, hotel,

1 drugstore or other place where meals or drinks are regularly sold to the  
2 public if such employees' duties are related to the furnishing or sale of  
3 such meals or drinks;

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

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

14 (m) all sales of tangible personal property that become an ingredient  
15 or component part of tangible personal property or services produced,  
16 manufactured or compounded for ultimate sale at retail within or without  
17 the state of Kansas; and any such producer, manufacturer or compounder  
18 may obtain from the director of taxation and furnish to the supplier an  
19 exemption certificate number for tangible personal property for use as an  
20 ingredient or component part of the property or services produced,  
21 manufactured or compounded;

22 (n) all sales of tangible personal property that is consumed in the  
23 production, manufacture, processing, mining, drilling, refining or  
24 compounding of tangible personal property, the treating of by-products or  
25 wastes derived from any such production process, the providing of  
26 services or the irrigation of crops for ultimate sale at retail within or  
27 without the state of Kansas; and any purchaser of such property may  
28 obtain from the director of taxation and furnish to the supplier an  
29 exemption certificate number for tangible personal property for  
30 consumption in such production, manufacture, processing, mining,  
31 drilling, refining, compounding, treating, irrigation and in providing such  
32 services;

33 (o) all sales of animals, fowl and aquatic plants and animals, the  
34 primary purpose of which is use in agriculture or aquaculture, as defined in  
35 K.S.A. 47-1901, and amendments thereto, the production of food for  
36 human consumption, the production of animal, dairy, poultry or aquatic  
37 plant and animal products, fiber or fur, or the production of offspring for  
38 use for any such purpose or purposes;

39 (p) all sales of drugs dispensed pursuant to a prescription order by a  
40 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
41 1626, and amendments thereto. As used in this subsection, "drug" means a  
42 compound, substance or preparation and any component of a compound,  
43 substance or preparation, other than food and food ingredients, dietary

1 supplements or alcoholic beverages, recognized in the official United  
2 States pharmacopeia, official homeopathic pharmacopoeia of the United  
3 States or official national formulary, and supplement to any of them,  
4 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
5 of disease or intended to affect the structure or any function of the body,  
6 except that for taxable years commencing after December 31, 2013, this  
7 subsection shall not apply to any sales of drugs used in the performance or  
8 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
9 thereto;

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

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

33 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,  
34 all sales of tangible personal property or services purchased directly or  
35 indirectly by a groundwater management district organized or operating  
36 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
37 by a rural water district organized or operating under the authority of  
38 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
39 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
40 3522 et seq. or 19-3545, and amendments thereto, which property or  
41 services are used in the construction activities, operation or maintenance of  
42 the district;

43 (t) all sales of farm machinery and equipment or aquaculture

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

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

29 (v) all sales of tangible personal property to any contractor for use in  
30 preparing meals for delivery to homebound elderly persons over 60 years  
31 of age and to homebound disabled persons or to be served at a group-  
32 sitting at a location outside of the home to otherwise homebound elderly  
33 persons over 60 years of age and to otherwise homebound disabled  
34 persons, as all or part of any food service project funded in whole or in  
35 part by government or as part of a private nonprofit food service project  
36 available to all such elderly or disabled persons residing within an area of  
37 service designated by the private nonprofit organization, and all sales of  
38 tangible personal property for use in preparing meals for consumption by  
39 indigent or homeless individuals whether or not such meals are consumed  
40 at a place designated for such purpose, and all sales of food products by or  
41 on behalf of any such contractor or organization for any such purpose;

42 (w) all sales of natural gas, electricity, heat and water delivered  
43 through mains, lines or pipes: (1) To residential premises for

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

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

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

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

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

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

31 (cc) all sales of tangible personal property or services purchased prior  
32 to January 1, 2012, except as otherwise provided, for the purpose of and in  
33 conjunction with constructing, reconstructing, enlarging or remodeling a  
34 business or retail business that meets the requirements established in  
35 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
36 machinery and equipment purchased for installation at any such business  
37 or retail business, and all sales of tangible personal property or services  
38 purchased on or after January 1, 2012, for the purpose of and in  
39 conjunction with constructing, reconstructing, enlarging or remodeling a  
40 business that meets the requirements established in K.S.A. 74-50,115(e),  
41 and amendments thereto, and the sale and installation of machinery and  
42 equipment purchased for installation at any such business. When a person  
43 shall contract for the construction, reconstruction, enlargement or



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

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

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

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

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

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

14 (ii) all sales of tangible personal property purchased directly by a  
15 nonprofit organization for nonsectarian comprehensive multidiscipline  
16 youth development programs and activities provided or sponsored by such  
17 organization, and all sales of tangible personal property by or on behalf of  
18 any such organization. This exemption shall not apply to tangible personal  
19 property customarily used for human habitation purposes;

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

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

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

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

42 (2) For purposes of this subsection:

43 (A) "Integrated production operation" means an integrated series of

1 operations engaged in at a manufacturing or processing plant or facility to  
2 process, transform or convert tangible personal property by physical,  
3 chemical or other means into a different form, composition or character  
4 from that in which it originally existed. Integrated production operations  
5 shall include: (i) Production line operations, including packaging  
6 operations; (ii) preproduction operations to handle, store and treat raw  
7 materials; (iii) post production handling, storage, warehousing and  
8 distribution operations; and (iv) waste, pollution and environmental  
9 control operations, if any;

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

13 (C) "manufacturing or processing plant or facility" means a single,  
14 fixed location owned or controlled by a manufacturing or processing  
15 business that consists of one or more structures or buildings in a  
16 contiguous area where integrated production operations are conducted to  
17 manufacture or process tangible personal property to be ultimately sold at  
18 retail. Such term shall not include any facility primarily operated for the  
19 purpose of conveying or assisting in the conveyance of natural gas,  
20 electricity, oil or water. A business may operate one or more manufacturing  
21 or processing plants or facilities at different locations to manufacture or  
22 process a single product of tangible personal property to be ultimately sold  
23 at retail;

24 (D) "manufacturing or processing business" means a business that  
25 utilizes an integrated production operation to manufacture, process,  
26 fabricate, finish or assemble items for wholesale and retail distribution as  
27 part of what is commonly regarded by the general public as an industrial  
28 manufacturing or processing operation or an agricultural commodity  
29 processing operation. (i) Industrial manufacturing or processing operations  
30 include, by way of illustration but not of limitation, the fabrication of  
31 automobiles, airplanes, machinery or transportation equipment, the  
32 fabrication of metal, plastic, wood or paper products, electricity power  
33 generation, water treatment, petroleum refining, chemical production,  
34 wholesale bottling, newspaper printing, ready mixed concrete production,  
35 and the remanufacturing of used parts for wholesale or retail sale. Such  
36 processing operations shall include operations at an oil well, gas well,  
37 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
38 sand or gravel that has been extracted from the earth is cleaned, separated,  
39 crushed, ground, milled, screened, washed or otherwise treated or prepared  
40 before its transmission to a refinery or before any other wholesale or retail  
41 distribution. (ii) Agricultural commodity processing operations include, by  
42 way of illustration but not of limitation, meat packing, poultry slaughtering  
43 and dressing, processing and packaging farm and dairy products in sealed

