

SENATE BILL No. 312

By Committee on Ways and Means

1-20

1 AN ACT concerning sales taxation; relating to rate, distribution of
2 revenues; amending K.S.A. 2011 Supp. 79-3603, 79-3620, 79-3703 and
3 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. 2011 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 commencing July
11 1, 2010, at the rate of 6.3%, and commencing ~~July~~ *January* 1, 2013, at the
12 rate of 5.7%. Within a redevelopment district established pursuant to
13 K.S.A. 74-8921, and amendments thereto, there is hereby levied and there
14 shall be collected and paid an additional tax at the rate of 2% until the
15 earlier of the date the bonds issued to finance or refinance the
16 redevelopment project have been paid in full or the final scheduled
17 maturity of the first series of bonds issued to finance any part of the
18 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. 2011 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. 2011
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;

34 (c) the gross receipts from the sale or furnishing of gas, water,
35 electricity and heat, which sale is not otherwise exempt from taxation
36 under the provisions of this act, and whether furnished by municipally or

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

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

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

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

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

32 (h) the gross receipts from the service of renting or leasing of tangible
33 personal property except such tax shall not apply to the renting or leasing
34 of machinery, equipment or other personal property owned by a city and
35 purchased from the proceeds of industrial revenue bonds issued prior to
36 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through
37 12-1749, and amendments thereto, and any city or lessee renting or leasing
38 such machinery, equipment or other personal property purchased with the
39 proceeds of such bonds who shall have paid a tax under the provisions of
40 this section upon sales made prior to July 1, 1973, shall be entitled to a
41 refund from the sales tax refund fund of all taxes paid thereon;

42 (i) the gross receipts from the rendering of dry cleaning, pressing,
43 dyeing and laundry services except laundry services rendered through a

1 coin-operated device whether automatic or manually operated;

2 (j) the gross receipts from the rendering of the services of washing
3 and washing and waxing of vehicles;

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

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

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

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

32 (n) the gross receipts received from dues charged by public and
33 private clubs, drinking establishments, organizations and businesses,
34 payment of which entitles a member to the use of facilities for recreation
35 or entertainment, but such tax shall not be levied and collected upon the
36 gross receipts received from: (1) Dues charged by any organization exempt
37 from property taxation pursuant to paragraphs *Eighth* and *Ninth* of K.S.A.
38 79-201, and amendments thereto; and (2) sales of memberships in a
39 nonprofit organization which is exempt from federal income taxation
40 pursuant to section 501 (c)(3) of the federal internal revenue code of 1986,
41 and whose purpose is to support the operation of a nonprofit zoo;

42 (o) the gross receipts received from the isolated or occasional sale of
43 motor vehicles or trailers but not including: (1) The transfer of motor

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

34 (p) the gross receipts received for the service of installing or applying
35 tangible personal property which when installed or applied is not being
36 held for sale in the regular course of business, and whether or not such
37 tangible personal property when installed or applied remains tangible
38 personal property or becomes a part of real estate, except that no tax shall
39 be imposed upon the service of installing or applying tangible personal
40 property in connection with the original construction of a building or
41 facility, the original construction, reconstruction, restoration, remodeling,
42 renovation, repair or replacement of a residence or the construction,
43 reconstruction, restoration, replacement or repair of a bridge or highway.

1 For the purposes of this subsection:

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

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

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

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

24 (5) "utility structure" shall mean transmission and distribution lines
25 owned by an independent transmission company or cooperative, the
26 Kansas electric transmission authority or natural gas or electric public
27 utility; and

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

31 (q) the gross receipts received for the service of repairing, servicing,
32 altering or maintaining tangible personal property which when such
33 services are rendered is not being held for sale in the regular course of
34 business, and whether or not any tangible personal property is transferred
35 in connection therewith. The tax imposed by this subsection shall be
36 applicable to the services of repairing, servicing, altering or maintaining an
37 item of tangible personal property which has been and is fastened to,
38 connected with or built into real property;

