

HOUSE BILL No. 2091

By Representatives Kinzer, Brown, Collins, Donohoe, Garber, Goodman,
Gregory, Grosserode, Hildabrand, Howell, Kiegerl, Landwehr, Meigs,
Montgomery, O'Brien, O'Hara, Osterman, Patton, Rubin, Scapa, Smith and
Suellentrop

1-25

1 AN ACT concerning taxation; relating to sales and compensating use tax;
2 rate of taxation; amending K.S.A. 2010 Supp. 79-3603, 79-3620, 79-
3 3703 and 79-3710 and repealing the existing sections.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2010 Supp. 79-3603 is hereby amended to read as
7 follows: 79-3603. For the privilege of engaging in the business of selling
8 tangible personal property at retail in this state or rendering or furnishing
9 any of the services taxable under this act, there is hereby levied and there
10 shall be collected and paid a tax at the rate of 5.3%, ~~and except that~~
11 commencing July 1, 2010, ~~and ending June 30, 2011~~, at the rate of 6.3%,
12 ~~and commencing July 1, 2013, at the rate of 5.7%~~. Within a
13 redevelopment district established pursuant to K.S.A. 74-8921, and
14 amendments thereto, there is hereby levied and there shall be collected
15 and paid an additional tax at the rate of 2% until the earlier of the date the
16 bonds issued to finance or refinance the redevelopment project have been
17 paid in full or the final scheduled maturity of the first series of bonds
18 issued to finance any part of the project upon:

19 (a) The gross receipts received from the sale of tangible personal
20 property at retail within this state;

21 (b) the gross receipts from intrastate, interstate or international
22 telecommunications services and any ancillary services sourced to this
23 state in accordance with K.S.A. 2010 Supp. 79-3673, and amendments
24 thereto, except that telecommunications service does not include: (1) Any
25 interstate or international 800 or 900 service; (2) any interstate or
26 international private communications service as defined in K.S.A. 2010
27 Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice
28 data service; (4) any telecommunication service to a provider of
29 telecommunication services which will be used to render
30 telecommunications services, including carrier access services; or (5) any
31 service or transaction defined in this section among entities classified as
32 members of an affiliated group as provided by section 1504 of the federal
33 internal revenue code of 1986, as in effect on January 1, 2001;

1 (c) the gross receipts from the sale or furnishing of gas, water,
2 electricity and heat, which sale is not otherwise exempt from taxation
3 under the provisions of this act, and whether furnished by municipally or
4 privately owned utilities, except that, on and after January 1, 2006, for
5 sales of gas, electricity and heat delivered through mains, lines or pipes to
6 residential premises for noncommercial use by the occupant of such
7 premises, and for agricultural use and also, for such use, all sales of
8 propane gas, the state rate shall be 0%; and for all sales of propane gas,
9 LP gas, coal, wood and other fuel sources for the production of heat or
10 lighting for noncommercial use of an occupant of residential premises,
11 the state rate shall be 0%, but such tax shall not be levied and collected
12 upon the gross receipts from: (1) The sale of a rural water district benefit
13 unit; (2) a water system impact fee, system enhancement fee or similar
14 fee collected by a water supplier as a condition for establishing service; or
15 (3) connection or reconnection fees collected by a water supplier;

16 (d) the gross receipts from the sale of meals or drinks furnished at
17 any private club, drinking establishment, catered event, restaurant, eating
18 house, dining car, hotel, drugstore or other place where meals or drinks
19 are regularly sold to the public;

20 (e) the gross receipts from the sale of admissions to any place
21 providing amusement, entertainment or recreation services including
22 admissions to state, county, district and local fairs, but such tax shall not
23 be levied and collected upon the gross receipts received from sales of
24 admissions to any cultural and historical event which occurs triennially;

25 (f) the gross receipts from the operation of any coin-operated device
26 dispensing or providing tangible personal property, amusement or other
27 services except laundry services, whether automatic or manually
28 operated;

