

HOUSE BILL No. 2136

By Committee on Taxation

1-30

1 AN ACT concerning sales and compensating use tax; relating to
2 distribution of revenues; amending K.S.A. 2012 Supp. 79-3620 and 79-
3 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. 2012 Supp. 79-3620 is hereby amended to read as
7 follows: 79-3620. (a) All revenue collected or received by the director of
8 taxation from the taxes imposed by this act shall be remitted to the state
9 treasurer in accordance with the provisions of K.S.A. 75-4215, and
10 amendments thereto. Upon receipt of each such remittance, the state
11 treasurer shall deposit the entire amount in the state treasury, less amounts
12 withheld as provided in subsection (b) and amounts credited as provided in
13 subsection (c), (d) and (e), to the credit of the state general fund.

14 (b) A refund fund, designated as "sales tax refund fund" not to exceed
15 \$100,000 shall be set apart and maintained by the director from sales tax
16 collections and estimated tax collections and held by the state treasurer for
17 prompt payment of all sales tax refunds including refunds authorized
18 under the provisions of K.S.A. 79-3635, and amendments thereto. Such
19 fund shall be in such amount, within the limit set by this section, as the
20 director shall determine is necessary to meet current refunding
21 requirements under this act. In the event such fund as established by this
22 section is, at any time, insufficient to provide for the payment of refunds
23 due claimants thereof, the director shall certify the amount of additional
24 funds required to the director of accounts and reports who shall promptly
25 transfer the required amount from the state general fund to the sales tax
26 refund fund, and notify the state treasurer, who shall make proper entry in
27 the records.

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

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

1 highway fund.

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

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

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

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

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

28 (8) On July 1, 2013, and thereafter, the state treasurer shall credit
29 ~~18.421%~~ 11.233% of the revenue collected and received from the tax
30 imposed by K.S.A. 79-3603, and amendments thereto, at the rate of 5.7%,
31 and deposited as provided by subsection (a), exclusive of amounts credited
32 pursuant to subsection (d), in the state highway fund.

33 (d) The state treasurer shall credit all revenue collected or received
34 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
35 certified by the director, from taxpayers doing business within that portion
36 of a STAR bond project district occupied by a STAR bond project or
37 taxpayers doing business with such entity financed by a STAR bond
38 project as defined in K.S.A. 2012 Supp. 12-17,162, and amendments
39 thereto, that was determined by the secretary of commerce to be of
40 statewide as well as local importance or will create a major tourism area
41 for the state or the project was designated as a STAR bond project as
42 defined in K.S.A. 2012 Supp. 12-17,162, and amendments thereto, to the
43 city bond finance fund, which fund is hereby created. The provisions of

1 this subsection shall expire when the total of all amounts credited
2 hereunder and under subsection (d) of K.S.A. 79-3710, and amendments
3 thereto, is sufficient to retire the special obligation bonds issued for the
4 purpose of financing all or a portion of the costs of such STAR bond
5 project.

6 (e) All revenue certified by the director of taxation as having been
7 collected or received from the tax imposed by subsection (c) of K.S.A. 79-
8 3603, and amendments thereto, on the sale or furnishing of gas, water,
9 electricity and heat for use or consumption within the intermodal facility
10 district described in this subsection, shall be credited by the state treasurer
11 to the state highway fund. Such revenue may be transferred by the
12 secretary of transportation to the rail service improvement fund pursuant to
13 law. The provisions of this subsection shall take effect upon certification
14 by the secretary of transportation that a notice to proceed has been
15 received for the construction of the improvements within the intermodal
16 facility district, but not later than December 31, 2010, and shall expire
17 when the secretary of revenue determines that the total of all amounts
18 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3710, and
19 amendments thereto, is equal to \$53,300,000, but not later than December
20 31, 2045. Thereafter, all revenues shall be collected and distributed in
21 accordance with applicable law. For all tax reporting periods during which
22 the provisions of this subsection are in effect, none of the exemptions
23 contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply
24 to the sale or furnishing of any gas, water, electricity and heat for use or
25 consumption within the intermodal facility district. As used in this
26 subsection, "intermodal facility district" shall consist of an intermodal
27 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and
28 amendments thereto, located in Johnson county within the polygonal-
29 shaped area having Waverly Road as the eastern boundary, 191st Street as
30 the southern boundary, Four Corners Road as the western boundary, and
31 Highway 56 as the northern boundary, and the polygonal-shaped area
32 having Poplar Road as the eastern boundary, 183rd Street as the southern
33 boundary, Waverly Road as the western boundary, and the BNSF mainline
34 track as the northern boundary, that includes capital investment in an
35 amount exceeding \$150 million for the construction of an intermodal
36 facility to handle the transfer, storage and distribution of freight through
37 railway and trucking operations.

