

HOUSE BILL No. 2429

By Committee on Taxation

5-5

1 AN ACT concerning sales and compensating tax; relating to rates;
2 amending K.S.A. 2014 Supp. 79-3603, 79-3620, 79-3703 and 79-3710
3 and repealing the existing sections.
4

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

6 Section 1. K.S.A. 2014 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 6.15%, *and commencing*
11 *July 1, 2015, at the rate of 6.5%*. 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 at the
14 rate of 2% until the earlier of the date the bonds issued to finance or
15 refinance the redevelopment project have been paid in full or the final
16 scheduled maturity of the first series of bonds issued to finance any part of
17 the project upon:

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

20 (b) the gross receipts from intrastate, interstate or international
21 telecommunications services and any ancillary services sourced to this
22 state in accordance with K.S.A. 2014 Supp. 79-3673, and amendments
23 thereto, except that telecommunications service does not include: (1) Any
24 interstate or international 800 or 900 service; (2) any interstate or
25 international private communications service as defined in K.S.A. 2014
26 Supp. 79-3673, and amendments thereto; (3) any value-added nonvoice
27 data service; (4) any telecommunication service to a provider of
28 telecommunication services which will be used to render
29 telecommunications services, including carrier access services; or (5) any
30 service or transaction defined in this section among entities classified as
31 members of an affiliated group as provided by section 1504 of the federal
32 internal revenue code of 1986, as in effect on January 1, 2001;

33 (c) the gross receipts from the sale or furnishing of gas, water,
34 electricity and heat, which sale is not otherwise exempt from taxation
35 under the provisions of this act, and whether furnished by municipally or
36 privately owned utilities, except that, on and after January 1, 2006, for

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

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

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

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

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

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

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

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

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

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

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

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

31 (n) the gross receipts received from dues charged by public and
32 private clubs, drinking establishments, organizations and businesses,
33 payment of which entitles a member to the use of facilities for recreation
34 or entertainment, but such tax shall not be levied and collected upon the
35 gross receipts received from: (1) Dues charged by any organization exempt
36 from property taxation pursuant to ~~paragraphs Eighth and Ninth~~ of K.S.A.
37 79-201*Eighth and Ninth*, and amendments thereto; and (2) sales of
38 memberships in a nonprofit organization which is exempt from federal
39 income taxation pursuant to section 501(c)(3) of the federal internal
40 revenue code of 1986, and whose purpose is to support the operation of a
41 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(a), (b)(1) and (b)
16 (2), and amendments thereto, when such amount was higher than the
17 amount of sales tax which would have been paid under the law as it
18 existed on June 30, 2004, shall be refunded to the taxpayer pursuant to the
19 procedure prescribed by this section. Such refund shall be in an amount
20 equal to the difference between the amount of sales tax paid by the
21 taxpayer and the amount of sales tax which would have been paid by the
22 taxpayer under the law as it existed on June 30, 2004. Each claim for a
23 sales tax refund shall be verified and submitted not later than six months
24 from the effective date of this act to the director of taxation upon forms
25 furnished by the director and shall be accompanied by any additional
26 documentation required by the director. The director shall review each
27 claim and shall refund that amount of tax paid as provided by this act. All
28 such refunds shall be paid from the sales tax refund fund, upon warrants of
29 the director of accounts and reports pursuant to vouchers approved by the
30 director of taxation or the director's designee. No refund for an amount less
31 than \$10 shall be paid pursuant to this act. In determining the base for
32 computing the tax on such isolated or occasional sale, the fair market value
33 of any motor vehicle or trailer traded in by the purchaser to the seller may
34 be deducted from the selling price;

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

1 reconstruction, restoration, replacement or repair of a bridge or highway.