1 containers for wholesale and retail distribution, feed grinding, grain  
2 milling, frozen food processing, and grain handling, cleaning, blending,  
3 fumigation, drying and aeration operations engaged in by grain elevators  
4 or other grain storage facilities. (iii) Manufacturing or processing  
5 businesses do not include, by way of illustration but not of limitation,  
6 nonindustrial businesses whose operations are primarily retail and that  
7 produce or process tangible personal property as an incidental part of  
8 conducting the retail business, such as retailers who bake, cook or prepare  
9 food products in the regular course of their retail trade, grocery stores,  
10 meat lockers and meat markets that butcher or dress livestock or poultry in  
11 the regular course of their retail trade, contractors who alter, service, repair  
12 or improve real property, and retail businesses that clean, service or  
13 refurbish and repair tangible personal property for its owner;

14 (E) "repair and replacement parts and accessories" means all parts  
15 and accessories for exempt machinery and equipment, including, but not  
16 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
17 exempt machinery or that are otherwise used in production, and parts and  
18 accessories that require periodic replacement such as belts, drill bits,  
19 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
20 other refractory items for exempt kiln equipment used in production  
21 operations;

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

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

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

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

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

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

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

39 (F) plan, manage, control or record the receipt and flow of inventories  
40 of raw materials, consumables and component parts, the flow of the  
41 property undergoing manufacturing or processing and the management of  
42 inventories of the finished product;

43 (G) produce energy for, lubricate, control the operating of or

1 otherwise enable the functioning of other production machinery and  
2 equipment and the continuation of production operations;

3 (H) package the property being manufactured or processed in a  
4 container or wrapping in which such property is normally sold or  
5 transported;

6 (I) transmit or transport electricity, coke, gas, water, steam or similar  
7 substances used in production operations from the point of generation, if  
8 produced by the manufacturer or processor at the plant site, to that  
9 manufacturer's production operation; or, if purchased or delivered from  
10 off-site, from the point where the substance enters the site of the plant or  
11 facility to that manufacturer's production operations;

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

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

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

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

22 (4) The following machinery, equipment and materials shall be  
23 deemed to be exempt even though it may not otherwise qualify as  
24 machinery and equipment used as an integral or essential part of an  
25 integrated production operation: (A) Computers and related peripheral  
26 equipment that are utilized by a manufacturing or processing business for  
27 engineering of the finished product or for research and development or  
28 product design; (B) machinery and equipment that is utilized by a  
29 manufacturing or processing business to manufacture or rebuild tangible  
30 personal property that is used in manufacturing or processing operations,  
31 including tools, dies, molds, forms and other parts of qualifying machinery  
32 and equipment; (C) portable plants for aggregate concrete, bulk cement  
33 and asphalt including cement mixing drums to be attached to a motor  
34 vehicle; (D) industrial fixtures, devices, support facilities and special  
35 foundations necessary for manufacturing and production operations, and  
36 materials and other tangible personal property sold for the purpose of  
37 fabricating such fixtures, devices, facilities and foundations. An exemption  
38 certificate for such purchases shall be signed by the manufacturer or  
39 processor. If the fabricator purchases such material, the fabricator shall  
40 also sign the exemption certificate; (E) a manufacturing or processing  
41 business' laboratory equipment that is not located at the plant or facility,  
42 but that would otherwise qualify for exemption under subsection (3)(E);  
43 (F) all machinery and equipment used in surface mining activities as

1 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
2 from the time a reclamation plan is filed to the acceptance of the  
3 completed final site reclamation.

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

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

11 (B) machinery, equipment and tools used primarily in maintaining  
12 and repairing any type of machinery and equipment or the building and  
13 plant;

14 (C) transportation, transmission and distribution equipment not  
15 primarily used in a production, warehousing or material handling  
16 operation at the plant or facility, including the means of conveyance of  
17 natural gas, electricity, oil or water, and equipment related thereto, located  
18 outside the plant or facility;

19 (D) office machines and equipment including computers and related  
20 peripheral equipment not used directly and primarily to control or measure  
21 the manufacturing process;

22 (E) furniture and other furnishings;

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

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

29 (H) machinery and equipment used for general plant heating, cooling  
30 and lighting;

31 (I) motor vehicles that are registered for operation on public  
32 highways; or

33 (J) employee apparel, except safety and protective apparel that is  
34 purchased by an employer and furnished gratuitously to employees who  
35 are involved in production or research activities.

36 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings  
37 of the machinery and equipment that qualify or do not qualify as an  
38 integral or essential part of an integrated production operation. When  
39 machinery or equipment is used as an integral or essential part of  
40 production operations part of the time and for nonproduction purposes at  
41 other times, the primary use of the machinery or equipment shall  
42 determine whether or not such machinery or equipment qualifies for  
43 exemption.

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

3 (ll) all sales of educational materials purchased for distribution to the  
4 public at no charge by a nonprofit corporation organized for the purpose of  
5 encouraging, fostering and conducting programs for the improvement of  
6 public health, except that for taxable years commencing after December  
7 31, 2013, this subsection shall not apply to any sales of such materials  
8 purchased by a nonprofit corporation which performs any abortion, as  
9 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

29 (rr) all sales of tangible personal property that will admit the  
30 purchaser thereof to any annual event sponsored by a nonprofit  
31 organization that is exempt from federal income taxation pursuant to  
32 section 501(c)(3) of the federal internal revenue code of 1986, except that  
33 for taxable years commencing after December 31, 2013, this subsection  
34 shall not apply to any sales of such tangible personal property purchased  
35 by a nonprofit organization which performs any abortion, as defined in  
36 K.S.A. 65-6701, and amendments thereto;

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

40 (tt) all sales of tangible personal property and services purchased by  
41 or on behalf of a not-for-profit corporation that is exempt from federal  
42 income taxation pursuant to section 501(c)(3) of the federal internal  
43 revenue code of 1986, for the sole purpose of constructing a Kansas

1 Korean War memorial;

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

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

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

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

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

20 (4) the American diabetes association Kansas affiliate, inc. for the  
21 purpose of eliminating diabetes through medical research, public education  
22 focusing on disease prevention and education, patient education including  
23 information on coping with diabetes, and professional education and  
24 training;

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

30 (6) the Kansas chapters of the Alzheimer's disease and related  
31 disorders association, inc. for the purpose of providing assistance and  
32 support to persons in Kansas with Alzheimer's disease, and their families  
33 and caregivers;

34 (7) the Kansas chapters of the Parkinson's disease association for the  
35 purpose of eliminating Parkinson's disease through medical research and  
36 public and professional education related to such disease;

37 (8) the national kidney foundation of Kansas and western Missouri  
38 for the purpose of eliminating kidney disease through medical research  
39 and public and private education related to such disease;

40 (9) the heartstrings community foundation for the purpose of  
41 providing training, employment and activities for adults with  
42 developmental disabilities;

43 (10) the cystic fibrosis foundation, heart of America chapter, for the



1 purposes of assuring the development of the means to cure and control  
2 cystic fibrosis and improving the quality of life for those with the disease;

3 (11) the spina bifida association of Kansas for the purpose of  
4 providing financial, educational and practical aid to families and  
5 individuals with spina bifida. Such aid includes, but is not limited to,  
6 funding for medical devices, counseling and medical educational  
7 opportunities;

8 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
9 neighborhoods through the construction of new homes, acquiring and  
10 renovating existing homes and other related activities, and promoting  
11 economic development in such neighborhoods;

12 (13) the cross-lines cooperative council for the purpose of providing  
13 social services to low income individuals and families;

