Atch #4 3/17

HOUSE BILL No. 2498

By Committee on Taxation

1-20

Balloon Amendment
House Committee on Taxation

AN ACT concerning sales taxation; relating to the community improvement district sales tax administration fund; amending K.S.A. 2015 Supp. 12-6a31 and repealing the existing ~~section~~.

taxation of electronic cigarettes;

and 79-3399

sections

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

Section 1. K.S.A. 2015 Supp. 12-6a31 is hereby amended to read as follows: 12-6a31. (a) In addition to and notwithstanding any limitations on the aggregate amount of the retailers' sales tax contained in K.S.A. 12-187 through 12-197, and amendments thereto, any municipality may impose a community improvement district sales tax on the selling of tangible personal property at retail or rendering or furnishing services taxable pursuant to the provisions of the Kansas retailers' sales tax act, and amendments thereto, within a community improvement district for purposes of financing a project in such district in any increment of .10% or .25% not to exceed 2% and pledging the revenue received therefrom to pay the bonds issued for the project or to reimburse the cost of the project pursuant to pay-as-you-go financing. In the event bonds are issued to finance a project or refunding bonds issued therefore, the community improvement district sales tax imposed pursuant to this section shall expire no later than the date such bonds shall mature. In the event pay-as-you-go financing is utilized, the community improvement district sales tax shall expire 22 years from the date the state director of taxation begins collecting such tax or when the project bonds or pay-as-you-go costs have been paid. Except as otherwise provided by the provisions of K.S.A. 2015 Supp. 12-6a27 et seq., and amendments thereto, the tax authorized by this section shall be administered, collected and subject to the provisions of K.S.A. 12-187 through 12-197, inclusive, and amendments thereto.

(b) Upon receipt of a certified copy of the resolution or ordinance authorizing the levy of the community improvement district sales tax pursuant to this section, the state director of taxation shall cause such tax to be collected in the district at the same time and in the same manner provided for the collection of the state retailers' sales tax. All of the taxes collected under the provisions of this act shall be remitted by the secretary of revenue to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury, and the state treasurer shall credit 2% of all taxes so collected to the community improvement district sales tax administration fund, which fund is hereby established in the state treasury, to defray the expenses of the department of revenue in administration and enforcement of the collection thereof. ~~The aggregate amount of moneys credited to the community improvement district sales tax administration fund shall not exceed $60,000 in any state fiscal year.~~ The remainder of such taxes shall be credited to the community improvement district sales tax fund, which fund is hereby established in the state treasury. All moneys in the community improvement district sales tax fund shall be remitted at least quarterly by the state treasurer, on instruction from the secretary of revenue, to the treasurers of those municipalities which are qualified to receive disbursements from such fund for the amount collected within such municipality. Any refund due on any community improvement district sales tax collected pursuant to this section shall be paid out of the community improvement district sales tax refund fund which is hereby established in the state treasury and reimbursed by the director of taxation from collections of the community improvement district sales tax authorized by this section. Community improvement district sales tax received by a municipality pursuant to this section shall be deposited in the community improvement district sales tax fund created pursuant to K.S.A. 2015 Supp. 12-6a34, and amendments thereto.

(c) Notwithstanding any other provisions of law to the contrary, copies of all retailers' sales and use tax returns filed with the secretary of revenue in connection with a district for which sales or use tax revenues, or both, are pledged or otherwise intended to be used in whole or in part for the payment of bonds issued to finance costs of a project, shall be provided by the secretary of revenue to the bond trustee, escrow agent or paying agent for such bonds upon a written request of the municipality within 15 days of receipt by the secretary of revenue. The bond trustee, escrow agent or paying agent shall keep such retailers' sales and use tax returns and the information contained therein confidential, but may use such information for purposes of allocating and depositing such sales and use tax revenues in connection with the bonds used to finance costs of a project. Except as otherwise provided herein, the sales and use tax returns received by the bond trustee, escrow agent or paying agent shall be subject to the provisions of K.S.A. 79-3614, and amendments thereto.

Sec. 2. K.S.A. 2015 Supp. 12-6a31 is hereby repealed.

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

Sec. 2. K.S.A. 2015 Supp. 79-3399 is hereby amended to read as follows: 79-3399. (a) On and after July 1, ~~2016~~ 2017, a tax is hereby imposed upon the privilege of selling or dealing in electronic cigarettes in this state by any person engaged in business as a distributor thereof, at the rate of $.20 per milliliter of consumable material for electronic cigarettes and a proportionate tax at the like rate on all fractional parts thereof. For electronic cigarettes in the possession of retail dealers for which tax has not been paid, tax shall be imposed under this subsection at the earliest time the retail dealer: (1) Brings or causes to be brought into this state from without the state electronic cigarettes for sale; (2) makes, manufactures or fabricates electronic cigarettes in this state for sale in this state; or (3) sells electronic cigarettes to consumers within this state.

(b) The secretary of revenue shall adopt rules and regulations to implement the provisions of this section.

and 79-3399 are

And by renumbering sections accordingly