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

42 (s) on and after January 1, 2005, the gross receipts received from the
43 sale of prewritten computer software and the sale of the services of

1 modifying, altering, updating or maintaining prewritten computer
2 software, whether the prewritten computer software is installed or
3 delivered electronically by tangible storage media physically transferred to
4 the purchaser or by load and leave;

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

6 (u) the gross receipts received from the sale of prepaid calling service
7 and prepaid wireless calling service as defined in K.S.A. 2011 Supp. 79-
8 3673, and amendments thereto; and

9 (v) the gross receipts received from the sales of bingo cards, bingo
10 faces and instant bingo tickets by licensees under K.S.A. 79-4701, et seq.,
11 and amendments thereto, shall be taxed at a rate of: (1) 4.9% on July 1,
12 2000, and before July 1, 2001; and (2) 2.5% on July 1, 2001, and before
13 July 1, 2002. From and after July 1, 2002, all sales of bingo cards, bingo
14 faces and instant bingo tickets by licensees under K.S.A. 79-4701 et seq.,
15 and amendments thereto, shall be exempt from taxes imposed pursuant to
16 this section.

17 Sec. 2. K.S.A. 2011 Supp. 79-3620 is hereby amended to read as
18 follows: 79-3620. (a) All revenue collected or received by the director of
19 taxation from the taxes imposed by this act shall be remitted to the state
20 treasurer in accordance with the provisions of K.S.A. 75-4215, and
21 amendments thereto. Upon receipt of each such remittance, the state
22 treasurer shall deposit the entire amount in the state treasury, less amounts
23 withheld as provided in subsection (b) and amounts credited as provided in
24 subsection (c), (d) and (e), to the credit of the state general fund.

25 (b) A refund fund, designated as "sales tax refund fund" not to exceed
26 \$100,000 shall be set apart and maintained by the director from sales tax
27 collections and estimated tax collections and held by the state treasurer for
28 prompt payment of all sales tax refunds including refunds authorized
29 under the provisions of K.S.A. 79-3635, and amendments thereto. Such
30 fund shall be in such amount, within the limit set by this section, as the
31 director shall determine is necessary to meet current refunding
32 requirements under this act. In the event such fund as established by this
33 section is, at any time, insufficient to provide for the payment of refunds
34 due claimants thereof, the director shall certify the amount of additional
35 funds required to the director of accounts and reports who shall promptly
36 transfer the required amount from the state general fund to the sales tax
37 refund fund, and notify the state treasurer, who shall make proper entry in
38 the records.

39 (c) (1) The state treasurer shall credit $\frac{5}{98}$ of the revenue collected or
40 received from the tax imposed by K.S.A. 79-3603, and amendments
41 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
42 exclusive of amounts credited pursuant to subsection (d), in the state
43 highway fund.

1 (2) The state treasurer shall credit $\frac{5}{106}$ of the revenue collected or
2 received from the tax imposed by K.S.A. 79-3603, and amendments
3 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
4 exclusive of amounts credited pursuant to subsection (d), in the state
5 highway fund.

6 (3) On July 1, 2006, the state treasurer shall credit $\frac{19}{265}$ of the revenue
7 collected and received from the tax imposed by K.S.A. 79-3603, and
8 amendments thereto, at the rate of 5.3%, and deposited as provided by
9 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
10 the state highway fund.

11 (4) On July 1, 2007, the state treasurer shall credit $\frac{13}{106}$ of the revenue
12 collected and received from the tax imposed by K.S.A. 79-3603, and
13 amendments thereto, at the rate of 5.3%, and deposited as provided by
14 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
15 the state highway fund.

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

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

26 (7) On July 1, 2012, the state treasurer shall credit 11.233% of the
27 revenue collected and received from the tax imposed by K.S.A. 79-3603,
28 and amendments thereto, at the rate of 6.3%, and deposited as provided by
29 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
30 the state highway fund, as well as such revenue collected and received at
31 the rate of 6.3%, after ~~June 30, 2013~~ *December 31, 2012*.