14 (14) the dreams work, inc., for the purpose of providing young adult  
15 day services to individuals with developmental disabilities and assisting  
16 families in avoiding institutional or nursing home care for a  
17 developmentally disabled member of their family;

18 (15) the KSDS, Inc., for the purpose of promoting the independence  
19 and inclusion of people with disabilities as fully participating and  
20 contributing members of their communities and society through the  
21 training and providing of guide and service dogs to people with  
22 disabilities, and providing disability education and awareness to the  
23 general public;

24 (16) the lyme association of greater Kansas City, Inc., for the purpose  
25 of providing support to persons with lyme disease and public education  
26 relating to the prevention, treatment and cure of lyme disease;

27 (17) the dream factory, inc., for the purpose of granting the dreams of  
28 children with critical and chronic illnesses;

29 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
30 students and families with education and resources necessary to enable  
31 each child to develop fine character and musical ability to the fullest  
32 potential;

33 (19) the international association of lions clubs for the purpose of  
34 creating and fostering a spirit of understanding among all people for  
35 humanitarian needs by providing voluntary services through community  
36 involvement and international cooperation;

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

41 (21) the American cancer society, inc., for the purpose of eliminating  
42 cancer as a major health problem by preventing cancer, saving lives and  
43 diminishing suffering from cancer, through research, education, advocacy

1 and service;

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

4 (23) the angel babies association, for the purpose of providing  
5 assistance, support and items of necessity to teenage mothers and their  
6 babies; and

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

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

12 (xx) all sales of tangible personal property and services purchased by  
13 a nonprofit zoo that is exempt from federal income taxation pursuant to  
14 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
15 of such zoo by an entity itself exempt from federal income taxation  
16 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
17 contracted with to operate such zoo and all sales of tangible personal  
18 property or services purchased by a contractor for the purpose of  
19 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
20 furnishing or remodeling facilities for any nonprofit zoo that would be  
21 exempt from taxation under the provisions of this section if purchased  
22 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
23 this subsection shall be deemed to exempt the purchase of any construction  
24 machinery, equipment or tools used in the constructing, equipping,  
25 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
26 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
27 the purpose of constructing, equipping, reconstructing, maintaining,  
28 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
29 from the state and furnish to the contractor an exemption certificate for the  
30 project involved, and the contractor may purchase materials for  
31 incorporation in such project. The contractor shall furnish the number of  
32 such certificate to all suppliers from whom such purchases are made, and  
33 such suppliers shall execute invoices covering the same bearing the  
34 number of such certificate. Upon completion of the project the contractor  
35 shall furnish to the nonprofit zoo concerned a sworn statement, on a form  
36 to be provided by the director of taxation, that all purchases so made were  
37 entitled to exemption under this subsection. All invoices shall be held by  
38 the contractor for a period of five years and shall be subject to audit by the  
39 director of taxation. If any materials purchased under such a certificate are  
40 found not to have been incorporated in the building or other project or not  
41 to have been returned for credit or the sales or compensating tax otherwise  
42 imposed upon such materials that will not be so incorporated in the  
43 building or other project reported and paid by such contractor to the

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

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

17 (zz) all sales of machinery and equipment purchased by over-the-air,  
18 free access radio or television station that is used directly and primarily for  
19 the purpose of producing a broadcast signal or is such that the failure of  
20 the machinery or equipment to operate would cause broadcasting to cease.  
21 For purposes of this subsection, machinery and equipment shall include,  
22 but not be limited to, that required by rules and regulations of the federal  
23 communications commission, and all sales of electricity which are  
24 essential or necessary for the purpose of producing a broadcast signal or is  
25 such that the failure of the electricity would cause broadcasting to cease;

26 (aaa) all sales of tangible personal property and services purchased by  
27 a religious organization that is exempt from federal income taxation  
28 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
29 exclusively for religious purposes, and all sales of tangible personal  
30 property or services purchased by a contractor for the purpose of  
31 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
32 furnishing or remodeling facilities for any such organization that would be  
33 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 the building or other project or not to have been returned  
10 for credit or the sales or compensating tax otherwise imposed upon such  
11 materials that will not be so incorporated in the building or other project  
12 reported and paid by such contractor to the director of taxation not later  
13 than the 20<sup>th</sup> day of the month following the close of the month in which it  
14 shall be determined that such materials will not be used for the purpose for  
15 which such certificate was issued, such organization concerned shall be  
16 liable for tax on all materials purchased for the project, and upon payment  
17 thereof it may recover the same from the contractor together with  
18 reasonable attorney fees. Any contractor or any agent, employee or  
19 subcontractor thereof, who shall use or otherwise dispose of any materials  
20 purchased under such a certificate for any purpose other than that for  
21 which such a certificate is issued without the payment of the sales or  
22 compensating tax otherwise imposed upon such materials, shall be guilty  
23 of a misdemeanor and, upon conviction therefor, shall be subject to the  
24 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
25 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
26 this act upon the gross receipts received from any sale exempted by the  
27 amendatory provisions of this subsection shall be refunded. Each claim for  
28 a sales tax refund shall be verified and submitted to the director of taxation  
29 upon forms furnished by the director and shall be accompanied by any  
30 additional documentation required by the director. The director shall  
31 review each claim and shall refund that amount of sales tax paid as  
32 determined under the provisions of this subsection. All refunds shall be  
33 paid from the sales tax refund fund upon warrants of the director of  
34 accounts and reports pursuant to vouchers approved by the director or the  
35 director's designee;

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

41 (ccc) on and after July 1, 1999, all sales of tangible personal property  
42 and services purchased by a primary care clinic or health center the  
43 primary purpose of which is to provide services to medically underserved

1 individuals and families, and that is exempt from federal income taxation  
2 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
3 sales of tangible personal property or services purchased by a contractor  
4 for the purpose of constructing, equipping, reconstructing, maintaining,  
5 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
6 or center that would be exempt from taxation under the provisions of this  
7 section if purchased directly by such clinic or center, except that for  
8 taxable years commencing after December 31, 2013, this subsection shall  
9 not apply to any sales of such tangible personal property and services  
10 purchased by a primary care clinic or health center which performs any  
11 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
12 in this subsection shall be deemed to exempt the purchase of any  
13 construction machinery, equipment or tools used in the constructing,  
14 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
15 remodeling facilities for any such clinic or center. When any such clinic or  
16 center shall contract for the purpose of constructing, equipping,  
17 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
18 facilities, it shall obtain from the state and furnish to the contractor an  
19 exemption certificate for the project involved, and the contractor may  
20 purchase materials for incorporation in such project. The contractor shall  
21 furnish the number of such certificate to all suppliers from whom such  
22 purchases are made, and such suppliers shall execute invoices covering the  
23 same bearing the number of such certificate. Upon completion of the  
24 project the contractor shall furnish to such clinic or center concerned a  
25 sworn statement, on a form to be provided by the director of taxation, that  
26 all purchases so made were entitled to exemption under this subsection.  
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. If any materials  
29 purchased under such a certificate are found not to have been incorporated  
30 in the building or other project or not to have been returned for credit or  
31 the sales or compensating tax otherwise imposed upon such materials that  
32 will not be so incorporated in the building or other project reported and  
33 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
34 day of the month following the close of the month in which it shall be  
35 determined that such materials will not be used for the purpose for which  
36 such certificate was issued, such clinic or center concerned shall be liable  
37 for tax on all materials purchased for the project, and upon payment  
38 thereof it may recover the same from the contractor together with  
39 reasonable attorney fees. Any contractor or any agent, employee or  
40 subcontractor thereof, who shall use or otherwise dispose of any materials  
41 purchased under such a certificate for any purpose other than that for  
42 which such a certificate is issued without the payment of the sales or  
43 compensating tax otherwise imposed upon such materials, shall be guilty