29 (g) the gross receipts from the service of renting of rooms by hotels,
30 as defined by K.S.A. 36-501; and amendments thereto, or by
31 accommodation brokers, as defined by K.S.A. 12-1692, and amendments
32 thereto but such tax shall not be levied and collected upon the gross
33 receipts received from sales of such service to the federal government and
34 any agency, officer or employee thereof in association with the
35 performance of official government duties;

36 (h) the gross receipts from the service of renting or leasing of
37 tangible personal property except such tax shall not apply to the renting
38 or leasing of machinery, equipment or other personal property owned by a
39 city and purchased from the proceeds of industrial revenue bonds issued
40 prior to July 1, 1973, in accordance with the provisions of K.S.A. 12-
41 1740 through 12-1749, and amendments thereto, and any city or lessee
42 renting or leasing such machinery, equipment or other personal property
43 purchased with the proceeds of such bonds who shall have paid a tax

1 under the provisions of this section upon sales made prior to July 1, 1973,
2 shall be entitled to a refund from the sales tax refund fund of all taxes
3 paid thereon;

4 (i) the gross receipts from the rendering of dry cleaning, pressing,
5 dyeing and laundry services except laundry services rendered through a
6 coin-operated device whether automatic or manually operated;

7 (j) the gross receipts from the rendering of the services of washing
8 and washing and waxing of vehicles;

9 (k) the gross receipts from cable, community antennae and other
10 subscriber radio and television services;

11 (l) (1) except as otherwise provided by paragraph (2), the gross
12 receipts received from the sales of tangible personal property to all
13 contractors, subcontractors or repairmen for use by them in erecting
14 structures, or building on, or otherwise improving, altering, or repairing
15 real or personal property.

16 (2) Any such contractor, subcontractor or repairman who maintains
17 an inventory of such property both for sale at retail and for use by them
18 for the purposes described by paragraph (1) shall be deemed a retailer
19 with respect to purchases for and sales from such inventory, except that
20 the gross receipts received from any such sale, other than a sale at retail,
21 shall be equal to the total purchase price paid for such property and the
22 tax imposed thereon shall be paid by the deemed retailer;

23 (m) the gross receipts received from fees and charges by public and
24 private clubs, drinking establishments, organizations and businesses for
25 participation in sports, games and other recreational activities, but such
26 tax shall not be levied and collected upon the gross receipts received
27 from: (1) Fees and charges by any political subdivision, by any
28 organization exempt from property taxation pursuant to paragraph *Ninth*
29 of K.S.A. 79-201, and amendments thereto, or by any youth recreation
30 organization exclusively providing services to persons 18 years of age or
31 younger which is exempt from federal income taxation pursuant to
32 section 501(c)(3) of the federal internal revenue code of 1986, for
33 participation in sports, games and other recreational activities; and (2)
34 entry fees and charges for participation in a special event or tournament
35 sanctioned by a national sporting association to which spectators are
36 charged an admission which is taxable pursuant to subsection (e);

37 (n) the gross receipts received from dues charged by public and
38 private clubs, drinking establishments, organizations and businesses,
39 payment of which entitles a member to the use of facilities for recreation
40 or entertainment, but such tax shall not be levied and collected upon the
41 gross receipts received from: (1) Dues charged by any organization
42 exempt from property taxation pursuant to paragraphs *Eighth* and *Ninth*
43 of K.S.A. 79-201, and amendments thereto; and (2) sales of memberships

1 in a nonprofit organization which is exempt from federal income taxation
2 pursuant to section 501 (c)(3) of the federal internal revenue code of
3 1986, and whose purpose is to support the operation of a nonprofit zoo;