38 Sec. 2. K.S.A. 2012 Supp. 79-3710 is hereby amended to read as
39 follows: 79-3710. (a) All revenue collected or received by the director
40 under the provisions of this act shall be remitted to the state treasurer in
41 accordance with the provisions of K.S.A. 75-4215, and amendments
42 thereto. Upon receipt of each such remittance, the state treasurer shall
43 deposit the entire amount in the state treasury, less amounts set apart as

1 provided in subsection (b) and amounts credited as provided in subsection
2 (c), (d) and (e), to the credit of the state general fund.

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

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

15 (2) The state treasurer shall credit $\frac{5}{106}$ of the revenue collected or
16 received from the tax imposed by K.S.A. 79-3703, and amendments
17 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
18 exclusive of amounts credited pursuant to subsection (d), in the state
19 highway fund.

20 (3) On July 1, 2006, the state treasurer shall credit $\frac{19}{265}$ of the revenue
21 collected or received from the tax imposed by K.S.A. 79-3703, and
22 amendments thereto, at the rate of 5.3%, and deposited as provided by
23 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
24 the state highway fund.

25 (4) On July 1, 2007, the state treasurer shall credit $\frac{13}{106}$ of the revenue
26 collected or received from the tax imposed by K.S.A. 79-3703, and
27 amendments thereto, at the rate of 5.3%, and deposited as provided by
28 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
29 the state highway fund.

30 (5) On July 1, 2010, the state treasurer shall credit 11.427% 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 6.3%, and deposited as provided by
33 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
34 the state highway fund.

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

40 (7) On July 1, 2012, the state treasurer shall credit 11.233% of the
41 revenue collected and received from the tax imposed by K.S.A. 79-3703,
42 and amendments thereto, at the rate of 6.3%, and deposited as provided by
43 subsection (a), exclusive of amounts credited pursuant to subsection (d), in

1 the state highway fund, as well as such revenue collected and received at
2 the rate of 6.3%, after June 30, 2013.

3 (8) On July 1, 2013, and thereafter, the state treasurer shall credit
4 ~~18.421%~~ 11.233% of the revenue collected and received from the tax
5 imposed by K.S.A. 79-3703, and amendments thereto, at the rate of 5.7%,
6 and deposited as provided by subsection (a), exclusive of amounts credited
7 pursuant to subsection (d), in the state highway fund.

8 (d) The state treasurer shall credit all revenue collected or received
9 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
10 certified by the director, from taxpayers doing business within that portion
11 of a redevelopment district occupied by a redevelopment project that was
12 determined by the secretary of commerce to be of statewide as well as
13 local importance or will create a major tourism area for the state as defined
14 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
15 fund created by subsection (d) of K.S.A. 79-3620, and amendments
16 thereto. The provisions of this subsection shall expire when the total of all
17 amounts credited hereunder and under subsection (d) of K.S.A. 79-3620,
18 and amendments thereto, is sufficient to retire the special obligation bonds
19 issued for the purpose of financing all or a portion of the costs of such
20 redevelopment project.

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

24 (e) All revenue certified by the director of taxation as having been
25 collected or received from the tax imposed by subsection (c) of K.S.A. 79-
26 3603, and amendments thereto, on the sale or furnishing of gas, water,
27 electricity and heat for use or consumption within the intermodal facility
28 district described in this subsection, shall be credited by the state treasurer
29 to the state highway fund. Such revenue may be transferred by the
30 secretary of transportation to the rail service improvement fund pursuant to
31 law. The provisions of this subsection shall take effect upon certification
32 by the secretary of transportation that a notice to proceed has been
33 received for the construction of the improvements within the intermodal
34 facility district, but not later than December 31, 2010, and shall expire
35 when the secretary of revenue determines that the total of all amounts
36 credited hereunder and pursuant to subsection (e) of K.S.A. 79-3620, and
37 amendments thereto, is equal to \$53,300,000, but not later than December
38 31, 2045. Thereafter, all revenues shall be collected and distributed in
39 accordance with applicable law. For all tax reporting periods during which
40 the provisions of this subsection are in effect, none of the exemptions
41 contained in K.S.A. 79-3601 et seq., and amendments thereto, shall apply
42 to the sale or furnishing of any gas, water, electricity and heat for use or
43 consumption within the intermodal facility district. As used in this

1 subsection, "intermodal facility district" shall consist of an intermodal
2 transportation area as defined by subsection (oo) of K.S.A. 12-1770a, and
3 amendments thereto, located in Johnson county within the polygonal-
4 shaped area having Waverly Road as the eastern boundary, 191st Street as
5 the southern boundary, Four Corners Road as the western boundary, and
6 Highway 56 as the northern boundary, and the polygonal-shaped area
7 having Poplar Road as the eastern boundary, 183rd Street as the southern
8 boundary, Waverly Road as the western boundary, and the BNSF mainline
9 track as the northern boundary, that includes capital investment in an
10 amount exceeding \$150 million for the construction of an intermodal
11 facility to handle the transfer, storage and distribution of freight through
12 railway and trucking operations.

13 Sec. 3. K.S.A. 2012 Supp. 79-3620 and 79-3710 are hereby repealed.

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