1 of a misdemeanor and, upon conviction therefor, shall be subject to the  
2 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

3 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
4 sales of materials and services purchased by any class II or III railroad as  
5 classified by the federal surface transportation board for the construction,  
6 renovation, repair or replacement of class II or III railroad track and  
7 facilities used directly in interstate commerce. In the event any such track  
8 or facility for which materials and services were purchased sales tax  
9 exempt is not operational for five years succeeding the allowance of such  
10 exemption, the total amount of sales tax that would have been payable  
11 except for the operation of this subsection shall be recouped in accordance  
12 with rules and regulations adopted for such purpose by the secretary of  
13 revenue;

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

18 (fff) all sales of material handling equipment, racking systems and  
19 other related machinery and equipment that is used for the handling,  
20 movement or storage of tangible personal property in a warehouse or  
21 distribution facility in this state; all sales of installation, repair and  
22 maintenance services performed on such machinery and equipment; and  
23 all sales of repair and replacement parts for such machinery and  
24 equipment. For purposes of this subsection, a warehouse or distribution  
25 facility means a single, fixed location that consists of buildings or  
26 structures in a contiguous area where storage or distribution operations are  
27 conducted that are separate and apart from the business' retail operations,  
28 if any, and that do not otherwise qualify for exemption as occurring at a  
29 manufacturing or processing plant or facility. Material handling and  
30 storage equipment shall include aeration, dust control, cleaning, handling  
31 and other such equipment that is used in a public grain warehouse or other  
32 commercial grain storage facility, whether used for grain handling, grain  
33 storage, grain refining or processing, or other grain treatment operation;

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

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

42 (iii) all sales of personal property and services purchased by an  
43 organization that is exempt from federal income taxation pursuant to

1 section 501(c)(3) of the federal internal revenue code of 1986, and such  
2 personal property and services are used by any such organization in the  
3 collection, storage and distribution of food products to nonprofit  
4 organizations that distribute such food products to persons pursuant to a  
5 food distribution program on a charitable basis without fee or charge, and  
6 all sales of tangible personal property or services purchased by a  
7 contractor for the purpose of constructing, equipping, reconstructing,  
8 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
9 for the collection and storage of such food products for any such  
10 organization which is exempt from federal income taxation pursuant to  
11 section 501(c)(3) of the federal internal revenue code of 1986, that would  
12 be exempt from taxation under the provisions of this section if purchased  
13 directly by such organization. Nothing in this subsection shall be deemed  
14 to exempt the purchase of any construction machinery, equipment or tools  
15 used in the constructing, equipping, reconstructing, maintaining, repairing,  
16 enlarging, furnishing or remodeling facilities for any such organization.  
17 When any such organization shall contract for the purpose of constructing,  
18 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
19 remodeling facilities, it shall obtain from the state and furnish to the  
20 contractor an exemption certificate for the project involved, and the  
21 contractor may purchase materials for incorporation in such project. The  
22 contractor shall furnish the number of such certificate to all suppliers from  
23 whom such purchases are made, and such suppliers shall execute invoices  
24 covering the same bearing the number of such certificate. Upon  
25 completion of the project the contractor shall furnish to such organization  
26 concerned a sworn statement, on a form to be provided by the director of  
27 taxation, that all purchases so made were entitled to exemption under this  
28 subsection. All invoices shall be held by the contractor for a period of five  
29 years and shall be subject to audit by the director of taxation. If any  
30 materials purchased under such a certificate are found not to have been  
31 incorporated in such facilities or not to have been returned for credit or the  
32 sales or compensating tax otherwise imposed upon such materials that will  
33 not be so incorporated in such facilities reported and paid by such  
34 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
35 month following the close of the month in which it shall be determined  
36 that such materials will not be used for the purpose for which such  
37 certificate was issued, such organization concerned shall be liable for tax  
38 on all materials purchased for the project, and upon payment thereof it  
39 may recover the same from the contractor together with reasonable  
40 attorney fees. Any contractor or any agent, employee or subcontractor  
41 thereof, who shall use or otherwise dispose of any materials purchased  
42 under such a certificate for any purpose other than that for which such a  
43 certificate is issued without the payment of the sales or compensating tax

1 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
2 and, upon conviction therefor, shall be subject to the penalties provided for  
3 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
4 July 1, 2005, but prior to the effective date of this act upon the gross  
5 receipts received from any sale exempted by the amendatory provisions of  
6 this subsection shall be refunded. Each claim for a sales tax refund shall be  
7 verified and submitted to the director of taxation upon forms furnished by  
8 the director and shall be accompanied by any additional documentation  
9 required by the director. The director shall review each claim and shall  
10 refund that amount of sales tax paid as determined under the provisions of  
11 this subsection. All refunds shall be paid from the sales tax refund fund  
12 upon warrants of the director of accounts and reports pursuant to vouchers  
13 approved by the director or the director's designee;

14 (jjj) all sales of dietary supplements dispensed pursuant to a  
15 prescription order by a licensed practitioner or a mid-level practitioner as  
16 defined by K.S.A. 65-1626, and amendments thereto. As used in this  
17 subsection, "dietary supplement" means any product, other than tobacco,  
18 intended to supplement the diet that: (1) Contains one or more of the  
19 following dietary ingredients: A vitamin, a mineral, an herb or other  
20 botanical, an amino acid, a dietary substance for use by humans to  
21 supplement the diet by increasing the total dietary intake or a concentrate,  
22 metabolite, constituent, extract or combination of any such ingredient; (2)  
23 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or  
24 liquid form, or if not intended for ingestion, in such a form, is not  
25 represented as conventional food and is not represented for use as a sole  
26 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
27 supplement, identifiable by the supplemental facts box found on the label  
28 and as required pursuant to 21 C.F.R. § 101.36;

29 (lll) all sales of tangible personal property and services purchased by  
30 special olympics Kansas, inc. for the purpose of providing year-round  
31 sports training and athletic competition in a variety of olympic-type sports  
32 for individuals with intellectual disabilities by giving them continuing  
33 opportunities to develop physical fitness, demonstrate courage, experience  
34 joy and participate in a sharing of gifts, skills and friendship with their  
35 families, other special olympics athletes and the community, and activities  
36 provided or sponsored by such organization, and all sales of tangible  
37 personal property by or on behalf of any such organization;

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



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

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

10 (ppp) all sales of tangible personal property and services purchased  
11 by or on behalf of a homeless shelter that is exempt from federal income  
12 taxation pursuant to section 501(c)(3) of the federal income tax code of  
13 1986, and used by any such homeless shelter to provide emergency and  
14 transitional housing for individuals and families experiencing  
15 homelessness, and all sales of any such property by or on behalf of any  
16 such homeless shelter for any such purpose;