4 (o) the gross receipts received from the isolated or occasional sale of
5 motor vehicles or trailers but not including: (1) The transfer of motor
6 vehicles or trailers by a person to a corporation or limited liability
7 company solely in exchange for stock securities or membership interest
8 in such corporation or limited liability company; or (2) the transfer of
9 motor vehicles or trailers by one corporation or limited liability company
10 to another when all of the assets of such corporation or limited liability
11 company are transferred to such other corporation or limited liability
12 company; or (3) the sale of motor vehicles or trailers which are subject to
13 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and
14 amendments thereto, by an immediate family member to another
15 immediate family member. For the purposes of clause (3), immediate
16 family member means lineal ascendants or descendants, and their
17 spouses. Any amount of sales tax paid pursuant to the Kansas retailers
18 sales tax act on the isolated or occasional sale of motor vehicles or trailers
19 on and after July 1, 2004, which the base for computing the tax was the
20 value pursuant to subsections (a), (b)(1) and (b)(2) of K.S.A. 79-5105,
21 and amendments thereto, when such amount was higher than the amount
22 of sales tax which would have been paid under the law as it existed on
23 June 30, 2004, shall be refunded to the taxpayer pursuant to the procedure
24 prescribed by this section. Such refund shall be in an amount equal to the
25 difference between the amount of sales tax paid by the taxpayer and the
26 amount of sales tax which would have been paid by the taxpayer under
27 the law as it existed on June 30, 2004. Each claim for a sales tax refund
28 shall be verified and submitted not later than six months from the
29 effective date of this act to the director of taxation upon forms furnished
30 by the director and shall be accompanied by any additional
31 documentation required by the director. The director shall review each
32 claim and shall refund that amount of tax paid as provided by this act. All
33 such refunds shall be paid from the sales tax refund fund, upon warrants
34 of the director of accounts and reports pursuant to vouchers approved by
35 the director of taxation or the director's designee. No refund for an
36 amount less than \$10 shall be paid pursuant to this act. In determining the
37 base for computing the tax on such isolated or occasional sale, the fair
38 market value of any motor vehicle or trailer traded in by the purchaser to
39 the seller may be deducted from the selling price;

40 (p) the gross receipts received for the service of installing or
41 applying tangible personal property which when installed or applied is
42 not being held for sale in the regular course of business, and whether or
43 not such tangible personal property when installed or applied remains

1 tangible personal property or becomes a part of real estate, except that no
2 tax shall be imposed upon the service of installing or applying tangible
3 personal property in connection with the original construction of a
4 building or facility, the original construction, reconstruction, restoration,
5 remodeling, renovation, repair or replacement of a residence or the
6 construction, reconstruction, restoration, replacement or repair of a bridge
7 or highway.

8 For the purposes of this subsection:

9 (1) "Original construction" shall mean the first or initial construction
10 of a new building or facility. The term "original construction" shall
11 include the addition of an entire room or floor to any existing building or
12 facility, the completion of any unfinished portion of any existing building
13 or facility and the restoration, reconstruction or replacement of a building,
14 facility or utility structure damaged or destroyed by fire, flood, tornado,
15 lightning, explosion, windstorm, ice loading and attendant winds,
16 terrorism or earthquake, but such term, except with regard to a residence,
17 shall not include replacement, remodeling, restoration, renovation or
18 reconstruction under any other circumstances;

19 (2) "building" shall mean only those enclosures within which
20 individuals customarily are employed, or which are customarily used to
21 house machinery, equipment or other property, and including the land
22 improvements immediately surrounding such building;

23 (3) "facility" shall mean a mill, plant, refinery, oil or gas well, water
24 well, feedlot or any conveyance, transmission or distribution line of any
25 cooperative, nonprofit, membership corporation organized under or
26 subject to the provisions of K.S.A. 17-4601 et seq., and amendments
27 thereto, or municipal or quasi-municipal corporation, including the land
28 improvements immediately surrounding such facility;

29 (4) "residence" shall mean only those enclosures within which
30 individuals customarily live;

31 (5) "utility structure" shall mean transmission and distribution lines
32 owned by an independent transmission company or cooperative, the
33 Kansas electric transmission authority or natural gas or electric public
34 utility; and