32 (8) *On January 1, 2013, the state treasurer shall credit 12.41% of the*
33 *revenue collected and received from the tax imposed by K.S.A. 79-3603,*
34 *and amendments thereto, at the rate of 5.7% and deposited as provided by*
35 *subsection (a), exclusive of amounts credited pursuant to subsection (d), in*
36 *the state highway fund.*

37 (9) On July 1, 2013, and thereafter, the state treasurer shall credit
38 18.421% of the revenue collected and received from the tax imposed by
39 K.S.A. 79-3603, and amendments thereto, at the rate of 5.7%, and
40 deposited as provided by subsection (a), exclusive of amounts credited
41 pursuant to subsection (d), in the state highway fund.

42 (d) The state treasurer shall credit all revenue collected or received
43 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as

1 certified by the director, from taxpayers doing business within that portion
2 of a STAR bond project district occupied by a STAR bond project or
3 taxpayers doing business with such entity financed by a STAR bond
4 project as defined in K.S.A. 2011 Supp. 12-17,162, and amendments
5 thereto, that was determined by the secretary of commerce to be of
6 statewide as well as local importance or will create a major tourism area
7 for the state or the project was designated as a STAR bond project as
8 defined in K.S.A. 2011 Supp. 12-17,162, and amendments thereto, to the
9 city bond finance fund, which fund is hereby created. The provisions of
10 this subsection shall expire when the total of all amounts credited
11 hereunder and under subsection (d) of K.S.A. 79-3710, and amendments
12 thereto, is sufficient to retire the special obligation bonds issued for the
13 purpose of financing all or a portion of the costs of such STAR bond
14 project.

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

1 amount exceeding \$150 million for the construction of an intermodal
2 facility to handle the transfer, storage and distribution of freight through
3 railway and trucking operations.

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

22 Sec. 4. K.S.A. 2011 Supp. 79-3710 is hereby amended to read as
23 follows: 79-3710. (a) All revenue collected or received by the director
24 under the provisions of this act shall be remitted to the state treasurer in
25 accordance with the provisions of K.S.A. 75-4215, and amendments
26 thereto. Upon receipt of each such remittance, the state treasurer shall
27 deposit the entire amount in the state treasury, less amounts set apart as
28 provided in subsection (b) and amounts credited as provided in subsection
29 (c), (d) and (e), to the credit of the state general fund.

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

37 (c) (1) The state treasurer shall credit $\frac{5}{98}$ of the revenue collected or
38 received from the tax imposed by K.S.A. 79-3703, and amendments
39 thereto, at the rate of 4.9%, and deposited as provided in subsection (a),
40 exclusive of amounts credited pursuant to subsection (d), in the state
41 highway fund.

42 (2) The state treasurer shall credit $\frac{5}{106}$ of the revenue collected or
43 received from the tax imposed by K.S.A. 79-3703, and amendments

1 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
2 exclusive of amounts credited pursuant to subsection (d), in the state
3 highway fund.

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

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

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

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

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

30 (8) *On January 1, 2013, the state treasurer shall credit 12.41% of the*
31 *revenue collected and received from the tax imposed by K.S.A. 79-3703,*
32 *and amendments thereto, at the rate of 5.7% and deposited as provided by*
33 *subsection (a), exclusive of amounts credited pursuant to subsection (d), in*
34 *the state highway fund.*

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

40 (d) The state treasurer shall credit all revenue collected or received
41 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
42 certified by the director, from taxpayers doing business within that portion
43 of a redevelopment district occupied by a redevelopment project that was

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

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

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

1 railway and trucking operations.

2 Sec. 5. K.S.A. 2011 Supp. 79-3603, 79-3620, 79-3703 and 79-3710
3 are hereby repealed.

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