

**HOUSE BILL No. 2727**

By Committee on Taxation

2-24

1 AN ACT concerning sales taxation; relating to exemptions; requirements  
2 of new exemptions; exemption for envision, inc. and friends of hospice  
3 of Jefferson county; imposing sales tax on certain services; amending  
4 K.S.A. 79-3603 and 79-3606 and repealing the existing sections.  
5

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

7 New Section 1. (a) For any legislative enactment establishing an  
8 exemption from the Kansas retailers' sales tax on or after January 1, 2021,  
9 such enactment shall either: (1) Repeal an existing exemption with an  
10 equal or greater fiscal liability to the state; or (2) suspend an existing  
11 exemption with an equal or greater fiscal liability to the state for the  
12 duration of time that the enacted exemption is to remain in effect.

13 (b) The provisions of this section shall be a part of and supplemental  
14 to the Kansas retailers' sales tax act.

15 Sec. 2. K.S.A. 79-3603 is hereby amended to read as follows: 79-  
16 3603. For the privilege of engaging in the business of selling tangible  
17 personal property at retail in this state or rendering or furnishing any of the  
18 services taxable under this act, there is hereby levied and there shall be  
19 collected and paid a tax at the rate of 6.15%, and commencing July 1,  
20 2015, at the rate of 6.5%. Within a redevelopment district established  
21 pursuant to K.S.A. 74-8921, and amendments thereto, there is hereby  
22 levied and there shall be collected and paid an additional tax at the rate of  
23 2% until the earlier of the date the bonds issued to finance or refinance the  
24 redevelopment project have been paid in full or the final scheduled  
25 maturity of the first series of bonds issued to finance any part of the  
26 project upon:

27 (a) The gross receipts received from the sale of tangible personal  
28 property at retail within this state, *and commencing January 1, 2021, the*  
29 *rendering or furnishing of any services within this state specifically named*  
30 *by law prior to January 1, 2021, and services as described in subsectors*  
31 *812111, 812112, 812113 and 812199 of the North American industry*  
32 *classification system, 2017 edition;*

33 (b) the gross receipts from intrastate, interstate or international  
34 telecommunications services and any ancillary services sourced to this  
35 state in accordance with K.S.A. 79-3673, and amendments thereto, except  
36 that telecommunications service does not include: (1) Any interstate or

1 international 800 or 900 service; (2) any interstate or international private  
2 communications service as defined in K.S.A. 79-3673, and amendments  
3 thereto; (3) any value-added nonvoice data service; (4) any  
4 telecommunication service to a provider of telecommunication services  
5 which will be used to render telecommunications services, including  
6 carrier access services; or (5) any service or transaction defined in this  
7 section among entities classified as members of an affiliated group as  
8 provided by section 1504 of the federal internal revenue code of 1986, as  
9 in effect on January 1, 2001;

10 (c) the gross receipts from the sale or furnishing of gas, water,  
11 electricity and heat, which sale is not otherwise exempt from taxation  
12 under the provisions of this act, and whether furnished by municipally or  
13 privately owned utilities, except that, on and after January 1, 2006, for  
14 sales of gas, electricity and heat delivered through mains, lines or pipes to  
15 residential premises for noncommercial use by the occupant of such  
16 premises, and for agricultural use and also, for such use, all sales of  
17 propane gas, the state rate shall be 0%; and for all sales of propane gas, LP  
18 gas, coal, wood and other fuel sources for the production of heat or  
19 lighting for noncommercial use of an occupant of residential premises, the  
20 state rate shall be 0%, but such tax shall not be levied and collected upon  
21 the gross receipts from: (1) The sale of a rural water district benefit unit;  
22 (2) a water system impact fee, system enhancement fee or similar fee  
23 collected by a water supplier as a condition for establishing service; or (3)  
24 connection or reconnection fees collected by a water supplier;

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

29 (e) the gross receipts from the sale of admissions to any place  
30 providing amusement, entertainment or recreation services including  
31 admissions to state, county, district and local fairs, but such tax shall not  
32 be levied and collected upon the gross receipts received from sales of  
33 admissions to any cultural and historical event—~~which~~ *that* occurs  
34 triennially;

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

38 (g) the gross receipts from the service of renting of rooms by hotels,  
39 as defined by K.S.A. 36-501, and amendments thereto, or by  
40 accommodation brokers, as defined by K.S.A. 12-1692, and amendments  
41 thereto, but such tax shall not be levied and collected upon the gross  
42 receipts received from sales of such service to the federal government and  
43 any agency, officer or employee thereof in association with the

1 performance of official government duties;

2 (h) the gross receipts from the service of renting or leasing of tangible  
3 personal property except such tax shall not apply to the renting or leasing  
4 of machinery, equipment or other personal property owned by a city and  
5 purchased from the proceeds of industrial revenue bonds issued prior to  
6 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through  
7 12-1749, and amendments thereto, and any city or lessee renting or leasing  
8 such machinery, equipment or other personal property purchased with the  
9 proceeds of such bonds who shall have paid a tax under the provisions of  
10 this section upon sales made prior to July 1, 1973, shall be entitled to a  
11 refund from the sales tax refund fund of all taxes paid thereon;

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

15 (j) the gross receipts from the rendering of the services of washing  
16 and washing and waxing of vehicles;

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

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

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

31 (m) the gross receipts received from fees and charges by public and  
32 private clubs, drinking establishments, organizations and businesses for  
33 participation in sports, games and other recreational activities, but such tax  
34 shall not be levied and collected upon the gross receipts received from: (1)  
35 Fees and charges by any political subdivision, by any organization exempt  
36 from property taxation pursuant to K.S.A. 79-201 *Ninth*, and amendments  
37 thereto, or by any youth recreation organization exclusively providing  
38 services to persons 18 years of age or younger which is exempt from  
39 federal income taxation pursuant to section 501(c)(3) of the federal  
40 internal revenue code of 1986, for participation in sports, games and other  
41 recreational activities; and (2) entry fees and charges for participation in a  
42 special event or tournament sanctioned by a national sporting association  
43 to which spectators are charged an admission which is taxable pursuant to

1 subsection (e);

2 (n) the gross receipts received from dues charged by public and  
3 private clubs, drinking establishments, organizations and businesses,  
4 payment of which entitles a member to the use of facilities for recreation  
5 or entertainment, but such tax shall not be levied and collected upon the  
6 gross receipts received from: (1) Dues charged by any organization exempt  
7 from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and  
8 amendments thereto; and (2) sales of memberships in a nonprofit  
9 organization which is exempt from federal income taxation pursuant to  
10 section 501(c)(3) of the federal internal revenue code of 1986, and whose  
11 purpose is to support the operation of a nonprofit zoo;

12 (o) the gross receipts received from the isolated or occasional sale of  
13 motor vehicles or trailers but not including: (1) The transfer of motor  
14 vehicles or trailers by a person to a corporation or limited liability  
15 company solely in exchange for stock securities or membership interest in  
16 such corporation or limited liability company; (2) the transfer of motor  
17 vehicles or trailers by one corporation or limited liability company to  
18 another when all of the assets of such corporation or limited liability  
19 company are transferred to such other corporation or limited liability  
20 company; or (3) the sale of motor vehicles or trailers which are subject to  
21 taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and  
22 amendments thereto, by an immediate family member to another  
23 immediate family member. For the purposes of paragraph (3), immediate  
24 family member means lineal ascendants or descendants, and their spouses.  
25 Any amount of sales tax paid pursuant to the Kansas retailers sales tax act  
26 on the isolated or occasional sale of motor vehicles or trailers on and after  
27 July 1, 2004, which the base for computing the tax was the value pursuant  
28 to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when  
29 such amount was higher than the amount of sales tax which would have  
30 been paid under the law as it existed on June 30, 2004, shall be refunded to  
31 the taxpayer pursuant to the procedure prescribed by this section. Such  
32 refund shall be in an amount equal to the difference between the amount of  
33 sales tax paid by the taxpayer and the amount of sales tax which would  
34 have been paid by the taxpayer under the law as it existed on June 30,  
35 2004. Each claim for a sales tax refund shall be verified and submitted not  
36 later than six months from the effective date of this act to the director of  
37 taxation upon forms furnished by the director and shall be accompanied by  
38 any additional documentation required by the director. The director shall  
39 review each claim and shall refund that amount of tax paid as provided by  
40 this act. All such refunds shall be paid from the sales tax refund fund, upon  
41 warrants of the director of accounts and reports pursuant to vouchers  
42 approved by the director of taxation or the director's designee. No refund  
43 for an amount less than \$10 shall be paid pursuant to this act. In

1 determining the base for computing the tax on such isolated or occasional  
2 sale, the fair market value of any motor vehicle or trailer traded in by the  
3 purchaser to the seller may be deducted from the selling price;

4 (p) the gross receipts received for the service of installing or applying  
5 tangible personal property which when installed or applied is not being  
6 held for sale in the regular course of business, and whether or not such  
7 tangible personal property when installed or applied remains tangible  
8 personal property or becomes a part of real estate, except that no tax shall  
9 be imposed upon the service of installing or applying tangible personal  
10 property in connection with the original construction of a building or  
11 facility, the original construction, reconstruction, restoration, remodeling,  
12 renovation, repair or replacement of a residence or the construction,  
13 reconstruction, restoration, replacement or repair of a bridge or highway.

14 For the purposes of this subsection:

15 (1) "Original construction"~~shall mean~~ *means* the first or initial  
16 construction of a new building or facility. The term "original construction"  
17 ~~shall include~~ *includes* the addition of an entire room or floor to any  
18 existing building or facility, the completion of any unfinished portion of  
19 any existing building or facility and the restoration, reconstruction or  
20 replacement of a building, facility or utility structure damaged or  
21 destroyed by fire, flood, tornado, lightning, explosion, windstorm, ice  
22 loading and attendant winds, terrorism or earthquake, but such term,  
23 except with regard to a residence, shall not include replacement,  
24 remodeling, restoration, renovation or reconstruction under any other  
25 circumstances;

26 (2) "building"~~shall mean~~ *means* only those enclosures within which  
27 individuals customarily are employed, or which are customarily used to  
28 house machinery, equipment or other property, and including the land  
29 improvements immediately surrounding such building;

30 (3) "facility"~~shall mean~~ *means* a mill, plant, refinery, oil or gas well,  
31 water well, feedlot or any conveyance, transmission or distribution line of  
32 any cooperative, nonprofit, membership corporation organized under or  
33 subject to the provisions of K.S.A. 17-4601 et seq., and amendments  
34 thereto, or municipal or quasi-municipal corporation, including the land  
35 improvements immediately surrounding such facility;

36 (4) "residence"~~shall mean~~ *means* only those enclosures within which  
37 individuals customarily live;

38 (5) "utility structure"~~shall mean~~ *means* transmission and distribution  
39 lines owned by an independent transmission company or cooperative, the  
40 Kansas electric transmission authority or natural gas or electric public  
41 utility; and

42 (6) "windstorm"~~shall mean~~ *means* straight line winds of at least 80  
43 miles per hour as determined by a recognized meteorological reporting

1 agency or organization;

2 (q) the gross receipts received for the service of repairing, servicing,  
 3 altering or maintaining tangible personal property which when such  
 4 services are rendered is not being held for sale in the regular course of  
 5 business, and whether or not any tangible personal property is transferred  
 6 in connection therewith. The tax imposed by this subsection shall be  
 7 applicable to the services of repairing, servicing, altering or maintaining an  
 8 item of tangible personal property ~~which~~ *that* has been and is fastened to,  
 9 connected with or built into real property;

10 (r) the gross receipts from fees or charges made under service or  
 11 maintenance agreement contracts for services, charges for the providing of  
 12 ~~which~~ *that* are taxable under the provisions of subsection (p) or (q);

13 (s) on and after January 1, 2005, the gross receipts received from the  
 14 sale of prewritten computer software and the sale of the services of  
 15 modifying, altering, updating or maintaining prewritten computer  
 16 software, whether the prewritten computer software is installed or  
 17 delivered electronically by tangible storage media physically transferred to  
 18 the purchaser or by load and leave;

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

20 (u) the gross receipts received from the sale of prepaid calling service  
 21 and prepaid wireless calling service as defined in K.S.A. 79-3673, and  
 22 amendments thereto;

23 (v) all sales of bingo cards, bingo faces and instant bingo tickets by  
 24 licensees under K.S.A. 75-5171 et seq., and amendments thereto, shall be  
 25 exempt from taxes imposed pursuant to this section; and

26 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-  
 27 5171 et seq., and amendments thereto, shall be exempt from taxes imposed  
 28 pursuant to this section.