35 (6) "windstorm" shall mean straight line winds of at least 80 miles
36 per hour as determined by a recognized meteorological reporting agency
37 or organization;

38 (q) the gross receipts received for the service of repairing, servicing,
39 altering or maintaining tangible personal property which when such
40 services are rendered is not being held for sale in the regular course of
41 business, and whether or not any tangible personal property is transferred
42 in connection therewith. The tax imposed by this subsection shall be
43 applicable to the services of repairing, servicing, altering or maintaining

1 an item of tangible personal property which has been and is fastened to,
2 connected with or built into real property;

3 (r) the gross receipts from fees or charges made under service or
4 maintenance agreement contracts for services, charges for the providing
5 of which are taxable under the provisions of subsection (p) or (q);

6 (s) on and after January 1, 2005, the gross receipts received from the
7 sale of prewritten computer software and the sale of the services of
8 modifying, altering, updating or maintaining prewritten computer
9 software, whether the prewritten computer software is installed or
10 delivered electronically by tangible storage media physically transferred
11 to the purchaser or by load and leave;

12 (t) the gross receipts received for telephone answering services;

13 (u) the gross receipts received from the sale of prepaid calling
14 service and prepaid wireless calling service as defined in K.S.A. 2010
15 Supp. 79-3673, and amendments thereto; and

16 (v) the gross receipts received from the sales of bingo cards, bingo
17 faces and instant bingo tickets by licensees under K.S.A. 79-4701, et seq.,
18 and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,
19 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before
20 July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo
21 faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,
22 and amendments thereto, shall be exempt from taxes imposed pursuant to
23 this section.

24 Sec. 2. K.S.A. 2010 Supp. 79-3620 is hereby amended to read as
25 follows: 79-3620. (a) All revenue collected or received by the director of
26 taxation from the taxes imposed by this act shall be remitted to the state
27 treasurer in accordance with the provisions of K.S.A. 75-4215, and
28 amendments thereto. Upon receipt of each such remittance, the state
29 treasurer shall deposit the entire amount in the state treasury, less amounts
30 withheld as provided in subsection (b) and amounts credited as provided
31 in subsection (c), (d) and (e), to the credit of the state general fund.

32 (b) A refund fund, designated as "sales tax refund fund" not to
33 exceed \$100,000 shall be set apart and maintained by the director from
34 sales tax collections and estimated tax collections and held by the state
35 treasurer for prompt payment of all sales tax refunds including refunds
36 authorized under the provisions of K.S.A. 79-3635, and amendments
37 thereto. Such fund shall be in such amount, within the limit set by this
38 section, as the director shall determine is necessary to meet current
39 refunding requirements under this act. In the event such fund as
40 established by this section is, at any time, insufficient to provide for the
41 payment of refunds due claimants thereof, the director shall certify the
42 amount of additional funds required to the director of accounts and
43 reports who shall promptly transfer the required amount from the state

1 general fund to the sales tax refund fund, and notify the state treasurer,
2 who shall make proper entry in the records.

3 (c) (1) The state treasurer shall credit 5/98 of the revenue collected
4 or received from the tax imposed by K.S.A. 79-3603, and amendments
5 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
6 exclusive of amounts credited pursuant to subsection (d), in the state
7 highway fund.

8 (2) The state treasurer shall credit 5/106 of the revenue collected or
9 received from the tax imposed by K.S.A. 79-3603, and amendments
10 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
11 exclusive of amounts credited pursuant to subsection (d), in the state
12 highway fund.

13 (3) On July 1, 2006, the state treasurer shall credit 19/265 of the
14 revenue collected and received from the tax imposed by K.S.A. 79-3603,
15 and amendments thereto, at the rate of 5.3%, and deposited as provided
16 by subsection (a), exclusive of amounts credited pursuant to subsection
17 (d), in the state highway fund.

