

Tax Provisions—Mineral Severance Tax Return Filing; Sales Tax Exemptions; Rooks County Sales Tax Authority; Property Tax Exemption Procedure for Donated Land; Property Tax Exemption for Amateur-Built Aircraft; SB 266

SB 266 changes the due date for the mineral severance tax return; provides three sales tax exemptions; authorizes Rooks County to impose an additional 0.5 percent sales tax to finance construction or remodeling of a jail; removes a requirement that the Court of Tax Appeals (COTA) review and approve applications for a tax exemption for land and easements that are donated to the State for the construction or maintenance of a dam or reservoir; and creates a property tax exemption for amateur-built aircraft.

Mineral Severance Tax Return

The bill changes the due date for the mineral severance tax return to fall on the same date as the tax remittance, on the twentieth day of the second month following production. Under former law, the mineral severance tax return has been due by the end of the month following production and the tax remittance due on the twentieth day of the second month following production. The bill also makes minor changes to the responsibilities of operators and purchasers in remitting due taxes.

Sales Tax Exemptions

Under the bill, one sales tax exemption applies to certain sales of property or services purchased by a contractor for constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities of the Wichita Children's Home, provided the purchases would have otherwise been exempt if purchased directly by that entity. The Wichita Children's Home is required to provide a contractor with a project exemption certificate.

A second exemption applies to sales of property and services purchased by or on behalf of Reaching Out from Within, Inc., a not-for-profit group, for the purpose of sponsoring certain self-help programs for incarcerated persons.

A final exemption applies to sales of property and services purchased by or on behalf of the Beacon, Inc., a not-for-profit group, for the purpose of helping persons during times of special need acquire food, shelter, clothing and other necessities of life.

Rooks County Sales Tax Authority

The bill authorizes Rooks County to impose an additional 0.5 percent sales tax to finance construction or remodeling of a jail. An election is required to be held on the question, and the tax will sunset upon the payment of all costs associated with the project. An additional section of the local sales tax law that requires counties to share a portion of countywide sales taxes with cities also is amended to exclude from that provision a Rooks County sales tax imposed to finance a jail.

Donated Land and Easement Tax Exemption Procedure

The bill also removes a requirement that COTA review and approve any application for a tax exemption for land and easements donated to the State for the construction or maintenance of a dam or reservoir; a \$400 fee has been assessed for that COTA review. Landowner donations of land and easements to the State may receive a 20-year tax exemption under continuing law, provided the Chief Engineer of the Division of Water Resources certifies the donated land and the county appraiser determines the amount of the exemption. This provision of the bill became effective upon publication in the *Kansas Register*.

Amateur Built Aircraft Property Tax Exemption

The bill creates a property tax exemption beginning in tax year 2014 for all amateur-built aircraft, manned or unmanned, used for recreational purposes, display purposes, or both.