17 (qqq) all sales of tangible personal property and services purchased  
18 by TLC for children and families, inc., hereinafter referred to as TLC,  
19 which is exempt from federal income taxation pursuant to section 501(c)  
20 (3) of the federal internal revenue code of 1986, and such property and  
21 services are used for the purpose of providing emergency shelter and  
22 treatment for abused and neglected children as well as meeting additional  
23 critical needs for children, juveniles and family, and all sales of any such  
24 property by or on behalf of TLC for any such purpose; and all sales of  
25 tangible personal property or services purchased by a contractor for the  
26 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
27 remodeling facilities for the operation of services for TLC for any such  
28 purpose that would be exempt from taxation under the provisions of this  
29 section if purchased directly by TLC. Nothing in this subsection shall be  
30 deemed to exempt the purchase of any construction machinery, equipment  
31 or tools used in the constructing, maintaining, repairing, enlarging,  
32 furnishing or remodeling such facilities for TLC. When TLC contracts for  
33 the purpose of constructing, maintaining, repairing, enlarging, furnishing  
34 or remodeling such facilities, it shall obtain from the state and furnish to  
35 the contractor an exemption certificate for the project involved, and the  
36 contractor may purchase materials for incorporation in such project. The  
37 contractor shall furnish the number of such certificate to all suppliers from  
38 whom such purchases are made, and such suppliers shall execute invoices  
39 covering the same bearing the number of such certificate. Upon  
40 completion of the project the contractor shall furnish to TLC a sworn  
41 statement, on a form to be provided by the director of taxation, that all  
42 purchases so made were entitled to exemption under this subsection. All  
43 invoices shall be held by the contractor for a period of five years and shall

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

19 (rrr) all sales of tangible personal property and services purchased by  
20 any county law library maintained pursuant to law and sales of tangible  
21 personal property and services purchased by an organization that would  
22 have been exempt from taxation under the provisions of this subsection if  
23 purchased directly by the county law library for the purpose of providing  
24 legal resources to attorneys, judges, students and the general public, and  
25 all sales of any such property by or on behalf of any such county law  
26 library;

27 (sss) all sales of tangible personal property and services purchased by  
28 catholic charities or youthville, hereinafter referred to as charitable family  
29 providers, which is exempt from federal income taxation pursuant to  
30 section 501(c)(3) of the federal internal revenue code of 1986, and which  
31 such property and services are used for the purpose of providing  
32 emergency shelter and treatment for abused and neglected children as well  
33 as meeting additional critical needs for children, juveniles and family, and  
34 all sales of any such property by or on behalf of charitable family  
35 providers for any such purpose; and all sales of tangible personal property  
36 or services purchased by a contractor for the purpose of constructing,  
37 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
38 the operation of services for charitable family providers for any such  
39 purpose which would be exempt from taxation under the provisions of this  
40 section if purchased directly by charitable family providers. Nothing in  
41 this subsection shall be deemed to exempt the purchase of any construction  
42 machinery, equipment or tools used in the constructing, maintaining,  
43 repairing, enlarging, furnishing or remodeling such facilities for charitable

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

31 (ttt) all sales of tangible personal property or services purchased by a  
32 contractor for a project for the purpose of restoring, constructing,  
33 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
34 remodeling a home or facility owned by a nonprofit museum that has been  
35 granted an exemption pursuant to subsection (qq), which such home or  
36 facility is located in a city that has been designated as a qualified  
37 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
38 amendments thereto, and which such project is related to the purposes of  
39 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
40 exempt from taxation under the provisions of this section if purchased  
41 directly by such nonprofit museum. Nothing in this subsection shall be  
42 deemed to exempt the purchase of any construction machinery, equipment  
43 or tools used in the restoring, constructing, equipping, reconstructing,

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

33 (uuu) all sales of tangible personal property and services purchased  
34 by Kansas children's service league, hereinafter referred to as KCSL,  
35 which is exempt from federal income taxation pursuant to section 501(c)  
36 (3) of the federal internal revenue code of 1986, and which such property  
37 and services are used for the purpose of providing for the prevention and  
38 treatment of child abuse and maltreatment as well as meeting additional  
39 critical needs for children, juveniles and family, and all sales of any such  
40 property by or on behalf of KCSL for any such purpose; and all sales of  
41 tangible personal property or services purchased by a contractor for the  
42 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
43 remodeling facilities for the operation of services for KCSL for any such

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

35 (vvv) all sales of tangible personal property or services, including the  
36 renting and leasing of tangible personal property or services, purchased by  
37 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
38 income taxation pursuant to section 501(c)(3) of the federal internal  
39 revenue code, for the purpose of providing jazz in the woods, an event  
40 benefiting children-in-need and other nonprofit charities assisting such  
41 children, and all sales of any such property by or on behalf of such  
42 organization for such purpose;

43 (www) all sales of tangible personal property purchased by or on

1 behalf of the Frontenac education foundation, which is exempt from  
2 federal income taxation pursuant to section 501(c)(3) of the federal  
3 internal revenue code, for the purpose of providing education support for  
4 students, and all sales of any such property by or on behalf of such  
5 organization for such purpose;

6 (xxx) all sales of personal property and services purchased by the  
7 booth theatre foundation, inc., an organization, which is exempt from  
8 federal income taxation pursuant to section 501(c)(3) of the federal  
9 internal revenue code of 1986, and which such personal property and  
10 services are used by any such organization in the constructing, equipping,  
11 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
12 of the booth theatre, and all sales of tangible personal property or services  
13 purchased by a contractor for the purpose of constructing, equipping,  
14 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
15 the booth theatre for such organization, that would be exempt from  
16 taxation under the provisions of this section if purchased directly by such  
17 organization. Nothing in this subsection shall be deemed to exempt the  
18 purchase of any construction machinery, equipment or tools used in the  
19 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
20 furnishing or remodeling facilities for any such organization. When any  
21 such organization shall contract for the purpose of constructing, equipping,  
22 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
23 facilities, it shall obtain from the state and furnish to the contractor an  
24 exemption certificate for the project involved, and the contractor may  
25 purchase materials for incorporation in such project. The contractor shall  
26 furnish the number of such certificate to all suppliers from whom such  
27 purchases are made, and such suppliers shall execute invoices covering the  
28 same bearing the number of such certificate. Upon completion of the  
29 project the contractor shall furnish to such organization concerned a sworn  
30 statement, on a form to be provided by the director of taxation, that all  
31 purchases so made were entitled to exemption under this subsection. All  
32 invoices shall be held by the contractor for a period of five years and shall  
33 be subject to audit by the director of taxation. If any materials purchased  
34 under such a certificate are found not to have been incorporated in such  
35 facilities or not to have been returned for credit or the sales or  
36 compensating tax otherwise imposed upon such materials that will not be  
37 so incorporated in such facilities reported and paid by such contractor to  
38 the director of taxation not later than the 20<sup>th</sup> day of the month following  
39 the close of the month in which it shall be determined that such materials  
40 will not be used for the purpose for which such certificate was issued, such  
41 organization concerned shall be liable for tax on all materials purchased  
42 for the project, and upon payment thereof it may recover the same from  
43 the contractor together with reasonable attorney fees. Any contractor or