2 For the purposes of this subsection:

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

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

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

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

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

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

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

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

43 (s) on and after January 1, 2005, the gross receipts received from the

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

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

7 (u) the gross receipts received from the sale of prepaid calling service
8 and prepaid wireless calling service as defined in K.S.A. 2014 Supp. 79-
9 3673, and amendments thereto; and

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

18 Sec. 2. K.S.A. 2014 Supp. 79-3620 is hereby amended to read as
19 follows: 79-3620. (a) All revenue collected or received by the director of
20 taxation from the taxes imposed by this act shall be remitted to the state
21 treasurer in accordance with the provisions of K.S.A. 75-4215, and
22 amendments thereto. Upon receipt of each such remittance, the state
23 treasurer shall deposit the entire amount in the state treasury, less amounts
24 withheld as provided in subsection (b) and amounts credited as provided in
25 subsections (c), (d) and (e), to the credit of the state general fund.

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

38 ~~(c) (1) The state treasurer shall credit ^{5/100} of the revenue collected or~~
39 ~~received from the tax imposed by K.S.A. 79-3603, and amendments~~
40 ~~thereto, at the rate of 4.9%, and deposited as provided in subsection (a),~~
41 ~~exclusive of amounts credited pursuant to subsection (d), in the state~~
42 ~~highway fund.~~

43 ~~(2) The state treasurer shall credit ^{5/100} of the revenue collected or~~

1 received from the tax imposed by K.S.A. 79-3603, and amendments
2 thereto, at the rate of 5.3%, and deposited as provided in subsection (a),
3 exclusive of amounts credited pursuant to subsection (d), in the state
4 highway fund.

5 ~~(3) On July 1, 2006, the state treasurer shall credit ¹⁹/₇₂₆₅ of the revenue~~
6 ~~collected and received from the tax imposed by K.S.A. 79-3603, and~~
7 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~
8 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
9 ~~the state highway fund.~~

10 ~~(4) On July 1, 2007, the state treasurer shall credit ¹³/₇₄₀₆ of the revenue~~
11 ~~collected and received from the tax imposed by K.S.A. 79-3603, and~~
12 ~~amendments thereto, at the rate of 5.3%, and deposited as provided by~~
13 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
14 ~~the state highway fund.~~

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

20 ~~(6)(2) On July 1, 2011, the state treasurer shall credit 11.26% of the~~
21 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
22 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
23 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
24 ~~the state highway fund.~~

25 ~~(7)(3) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
26 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
27 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
28 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
29 ~~the state highway fund.~~

30 ~~(8)(4) On July 1, 2013, and thereafter, the state treasurer shall credit~~
31 ~~17.073% of the revenue collected and received from the tax imposed by~~
32 ~~K.S.A. 79-3603, and amendments thereto, at the rate of 6.15%, and~~
33 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
34 ~~pursuant to subsection (d), in the state highway fund.~~

35 *(5) On July 1, 2015, and thereafter, the state treasurer shall credit*
36 *16.154% of the revenue collected and received from the tax imposed by*
37 *K.S.A. 79-3603, and amendments thereto, at the rate of 6.5%, 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. 79-3603, and amendments thereto, as
42 certified by the director, from taxpayers doing business within that portion
43 of a STAR bond project district occupied by a STAR bond project or

1 taxpayers doing business with such entity financed by a STAR bond
2 project as defined in K.S.A. 2014 Supp. 12-17,162, and amendments
3 thereto, that was determined by the secretary of commerce to be of
4 statewide as well as local importance or will create a major tourism area
5 for the state or the project was designated as a STAR bond project as
6 defined in K.S.A. 2014 Supp. 12-17,162, and amendments thereto, to the
7 city bond finance fund, which fund is hereby created. The provisions of
8 this subsection shall expire when the total of all amounts credited
9 hereunder and under ~~subsection (d)~~ of K.S.A. 79-3710(d), and
10 amendments thereto, is sufficient to retire the special obligation bonds
11 issued for the purpose of financing all or a portion of the costs of such
12 STAR bond project.