29 Sec. 3. K.S.A. 79-3606 is hereby amended to read as follows: 79-  
 30 3606. The following shall be exempt from the tax imposed by this act:

31 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
 32 or excise tax has been paid, not subject to refund, under the laws of this  
 33 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
 34 3301, and amendments thereto, including consumable material for such  
 35 electronic cigarettes, cereal malt beverages and malt products as defined  
 36 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
 37 malt syrup and malt extract, that is not subject to taxation under the  
 38 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles  
 39 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
 40 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
 41 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
 42 thereto, and gross receipts from regulated sports contests taxed pursuant to  
 43 the Kansas professional regulated sports act, and amendments thereto;

1 (b) all sales of tangible personal property or service, including the  
2 renting and leasing of tangible personal property, purchased directly by the  
3 state of Kansas, a political subdivision thereof, other than a school or  
4 educational institution, or purchased by a public or private nonprofit  
5 hospital or public hospital authority or nonprofit blood, tissue or organ  
6 bank and used exclusively for state, political subdivision, hospital or  
7 public hospital authority or nonprofit blood, tissue or organ bank purposes,  
8 except when: (1) Such state, hospital or public hospital authority is  
9 engaged or proposes to engage in any business specifically taxable under  
10 the provisions of this act and such items of tangible personal property or  
11 service are used or proposed to be used in such business; or (2) such  
12 political subdivision is engaged or proposes to engage in the business of  
13 furnishing gas, electricity or heat to others and such items of personal  
14 property or service are used or proposed to be used in such business;

15 (c) all sales of tangible personal property or services, including the  
16 renting and leasing of tangible personal property, purchased directly by a  
17 public or private elementary or secondary school or public or private  
18 nonprofit educational institution and used primarily by such school or  
19 institution for nonsectarian programs and activities provided or sponsored  
20 by such school or institution or in the erection, repair or enlargement of  
21 buildings to be used for such purposes. The exemption herein provided  
22 shall not apply to erection, construction, repair, enlargement or equipment  
23 of buildings used primarily for human habitation;

24 (d) all sales of tangible personal property or services purchased by a  
25 contractor for the purpose of constructing, equipping, reconstructing,  
26 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
27 any public or private nonprofit hospital or public hospital authority, public  
28 or private elementary or secondary school, a public or private nonprofit  
29 educational institution, state correctional institution including a privately  
30 constructed correctional institution contracted for state use and ownership,  
31 that would be exempt from taxation under the provisions of this act if  
32 purchased directly by such hospital or public hospital authority, school,  
33 educational institution or a state correctional institution; and all sales of  
34 tangible personal property or services purchased by a contractor for the  
35 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
36 enlarging, furnishing or remodeling facilities for any political subdivision  
37 of the state or district described in subsection (s), the total cost of which is  
38 paid from funds of such political subdivision or district and that would be  
39 exempt from taxation under the provisions of this act if purchased directly  
40 by such political subdivision or district. Nothing in this subsection or in  
41 the provisions of K.S.A. 12-3418, and amendments thereto, shall be  
42 deemed to exempt the purchase of any construction machinery, equipment  
43 or tools used in the constructing, equipping, reconstructing, maintaining,

1 repairing, enlarging, furnishing or remodeling facilities for any political  
2 subdivision of the state or any such district. As used in this subsection,  
3 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a  
4 political subdivision" shall mean general tax revenues, the proceeds of any  
5 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the  
6 purpose of constructing, equipping, reconstructing, repairing, enlarging,  
7 furnishing or remodeling facilities that are to be leased to the donor. When  
8 any political subdivision of the state, district described in subsection (s),  
9 public or private nonprofit hospital or public hospital authority, public or  
10 private elementary or secondary school, public or private nonprofit  
11 educational institution, state correctional institution including a privately  
12 constructed correctional institution contracted for state use and ownership  
13 shall contract for the purpose of constructing, equipping, reconstructing,  
14 maintaining, repairing, enlarging, furnishing or remodeling facilities, it  
15 shall obtain from the state and furnish to the contractor an exemption  
16 certificate for the project involved, and the contractor may purchase  
17 materials for incorporation in such project. The contractor shall furnish the  
18 number of such certificate to all suppliers from whom such purchases are  
19 made, and such suppliers shall execute invoices covering the same bearing  
20 the number of such certificate. Upon completion of the project the  
21 contractor shall furnish to the political subdivision, district described in  
22 subsection (s), hospital or public hospital authority, school, educational  
23 institution or department of corrections concerned a sworn statement, on a  
24 form to be provided by the director of taxation, that all purchases so made  
25 were entitled to exemption under this subsection. As an alternative to the  
26 foregoing procedure, any such contracting entity may apply to the  
27 secretary of revenue for agent status for the sole purpose of issuing and  
28 furnishing project exemption certificates to contractors pursuant to rules  
29 and regulations adopted by the secretary establishing conditions and  
30 standards for the granting and maintaining of such status. All invoices  
31 shall be held by the contractor for a period of five years and shall be  
32 subject to audit by the director of taxation. If any materials purchased  
33 under such a certificate are found not to have been incorporated in the  
34 building or other project or not to have been returned for credit or the sales  
35 or compensating tax otherwise imposed upon such materials that will not  
36 be so incorporated in the building or other project reported and paid by  
37 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
38 month following the close of the month in which it shall be determined  
39 that such materials will not be used for the purpose for which such  
40 certificate was issued, the political subdivision, district described in  
41 subsection (s), hospital or public hospital authority, school, educational  
42 institution or the contractor contracting with the department of corrections  
43 for a correctional institution concerned shall be liable for tax on all



1 materials purchased for the project, and upon payment thereof it may  
2 recover the same from the contractor together with reasonable attorney  
3 fees. Any contractor or any agent, employee or subcontractor thereof, who  
4 shall use or otherwise dispose of any materials purchased under such a  
5 certificate for any purpose other than that for which such a certificate is  
6 issued without the payment of the sales or compensating tax otherwise  
7 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
8 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
9 79-3615(h), and amendments thereto;

10 (e) all sales of tangible personal property or services purchased by a  
11 contractor for the erection, repair or enlargement of buildings or other  
12 projects for the government of the United States, its agencies or  
13 instrumentalities, that would be exempt from taxation if purchased directly  
14 by the government of the United States, its agencies or instrumentalities.  
15 When the government of the United States, its agencies or  
16 instrumentalities shall contract for the erection, repair, or enlargement of  
17 any building or other project, it shall obtain from the state and furnish to  
18 the contractor an exemption certificate for the project involved, and the  
19 contractor may purchase materials for incorporation in such project. The  
20 contractor shall furnish the number of such certificates to all suppliers  
21 from whom such purchases are made, and such suppliers shall execute  
22 invoices covering the same bearing the number of such certificate. Upon  
23 completion of the project the contractor shall furnish to the government of  
24 the United States, its agencies or instrumentalities concerned a sworn  
25 statement, on a form to be provided by the director of taxation, that all  
26 purchases so made were entitled to exemption under this subsection. As an  
27 alternative to the foregoing procedure, any such contracting entity may  
28 apply to the secretary of revenue for agent status for the sole purpose of  
29 issuing and furnishing project exemption certificates to contractors  
30 pursuant to rules and regulations adopted by the secretary establishing  
31 conditions and standards for the granting and maintaining of such status.  
32 All invoices shall be held by the contractor for a period of five years and  
33 shall be subject to audit by the director of taxation. Any contractor or any  
34 agent, employee or subcontractor thereof, who shall use or otherwise  
35 dispose of any materials purchased under such a certificate for any purpose  
36 other than that for which such a certificate is issued without the payment  
37 of the sales or compensating tax otherwise imposed upon such materials,  
38 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
39 subject to the penalties provided for in K.S.A. 79-3615(h), and  
40 amendments thereto;

41 (f) tangible personal property purchased by a railroad or public utility  
42 for consumption or movement directly and immediately in interstate  
43 commerce;

1 (g) sales of aircraft including remanufactured and modified aircraft  
2 sold to persons using directly or through an authorized agent such aircraft  
3 as certified or licensed carriers of persons or property in interstate or  
4 foreign commerce under authority of the laws of the United States or any  
5 foreign government or sold to any foreign government or agency or  
6 instrumentality of such foreign government and all sales of aircraft for use  
7 outside of the United States and sales of aircraft repair, modification and  
8 replacement parts and sales of services employed in the remanufacture,  
9 modification and repair of aircraft;

10 (h) all rentals of nonsectarian textbooks by public or private  
11 elementary or secondary schools;

12 (i) the lease or rental of all films, records, tapes, or any type of sound  
13 or picture transcriptions used by motion picture exhibitors;

14 (j) meals served without charge or food used in the preparation of  
15 such meals to employees of any restaurant, eating house, dining car, hotel,  
16 drugstore or other place where meals or drinks are regularly sold to the  
17 public if such employees' duties are related to the furnishing or sale of  
18 such meals or drinks;

19 (k) any motor vehicle, semitrailer or pole trailer, as such terms are  
20 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and  
21 delivered in this state to a bona fide resident of another state, which motor  
22 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based  
23 in this state and which vehicle, semitrailer, pole trailer or aircraft will not  
24 remain in this state more than 10 days;

25 (l) all isolated or occasional sales of tangible personal property,  
26 services, substances or things, except isolated or occasional sale of motor  
27 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and  
28 amendments thereto;

29 (m) all sales of tangible personal property that become an ingredient  
30 or component part of tangible personal property or services produced,  
31 manufactured or compounded for ultimate sale at retail within or without  
32 the state of Kansas; and any such producer, manufacturer or compounder  
33 may obtain from the director of taxation and furnish to the supplier an  
34 exemption certificate number for tangible personal property for use as an  
35 ingredient or component part of the property or services produced,  
36 manufactured or compounded;

37 (n) all sales of tangible personal property that is consumed in the  
38 production, manufacture, processing, mining, drilling, refining or  
39 compounding of tangible personal property, the treating of by-products or  
40 wastes derived from any such production process, the providing of  
41 services or the irrigation of crops for ultimate sale at retail within or  
42 without the state of Kansas; and any purchaser of such property may  
43 obtain from the director of taxation and furnish to the supplier an

1 exemption certificate number for tangible personal property for  
2 consumption in such production, manufacture, processing, mining,  
3 drilling, refining, compounding, treating, irrigation and in providing such  
4 services;

5 (o) all sales of animals, fowl and aquatic plants and animals, the  
6 primary purpose of which is use in agriculture or aquaculture, as defined in  
7 K.S.A. 47-1901, and amendments thereto, the production of food for  
8 human consumption, the production of animal, dairy, poultry or aquatic  
9 plant and animal products, fiber or fur, or the production of offspring for  
10 use for any such purpose or purposes;

