

HOUSE BILL No. 2381

By Committee on Taxation

2-19

1 AN ACT concerning motor fuels tax; relating to rates and trip permits;
2 distribution of revenues; distribution of sales and compensating use tax;
3 amending K.S.A. 2018 Supp. 79-3492b, 79-34,118, 79-34,141, 79-
4 34,142, 79-3620 and 79-3710 and repealing the existing sections.

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

7 Section 1. K.S.A. 2018 Supp. 79-3492b is hereby amended to read as
8 follows: 79-3492b. Alternatively to the methods otherwise set forth in this
9 act, special LP-gas permit users operating motor vehicles on the public
10 highways of this state may upon application to the director on forms
11 prescribed by the director elect to pay taxes in advance on LP-gas for each
12 and every motor vehicle owned or operated by them and propelled in
13 whole or in part with LP-gas during the calendar year and thereafter to
14 purchase LP-gas tax free in lieu of securing a bonded user's permit and
15 filing monthly reports and tax payments and keeping the records otherwise
16 provided for in this act. The amount of such tax for each motor vehicle
17 shall, except as otherwise provided, be based upon the gross weight of the
18 motor vehicle and the number of miles it was operated on the public
19 highways of this state during the previous year pursuant to the following
20 schedules:

1 In the event any additional motor vehicles equipped to use LP-gas as a
2 fuel are placed in operation by a special LP-gas permit user after the first
3 month of any calendar year, a tax shall become due and payable to this
4 state and is hereby imposed at the tax rate prescribed herein prorated on
5 the basis of the weight and mileage for the months operated in the calendar
6 year. The director shall issue special permit decals for each motor vehicle
7 on which taxes have been paid in advance as provided herein, which shall
8 be affixed on each such vehicle in the manner prescribed by the director.

9 Sec. 2. K.S.A. 2018 Supp. 79-34,118 is hereby amended to read as
10 follows: 79-34,118. Upon application to the director of taxation and
11 payment of the fee prescribed under this section any interstate motor fuel
12 user may obtain a 24-hour motor fuel permit or a 72-hour motor fuel
13 permit which shall authorize one commercial motor vehicle to be operated
14 for a period of 24 hours or 72 hours, respectively, without compliance with
15 the other provisions of the interstate motor fuel use act and in lieu of the
16 tax imposed by K.S.A. 79-34,109, and amendments thereto. The fee for
17 each 24-hour motor fuel permit issued under this section shall be \$13 *until*
18 *June 30, 2019, and \$16 thereafter.* The fee for each 72-hour motor fuel
19 permit issued under this section shall be \$25 *until June 30, 2019, and*
20 *\$30.77 thereafter.* Motor fuel permits may be purchased in multiples of
21 three upon making proper application and payment of the required fees.
22 The secretary of revenue shall adopt rules and regulations specifying the
23 conditions under which motor fuel permits will be issued and providing for
24 the issuance thereof. The secretary may designate agents or contract with
25 private individuals, firms or corporations to issue such motor fuel permits
26 so that such permits will be obtainable at convenient locations.

27 Sec. 3. K.S.A. 2018 Supp. 79-34,141 is hereby amended to read as
28 follows: 79-34,141. (a) *Prior to July 1, 2019,* the tax imposed under this
29 act shall be not less than:

30 (1) On motor-vehicle fuels other than E85 fuels, \$.24 per gallon, or
31 fraction thereof;

32 (2) on special fuels, \$.26 per gallon, or fraction thereof;

33 (3) on LP-gas, other than compressed natural gas and liquefied
34 natural gas, \$.23 per gallon, or fraction thereof;

35 (4) on E85 fuels, \$.17 per gallon, or fraction thereof;

36 (5) on compressed natural gas, \$.24 per gallon, or fraction thereof;
37 and

38 (6) on liquefied natural gas, \$.26 per gallon, or fraction thereof.

39 (b) *On and after July 1, 2019, the tax imposed under this act shall be*
40 *not less than:*

41 (1) *On motor-vehicle fuels other than E85 fuels, \$.30 per gallon, or*
42 *fraction thereof;*

43 (2) *on special fuels, \$.32 per gallon, or fraction thereof;*

- 1 (3) *on LP-gas, other than compressed natural gas and liquefied*
- 2 *natural gas, \$.29 per gallon, or fraction thereof;*
- 3 (4) *on E85 fuels, \$.23 per gallon, or fraction thereof;*
- 4 (5) *on compressed natural gas, \$.30 per gallon, or fraction thereof;*
- 5 *and*
- 6 (6) *on liquefied natural gas, \$.32 per gallon, or fraction thereof.*

7 Sec. 4. K.S.A. 2018 Supp. 79-34,142 is hereby amended to read as
 8 follows: 79-34,142. The state treasurer shall credit amounts received
 9 pursuant to K.S.A. 79-3408, 79-3408c, 79-3491a, 79-3492 and 79-34,118,
 10 and amendments thereto, as follows:

