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LEGISLATURE *of* THE STATE *of* KANSAS  
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**MEMORANDUM**

To: Madam Chair and Members of the Committee on Assessment and Taxation

From: Amelia Kovar-Donohue, Assistant Revisor

Date: February 25, 2019

Subject: Senate Bill No. 178

**Summary**

Senate Bill No. 178 establishes a sales tax exemption for “nonprofit integrated community care organizations.”

Section 1 amends K.S.A. 2018 Supp. 79-3602 to include a definition of “nonprofit integrated community care organization.” "Nonprofit integrated community care organization" means an entity that is:

(1) Exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(2) certified to participate in the medicare program as a hospice under 42 C.F.R. § 418 et seq., and amendments thereto, and focused on providing care to the aging and indigent population at home and through inpatient care, adult daycare or assisted living facilities, and related facilities and services across multiple counties; and

(3) approved by the Kansas department for aging and disability services as an organization providing services under the program of all-inclusive care for the elderly as defined in 42 U.S.C. § 1396u-4 and its implementing regulations.

Section 2 amends K.S.A. 2018 Supp. 79-3606(b) to include a nonprofit integrated community care organization in the retailers’ sales tax exemption that currently exempts certain sales of tangible personal property or service, including the renting and leasing of tangible personal property, purchased by the state, certain political subdivisions, public or private nonprofit hospitals and nonprofit blood, tissue or organ banks and used exclusively for those purposes.

The act would take effect from and after its publication in the statute book.