11 (p) all sales of drugs dispensed pursuant to a prescription order by a  
12 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
13 1626, and amendments thereto. As used in this subsection, "drug" means a  
14 compound, substance or preparation and any component of a compound,  
15 substance or preparation, other than food and food ingredients, dietary  
16 supplements or alcoholic beverages, recognized in the official United  
17 States pharmacopeia, official homeopathic pharmacopoeia of the United  
18 States or official national formulary, and supplement to any of them,  
19 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
20 of disease or intended to affect the structure or any function of the body,  
21 except that for taxable years commencing after December 31, 2013, this  
22 subsection shall not apply to any sales of drugs used in the performance or  
23 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
24 thereto;

25 (q) all sales of insulin dispensed by a person licensed by the state  
26 board of pharmacy to a person for treatment of diabetes at the direction of  
27 a person licensed to practice medicine by the state board of healing arts;

28 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,  
29 enteral feeding systems, prosthetic devices and mobility enhancing  
30 equipment prescribed in writing by a person licensed to practice the  
31 healing arts, dentistry or optometry, and in addition to such sales, all sales  
32 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,  
33 and repair and replacement parts therefor, including batteries, by a person  
34 licensed in the practice of dispensing and fitting hearing aids pursuant to  
35 the provisions of K.S.A. 74-5808, and amendments thereto. For the  
36 purposes of this subsection: (1) "Mobility enhancing equipment" means  
37 equipment including repair and replacement parts to same, but does not  
38 include durable medical equipment, which is primarily and customarily  
39 used to provide or increase the ability to move from one place to another  
40 and which is appropriate for use either in a home or a motor vehicle; is not  
41 generally used by persons with normal mobility; and does not include any  
42 motor vehicle or equipment on a motor vehicle normally provided by a  
43 motor vehicle manufacturer; and (2) "prosthetic device" means a

1 replacement, corrective or supportive device including repair and  
2 replacement parts for same worn on or in the body to artificially replace a  
3 missing portion of the body, prevent or correct physical deformity or  
4 malfunction or support a weak or deformed portion of the body;

5 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,  
6 all sales of tangible personal property or services purchased directly or  
7 indirectly by a groundwater management district organized or operating  
8 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
9 by a rural water district organized or operating under the authority of  
10 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
11 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
12 3522 et seq. or 19-3545, and amendments thereto, which property or  
13 services are used in the construction activities, operation or maintenance of  
14 the district;

15 (t) all sales of farm machinery and equipment or aquaculture  
16 machinery and equipment, repair and replacement parts therefor and  
17 services performed in the repair and maintenance of such machinery and  
18 equipment. For the purposes of this subsection the term "farm machinery  
19 and equipment or aquaculture machinery and equipment" shall include a  
20 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments  
21 thereto, and is equipped with a bed or cargo box for hauling materials, and  
22 shall also include machinery and equipment used in the operation of  
23 Christmas tree farming but shall not include any passenger vehicle, truck,  
24 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as  
25 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm  
26 machinery and equipment" includes precision farming equipment that is  
27 portable or is installed or purchased to be installed on farm machinery and  
28 equipment. "Precision farming equipment" includes the following items  
29 used only in computer-assisted farming, ranching or aquaculture  
30 production operations: Soil testing sensors, yield monitors, computers,  
31 monitors, software, global positioning and mapping systems, guiding  
32 systems, modems, data communications equipment and any necessary  
33 mounting hardware, wiring and antennas. Each purchaser of farm  
34 machinery and equipment or aquaculture machinery and equipment  
35 exempted herein must certify in writing on the copy of the invoice or sales  
36 ticket to be retained by the seller that the farm machinery and equipment  
37 or aquaculture machinery and equipment purchased will be used only in  
38 farming, ranching or aquaculture production. Farming or ranching shall  
39 include the operation of a feedlot and farm and ranch work for hire and the  
40 operation of a nursery;

41 (u) all leases or rentals of tangible personal property used as a  
42 dwelling if such tangible personal property is leased or rented for a period  
43 of more than 28 consecutive days;

1 (v) all sales of tangible personal property to any contractor for use in  
2 preparing meals for delivery to homebound elderly persons over 60 years  
3 of age and to homebound disabled persons or to be served at a group-  
4 sitting at a location outside of the home to otherwise homebound elderly  
5 persons over 60 years of age and to otherwise homebound disabled  
6 persons, as all or part of any food service project funded in whole or in  
7 part by government or as part of a private nonprofit food service project  
8 available to all such elderly or disabled persons residing within an area of  
9 service designated by the private nonprofit organization, and all sales of  
10 tangible personal property for use in preparing meals for consumption by  
11 indigent or homeless individuals whether or not such meals are consumed  
12 at a place designated for such purpose, and all sales of food products by or  
13 on behalf of any such contractor or organization for any such purpose;

14 (w) all sales of natural gas, electricity, heat and water delivered  
15 through mains, lines or pipes: (1) To residential premises for  
16 noncommercial use by the occupant of such premises; (2) for agricultural  
17 use and also, for such use, all sales of propane gas; (3) for use in the  
18 severing of oil; and (4) to any property which is exempt from property  
19 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this  
20 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),  
21 and amendments thereto. For all sales of natural gas, electricity and heat  
22 delivered through mains, lines or pipes pursuant to the provisions of  
23 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire  
24 on December 31, 2005;

25 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources  
26 for the production of heat or lighting for noncommercial use of an  
27 occupant of residential premises occurring prior to January 1, 2006;

28 (y) all sales of materials and services used in the repairing, servicing,  
29 altering, maintaining, manufacturing, remanufacturing, or modification of  
30 railroad rolling stock for use in interstate or foreign commerce under  
31 authority of the laws of the United States;

32 (z) all sales of tangible personal property and services purchased  
33 directly by a port authority or by a contractor therefor as provided by the  
34 provisions of K.S.A. 12-3418, and amendments thereto;

35 (aa) all sales of materials and services applied to equipment that is  
36 transported into the state from without the state for repair, service,  
37 alteration, maintenance, remanufacture or modification and that is  
38 subsequently transported outside the state for use in the transmission of  
39 liquids or natural gas by means of pipeline in interstate or foreign  
40 commerce under authority of the laws of the United States;

41 (bb) all sales of used mobile homes or manufactured homes. As used  
42 in this subsection: (1) "Mobile homes" and "manufactured homes" mean  
43 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)

1 "sales of used mobile homes or manufactured homes" means sales other  
2 than the original retail sale thereof;

3 (cc) all sales of tangible personal property or services purchased prior  
4 to January 1, 2012, except as otherwise provided, for the purpose of and in  
5 conjunction with constructing, reconstructing, enlarging or remodeling a  
6 business or retail business that meets the requirements established in  
7 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of  
8 machinery and equipment purchased for installation at any such business  
9 or retail business, and all sales of tangible personal property or services  
10 purchased on or after January 1, 2012, for the purpose of and in  
11 conjunction with constructing, reconstructing, enlarging or remodeling a  
12 business that meets the requirements established in K.S.A. 74-50,115(e),  
13 and amendments thereto, and the sale and installation of machinery and  
14 equipment purchased for installation at any such business. When a person  
15 shall contract for the construction, reconstruction, enlargement or  
16 remodeling of any such business or retail business, such person shall  
17 obtain from the state and furnish to the contractor an exemption certificate  
18 for the project involved, and the contractor may purchase materials,  
19 machinery and equipment for incorporation in such project. The contractor  
20 shall furnish the number of such certificates to all suppliers from whom  
21 such purchases are made, and such suppliers shall execute invoices  
22 covering the same bearing the number of such certificate. Upon  
23 completion of the project the contractor shall furnish to the owner of the  
24 business or retail business a sworn statement, on a form to be provided by  
25 the director of taxation, that all purchases so made were entitled to  
26 exemption under this subsection. All invoices shall be held by the  
27 contractor for a period of five years and shall be subject to audit by the  
28 director of taxation. Any contractor or any agent, employee or  
29 subcontractor thereof, who shall use or otherwise dispose of any materials,  
30 machinery or equipment purchased under such a certificate for any  
31 purpose other than that for which such a certificate is issued without the  
32 payment of the sales or compensating tax otherwise imposed thereon, shall  
33 be guilty of a misdemeanor and, upon conviction therefor, shall be subject  
34 to the penalties provided for in K.S.A. 79-3615(h), and amendments  
35 thereto. As used in this subsection, "business" and "retail business" mean  
36 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project  
37 exemption certificates that have been previously issued under this  
38 subsection by the department of revenue pursuant to K.S.A. 74-50,115,  
39 and amendments thereto, but not including K.S.A. 74-50,115(e), and  
40 amendments thereto, prior to January 1, 2012, and have not expired will be  
41 effective for the term of the project or two years from the effective date of  
42 the certificate, whichever occurs earlier. Project exemption certificates that  
43 are submitted to the department of revenue prior to January 1, 2012, and

1 are found to qualify will be issued a project exemption certificate that will  
2 be effective for a two-year period or for the term of the project, whichever  
3 occurs earlier;

4 (dd) all sales of tangible personal property purchased with food  
5 stamps issued by the United States department of agriculture;

6 (ee) all sales of lottery tickets and shares made as part of a lottery  
7 operated by the state of Kansas;

8 (ff) on and after July 1, 1988, all sales of new mobile homes or  
9 manufactured homes to the extent of 40% of the gross receipts, determined  
10 without regard to any trade-in allowance, received from such sale. As used  
11 in this subsection, "mobile homes" and "manufactured homes" mean the  
12 same as defined in K.S.A. 58-4202, and amendments thereto;

13 (gg) all sales of tangible personal property purchased in accordance  
14 with vouchers issued pursuant to the federal special supplemental food  
15 program for women, infants and children;

16 (hh) all sales of medical supplies and equipment, including durable  
17 medical equipment, purchased directly by a nonprofit skilled nursing home  
18 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,  
19 and amendments thereto, for the purpose of providing medical services to  
20 residents thereof. This exemption shall not apply to tangible personal  
21 property customarily used for human habitation purposes. As used in this  
22 subsection, "durable medical equipment" means equipment including  
23 repair and replacement parts for such equipment, that can withstand  
24 repeated use, is primarily and customarily used to serve a medical purpose,  
25 generally is not useful to a person in the absence of illness or injury and is  
26 not worn in or on the body, but does not include mobility enhancing  
27 equipment as defined in subsection (r), oxygen delivery equipment, kidney  
28 dialysis equipment or enteral feeding systems;

29 (ii) all sales of tangible personal property purchased directly by a  
30 nonprofit organization for nonsectarian comprehensive multidiscipline  
31 youth development programs and activities provided or sponsored by such  
32 organization, and all sales of tangible personal property by or on behalf of  
33 any such organization. This exemption shall not apply to tangible personal  
34 property customarily used for human habitation purposes;

35 (jj) all sales of tangible personal property or services, including the  
36 renting and leasing of tangible personal property, purchased directly on  
37 behalf of a community-based facility for people with intellectual disability  
38 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
39 amendments thereto, and licensed in accordance with the provisions of  
40 K.S.A. 2019 Supp. 39-2001 et seq., and amendments thereto, and all sales  
41 of tangible personal property or services purchased by contractors during  
42 the time period from July, 2003, through June, 2006, for the purpose of  
43 constructing, equipping, maintaining or furnishing a new facility for a

1 community-based facility for people with intellectual disability or mental  
2 health center located in Riverton, Cherokee County, Kansas, that would  
3 have been eligible for sales tax exemption pursuant to this subsection if  
4 purchased directly by such facility or center. This exemption shall not  
5 apply to tangible personal property customarily used for human habitation  
6 purposes;

7 (kk) (1) (A) all sales of machinery and equipment that are used in this  
8 state as an integral or essential part of an integrated production operation  
9 by a manufacturing or processing plant or facility;

10 (B) all sales of installation, repair and maintenance services  
11 performed on such machinery and equipment; and

12 (C) all sales of repair and replacement parts and accessories  
13 purchased for such machinery and equipment.