- 11 (a) *Prior to July 1, 2019, to the state highway fund 66.37% and to the*
- 12 *special city and county highway fund 33.63%;*
- 13 (b) *beginning July 1, 2019, and prior to July 1, 2020, to the state*
- 14 *highway fund 72.54% and to the special city and county highway fund*
- 15 *27.46%; and*
- 16 (c) *beginning July 1, 2020, and thereafter, to the state highway fund*
- 17 *72.99% and to the special city and county highway fund 27.01%.*

18 Sec. 5. K.S.A. 2018 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) On July 1, 2010, the state treasurer shall credit 11.427% of the~~
 39 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
 40 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
 41 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
 42 ~~the state highway fund.~~

43 ~~(2) On July 1, 2011, the state treasurer shall credit 11.26% of the~~

1 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
2 ~~and amendments thereto, at the rate of 6.3%, and deposited as provided by~~
3 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
4 ~~the state highway fund.~~

5 ~~(3) On July 1, 2012, the state treasurer shall credit 11.233% of the~~
6 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
7 ~~and amendments thereto, at the rate of 6.3%, 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, 2013, the state treasurer shall credit 17.073% of the~~
11 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~
12 ~~and amendments thereto, at the rate of 6.15%, and deposited as provided~~
13 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
14 ~~(d), in the state highway fund.~~

15 ~~(5) On July 1, 2015, the state treasurer shall credit 16.226% 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 6.5%, and deposited as provided by~~
18 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
19 ~~the state highway fund.~~

20 ~~(6) On July 1, 2016, and thereafter, the state treasurer shall credit~~
21 ~~16.154% of the revenue collected and received from the tax imposed by~~
22 ~~K.S.A. 79-3603, and amendments thereto, at the rate of 6.5%, and~~
23 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
24 ~~pursuant to subsection (d), in the state highway fund.~~

25 *(2) On July 1, 2019, the state treasurer shall credit 13.04% of the*
26 *revenue collected and received from the tax imposed by K.S.A. 79-3603,*
27 *and amendments thereto, at the rate prescribed in K.S.A. 79-3603, and*
28 *amendments thereto, and deposited as provided by subsection (a),*
29 *exclusive of amounts credited pursuant to subsection (d), in the state*
30 *highway fund.*

31 *(3) On July 1, 2020, the state treasurer shall credit 12.802% of the*
32 *revenue collected and received from the tax imposed by K.S.A. 79-3603,*
33 *and amendments thereto, at the rate prescribed in K.S.A. 79-3603, and*
34 *amendments thereto, and deposited as provided by subsection (a),*
35 *exclusive of amounts credited pursuant to subsection (d), in the state*
36 *highway fund.*

37 *(4) On July 1, 2021, the state treasurer shall credit 12.846% of the*
38 *revenue collected and received from the tax imposed by K.S.A. 79-3603,*
39 *and amendments thereto, at the rate prescribed in K.S.A. 79-3603, and*
40 *amendments thereto, and deposited as provided by subsection (a),*
41 *exclusive of amounts credited pursuant to subsection (d), in the state*
42 *highway fund.*

43 *(5) On July 1, 2022, the state treasurer shall credit 12.89% of the*

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

6 *(6) On July 1, 2023, and thereafter, the state treasurer shall credit*
7 *12.933% of the revenue collected and received from the tax imposed by*
8 *K.S.A. 79-3603, and amendments thereto, at the rate prescribed in K.S.A.*
9 *79-3603, and amendments thereto, and deposited as provided by*
10 *subsection (a), exclusive of amounts credited pursuant to subsection (d), in*
11 *the state highway fund.*

12 (d) The state treasurer shall credit all revenue collected or received
13 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
14 certified by the director, from taxpayers doing business within that portion
15 of a STAR bond project district occupied by a STAR bond project or
16 taxpayers doing business with such entity financed by a STAR bond
17 project as defined in K.S.A. 2018 Supp. 12-17,162, and amendments
18 thereto, that was determined by the secretary of commerce to be of
19 statewide as well as local importance or will create a major tourism area
20 for the state or the project was designated as a STAR bond project as
21 defined in K.S.A. 2018 Supp. 12-17,162, and amendments thereto, to the
22 city bond finance fund, which fund is hereby created. The provisions of
23 this subsection shall expire when the total of all amounts credited
24 hereunder and under K.S.A. 79-3710(d), and amendments thereto, is
25 sufficient to retire the special obligation bonds issued for the purpose of
26 financing all or a portion of the costs of such STAR bond project.