1 any agent, employee or subcontractor thereof, who shall use or otherwise  
2 dispose of any materials purchased under such a certificate for any purpose  
3 other than that for which such a certificate is issued without the payment  
4 of the sales or compensating tax otherwise imposed upon such materials,  
5 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
6 subject to the penalties provided for in K.S.A. 79-3615(h), and  
7 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
8 to the effective date of this act upon the gross receipts received from any  
9 sale which would have been exempted by the provisions of this subsection  
10 had such sale occurred after the effective date of this act shall be refunded.  
11 Each claim for a sales tax refund shall be verified and submitted to the  
12 director of taxation upon forms furnished by the director and shall be  
13 accompanied by any additional documentation required by the director.  
14 The director shall review each claim and shall refund that amount of sales  
15 tax paid as determined under the provisions of this subsection. All refunds  
16 shall be paid from the sales tax refund fund upon warrants of the director  
17 of accounts and reports pursuant to vouchers approved by the director or  
18 the director's designee;

19 (yyy) all sales of tangible personal property and services purchased  
20 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
21 which is exempt from federal income taxation pursuant to section 501(c)  
22 (3) of the federal internal revenue code of 1986, and which such property  
23 and services are used for the purpose of encouraging private philanthropy  
24 to further the vision, values, and goals of TLC for children and families,  
25 inc.; and all sales of such property and services by or on behalf of TLC  
26 charities for any such purpose and all sales of tangible personal property or  
27 services purchased by a contractor for the purpose of constructing,  
28 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
29 the operation of services for TLC charities for any such purpose that would  
30 be exempt from taxation under the provisions of this section if purchased  
31 directly by TLC charities. Nothing in this subsection shall be deemed to  
32 exempt the purchase of any construction machinery, equipment or tools  
33 used in the constructing, maintaining, repairing, enlarging, furnishing or  
34 remodeling such facilities for TLC charities. When TLC charities contracts  
35 for the purpose of constructing, maintaining, repairing, enlarging,  
36 furnishing or remodeling such facilities, it shall obtain from the state and  
37 furnish to the contractor an exemption certificate for the project involved,  
38 and the contractor may purchase materials for incorporation in such  
39 project. The contractor shall furnish the number of such certificate to all  
40 suppliers from whom such purchases are made, and such suppliers shall  
41 execute invoices covering the same bearing the number of such certificate.  
42 Upon completion of the project the contractor shall furnish to TLC  
43 charities a sworn statement, on a form to be provided by the director of

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

21 (zzz) all sales of tangible personal property purchased by the rotary  
22 club of shawnee foundation, which is exempt from federal income taxation  
23 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
24 as amended, used for the purpose of providing contributions to community  
25 service organizations and scholarships;

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

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

37 (cccc) all sales of tangible personal property or services purchased by  
38 or on behalf of wayside waifs, inc., which is exempt from federal income  
39 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
40 for the purpose of providing such organization's annual fundraiser, an  
41 event whose purpose is to support the care of homeless and abandoned  
42 animals, animal adoption efforts, education programs for children and  
43 efforts to reduce animal over-population and animal welfare services, and



1 all sales of any such property, including entry or participation fees or  
2 charges, by or on behalf of such organization for such purpose;

3 (dddd) all sales of tangible personal property or services purchased  
4 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
5 of which are exempt from federal income taxation pursuant to section  
6 501(c)(3) of the federal internal revenue code, for the purpose of providing  
7 education, training and employment opportunities for people with  
8 disabilities and other barriers to employment;

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

16 (ffff) all sales of tangible personal property and services purchased by  
17 sheltered living, inc., which is exempt from federal income taxation  
18 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
19 and which such property and services are used for the purpose of  
20 providing residential and day services for people with developmental  
21 disabilities or intellectual disability, or both, and all sales of any such  
22 property by or on behalf of sheltered living, inc., for any such purpose; and  
23 all sales of tangible personal property or services purchased by a  
24 contractor for the purpose of rehabilitating, constructing, maintaining,  
25 repairing, enlarging, furnishing or remodeling homes and facilities for  
26 sheltered living, inc., for any such purpose that would be exempt from  
27 taxation under the provisions of this section if purchased directly by  
28 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
29 the purchase of any construction machinery, equipment or tools used in the  
30 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
31 such homes and facilities for sheltered living, inc. When sheltered living,  
32 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
33 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
34 shall obtain from the state and furnish to the contractor an exemption  
35 certificate for the project involved, and the contractor may purchase  
36 materials for incorporation in such project. The contractor shall furnish the  
37 number of such certificate to all suppliers from whom such purchases are  
38 made, and such suppliers shall execute invoices covering the same bearing  
39 the number of such certificate. Upon completion of the project the  
40 contractor shall furnish to sheltered living, inc., a sworn statement, on a  
41 form to be provided by the director of taxation, that all purchases so made  
42 were entitled to exemption under this subsection. All invoices shall be held  
43 by the contractor for a period of five years and shall be subject to audit by

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

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

21 (hhhh) all sales of tangible personal property or services purchased  
22 on or after July 1, 2014, for the purpose of and in conjunction with  
23 constructing, reconstructing, enlarging or remodeling a business identified  
24 under the North American industry classification system (NAICS)  
25 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
26 installation of machinery and equipment purchased for installation at any  
27 such business. The exemption provided in this subsection shall not apply  
28 to projects that have actual total costs less than \$50,000. When a person  
29 contracts for the construction, reconstruction, enlargement or remodeling  
30 of any such business, such person shall obtain from the state and furnish to  
31 the contractor an exemption certificate for the project involved, and the  
32 contractor may purchase materials, machinery and equipment for  
33 incorporation in such project. The contractor shall furnish the number of  
34 such certificates to all suppliers from whom such purchases are made, and  
35 such suppliers shall execute invoices covering the same bearing the  
36 number of such certificate. Upon completion of the project, the contractor  
37 shall furnish to the owner of the business a sworn statement, on a form to  
38 be provided by the director of taxation, that all purchases so made were  
39 entitled to exemption under this subsection. All invoices shall be held by  
40 the contractor for a period of five years and shall be subject to audit by the  
41 director of taxation. Any contractor or any agent, employee or  
42 subcontractor of the contractor, who shall use or otherwise dispose of any  
43 materials, machinery or equipment purchased under such a certificate for

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

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

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

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

13 (lll) all sales of tangible personal property and services purchased by  
14 Gove county healthcare endowment foundation, inc., which is exempt  
15 from federal income taxation pursuant to section 501(c)(3) of the federal  
16 internal revenue code of 1986, and which such property and services are  
17 used for the purpose of constructing and equipping an airport in Quinter,  
18 Kansas, and all sales of tangible personal property or services purchased  
19 by a contractor for the purpose of constructing and equipping an airport in  
20 Quinter, Kansas, for such organization, that would be exempt from  
21 taxation under the provisions of this section if purchased directly by such  
22 organization. Nothing in this subsection shall be deemed to exempt the  
23 purchase of any construction machinery, equipment or tools used in the  
24 constructing or equipping of facilities for such organization. When such  
25 organization shall contract for the purpose of constructing or equipping an  
26 airport in Quinter, Kansas, 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 certificate to all suppliers from  
30 whom such purchases are made, and such suppliers shall execute invoices  
31 covering the same bearing the number of such certificate. Upon  
32 completion of the project, the contractor shall furnish to such organization  
33 concerned 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 such facilities or not to have been returned for credit or the  
39 sales or compensating tax otherwise imposed upon such materials that will  
40 not be so incorporated in such facilities reported and paid by such  
41 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
42 following the close of the month in which it shall be determined that such  
43 materials will not be used for the purpose for which such certificate was