14 (2) For purposes of this subsection:

15 (A) "Integrated production operation" means an integrated series of  
16 operations engaged in at a manufacturing or processing plant or facility to  
17 process, transform or convert tangible personal property by physical,  
18 chemical or other means into a different form, composition or character  
19 from that in which it originally existed. Integrated production operations  
20 shall include: (i) Production line operations, including packaging  
21 operations; (ii) preproduction operations to handle, store and treat raw  
22 materials; (iii) post production handling, storage, warehousing and  
23 distribution operations; and (iv) waste, pollution and environmental  
24 control operations, if any;

25 (B) "production line" means the assemblage of machinery and  
26 equipment at a manufacturing or processing plant or facility where the  
27 actual transformation or processing of tangible personal property occurs;

28 (C) "manufacturing or processing plant or facility" means a single,  
29 fixed location owned or controlled by a manufacturing or processing  
30 business that consists of one or more structures or buildings in a  
31 contiguous area where integrated production operations are conducted to  
32 manufacture or process tangible personal property to be ultimately sold at  
33 retail. Such term shall not include any facility primarily operated for the  
34 purpose of conveying or assisting in the conveyance of natural gas,  
35 electricity, oil or water. A business may operate one or more manufacturing  
36 or processing plants or facilities at different locations to manufacture or  
37 process a single product of tangible personal property to be ultimately sold  
38 at retail;

39 (D) "manufacturing or processing business" means a business that  
40 utilizes an integrated production operation to manufacture, process,  
41 fabricate, finish or assemble items for wholesale and retail distribution as  
42 part of what is commonly regarded by the general public as an industrial  
43 manufacturing or processing operation or an agricultural commodity



1 processing operation. (i) Industrial manufacturing or processing operations  
2 include, by way of illustration but not of limitation, the fabrication of  
3 automobiles, airplanes, machinery or transportation equipment, the  
4 fabrication of metal, plastic, wood or paper products, electricity power  
5 generation, water treatment, petroleum refining, chemical production,  
6 wholesale bottling, newspaper printing, ready mixed concrete production,  
7 and the remanufacturing of used parts for wholesale or retail sale. Such  
8 processing operations shall include operations at an oil well, gas well,  
9 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,  
10 sand or gravel that has been extracted from the earth is cleaned, separated,  
11 crushed, ground, milled, screened, washed or otherwise treated or prepared  
12 before its transmission to a refinery or before any other wholesale or retail  
13 distribution. (ii) Agricultural commodity processing operations include, by  
14 way of illustration but not of limitation, meat packing, poultry slaughtering  
15 and dressing, processing and packaging farm and dairy products in sealed  
16 containers for wholesale and retail distribution, feed grinding, grain  
17 milling, frozen food processing, and grain handling, cleaning, blending,  
18 fumigation, drying and aeration operations engaged in by grain elevators  
19 or other grain storage facilities. (iii) Manufacturing or processing  
20 businesses do not include, by way of illustration but not of limitation,  
21 nonindustrial businesses whose operations are primarily retail and that  
22 produce or process tangible personal property as an incidental part of  
23 conducting the retail business, such as retailers who bake, cook or prepare  
24 food products in the regular course of their retail trade, grocery stores,  
25 meat lockers and meat markets that butcher or dress livestock or poultry in  
26 the regular course of their retail trade, contractors who alter, service, repair  
27 or improve real property, and retail businesses that clean, service or  
28 refurbish and repair tangible personal property for its owner;

29 (E) "repair and replacement parts and accessories" means all parts  
30 and accessories for exempt machinery and equipment, including, but not  
31 limited to, dies, jigs, molds, patterns and safety devices that are attached to  
32 exempt machinery or that are otherwise used in production, and parts and  
33 accessories that require periodic replacement such as belts, drill bits,  
34 grinding wheels, grinding balls, cutting bars, saws, refractory brick and  
35 other refractory items for exempt kiln equipment used in production  
36 operations;

37 (F) "primary" or "primarily" ~~mean~~ means more than 50% of the time.

38 (3) For purposes of this subsection, machinery and equipment shall  
39 be deemed to be used as an integral or essential part of an integrated  
40 production operation when used:

41 (A) To receive, transport, convey, handle, treat or store raw materials  
42 in preparation of its placement on the production line;

43 (B) to transport, convey, handle or store the property undergoing

1 manufacturing or processing at any point from the beginning of the  
2 production line through any warehousing or distribution operation of the  
3 final product that occurs at the plant or facility;

4 (C) to act upon, effect, promote or otherwise facilitate a physical  
5 change to the property undergoing manufacturing or processing;

6 (D) to guide, control or direct the movement of property undergoing  
7 manufacturing or processing;

8 (E) to test or measure raw materials, the property undergoing  
9 manufacturing or processing or the finished product, as a necessary part of  
10 the manufacturer's integrated production operations;

11 (F) to plan, manage, control or record the receipt and flow of  
12 inventories of raw materials, consumables and component parts, the flow  
13 of the property undergoing manufacturing or processing and the  
14 management of inventories of the finished product;

15 (G) to produce energy for, lubricate, control the operating of or  
16 otherwise enable the functioning of other production machinery and  
17 equipment and the continuation of production operations;

18 (H) to package the property being manufactured or processed in a  
19 container or wrapping in which such property is normally sold or  
20 transported;

21 (I) to transmit or transport electricity, coke, gas, water, steam or  
22 similar substances used in production operations from the point of  
23 generation, if produced by the manufacturer or processor at the plant site,  
24 to that manufacturer's production operation; or, if purchased or delivered  
25 from off-site, from the point where the substance enters the site of the  
26 plant or facility to that manufacturer's production operations;

27 (J) to cool, heat, filter, refine or otherwise treat water, steam, acid, oil,  
28 solvents or other substances that are used in production operations;

29 (K) to provide and control an environment required to maintain  
30 certain levels of air quality, humidity or temperature in special and limited  
31 areas of the plant or facility, where such regulation of temperature or  
32 humidity is part of and essential to the production process;

33 (L) to treat, transport or store waste or other byproducts of production  
34 operations at the plant or facility; or

35 (M) to control pollution at the plant or facility where the pollution is  
36 produced by the manufacturing or processing operation.

37 (4) The following machinery, equipment and materials shall be  
38 deemed to be exempt even though it may not otherwise qualify as  
39 machinery and equipment used as an integral or essential part of an  
40 integrated production operation: (A) Computers and related peripheral  
41 equipment that are utilized by a manufacturing or processing business for  
42 engineering of the finished product or for research and development or  
43 product design; (B) machinery and equipment that is utilized by a

1 manufacturing or processing business to manufacture or rebuild tangible  
2 personal property that is used in manufacturing or processing operations,  
3 including tools, dies, molds, forms and other parts of qualifying machinery  
4 and equipment; (C) portable plants for aggregate concrete, bulk cement  
5 and asphalt including cement mixing drums to be attached to a motor  
6 vehicle; (D) industrial fixtures, devices, support facilities and special  
7 foundations necessary for manufacturing and production operations, and  
8 materials and other tangible personal property sold for the purpose of  
9 fabricating such fixtures, devices, facilities and foundations. An exemption  
10 certificate for such purchases shall be signed by the manufacturer or  
11 processor. If the fabricator purchases such material, the fabricator shall  
12 also sign the exemption certificate; (E) a manufacturing or processing  
13 business' laboratory equipment that is not located at the plant or facility,  
14 but that would otherwise qualify for exemption under subsection (3)(E);  
15 (F) all machinery and equipment used in surface mining activities as  
16 described in K.S.A. 49-601 et seq., and amendments thereto, beginning  
17 from the time a reclamation plan is filed to the acceptance of the  
18 completed final site reclamation.

19 (5) "Machinery and equipment used as an integral or essential part of  
20 an integrated production operation" shall not include:

21 (A) Machinery and equipment used for nonproduction purposes,  
22 including, but not limited to, machinery and equipment used for plant  
23 security, fire prevention, first aid, accounting, administration, record  
24 keeping, advertising, marketing, sales or other related activities, plant  
25 cleaning, plant communications and employee work scheduling;

26 (B) machinery, equipment and tools used primarily in maintaining  
27 and repairing any type of machinery and equipment or the building and  
28 plant;

29 (C) transportation, transmission and distribution equipment not  
30 primarily used in a production, warehousing or material handling  
31 operation at the plant or facility, including the means of conveyance of  
32 natural gas, electricity, oil or water, and equipment related thereto, located  
33 outside the plant or facility;

34 (D) office machines and equipment including computers and related  
35 peripheral equipment not used directly and primarily to control or measure  
36 the manufacturing process;

37 (E) furniture and other furnishings;

38 (F) buildings, other than exempt machinery and equipment that is  
39 permanently affixed to or becomes a physical part of the building, and any  
40 other part of real estate that is not otherwise exempt;

41 (G) building fixtures that are not integral to the manufacturing  
42 operation, such as utility systems for heating, ventilation, air conditioning,  
43 communications, plumbing or electrical;

1 (H) machinery and equipment used for general plant heating, cooling  
2 and lighting;

3 (I) motor vehicles that are registered for operation on public  
4 highways; or

5 (J) employee apparel, except safety and protective apparel that is  
6 purchased by an employer and furnished gratuitously to employees who  
7 are involved in production or research activities.

8 (6) Subsections (3) and (5) shall not be construed as exclusive listings  
9 of the machinery and equipment that qualify or do not qualify as an  
10 integral or essential part of an integrated production operation. When  
11 machinery or equipment is used as an integral or essential part of  
12 production operations part of the time and for nonproduction purposes at  
13 other times, the primary use of the machinery or equipment shall  
14 determine whether or not such machinery or equipment qualifies for  
15 exemption.