18 (4) On July 1, 2007, *and on July 1, 2011, and thereafter*, the state
19 treasurer shall credit 13/106 of the revenue collected and received from
20 the tax imposed by K.S.A. 79-3603, and amendments thereto, at the rate
21 of 5.3%, and deposited as provided by subsection (a), exclusive of
22 amounts credited pursuant to subsection (d), in the state highway fund.

23 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the
24 revenue collected and received from the tax imposed by K.S.A. 79-3603,
25 and amendments thereto, at the rate of 6.3%, and deposited as provided
26 by subsection (a), exclusive of amounts credited pursuant to subsection
27 (d), in the state highway fund.

28 ~~(6) On July 1, 2011, the state treasurer shall credit 11.26% of the~~
29 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
30 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided~~
31 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
32 ~~(d), in the state highway fund.~~

33 ~~(7) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
34 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
35 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided~~
36 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
37 ~~(d), in the state highway fund, as well as such revenue collected and~~
38 ~~received at the rate of 6.3%, after June 30, 2013.~~

39 ~~(8) On July 1, 2013, and thereafter, the state treasurer shall credit~~
40 ~~18.421% of the revenue collected and received from the tax imposed by~~
41 ~~K.S.A. 79-3603, and amendments thereto, at the rate of 5.7%, and~~
42 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
43 ~~pursuant to subsection (d), in the state highway fund.~~

1 (d) The state treasurer shall credit all revenue collected or received
2 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
3 certified by the director, from taxpayers doing business within that
4 portion of a STAR bond project district occupied by a STAR bond project
5 or taxpayers doing business with such entity financed by a STAR bond
6 project as defined in K.S.A. 2010 Supp. 12-17,162, and amendments
7 thereto, that was determined by the secretary of commerce to be of
8 statewide as well as local importance or will create a major tourism area
9 for the state or the project was designated as a STAR bond project as
10 defined in K.S.A. 2010 Supp. 12-17,162, and amendments thereto, to the
11 city bond finance fund, which fund is hereby created. The provisions of
12 this subsection shall expire when the total of all amounts credited
13 hereunder and under subsection (d) of K.S.A. 79-3710, and amendments
14 thereto, is sufficient to retire the special obligation bonds issued for the
15 purpose of financing all or a portion of the costs of such STAR bond
16 project.

17 (e) All revenue certified by the director of taxation as having been
18 collected or received from the tax imposed by subsection (c) of K.S.A.
19 79-3603, and amendments thereto, on the sale or furnishing of gas, water,
20 electricity and heat for use or consumption within the intermodal facility
21 district described in this subsection, shall be credited by the state treasurer
22 to the state highway fund. Such revenue may be transferred by the
23 secretary of transportation to the rail service improvement fund pursuant
24 to law. The provisions of this subsection shall take effect upon
25 certification by the secretary of transportation that a notice to proceed has
26 been received for the construction of the improvements within the
27 intermodal facility district, but not later than December 31, 2010, and
28 shall expire when the secretary of revenue determines that the total of all
29 amounts credited hereunder and pursuant to subsection (e) of K.S.A. 79-
30 3710, and amendments thereto, is equal to \$53,300,000, but not later than
31 December 31, 2045. Thereafter, all revenues shall be collected and
32 distributed in accordance with applicable law. For all tax reporting
33 periods during which the provisions of this subsection are in effect, none
34 of the exemptions contained in K.S.A. 79-3601 et seq., and amendments
35 thereto, shall apply to the sale or furnishing of any gas, water, electricity
36 and heat for use or consumption within the intermodal facility district. As
37 used in this subsection, "intermodal facility district" shall consist of an
38 intermodal transportation area as defined by subsection (oo) of K.S.A.
39 12-1770a, and amendments thereto, located in Johnson county within the
40 polygonal-shaped area having Waverly Road as the eastern boundary,
41 191st Street as the southern boundary, Four Corners Road as the western
42 boundary, and Highway 56 as the northern boundary, and the polygonal-
43 shaped area having Poplar Road as the eastern boundary, 183rd Street as

1 the southern boundary, Waverly Road as the western boundary, and the
2 BNSF mainline track as the northern boundary, that includes capital
3 investment in an amount exceeding \$150 million for the construction of
4 an intermodal facility to handle the transfer, storage and distribution of
5 freight through railway and trucking operations.