27 (e) All revenue certified by the director of taxation as having been
28 collected or received from the tax imposed by K.S.A. 79-3603(c), and
29 amendments thereto, on the sale or furnishing of gas, water, electricity and
30 heat for use or consumption within the intermodal facility district
31 described in this subsection, shall be credited by the state treasurer to the
32 state highway fund. Such revenue may be transferred by the secretary of
33 transportation to the rail service improvement fund pursuant to law. The
34 provisions of this subsection shall take effect upon certification by the
35 secretary of transportation that a notice to proceed has been received for
36 the construction of the improvements within the intermodal facility
37 district, but not later than December 31, 2010, and shall expire when the
38 secretary of revenue determines that the total of all amounts credited
39 hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is
40 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
41 revenues shall be collected and distributed in accordance with applicable
42 law. For all tax reporting periods during which the provisions of this
43 subsection are in effect, none of the exemptions contained in K.S.A. 79-

1 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
2 of any gas, water, electricity and heat for use or consumption within the
3 intermodal facility district. As used in this subsection, "intermodal facility
4 district" shall consist of an intermodal transportation area as defined by
5 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
6 within the polygonal-shaped area having Waverly Road as the eastern
7 boundary, 191st Street as the southern boundary, Four Corners Road as the
8 western boundary, and Highway 56 as the northern boundary, and the
9 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
10 Street as the southern boundary, Waverly Road as the western boundary,
11 and the BNSF mainline track as the northern boundary, that includes
12 capital investment in an amount exceeding \$150 million for the
13 construction of an intermodal facility to handle the transfer, storage and
14 distribution of freight through railway and trucking operations.

15 Sec. 6. K.S.A. 2018 Supp. 79-3710 is hereby amended to read as
16 follows: 79-3710. (a) All revenue collected or received by the director
17 under the provisions of this act shall be remitted to the state treasurer in
18 accordance with the provisions of K.S.A. 75-4215, and amendments
19 thereto. Upon receipt of each such remittance, the state treasurer shall
20 deposit the entire amount in the state treasury, less amounts set apart as
21 provided in subsection (b) and amounts credited as provided in subsection
22 (c), (d) and (e), to the credit of the state general fund.

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

30 (c) (1) ~~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 (2) ~~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 (3) ~~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.

2 ~~(4) On July 1, 2013, the state treasurer shall credit 17.073% of the~~
3 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
4 ~~and amendments thereto, at the rate of 6.15%, and deposited as provided~~
5 ~~by subsection (a), exclusive of amounts credited pursuant to subsection~~
6 ~~(d), in the state highway fund.~~

7 ~~(5) On July 1, 2015, the state treasurer shall credit 16.226% of the~~
8 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~
9 ~~and amendments thereto, at the rate of 6.5%, and deposited as provided by~~
10 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~
11 ~~the state highway fund.~~

12 ~~(6) On July 1, 2016, and thereafter, the state treasurer shall credit~~
13 ~~16.154% of the revenue collected and received from the tax imposed by~~
14 ~~K.S.A. 79-3703, and amendments thereto, at the rate of 6.5%, and~~
15 ~~deposited as provided by subsection (a), exclusive of amounts credited~~
16 ~~pursuant to subsection (d), in the state highway fund.~~

17 *(2) On July 1, 2019, the state treasurer shall credit 13.04% of the*
18 *revenue collected and received from the tax imposed by K.S.A. 79-3710,*
19 *and amendments thereto, at the rate prescribed in K.S.A. 79-3703, and*
20 *amendments thereto, and deposited as provided by subsection (a),*
21 *exclusive of amounts credited pursuant to subsection (d), in the state*
22 *highway fund.*

23 *(3) On July 1, 2020, the state treasurer shall credit 12.802% of the*
24 *revenue collected and received from the tax imposed by K.S.A. 79-3710,*
25 *and amendments thereto, at the rate prescribed in K.S.A. 79-3703, and*
26 *amendments thereto, and deposited as provided by subsection (a),*
27 *exclusive of amounts credited pursuant to subsection (d), in the state*
28 *highway fund.*

29 *(4) On July 1, 2021, the state treasurer shall credit 12.846% of the*
30 *revenue collected and received from the tax imposed by K.S.A. 79-3710,*
31 *and amendments thereto, at the rate prescribed in K.S.A. 79-3703, and*
32 *amendments thereto, and deposited as provided by subsection (a),*
33 *exclusive of amounts credited pursuant to subsection (d), in the state*
34 *highway fund.*

35 *(5) On July 1, 2022, the state treasurer shall credit 12.89% of the*
36 *revenue collected and received from the tax imposed by K.S.A. 79-3710,*
37 *and amendments thereto, at the rate prescribed in K.S.A. 79-3703, and*
38 *amendments thereto, and deposited as provided by subsection (a),*
39 *exclusive of amounts credited pursuant to subsection (d), in the state*
40 *highway fund.*

41 *(6) On July 1, 2023, and thereafter, the state treasurer shall credit*
42 *12.933% of the revenue collected and received from the tax imposed by*
43 *K.S.A. 79-3710, and amendments thereto, at the rate prescribed in K.S.A.*

1 79-3703, and amendments thereto, and deposited as provided by
2 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
3 the state highway fund.

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

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

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

1 Street as the southern boundary, Waverly Road as the western boundary,
2 and the BNSF mainline track as the northern boundary, that includes
3 capital investment in an amount exceeding \$150 million for the
4 construction of an intermodal facility to handle the transfer, storage and
5 distribution of freight through railway and trucking operations.

6 Sec. 7. K.S.A. 2018 Supp. 79-3492b, 79-34,118, 79-34,141, 79-
7 34,142, 79-3620 and 79-3710 are hereby repealed.

8 Sec. 8. This act shall take effect and be in force from and after its
9 publication in the statute book.