16 (7) The secretary of revenue shall adopt rules and regulations  
17 necessary to administer the provisions of this subsection;

18 (II) all sales of educational materials purchased for distribution to the  
19 public at no charge by a nonprofit corporation organized for the purpose of  
20 encouraging, fostering and conducting programs for the improvement of  
21 public health, except that for taxable years commencing after December  
22 31, 2013, this subsection shall not apply to any sales of such materials  
23 purchased by a nonprofit corporation which performs any abortion, as  
24 defined in K.S.A. 65-6701, and amendments thereto;

25 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,  
26 herbicides, germicides, pesticides and fungicides; and services, purchased  
27 and used for the purpose of producing plants in order to prevent soil  
28 erosion on land devoted to agricultural use;

29 (nn) except as otherwise provided in this act, all sales of services  
30 rendered by an advertising agency or licensed broadcast station or any  
31 member, agent or employee thereof;

32 (oo) all sales of tangible personal property purchased by a community  
33 action group or agency for the exclusive purpose of repairing or  
34 weatherizing housing occupied by low-income individuals;

35 (pp) all sales of drill bits and explosives actually utilized in the  
36 exploration and production of oil or gas;

37 (qq) all sales of tangible personal property and services purchased by  
38 a nonprofit museum or historical society or any combination thereof,  
39 including a nonprofit organization that is organized for the purpose of  
40 stimulating public interest in the exploration of space by providing  
41 educational information, exhibits and experiences, that is exempt from  
42 federal income taxation pursuant to section 501(c)(3) of the federal  
43 internal revenue code of 1986;

1 (rr) all sales of tangible personal property that will admit the  
2 purchaser thereof to any annual event sponsored by a nonprofit  
3 organization that is exempt from federal income taxation pursuant to  
4 section 501(c)(3) of the federal internal revenue code of 1986, except that  
5 for taxable years commencing after December 31, 2013, this subsection  
6 shall not apply to any sales of such tangible personal property purchased  
7 by a nonprofit organization which performs any abortion, as defined in  
8 K.S.A. 65-6701, and amendments thereto;

9 (ss) all sales of tangible personal property and services purchased by  
10 a public broadcasting station licensed by the federal communications  
11 commission as a noncommercial educational television or radio station;

12 (tt) all sales of tangible personal property and services purchased by  
13 or on behalf of a not-for-profit corporation that is exempt from federal  
14 income taxation pursuant to section 501(c)(3) of the federal internal  
15 revenue code of 1986, for the sole purpose of constructing a Kansas  
16 Korean War memorial;

17 (uu) all sales of tangible personal property and services purchased by  
18 or on behalf of any rural volunteer fire-fighting organization for use  
19 exclusively in the performance of its duties and functions;

20 (vv) all sales of tangible personal property purchased by any of the  
21 following organizations that are exempt from federal income taxation  
22 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
23 for the following purposes, and all sales of any such property by or on  
24 behalf of any such organization for any such purpose:

25 (1) The American heart association, Kansas affiliate, inc. for the  
26 purposes of providing education, training, certification in emergency  
27 cardiac care, research and other related services to reduce disability and  
28 death from cardiovascular diseases and stroke;

29 (2) the Kansas alliance for the mentally ill, inc. for the purpose of  
30 advocacy for persons with mental illness and to education, research and  
31 support for their families;

32 (3) the Kansas mental illness awareness council for the purposes of  
33 advocacy for persons who are mentally ill and for education, research and  
34 support for them and their families;

35 (4) the American diabetes association Kansas affiliate, inc. for the  
36 purpose of eliminating diabetes through medical research, public education  
37 focusing on disease prevention and education, patient education including  
38 information on coping with diabetes, and professional education and  
39 training;

40 (5) the American lung association of Kansas, inc. for the purpose of  
41 eliminating all lung diseases through medical research, public education  
42 including information on coping with lung diseases, professional education  
43 and training related to lung disease and other related services to reduce the

1 incidence of disability and death due to lung disease;

2 (6) the Kansas chapters of the Alzheimer's disease and related  
3 disorders association, inc. for the purpose of providing assistance and  
4 support to persons in Kansas with Alzheimer's disease, and their families  
5 and caregivers;

6 (7) the Kansas chapters of the Parkinson's disease association for the  
7 purpose of eliminating Parkinson's disease through medical research and  
8 public and professional education related to such disease;

9 (8) the national kidney foundation of Kansas and western Missouri  
10 for the purpose of eliminating kidney disease through medical research  
11 and public and private education related to such disease;

12 (9) the heartstrings community foundation for the purpose of  
13 providing training, employment and activities for adults with  
14 developmental disabilities;

15 (10) the cystic fibrosis foundation, heart of America chapter, for the  
16 purposes of assuring the development of the means to cure and control  
17 cystic fibrosis and improving the quality of life for those with the disease;

18 (11) the spina bifida association of Kansas for the purpose of  
19 providing financial, educational and practical aid to families and  
20 individuals with spina bifida. Such aid includes, but is not limited to,  
21 funding for medical devices, counseling and medical educational  
22 opportunities;

23 (12) the CHWC, Inc., for the purpose of rebuilding urban core  
24 neighborhoods through the construction of new homes, acquiring and  
25 renovating existing homes and other related activities, and promoting  
26 economic development in such neighborhoods;

27 (13) the cross-lines cooperative council for the purpose of providing  
28 social services to low income individuals and families;

29 (14) the dreams work, inc., for the purpose of providing young adult  
30 day services to individuals with developmental disabilities and assisting  
31 families in avoiding institutional or nursing home care for a  
32 developmentally disabled member of their family;

33 (15) the KSDS, Inc., for the purpose of promoting the independence  
34 and inclusion of people with disabilities as fully participating and  
35 contributing members of their communities and society through the  
36 training and providing of guide and service dogs to people with  
37 disabilities, and providing disability education and awareness to the  
38 general public;

39 (16) the lyme association of greater Kansas City, Inc., for the purpose  
40 of providing support to persons with lyme disease and public education  
41 relating to the prevention, treatment and cure of lyme disease;

42 (17) the dream factory, inc., for the purpose of granting the dreams of  
43 children with critical and chronic illnesses;

1 (18) the Ottawa Suzuki strings, inc., for the purpose of providing  
2 students and families with education and resources necessary to enable  
3 each child to develop fine character and musical ability to the fullest  
4 potential;

5 (19) the international association of lions clubs for the purpose of  
6 creating and fostering a spirit of understanding among all people for  
7 humanitarian needs by providing voluntary services through community  
8 involvement and international cooperation;

9 (20) the Johnson county young matrons, inc., for the purpose of  
10 promoting a positive future for members of the community through  
11 volunteerism, financial support and education through the efforts of an all  
12 volunteer organization;

13 (21) the American cancer society, inc., for the purpose of eliminating  
14 cancer as a major health problem by preventing cancer, saving lives and  
15 diminishing suffering from cancer, through research, education, advocacy  
16 and service;

17 (22) the community services of Shawnee, inc., for the purpose of  
18 providing food and clothing to those in need;

19 (23) the angel babies association, for the purpose of providing  
20 assistance, support and items of necessity to teenage mothers and their  
21 babies; ~~and~~

22 (24) the Kansas fairgrounds foundation for the purpose of the  
23 preservation, renovation and beautification of the Kansas state fairgrounds;  
24 *and*

25 *(25) the envision, inc., for the purpose of improving the quality of life*  
26 *and providing inspiration and opportunity for people who are blind or*  
27 *visually impaired through employment, outreach, rehabilitation, education*  
28 *and research;*

29 (ww) all sales of tangible personal property purchased by the habitat  
30 for humanity for the exclusive use of being incorporated within a housing  
31 project constructed by such organization;

32 (xx) all sales of tangible personal property and services purchased by  
33 a nonprofit zoo that is exempt from federal income taxation pursuant to  
34 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
35 of such zoo by an entity itself exempt from federal income taxation  
36 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
37 contracted with to operate such zoo and all sales of tangible personal  
38 property or services purchased by a contractor for the purpose of  
39 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
40 furnishing or remodeling facilities for any nonprofit zoo that would be  
41 exempt from taxation under the provisions of this section if purchased  
42 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
43 this subsection shall be deemed to exempt the purchase of any construction

1 machinery, equipment or tools used in the constructing, equipping,  
2 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
3 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
4 the purpose of constructing, equipping, reconstructing, maintaining,  
5 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
6 from the state and furnish to the contractor an exemption certificate for the  
7 project involved, and the contractor may purchase materials for  
8 incorporation in such project. The contractor shall furnish the number of  
9 such certificate to all suppliers from whom such purchases are made, and  
10 such suppliers shall execute invoices covering the same bearing the  
11 number of such certificate. Upon completion of the project the contractor  
12 shall furnish to the nonprofit zoo concerned a sworn statement, on a form  
13 to be provided by the director of taxation, that all purchases so made were  
14 entitled to exemption under this subsection. All invoices shall be held by  
15 the contractor for a period of five years and shall be subject to audit by the  
16 director of taxation. If any materials purchased under such a certificate are  
17 found not to have been incorporated in the building or other project or not  
18 to have been returned for credit or the sales or compensating tax otherwise  
19 imposed upon such materials that will not be so incorporated in the  
20 building or other project reported and paid by such contractor to the  
21 director of taxation not later than the 20<sup>th</sup> day of the month following the  
22 close of the month in which it shall be determined that such materials will  
23 not be used for the purpose for which such certificate was issued, the  
24 nonprofit zoo concerned shall be liable for tax on all materials purchased  
25 for the project, and upon payment thereof it may recover the same from  
26 the contractor together with reasonable attorney fees. Any contractor or  
27 any agent, employee or subcontractor thereof, who shall use or otherwise  
28 dispose of any materials purchased under such a certificate for any purpose  
29 other than that for which such a certificate is issued without the payment  
30 of the sales or compensating tax otherwise imposed upon such materials,  
31 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
32 subject to the penalties provided for in K.S.A. 79-3615(h), and  
33 amendments thereto;

34 (yy) all sales of tangible personal property and services purchased by  
35 a parent-teacher association or organization, and all sales of tangible  
36 personal property by or on behalf of such association or organization;

37 (zz) all sales of machinery and equipment purchased by over-the-air,  
38 free access radio or television station that is used directly and primarily for  
39 the purpose of producing a broadcast signal or is such that the failure of  
40 the machinery or equipment to operate would cause broadcasting to cease.  
41 For purposes of this subsection, machinery and equipment shall include,  
42 but not be limited to, that required by rules and regulations of the federal  
43 communications commission, and all sales of electricity which are



1 essential or necessary for the purpose of producing a broadcast signal or is  
2 such that the failure of the electricity would cause broadcasting to cease;

3 (aaa) all sales of tangible personal property and services purchased by  
4 a religious organization that is exempt from federal income taxation  
5 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
6 exclusively for religious purposes, and all sales of tangible personal  
7 property or services purchased by a contractor for the purpose of  
8 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
9 furnishing or remodeling facilities for any such organization that would be  
10 exempt from taxation under the provisions of this section if purchased  
11 directly by such organization. Nothing in this subsection shall be deemed  
12 to exempt the purchase of any construction machinery, equipment or tools  
13 used in the constructing, equipping, reconstructing, maintaining, repairing,  
14 enlarging, furnishing or remodeling facilities for any such organization.  
15 When any such organization shall contract for the purpose of constructing,  
16 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
17 remodeling facilities, it shall obtain from the state and furnish to the  
18 contractor an exemption certificate for the project involved, and the  
19 contractor may purchase materials for incorporation in such project. The  
20 contractor shall furnish the number of such certificate to all suppliers from  
21 whom such purchases are made, and such suppliers shall execute invoices  
22 covering the same bearing the number of such certificate. Upon  
23 completion of the project the contractor shall furnish to such organization  
24 concerned a sworn statement, on a form to be provided by the director of  
25 taxation, that all purchases so made were entitled to exemption under this  
26 subsection. All invoices shall be held by the contractor for a period of five  
27 years and shall be subject to audit by the director of taxation. If any  
28 materials purchased under such a certificate are found not to have been  
29 incorporated in the building or other project or not to have been returned  
30 for credit or the sales or compensating tax otherwise imposed upon such  
31 materials that will not be so incorporated in the building or other project  
32 reported and paid by such contractor to the director of taxation not later  
33 than the 20<sup>th</sup> day of the month following the close of the month in which it  
34 shall be determined that such materials will not be used for the purpose for  
35 which such certificate was issued, such organization concerned shall be  
36 liable for tax on all materials purchased for the project, and upon payment  
37 thereof it may recover the same from the contractor together with  
38 reasonable attorney fees. Any contractor or any agent, employee or  
39 subcontractor thereof, who shall use or otherwise dispose of any materials  
40 purchased under such a certificate for any purpose other than that for  
41 which such a certificate is issued without the payment of the sales or  
42 compensating tax otherwise imposed upon such materials, shall be guilty  
43 of a misdemeanor and, upon conviction therefor, shall be subject to the