6 Sec. 3. K.S.A. 2010 Supp. 79-3703 is hereby amended to read as
7 follows: 79-3703. There is hereby levied and there shall be collected from
8 every person in this state a tax or excise for the privilege of using,
9 storing, or consuming within this state any article of tangible personal
10 property. Such tax shall be levied and collected in an amount equal to the
11 consideration paid by the taxpayer multiplied by the rate of 5.3%, ~~and~~
12 *except that commencing July 1, 2010, and ending June 30, 2011,* at the
13 rate of 6.3%, ~~and commencing July 1, 2013, at the rate of 5.7%.~~ Within a
14 redevelopment district established pursuant to K.S.A. 74-8921, and
15 amendments thereto, there is hereby levied and there shall be collected
16 and paid an additional tax of 2% until the earlier of: (1) The date the
17 bonds issued to finance or refinance the redevelopment project
18 undertaken in the district have been paid in full; or (2) the final scheduled
19 maturity of the first series of bonds issued to finance the redevelopment
20 project. All property purchased or leased within or without this state and
21 subsequently used, stored or consumed in this state shall be subject to the
22 compensating tax if the same property or transaction would have been
23 subject to the Kansas retailers' sales tax had the transaction been wholly
24 within this state.

25 Sec. 4. K.S.A. 2010 Supp. 79-3710 is hereby amended to read as
26 follows: 79-3710. (a) All revenue collected or received by the director
27 under the provisions of this act shall be remitted to the state treasurer in
28 accordance with the provisions of K.S.A. 75-4215, and amendments
29 thereto. Upon receipt of each such remittance, the state treasurer shall
30 deposit the entire amount in the state treasury, less amounts set apart as
31 provided in subsection (b) and amounts credited as provided in
32 subsection (c), (d) and (e), to the credit of the state general fund.

33 (b) A revolving fund, designated as "compensating tax refund fund"
34 not to exceed \$10,000 shall be set apart and maintained by the director
35 from compensating tax collections and estimated tax collections and held
36 by the state treasurer for prompt payment of all compensating tax
37 refunds. Such fund shall be in such amount, within the limit set by this
38 section, as the director shall determine is necessary to meet current
39 refunding requirements under this act.

40 (c) (1) The state treasurer shall credit 5/98 of the revenue collected
41 or received from the tax imposed by K.S.A. 79-3703, and amendments
42 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
43 exclusive of amounts credited pursuant to subsection (d), in the state

1 highway fund.

2 (2) The state treasurer shall credit 5/106 of the revenue collected or
3 received from the tax imposed by K.S.A. 79-3703, and amendments
4 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
5 exclusive of amounts credited pursuant to subsection (d), in the state
6 highway fund.

7 (3) On July 1, 2006, the state treasurer shall credit 19/265 of the
8 revenue collected or received from the tax imposed by K.S.A. 79-3703,
9 and amendments thereto, at the rate of 5.3%, and deposited as provided
10 by subsection (a), exclusive of amounts credited pursuant to subsection
11 (d), in the state highway fund.

12 (4) On July 1, 2007, *and on July 1, 2011, and thereafter*, the state
13 treasurer shall credit 13/106 of the revenue collected or received from the
14 tax imposed by K.S.A. 79-3703, and amendments thereto, at the rate of
15 5.3%, and deposited as provided by subsection (a), exclusive of amounts
16 credited pursuant to subsection (d), in the state highway fund.

17 (5) On July 1, 2010, the state treasurer shall credit 11.427% of the
18 revenue collected and received from the tax imposed by K.S.A. 79-3703,
19 and amendments thereto, at the rate of 6.3%, and deposited as provided
20 by subsection (a), exclusive of amounts credited pursuant to subsection
21 (d), in the state highway fund.