1 issued, such organization concerned shall be liable for tax on all materials  
2 purchased for the project, and upon payment thereof it may recover the  
3 same from the contractor together with reasonable attorney fees. Any  
4 contractor or any agent, employee or subcontractor thereof, who purchased  
5 under such a certificate for any purpose other than that for which such a  
6 certificate is issued without the payment of the sales or compensating tax  
7 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
8 and, upon conviction therefor, shall be subject to the penalties provided for  
9 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
10 subsection shall expire and have no effect on and after July 1, 2019;

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

16 (nnnn) all sales of tangible personal property or services purchased  
17 by friends of hospice of Jefferson county, an organization that is exempt  
18 from federal income taxation pursuant to section 501(c)(3) of the federal  
19 internal revenue code of 1986, for the purpose of providing support to the  
20 Jefferson county hospice agency in end-of-life care of Jefferson county  
21 families, friends and neighbors, and all sales of entry or participation fees,  
22 charges or tickets by friends of hospice of Jefferson county for such  
23 organization's fundraising event for such purpose;

24 (oooo) all sales of tangible personal property or services purchased  
25 for the purpose of and in conjunction with constructing, reconstructing,  
26 enlarging or remodeling a qualified business facility by a qualified firm or  
27 qualified supplier that meets the requirements established in K.S.A. 2024  
28 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
29 been approved for a project exemption certificate by the secretary of  
30 commerce, and the sale and installation of machinery and equipment  
31 purchased by such qualified firm or qualified supplier for installation at  
32 any such qualified business facility. When a person shall contract for the  
33 construction, reconstruction, enlargement or remodeling of any such  
34 qualified business facility, such person shall obtain from the state and  
35 furnish to the contractor an exemption certificate for the project involved,  
36 and the contractor may purchase materials, machinery and equipment for  
37 incorporation in such project. The contractor shall furnish the number of  
38 such certificates to all suppliers from whom such purchases are made, and  
39 such suppliers shall execute invoices covering the same bearing the  
40 number of such certificate. Upon completion of the project, the contractor  
41 shall furnish to the owner of the qualified firm or qualified supplier a  
42 sworn statement, on a form to be provided by the director of taxation, that  
43 all purchases so made were entitled to exemption under this subsection.

1 All invoices shall be held by the contractor for a period of five years and  
2 shall be subject to audit by the director of taxation. Any contractor or any  
3 agent, employee or subcontractor thereof who shall use or otherwise  
4 dispose of any materials, machinery or equipment purchased under such a  
5 certificate for any purpose other than that for which such a certificate is  
6 issued without the payment of the sales or compensating tax otherwise  
7 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
8 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
9 3615(h), and amendments thereto. As used in this subsection, "qualified  
10 business facility," "qualified firm" and "qualified supplier" mean the same  
11 as defined in K.S.A. 2024 Supp. 74-50,311, and amendments thereto;

12 (pppp) (1) all sales of tangible personal property or services  
13 purchased by a not-for-profit corporation that is designated as an area  
14 agency on aging by the secretary for aging and disabilities services and is  
15 exempt from federal income taxation pursuant to section 501(c)(3) of the  
16 federal internal revenue code for the purpose of coordinating and  
17 providing seniors and those living with disabilities with services that  
18 promote person-centered care, including home-delivered meals,  
19 congregate meal settings, long-term case management, transportation,  
20 information, assistance and other preventative and intervention services to  
21 help service recipients remain in their homes and communities or for the  
22 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
23 enlarging, furnishing or remodeling facilities for such area agency on  
24 aging; and

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

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

22 (qqqq) all sales of tangible personal property or services purchased  
23 by Kansas suicide prevention HQ, inc., an organization that is exempt  
24 from federal income taxation pursuant to section 501(c)(3) of the federal  
25 internal revenue code of 1986, for the purpose of bringing suicide  
26 prevention training and awareness to communities across the state;

27 (rrrr) all sales of the services of slaughtering, butchering, custom  
28 cutting, dressing, processing and packaging of an animal for human  
29 consumption when the animal is delivered or furnished by a customer that  
30 owns the animal and such meat or poultry is for use or consumption by  
31 such customer;

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

39 (tttt) on and after January 1, 2024, all sales of tangible personal  
40 property or services purchased by exploration place, inc., an organization  
41 that is exempt from federal income taxation pursuant to section 501(c)(3)  
42 of the federal internal revenue code, and which such property and services  
43 are used for the purpose of constructing, remodeling, furnishing or

1 equipping a riverfront amphitheater, a destination playscape, an education  
2 center and indoor renovations at exploration place in Wichita, Kansas, all  
3 sales of tangible personal property or services purchased by Kansas  
4 children's discovery center inc. in Topeka, Kansas, and which such  
5 property and services are used for the purpose of constructing, remodeling,  
6 furnishing or equipping projects that include indoor-outdoor classrooms,  
7 an expanded multi-media gallery, a workshop and loading dock and safety  
8 upgrades such as a tornado shelter, lactation room, first aid room and  
9 sensory room and all sales of tangible personal property or services  
10 purchased by a contractor for the purpose of constructing, remodeling,  
11 furnishing or equipping such projects, for such organizations, that would  
12 be exempt from taxation under the provisions of this section if purchased  
13 directly by such organizations. Nothing in this subsection shall be deemed  
14 to exempt the purchase of any construction machinery, equipment or tools  
15 used in the constructing, remodeling, furnishing or equipping of facilities  
16 for such organization. When such organization shall contract for the  
17 purpose of constructing, remodeling, furnishing or equipping such  
18 projects, it shall obtain from the state and furnish to the contractor an  
19 exemption certificate for the project involved, and the contractor may  
20 purchase materials for incorporation in such project. The contractor shall  
21 furnish the number of such certificate to all suppliers from whom such  
22 purchases are made, and such suppliers shall execute invoices covering the  
23 same bearing the number of such certificate. Upon completion of the  
24 project, the contractor shall furnish to such organization a sworn statement,  
25 on a form to be provided by the director of taxation, that all purchases so  
26 made were entitled to exemption under this subsection. All invoices shall  
27 be held by the contractor for a period of five years and shall be subject to  
28 audit by the director of taxation. If any materials purchased under such a  
29 certificate are found not to have been incorporated in such facilities or not  
30 to have been returned for credit or the sales or compensating tax otherwise  
31 imposed upon such materials that will not be so incorporated in such  
32 facilities reported and paid by such contractor to the director of taxation no  
33 later than the 20<sup>th</sup> day of the month following the close of the month in  
34 which it shall be determined that such materials will not be used for the  
35 purpose for which such certificate was issued, such organization shall be  
36 liable for tax on all materials purchased for the project, and upon payment  
37 thereof may recover the same from the contractor together with reasonable  
38 attorney fees. Any contractor or agent, employee or subcontractor thereof,  
39 who purchased under such a certificate for any purpose other than that for  
40 which such a certificate is issued without the payment of the sales or  
41 compensating tax otherwise imposed upon such materials, shall be guilty  
42 of a misdemeanor and, upon conviction therefor, shall be subject to the  
43 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.