1 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
2 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
3 this act upon the gross receipts received from any sale exempted by the  
4 amendatory provisions of this subsection shall be refunded. Each claim for  
5 a sales tax refund shall be verified and submitted to the director of taxation  
6 upon forms furnished by the director and shall be accompanied by any  
7 additional documentation required by the director. The director shall  
8 review each claim and shall refund that amount of sales tax paid as  
9 determined under the provisions of this subsection. All refunds shall be  
10 paid from the sales tax refund fund upon warrants of the director of  
11 accounts and reports pursuant to vouchers approved by the director or the  
12 director's designee;

13 (bbb) all sales of food for human consumption by an organization that  
14 is exempt from federal income taxation pursuant to section 501(c)(3) of  
15 the federal internal revenue code of 1986, pursuant to a food distribution  
16 program that offers such food at a price below cost in exchange for the  
17 performance of community service by the purchaser thereof;

18 (ccc) on and after July 1, 1999, all sales of tangible personal property  
19 and services purchased by a primary care clinic or health center the  
20 primary purpose of which is to provide services to medically underserved  
21 individuals and families, and that is exempt from federal income taxation  
22 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
23 sales of tangible personal property or services purchased by a contractor  
24 for the purpose of constructing, equipping, reconstructing, maintaining,  
25 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
26 or center that would be exempt from taxation under the provisions of this  
27 section if purchased directly by such clinic or center, except that for  
28 taxable years commencing after December 31, 2013, this subsection shall  
29 not apply to any sales of such tangible personal property and services  
30 purchased by a primary care clinic or health center which performs any  
31 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
32 in this subsection shall be deemed to exempt the purchase of any  
33 construction machinery, equipment or tools used in the constructing,  
34 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
35 remodeling facilities for any such clinic or center. When any such clinic or  
36 center shall contract for the purpose of constructing, equipping,  
37 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
38 facilities, it shall obtain from the state and furnish to the contractor an  
39 exemption certificate for the project involved, and the contractor may  
40 purchase materials for incorporation in such project. The contractor shall  
41 furnish the number of such certificate to all suppliers from whom such  
42 purchases are made, and such suppliers shall execute invoices covering the  
43 same bearing the number of such certificate. Upon completion of the

1 project the contractor shall furnish to such clinic or center concerned a  
2 sworn statement, on a form to be provided by the director of taxation, that  
3 all purchases so made were entitled to exemption under this subsection.  
4 All invoices shall be held by the contractor for a period of five years and  
5 shall be subject to audit by the director of taxation. If any materials  
6 purchased under such a certificate are found not to have been incorporated  
7 in the building or other project or not to have been returned for credit or  
8 the sales or compensating tax otherwise imposed upon such materials that  
9 will not be so incorporated in the building or other project reported and  
10 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
11 day of the month following the close of the month in which it shall be  
12 determined that such materials will not be used for the purpose for which  
13 such certificate was issued, such clinic or center concerned shall be liable  
14 for tax on all materials purchased for the project, and upon payment  
15 thereof it may recover the same from the contractor together with  
16 reasonable attorney fees. Any contractor or any agent, employee or  
17 subcontractor thereof, who shall use or otherwise dispose of any materials  
18 purchased under such a certificate for any purpose other than that for  
19 which such a certificate is issued without the payment of the sales or  
20 compensating tax otherwise imposed upon such materials, shall be guilty  
21 of a misdemeanor and, upon conviction therefor, shall be subject to the  
22 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

23 (ddd) on and after January 1, 1999, and before January 1, 2000, all  
24 sales of materials and services purchased by any class II or III railroad as  
25 classified by the federal surface transportation board for the construction,  
26 renovation, repair or replacement of class II or III railroad track and  
27 facilities used directly in interstate commerce. In the event any such track  
28 or facility for which materials and services were purchased sales tax  
29 exempt is not operational for five years succeeding the allowance of such  
30 exemption, the total amount of sales tax that would have been payable  
31 except for the operation of this subsection shall be recouped in accordance  
32 with rules and regulations adopted for such purpose by the secretary of  
33 revenue;

34 (eee) on and after January 1, 1999, and before January 1, 2001, all  
35 sales of materials and services purchased for the original construction,  
36 reconstruction, repair or replacement of grain storage facilities, including  
37 railroad sidings providing access thereto;

38 (fff) all sales of material handling equipment, racking systems and  
39 other related machinery and equipment that is used for the handling,  
40 movement or storage of tangible personal property in a warehouse or  
41 distribution facility in this state; all sales of installation, repair and  
42 maintenance services performed on such machinery and equipment; and  
43 all sales of repair and replacement parts for such machinery and

1 equipment. For purposes of this subsection, a warehouse or distribution  
2 facility means a single, fixed location that consists of buildings or  
3 structures in a contiguous area where storage or distribution operations are  
4 conducted that are separate and apart from the business' retail operations,  
5 if any, and that do not otherwise qualify for exemption as occurring at a  
6 manufacturing or processing plant or facility. Material handling and  
7 storage equipment shall include aeration, dust control, cleaning, handling  
8 and other such equipment that is used in a public grain warehouse or other  
9 commercial grain storage facility, whether used for grain handling, grain  
10 storage, grain refining or processing, or other grain treatment operation;

11 (ggg) all sales of tangible personal property and services purchased  
12 by or on behalf of the Kansas academy of science, which is exempt from  
13 federal income taxation pursuant to section 501(c)(3) of the federal  
14 internal revenue code of 1986, and used solely by such academy for the  
15 preparation, publication and dissemination of education materials;

16 (hhh) all sales of tangible personal property and services purchased  
17 by or on behalf of all domestic violence shelters that are member agencies  
18 of the Kansas coalition against sexual and domestic violence;

19 (iii) all sales of personal property and services purchased by an  
20 organization that is exempt from federal income taxation pursuant to  
21 section 501(c)(3) of the federal internal revenue code of 1986, and such  
22 personal property and services are used by any such organization in the  
23 collection, storage and distribution of food products to nonprofit  
24 organizations that distribute such food products to persons pursuant to a  
25 food distribution program on a charitable basis without fee or charge, and  
26 all sales of tangible personal property or services purchased by a  
27 contractor for the purpose of constructing, equipping, reconstructing,  
28 maintaining, repairing, enlarging, furnishing or remodeling facilities used  
29 for the collection and storage of such food products for any such  
30 organization which is exempt from federal income taxation pursuant to  
31 section 501(c)(3) of the federal internal revenue code of 1986, that would  
32 be exempt from taxation under the provisions of this section if purchased  
33 directly by such organization. Nothing in this subsection shall be deemed  
34 to exempt the purchase of any construction machinery, equipment or tools  
35 used in the constructing, equipping, reconstructing, maintaining, repairing,  
36 enlarging, furnishing or remodeling facilities for any such organization.  
37 When any such organization shall contract for the purpose of constructing,  
38 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
39 remodeling facilities, it shall obtain from the state and furnish to the  
40 contractor an exemption certificate for the project involved, and the  
41 contractor may purchase materials for incorporation in such project. The  
42 contractor shall furnish the number of such certificate to all suppliers from  
43 whom such purchases are made, and such suppliers shall execute invoices

1 covering the same bearing the number of such certificate. Upon  
2 completion of the project the contractor shall furnish to such organization  
3 concerned a sworn statement, on a form to be provided by the director of  
4 taxation, that all purchases so made were entitled to exemption under this  
5 subsection. All invoices shall be held by the contractor for a period of five  
6 years and shall be subject to audit by the director of taxation. If any  
7 materials purchased under such a certificate are found not to have been  
8 incorporated in such facilities or not to have been returned for credit or the  
9 sales or compensating tax otherwise imposed upon such materials that will  
10 not be so incorporated in such facilities reported and paid by such  
11 contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
12 month following the close of the month in which it shall be determined  
13 that such materials will not be used for the purpose for which such  
14 certificate was issued, such organization concerned shall be liable for tax  
15 on all materials purchased for the project, and upon payment thereof it  
16 may recover the same from the contractor together with reasonable  
17 attorney fees. Any contractor or any agent, employee or subcontractor  
18 thereof, who shall use or otherwise dispose of any materials purchased  
19 under such a certificate for any purpose other than that for which such a  
20 certificate is issued without the payment of the sales or compensating tax  
21 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
22 and, upon conviction therefor, shall be subject to the penalties provided for  
23 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after  
24 July 1, 2005, but prior to the effective date of this act upon the gross  
25 receipts received from any sale exempted by the amendatory provisions of  
26 this subsection shall be refunded. Each claim for a sales tax refund shall be  
27 verified and submitted to the director of taxation upon forms furnished by  
28 the director and shall be accompanied by any additional documentation  
29 required by the director. The director shall review each claim and shall  
30 refund that amount of sales tax paid as determined under the provisions of  
31 this subsection. All refunds shall be paid from the sales tax refund fund  
32 upon warrants of the director of accounts and reports pursuant to vouchers  
33 approved by the director or the director's designee;

34 (jjj) all sales of dietary supplements dispensed pursuant to a  
35 prescription order by a licensed practitioner or a mid-level practitioner as  
36 defined by K.S.A. 65-1626, and amendments thereto. As used in this  
37 subsection, "dietary supplement" means any product, other than tobacco,  
38 intended to supplement the diet that: (1) Contains one or more of the  
39 following dietary ingredients: A vitamin, a mineral, an herb or other  
40 botanical, an amino acid, a dietary substance for use by humans to  
41 supplement the diet by increasing the total dietary intake or a concentrate,  
42 metabolite, constituent, extract or combination of any such ingredient; (2)  
43 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or

1 liquid form, or if not intended for ingestion, in such a form, is not  
2 represented as conventional food and is not represented for use as a sole  
3 item of a meal or of the diet; and (3) is required to be labeled as a dietary  
4 supplement, identifiable by the supplemental facts box found on the label  
5 and as required pursuant to 21 C.F.R. § 101.36;

6 (lll) all sales of tangible personal property and services purchased by  
7 special olympics Kansas, inc. for the purpose of providing year-round  
8 sports training and athletic competition in a variety of olympic-type sports  
9 for individuals with intellectual disabilities by giving them continuing  
10 opportunities to develop physical fitness, demonstrate courage, experience  
11 joy and participate in a sharing of gifts, skills and friendship with their  
12 families, other special olympics athletes and the community, and activities  
13 provided or sponsored by such organization, and all sales of tangible  
14 personal property by or on behalf of any such organization;

15 (mmm) all sales of tangible personal property purchased by or on  
16 behalf of the Marillac center, inc., which is exempt from federal income  
17 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
18 for the purpose of providing psycho-social-biological and special  
19 education services to children, and all sales of any such property by or on  
20 behalf of such organization for such purpose;

21 (nnn) all sales of tangible personal property and services purchased  
22 by the west Sedgwick county-sunrise rotary club and sunrise charitable  
23 fund for the purpose of constructing a boundless playground which is an  
24 integrated, barrier free and developmentally advantageous play  
25 environment for children of all abilities and disabilities;

26 (ooo) all sales of tangible personal property by or on behalf of a  
27 public library serving the general public and supported in whole or in part  
28 with tax money or a not-for-profit organization whose purpose is to raise  
29 funds for or provide services or other benefits to any such public library;

30 (ppp) all sales of tangible personal property and services purchased  
31 by or on behalf of a homeless shelter that is exempt from federal income  
32 taxation pursuant to section 501(c)(3) of the federal income tax code of  
33 1986, and used by any such homeless shelter to provide emergency and  
34 transitional housing for individuals and families experiencing  
35 homelessness, and all sales of any such property by or on behalf of any  
36 such homeless shelter for any such purpose;