22 ~~(6) On July 1, 2011, the state treasurer shall credit 11.26% of the~~
23 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
24 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided~~
25 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
26 ~~(d), in the state highway fund.~~

27 ~~(7) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
28 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
29 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided~~
30 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
31 ~~(d), in the state highway fund, as well as such revenue collected and~~
32 ~~received at the rate of 6.3%, after June 30, 2013.~~

33 ~~(8) On July 1, 2013, and thereafter, the state treasurer shall credit~~
34 ~~18.421% of the revenue collected and received from the tax imposed by~~
35 ~~K.S.A. 79-3703, and amendments thereto, at the rate of 5.7%, and~~
36 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
37 ~~pursuant to subsection (d), in the state highway fund.~~

38 (d) The state treasurer shall credit all revenue collected or received
39 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
40 certified by the director, from taxpayers doing business within that
41 portion of a redevelopment district occupied by a redevelopment project
42 that was determined by the secretary of commerce to be of statewide as
43 well as local importance or will create a major tourism area for the state

1 as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond
2 finance fund created by subsection (d) of K.S.A. 79-3620, and
3 amendments thereto. The provisions of this subsection shall expire when
4 the total of all amounts credited hereunder and under subsection (d) of
5 K.S.A. 79-3620, and amendments thereto, is sufficient to retire the
6 special obligation bonds issued for the purpose of financing all or a
7 portion of the costs of such redevelopment project.

8 This subsection shall not apply to a project designated as a special
9 bond project as defined in subsection (z) of K.S.A. 12-1770a, and
10 amendments thereto.

11 (e) All revenue certified by the director of taxation as having been
12 collected or received from the tax imposed by subsection (c) of K.S.A.
13 79-3603, and amendments thereto, on the sale or furnishing of gas, water,
14 electricity and heat for use or consumption within the intermodal facility
15 district described in this subsection, shall be credited by the state treasurer
16 to the state highway fund. Such revenue may be transferred by the
17 secretary of transportation to the rail service improvement fund pursuant
18 to law. The provisions of this subsection shall take effect upon
19 certification by the secretary of transportation that a notice to proceed has
20 been received for the construction of the improvements within the
21 intermodal facility district, but not later than December 31, 2010, and
22 shall expire when the secretary of revenue determines that the total of all
23 amounts credited hereunder and pursuant to subsection (e) of K.S.A. 79-
24 3620, and amendments thereto, is equal to \$53,300,000, but not later than
25 December 31, 2045. Thereafter, all revenues shall be collected and
26 distributed in accordance with applicable law. For all tax reporting
27 periods during which the provisions of this subsection are in effect, none
28 of the exemptions contained in K.S.A. 79-3601 et seq., and amendments
29 thereto, shall apply to the sale or furnishing of any gas, water, electricity
30 and heat for use or consumption within the intermodal facility district. As
31 used in this subsection, "intermodal facility district" shall consist of an
32 intermodal transportation area as defined by subsection (oo) of K.S.A.
33 12-1770a, and amendments thereto, located in Johnson county within the
34 polygonal-shaped area having Waverly Road as the eastern boundary,
35 191st Street as the southern boundary, Four Corners Road as the western
36 boundary, and Highway 56 as the northern boundary, and the polygonal-
37 shaped area having Poplar Road as the eastern boundary, 183rd Street as
38 the southern boundary, Waverly Road as the western boundary, and the
39 BNSF mainline track as the northern boundary, that includes capital
40 investment in an amount exceeding \$150 million for the construction of
41 an intermodal facility to handle the transfer, storage and distribution of
42 freight through railway and trucking operations.

43 Sec. 5. K.S.A. 2010 Supp. 79-3603, 79-3620, 79-3703 and 79-3710

1 are hereby repealed.

2 Sec. 6. This act shall take effect and be in force from and after its
3 publication in the statute book.

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