13 (e) All revenue certified by the director of taxation as having been
14 collected or received from the tax imposed by ~~subsection (e)~~ of K.S.A. 79-
15 3603(c), 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. 79-3710(e),
26 and amendments thereto, is equal to \$53,300,000, but not later than
27 December 31, 2045. Thereafter, all revenues shall be collected and
28 distributed in accordance with applicable law. For all tax reporting periods
29 during which the provisions of this subsection are in effect, none of the
30 exemptions contained in K.S.A. 79-3601 et seq., and amendments thereto,
31 shall apply to the sale or furnishing of any gas, water, electricity and heat
32 for use or consumption within the intermodal facility district. As used in
33 this subsection, "intermodal facility district" shall consist of an intermodal
34 transportation area as defined by ~~subsection (oo)~~ of K.S.A. 12-1770a(oo),
35 and 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. 3. K.S.A. 2014 Supp. 79-3703 is hereby amended to read as
3 follows: 79-3703. There is hereby levied and there shall be collected from
4 every person in this state a tax or excise for the privilege of using, storing,
5 or consuming within this state any article of tangible personal property.
6 Such tax shall be levied and collected in an amount equal to the
7 consideration paid by the taxpayer multiplied by the rate of 6.15%, *and*
8 *commencing July 1, 2015, at the rate of 6.5%*. Within a redevelopment
9 district established pursuant to K.S.A. 74-8921, and amendments thereto,
10 there is hereby levied and there shall be collected and paid an additional
11 tax of 2% until the earlier of: (1) The date the bonds issued to finance or
12 refinance the redevelopment project undertaken in the district have been
13 paid in full; or (2) the final scheduled maturity of the first series of bonds
14 issued to finance the redevelopment project. All property purchased or
15 leased within or without this state and subsequently used, stored or
16 consumed in this state shall be subject to the compensating tax if the same
17 property or transaction would have been subject to the Kansas retailers'
18 sales tax had the transaction been wholly within this state.

19 Sec. 4. K.S.A. 2014 Supp. 79-3710 is hereby amended to read as
20 follows: 79-3710. (a) All revenue collected or received by the director
21 under the provisions of this act shall be remitted to the state treasurer in
22 accordance with the provisions of K.S.A. 75-4215, and amendments
23 thereto. Upon receipt of each such remittance, the state treasurer shall
24 deposit the entire amount in the state treasury, less amounts set apart as
25 provided in subsection (b) and amounts credited as provided in subsection
26 (c), (d) and (e), to the credit of the state general fund.

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

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

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

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

6 ~~(4) On July 1, 2007, the state treasurer shall credit ^{13/}₁₀₆ of the revenue~~
7 ~~collected or received from the tax imposed by K.S.A. 79-3703, 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 ~~(5) On July 1, 2010, the state treasurer shall credit 11.427% of the~~
12 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
13 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
14 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
15 ~~the state highway fund.~~

16 ~~(6)(2) On July 1, 2011, the state treasurer shall credit 11.26% of the~~
17 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
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 ~~(7)(3) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
22 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
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 ~~(8)(4) On July 1, 2013, and thereafter, the state treasurer shall credit~~
27 ~~17.073% of the revenue collected and received from the tax imposed by~~
28 ~~K.S.A. 79-3703, and amendments thereto, at the rate of 6.15%, and~~
29 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
30 ~~pursuant to subsection (d), in the state highway fund.~~

31 ~~(5) On July 1, 2015, and thereafter, the state treasurer shall credit~~
32 ~~16.154% of the revenue collected and received from the tax imposed by~~
33 ~~K.S.A. 79-3703, and amendments thereto, at the rate of 6.5%, and~~
34 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
35 ~~pursuant to subsection (d), in the state highway fund.~~

36 (d) The state treasurer shall credit all revenue collected or received
37 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
38 certified by the director, from taxpayers doing business within that portion
39 of a redevelopment district occupied by a redevelopment project that was
40 determined by the secretary of commerce to be of statewide as well as
41 local importance or will create a major tourism area for the state as defined
42 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
43 fund created by ~~subsection (d) of K.S.A. 79-3620(d), and amendments~~

1 thereto. The provisions of this subsection shall expire when the total of all
2 amounts credited hereunder and under ~~subsection (d)~~ of K.S.A. 79-
3 3620(d), and amendments thereto, is sufficient to retire the special
4 obligation bonds issued for the purpose of financing all or a portion of the
5 costs of such redevelopment project.

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

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

41 Sec. 5. K.S.A. 2014 Supp. 79-3603, 79-3620, 79-3703 and 79-3710
42 are hereby repealed.

43 Sec. 6. This act shall take effect and be in force from and after its

- 1 publication in the statute book.