1 Sales tax paid on and after January 1, 2024, but prior to the effective date  
2 of this act, upon the gross receipts received from any sale exempted by the  
3 amendatory provisions of this subsection shall be refunded. Each claim for  
4 a sales tax refund shall be verified and submitted to the director of taxation  
5 upon forms furnished by the director and shall be accompanied by any  
6 additional documentation required by the director. The director shall  
7 review each claim and shall refund that amount of sales tax paid as  
8 determined under the provisions of this subsection. All refunds shall be  
9 paid from the sales tax refund fund upon warrants of the director of  
10 accounts and reports pursuant to vouchers approved by the director or the  
11 director's designee. The provisions of this subsection shall expire and have  
12 no effect on and after December 31, 2030;

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

16 (B) all services purchased by a provider in the provision of the  
17 communications service used in the repair, maintenance or installation in  
18 such communications service.

19 (2) As used in this subsection:

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

22 (B) "Equipment, machinery, software, ancillary components,  
23 appurtenances, accessories or other infrastructure" includes, but is not  
24 limited to:

25 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,  
26 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
27 transmitters, circuit cards, insulating and protective materials and cases,  
28 power equipment, backup power equipment, diagnostic equipment, storage  
29 devices, modems, cable modem termination systems and servers;

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

32 (iii) equipment used in successor technologies, including items used  
33 to monitor, test, maintain, enable or facilitate qualifying equipment,  
34 machinery, software, ancillary components, appurtenances and  
35 accessories; and

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

40 (C) "Internet access service" means the same as internet access as  
41 defined in section 1105 of the internet tax freedom act amendments of  
42 2007, public law 110-108.

43 (D) "Provider" means a person or entity that sells communications

1 service, including an affiliate or subsidiary.

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

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

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

8 (vvvv) (1) all sales of tangible personal property or services  
9 purchased by a contractor for the purpose of constructing, equipping,  
10 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
11 a building that is operated by, or is intended to be operated by, the Kansas  
12 fairgrounds foundation, a not-for-profit corporation exempt from federal  
13 income taxation pursuant to section 501(c)(3) of the federal internal  
14 revenue code of 1986, and located on the grounds of the Kansas state fair,  
15 and such tangible personal property would be exempt from taxation under  
16 the provisions of this paragraph if purchased directly by such eligible not-  
17 for-profit corporation. Nothing in this subsection shall be deemed to  
18 exempt the purchase of any construction machinery, equipment or tools  
19 used in the constructing, equipping, reconstructing, maintaining, repairing,  
20 enlarging, furnishing or remodeling a building for such eligible not-for-  
21 profit corporation. When such eligible not-for-profit corporation contracts  
22 for the purpose of constructing, equipping, reconstructing, maintaining,  
23 repairing, enlarging, furnishing or remodeling a building, such corporation  
24 shall obtain from the state and furnish to the contractor an exemption  
25 certificate for the project involved, and such contractor may purchase  
26 materials for incorporation in such project. The contractor shall furnish the  
27 number of such certificate to all suppliers from whom such purchases are  
28 made, and such suppliers shall execute invoices covering such purchases  
29 bearing the number of such certificate. Upon completion of the project, the  
30 contractor shall furnish to such eligible not-for-profit corporation a sworn  
31 statement, on a form to be provided by the director of taxation, that all  
32 purchases so made were entitled to exemption under this subsection. All  
33 invoices shall be held by the contractor for a period of five years and shall  
34 be subject to audit by the director of taxation. If any materials purchased  
35 under such a certificate are found not to have been incorporated in the  
36 building or returned for credit, the contractor shall report and pay the sales  
37 or compensating tax to the director of taxation not later than the 20<sup>th</sup> day of  
38 the month following the close of the month in which it is determined that  
39 such materials will not be used for the purpose for which such certificate  
40 was issued. The eligible not-for-profit corporation concerned shall be  
41 liable for tax on all materials purchased for the project, and upon payment  
42 thereof, the eligible not-for-profit corporation may recover the same from  
43 the contractor together with reasonable attorney fees. Any contractor or

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

8 (2) Sales tax paid on and after May 19, 2023, but prior to the effective  
9 date of this act upon the gross receipts received from any sale which would  
10 have been exempted by the provisions of this subsection had such sale  
11 occurred after the effective date of this act shall be refunded. Each claim  
12 for a sales tax refund shall be verified and submitted to the director of  
13 taxation upon forms furnished by the director and shall be accompanied by  
14 any additional documentation required by the director. The director shall  
15 review each claim and shall refund that amount of sales tax paid as  
16 determined under the provisions of this subsection. All refunds shall be  
17 paid from the sales tax refund fund upon warrants of the director of  
18 accounts and reports pursuant to vouchers approved by the director or the  
19 director's designee; ~~and~~

20 (www) (1) all sales of tangible personal property or services  
21 purchased by a pregnancy resource center or residential maternity facility.

22 (2) As used in this subsection, "pregnancy resource center" or  
23 "residential maternity facility" means an organization that is:

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

26 (B) a nonprofit organization organized under the laws of this state;  
27 and

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

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

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

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

37 (iv) utilizes trained healthcare providers, as defined by K.S.A. 2024  
38 Supp. 79-32,316, and amendments thereto, to perform any available  
39 medical procedures; *and*

40 *(xxx) all sales of tangible personal property or services purchased*  
41 *for the purpose of and in conjunction with constructing, reconstructing,*  
42 *enlarging or remodeling a qualified business facility by a qualified*  
43 *company that meets the requirements established in sections 2 and 7, and*

1 *amendments thereto, and that has been approved for a project exemption*  
2 *certificate by the secretary of commerce, and the sale and installation of*  
3 *machinery and equipment purchased by such qualified company for*  
4 *installation at any such qualified business facility. When a person*  
5 *contracts for the construction, reconstruction, enlargement or remodeling*  
6 *of any such qualified business facility, such person shall obtain from the*  
7 *state and furnish to the contractor an exemption certificate for the project*  
8 *involved, and the contractor may purchase materials, machinery and*  
9 *equipment for incorporation in such project. The contractor shall furnish*  
10 *the number of such certificates to all suppliers from whom such purchases*  
11 *are made, and such suppliers shall execute invoices covering such*  
12 *purchases bearing the number of such certificate. Upon completion of the*  
13 *project, the contractor shall furnish to the owner of the qualified firm or*  
14 *qualified supplier a sworn statement, on a form to be provided by the*  
15 *director of taxation, that all purchases so made were entitled to exemption*  
16 *under this subsection. All invoices shall be held by the contractor for a*  
17 *period of five years and subject to audit by the director of taxation. If any*  
18 *materials, machinery or equipment purchased under such a certificate are*  
19 *found not to have been incorporated into the qualified business facility or*  
20 *returned for credit, the contractor shall report and pay the sales or*  
21 *compensating use tax to the director of taxation not later than the 20<sup>th</sup> day*  
22 *of the month following the close of the month in which a determination is*  
23 *made that such materials, machinery or equipment will not be used for the*  
24 *purpose for which such certificate was issued. The qualified company*  
25 *shall be liable for tax on all materials, machinery or equipment purchased*  
26 *for the project, and upon payment thereof, the qualified company may*  
27 *recover the amount of the tax paid 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 *machinery or equipment purchased under such a certificate for any*  
31 *purpose other than that for which such certificate is issued without the*  
32 *payment of the sales or compensating use tax otherwise imposed thereon,*  
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. As used in this subsection, "qualified company" and*  
36 *"qualified business facility" mean the same as defined in section 1, and*  
37 *amendments thereto.*

38 Sec. 11. K.S.A. 2024 Supp. 79-3606 is hereby repealed.

39 Sec. 12. This act shall take effect and be in force from and after its  
40 publication in the statute book.