37 (qqq) all sales of tangible personal property and services purchased  
38 by TLC for children and families, inc., hereinafter referred to as TLC,  
39 which is exempt from federal income taxation pursuant to section 501(c)  
40 (3) of the federal internal revenue code of 1986, and such property and  
41 services are used for the purpose of providing emergency shelter and  
42 treatment for abused and neglected children as well as meeting additional  
43 critical needs for children, juveniles and family, and all sales of any such

1 property by or on behalf of TLC for any such purpose; and all sales of  
2 tangible personal property or services purchased by a contractor for the  
3 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
4 remodeling facilities for the operation of services for TLC for any such  
5 purpose that would be exempt from taxation under the provisions of this  
6 section if purchased directly by TLC. Nothing in this subsection shall be  
7 deemed to exempt the purchase of any construction machinery, equipment  
8 or tools used in the constructing, maintaining, repairing, enlarging,  
9 furnishing or remodeling such facilities for TLC. When TLC contracts for  
10 the purpose of constructing, maintaining, repairing, enlarging, furnishing  
11 or remodeling such facilities, it shall obtain from the state and furnish to  
12 the contractor an exemption certificate for the project involved, and the  
13 contractor may purchase materials for incorporation in such project. The  
14 contractor shall furnish the number of such certificate to all suppliers from  
15 whom such purchases are made, and such suppliers shall execute invoices  
16 covering the same bearing the number of such certificate. Upon  
17 completion of the project the contractor shall furnish to TLC a sworn  
18 statement, on a form to be provided by the director of taxation, that all  
19 purchases so made were entitled to exemption under this subsection. All  
20 invoices shall be held by the contractor for a period of five years and shall  
21 be subject to audit by the director of taxation. If any materials purchased  
22 under such a certificate are found not to have been incorporated in the  
23 building or other project or not to have been returned for credit or the sales  
24 or compensating tax otherwise imposed upon such materials that will not  
25 be so incorporated in the building or other project reported and paid by  
26 such contractor to the director of taxation not later than the 20<sup>th</sup> day of the  
27 month following the close of the month in which it shall be determined  
28 that such materials will not be used for the purpose for which such  
29 certificate was issued, TLC shall be liable for tax on all materials  
30 purchased for the project, and upon payment thereof it may recover the  
31 same from the contractor together with reasonable attorney fees. Any  
32 contractor or any agent, employee or subcontractor thereof, who shall use  
33 or otherwise dispose of any materials purchased under such a certificate  
34 for any purpose other than that for which such a certificate is issued  
35 without the payment of the sales or compensating tax otherwise imposed  
36 upon such materials, shall be guilty of a misdemeanor and, upon  
37 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
38 79-3615(h), and amendments thereto;

39 (rrr) all sales of tangible personal property and services purchased by  
40 any county law library maintained pursuant to law and sales of tangible  
41 personal property and services purchased by an organization that would  
42 have been exempt from taxation under the provisions of this subsection if  
43 purchased directly by the county law library for the purpose of providing

1 legal resources to attorneys, judges, students and the general public, and  
2 all sales of any such property by or on behalf of any such county law  
3 library;

4 (sss) all sales of tangible personal property and services purchased by  
5 catholic charities or youthville, hereinafter referred to as charitable family  
6 providers, which is exempt from federal income taxation pursuant to  
7 section 501(c)(3) of the federal internal revenue code of 1986, and which  
8 such property and services are used for the purpose of providing  
9 emergency shelter and treatment for abused and neglected children as well  
10 as meeting additional critical needs for children, juveniles and family, and  
11 all sales of any such property by or on behalf of charitable family  
12 providers for any such purpose; and all sales of tangible personal property  
13 or services purchased by a contractor for the purpose of constructing,  
14 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
15 the operation of services for charitable family providers for any such  
16 purpose which would be exempt from taxation under the provisions of this  
17 section if purchased directly by charitable family providers. Nothing in  
18 this subsection shall be deemed to exempt the purchase of any construction  
19 machinery, equipment or tools used in the constructing, maintaining,  
20 repairing, enlarging, furnishing or remodeling such facilities for charitable  
21 family providers. When charitable family providers contracts for the  
22 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
23 remodeling such facilities, it shall obtain from the state and furnish to the  
24 contractor an exemption certificate for the project involved, and the  
25 contractor may purchase materials for incorporation in such project. The  
26 contractor shall furnish the number of such certificate to all suppliers from  
27 whom such purchases are made, and such suppliers shall execute invoices  
28 covering the same bearing the number of such certificate. Upon  
29 completion of the project the contractor shall furnish to charitable family  
30 providers a sworn statement, on a form to be provided by the director of  
31 taxation, that all purchases so made were entitled to exemption under this  
32 subsection. All invoices shall be held by the contractor for a period of five  
33 years and shall be subject to audit by the director of taxation. If any  
34 materials purchased under such a certificate are found not to have been  
35 incorporated in the building or other project or not to have been returned  
36 for credit or the sales or compensating tax otherwise imposed upon such  
37 materials that will not be so incorporated in the building or other project  
38 reported and paid by such contractor to the director of taxation not later  
39 than the 20<sup>th</sup> day of the month following the close of the month in which it  
40 shall be determined that such materials will not be used for the purpose for  
41 which such certificate was issued, charitable family providers shall be  
42 liable for tax on all materials purchased for the project, and upon payment  
43 thereof it may recover the same from the contractor together with



1 reasonable attorney fees. Any contractor or any agent, employee or  
2 subcontractor thereof, who shall use or otherwise dispose of any materials  
3 purchased under such a certificate for any purpose other than that for  
4 which such a certificate is issued without the payment of the sales or  
5 compensating tax otherwise imposed upon such materials, shall be guilty  
6 of a misdemeanor and, upon conviction therefor, shall be subject to the  
7 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

8 (ttt) all sales of tangible personal property or services purchased by a  
9 contractor for a project for the purpose of restoring, constructing,  
10 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
11 remodeling a home or facility owned by a nonprofit museum that has been  
12 granted an exemption pursuant to subsection (qq), which such home or  
13 facility is located in a city that has been designated as a qualified  
14 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
15 amendments thereto, and which such project is related to the purposes of  
16 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
17 exempt from taxation under the provisions of this section if purchased  
18 directly by such nonprofit museum. Nothing in this subsection shall be  
19 deemed to exempt the purchase of any construction machinery, equipment  
20 or tools used in the restoring, constructing, equipping, reconstructing,  
21 maintaining, repairing, enlarging, furnishing or remodeling a home or  
22 facility for any such nonprofit museum. When any such nonprofit museum  
23 shall contract for the purpose of restoring, constructing, equipping,  
24 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
25 a home or facility, it shall obtain from the state and furnish to the  
26 contractor an exemption certificate for the project involved, and the  
27 contractor may purchase materials for incorporation in such project. The  
28 contractor shall furnish the number of such certificates to all suppliers  
29 from whom such purchases are made, and such suppliers shall execute  
30 invoices covering the same bearing the number of such certificate. Upon  
31 completion of the project, the contractor shall furnish to such nonprofit  
32 museum a sworn statement on a form to be provided by the director of  
33 taxation that all purchases so made were entitled to exemption under this  
34 subsection. All invoices shall be held by the contractor for a period of five  
35 years and shall be subject to audit by the director of taxation. If any  
36 materials purchased under such a certificate are found not to have been  
37 incorporated in the building or other project or not to have been returned  
38 for credit or the sales or compensating tax otherwise imposed upon such  
39 materials that will not be so incorporated in a home or facility or other  
40 project reported and paid by such contractor to the director of taxation not  
41 later than the 20<sup>th</sup> day of the month following the close of the month in  
42 which it shall be determined that such materials will not be used for the  
43 purpose for which such certificate was issued, such nonprofit museum

1 shall be liable for tax on all materials purchased for the project, and upon  
2 payment thereof it may recover the same from the contractor together with  
3 reasonable attorney fees. Any contractor or any agent, employee or  
4 subcontractor thereof, who shall use or otherwise dispose of any materials  
5 purchased under such a certificate for any purpose other than that for  
6 which such a certificate is issued without the payment of the sales or  
7 compensating tax otherwise imposed upon such materials, shall be guilty  
8 of a misdemeanor and, upon conviction therefor, shall be subject to the  
9 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

10 (uuu) all sales of tangible personal property and services purchased  
11 by Kansas children's service league, hereinafter referred to as KCSL,  
12 which is exempt from federal income taxation pursuant to section 501(c)  
13 (3) of the federal internal revenue code of 1986, and which such property  
14 and services are used for the purpose of providing for the prevention and  
15 treatment of child abuse and maltreatment as well as meeting additional  
16 critical needs for children, juveniles and family, and all sales of any such  
17 property by or on behalf of KCSL for any such purpose; and all sales of  
18 tangible personal property or services purchased by a contractor for the  
19 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
20 remodeling facilities for the operation of services for KCSL for any such  
21 purpose that would be exempt from taxation under the provisions of this  
22 section if purchased directly by KCSL. Nothing in this subsection shall be  
23 deemed to exempt the purchase of any construction machinery, equipment  
24 or tools used in the constructing, maintaining, repairing, enlarging,  
25 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
26 for the purpose of constructing, maintaining, repairing, enlarging,  
27 furnishing or remodeling such facilities, it shall obtain from the state and  
28 furnish to the contractor an exemption certificate for the project involved,  
29 and the contractor may purchase materials for incorporation in such  
30 project. The contractor shall furnish the number of such certificate to all  
31 suppliers from whom such purchases are made, and such suppliers shall  
32 execute invoices covering the same bearing the number of such certificate.  
33 Upon completion of the project the contractor shall furnish to KCSL a  
34 sworn statement, on a form to be provided by the director of taxation, that  
35 all purchases so made were entitled to exemption under this subsection.  
36 All invoices shall be held by the contractor for a period of five years and  
37 shall be subject to audit by the director of taxation. If any materials  
38 purchased under such a certificate are found not to have been incorporated  
39 in the building or other project or not to have been returned for credit or  
40 the sales or compensating tax otherwise imposed upon such materials that  
41 will not be so incorporated in the building or other project reported and  
42 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
43 day of the month following the close of the month in which it shall be

1 determined that such materials will not be used for the purpose for which  
2 such certificate was issued, KCSL shall be liable for tax on all materials  
3 purchased for the project, and upon payment thereof it may recover the  
4 same from the contractor together with reasonable attorney fees. Any  
5 contractor or any agent, employee or subcontractor thereof, who shall use  
6 or otherwise dispose of any materials purchased under such a certificate  
7 for any purpose other than that for which such a certificate is issued  
8 without the payment of the sales or compensating tax otherwise imposed  
9 upon such materials, shall be guilty of a misdemeanor and, upon  
10 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
11 79-3615(h), and amendments thereto;

12 (vvv) all sales of tangible personal property or services, including the  
13 renting and leasing of tangible personal property or services, purchased by  
14 jazz in the woods, inc., a Kansas corporation that is exempt from federal  
15 income taxation pursuant to section 501(c)(3) of the federal internal  
16 revenue code, for the purpose of providing jazz in the woods, an event  
17 benefiting children-in-need and other nonprofit charities assisting such  
18 children, and all sales of any such property by or on behalf of such  
19 organization for such purpose;

20 (www) all sales of tangible personal property purchased by or on  
21 behalf of the Frontenac education foundation, which is exempt from  
22 federal income taxation pursuant to section 501(c)(3) of the federal  
23 internal revenue code, for the purpose of providing education support for  
24 students, and all sales of any such property by or on behalf of such  
25 organization for such purpose;

26 (xxx) all sales of personal property and services purchased by the  
27 booth theatre foundation, inc., an organization, which is exempt from  
28 federal income taxation pursuant to section 501(c)(3) of the federal  
29 internal revenue code of 1986, and which such personal property and  
30 services are used by any such organization in the constructing, equipping,  
31 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
32 of the booth theatre, and all sales of tangible personal property or services  
33 purchased by a contractor for the purpose of constructing, equipping,  
34 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
35 the booth theatre for such organization, that would be exempt from  
36 taxation under the provisions of this section if purchased directly by such  
37 organization. Nothing in this subsection shall be deemed to exempt the  
38 purchase of any construction machinery, equipment or tools used in the  
39 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
40 furnishing or remodeling facilities for any such organization. When any  
41 such organization shall contract for the purpose of constructing, equipping,  
42 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
43 facilities, it shall obtain from the state and furnish to the contractor an

1 exemption certificate for the project involved, and the contractor may  
2 purchase materials for incorporation in such project. The contractor shall  
3 furnish the number of such certificate to all suppliers from whom such  
4 purchases are made, and such suppliers shall execute invoices covering the  
5 same bearing the number of such certificate. Upon completion of the  
6 project the contractor shall furnish to such organization concerned a sworn  
7 statement, on a form to be provided by the director of taxation, that all  
8 purchases so made were entitled to exemption under this subsection. All  
9 invoices shall be held by the contractor for a period of five years and shall  
10 be subject to audit by the director of taxation. If any materials purchased  
11 under such a certificate are found not to have been incorporated in such  
12 facilities or not to have been returned for credit or the sales or  
13 compensating tax otherwise imposed upon such materials that will not be  
14 so incorporated in such facilities reported and paid by such contractor to  
15 the director of taxation not later than the 20<sup>th</sup> day of the month following  
16 the close of the month in which it shall be determined that such materials  
17 will not be used for the purpose for which such certificate was issued, such  
18 organization concerned shall be liable for tax on all materials purchased  
19 for the project, and upon payment thereof it may recover the same from  
20 the contractor together with reasonable attorney fees. Any contractor or  
21 any agent, employee or subcontractor thereof, who shall use or otherwise  
22 dispose of any materials purchased under such a certificate for any purpose  
23 other than that for which such a certificate is issued without the payment  
24 of the sales or compensating tax otherwise imposed upon such materials,  
25 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
26 subject to the penalties provided for in K.S.A. 79-3615(h), and  
27 amendments thereto. Sales tax paid on and after January 1, 2007, but prior  
28 to the effective date of this act upon the gross receipts received from any  
29 sale which would have been exempted by the provisions of this subsection  
30 had such sale occurred after the effective date of this act shall be refunded.  
31 Each claim for a sales tax refund shall be verified and submitted to the  
32 director of taxation upon forms furnished by the director and shall be  
33 accompanied by any additional documentation required by the director.  
34 The director shall review each claim and shall refund that amount of sales  
35 tax paid as determined under the provisions of this subsection. All refunds  
36 shall be paid from the sales tax refund fund upon warrants of the director  
37 of accounts and reports pursuant to vouchers approved by the director or  
38 the director's designee;

39 (yyy) all sales of tangible personal property and services purchased  
40 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
41 which is exempt from federal income taxation pursuant to section 501(c)  
42 (3) of the federal internal revenue code of 1986, and which such property  
43 and services are used for the purpose of encouraging private philanthropy

1 to further the vision, values, and goals of TLC for children and families,  
2 inc.; and all sales of such property and services by or on behalf of TLC  
3 charities for any such purpose and all sales of tangible personal property or  
4 services purchased by a contractor for the purpose of constructing,  
5 maintaining, repairing, enlarging, furnishing or remodeling facilities for  
6 the operation of services for TLC charities for any such purpose that would  
7 be exempt from taxation under the provisions of this section if purchased  
8 directly by TLC charities. Nothing in this subsection shall be deemed to  
9 exempt the purchase of any construction machinery, equipment or tools  
10 used in the constructing, maintaining, repairing, enlarging, furnishing or  
11 remodeling such facilities for TLC charities. When TLC charities contracts  
12 for the purpose of constructing, maintaining, repairing, enlarging,  
13 furnishing or remodeling such facilities, it shall obtain from the state and  
14 furnish to the contractor an exemption certificate for the project involved,  
15 and the contractor may purchase materials for incorporation in such  
16 project. The contractor shall furnish the number of such certificate to all  
17 suppliers from whom such purchases are made, and such suppliers shall  
18 execute invoices covering the same bearing the number of such certificate.  
19 Upon completion of the project the contractor shall furnish to TLC  
20 charities a sworn statement, on a form to be provided by the director of  
21 taxation, that all purchases so made were entitled to exemption under this  
22 subsection. All invoices shall be held by the contractor for a period of five  
23 years and shall be subject to audit by the director of taxation. If any  
24 materials purchased under such a certificate are found not to have been  
25 incorporated in the building or other project or not to have been returned  
26 for credit or the sales or compensating tax otherwise imposed upon such  
27 materials that will not be incorporated into the building or other project  
28 reported and paid by such contractor to the director of taxation not later  
29 than the 20<sup>th</sup> day of the month following the close of the month in which it  
30 shall be determined that such materials will not be used for the purpose for  
31 which such certificate was issued, TLC charities shall be liable for tax on  
32 all materials purchased for the project, and upon payment thereof it may  
33 recover the same from the contractor together with reasonable attorney  
34 fees. Any contractor or any agent, employee or subcontractor thereof, who  
35 shall use or otherwise dispose of any materials purchased under such a  
36 certificate for any purpose other than that for which such a certificate is  
37 issued without the payment of the sales or compensating tax otherwise  
38 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
39 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
40 79-3615(h), and amendments thereto;

41 (zzz) all sales of tangible personal property purchased by the rotary  
42 club of shawnee foundation, which is exempt from federal income taxation  
43 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,

1 as amended, used for the purpose of providing contributions to community  
2 service organizations and scholarships;

3 (aaaa) all sales of personal property and services purchased by or on  
4 behalf of victory in the valley, inc., which is exempt from federal income  
5 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
6 for the purpose of providing a cancer support group and services for  
7 persons with cancer, and all sales of any such property by or on behalf of  
8 any such organization for any such purpose;

9 (bbbb) all sales of entry or participation fees, charges or tickets by  
10 Guadalupe health foundation, which is exempt from federal income  
11 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
12 for such organization's annual fundraising event which purpose is to  
13 provide health care services for uninsured workers;

14 (cccc) all sales of tangible personal property or services purchased by  
15 or on behalf of wayside waifs, inc., which is exempt from federal income  
16 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
17 for the purpose of providing such organization's annual fundraiser, an  
18 event whose purpose is to support the care of homeless and abandoned  
19 animals, animal adoption efforts, education programs for children and  
20 efforts to reduce animal over-population and animal welfare services, and  
21 all sales of any such property, including entry or participation fees or  
22 charges, by or on behalf of such organization for such purpose;

23 (dddd) all sales of tangible personal property or services purchased  
24 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
25 of which are exempt from federal income taxation pursuant to section  
26 501(c)(3) of the federal internal revenue code, for the purpose of providing  
27 education, training and employment opportunities for people with  
28 disabilities and other barriers to employment;

29 (eeee) all sales of tangible personal property or services purchased by  
30 or on behalf of all American beef battalion, inc., which is exempt from  
31 federal income taxation pursuant to section 501(c)(3) of the federal  
32 internal revenue code, for the purpose of educating, promoting and  
33 participating as a contact group through the beef cattle industry in order to  
34 carry out such projects that provide support and morale to members of the  
35 United States armed forces and military services;

36 (ffff) all sales of tangible personal property and services purchased by  
37 sheltered living, inc., which is exempt from federal income taxation  
38 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
39 and which such property and services are used for the purpose of  
40 providing residential and day services for people with developmental  
41 disabilities or intellectual disability, or both, and all sales of any such  
42 property by or on behalf of sheltered living, inc., for any such purpose; and  
43 all sales of tangible personal property or services purchased by a

1 contractor for the purpose of rehabilitating, constructing, maintaining,  
2 repairing, enlarging, furnishing or remodeling homes and facilities for  
3 sheltered living, inc., for any such purpose that would be exempt from  
4 taxation under the provisions of this section if purchased directly by  
5 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
6 the purchase of any construction machinery, equipment or tools used in the  
7 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
8 such homes and facilities for sheltered living, inc. When sheltered living,  
9 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
10 repairing, enlarging, furnishing or remodeling such homes and facilities, it  
11 shall obtain from the state and furnish to the contractor an exemption  
12 certificate for the project involved, and the contractor may purchase  
13 materials for incorporation in such project. The contractor shall furnish the  
14 number of such certificate to all suppliers from whom such purchases are  
15 made, and such suppliers shall execute invoices covering the same bearing  
16 the number of such certificate. Upon completion of the project the  
17 contractor shall furnish to sheltered living, inc., a sworn statement, on a  
18 form to be provided by the director of taxation, that all purchases so made  
19 were entitled to exemption under this subsection. All invoices shall be held  
20 by the contractor for a period of five years and shall be subject to audit by  
21 the director of taxation. If any materials purchased under such a certificate  
22 are found not to have been incorporated in the building or other project or  
23 not to have been returned for credit or the sales or compensating tax  
24 otherwise imposed upon such materials that will not be so incorporated in  
25 the building or other project reported and paid by such contractor to the  
26 director of taxation not later than the 20<sup>th</sup> day of the month following the  
27 close of the month in which it shall be determined that such materials will  
28 not be used for the purpose for which such certificate was issued, sheltered  
29 living, inc., shall be liable for tax on all materials purchased for the  
30 project, and upon payment thereof it may recover the same from the  
31 contractor together with reasonable attorney fees. Any contractor or any  
32 agent, employee or subcontractor thereof, who shall use or otherwise  
33 dispose of any materials purchased under such a certificate for any purpose  
34 other than that for which such a certificate is issued without the payment  
35 of the sales or compensating tax otherwise imposed upon such materials,  
36 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
37 subject to the penalties provided for in K.S.A. 79-3615(h), and  
38 amendments thereto;

39 (gggg) all sales of game birds for which the primary purpose is use in  
40 hunting;

41 (hhhh) all sales of tangible personal property or services purchased  
42 on or after July 1, 2014, for the purpose of and in conjunction with  
43 constructing, reconstructing, enlarging or remodeling a business identified

1 under the North American industry classification system (NAICS)  
2 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
3 installation of machinery and equipment purchased for installation at any  
4 such business. The exemption provided in this subsection shall not apply  
5 to projects that have actual total costs less than \$50,000. When a person  
6 contracts for the construction, reconstruction, enlargement or remodeling  
7 of any such business, such person shall obtain from the state and furnish to  
8 the contractor an exemption certificate for the project involved, and the  
9 contractor may purchase materials, machinery and equipment for  
10 incorporation in such project. The contractor shall furnish the number of  
11 such certificates to all suppliers from whom such purchases are made, and  
12 such suppliers shall execute invoices covering the same bearing the  
13 number of such certificate. Upon completion of the project, the contractor  
14 shall furnish to the owner of the business a sworn statement, on a form to  
15 be provided by the director of taxation, that all purchases so made were  
16 entitled to exemption under this subsection. All invoices shall be held by  
17 the contractor for a period of five years and shall be subject to audit by the  
18 director of taxation. Any contractor or any agent, employee or  
19 subcontractor of the contractor, who shall use or otherwise dispose of any  
20 materials, machinery or equipment purchased under such a certificate for  
21 any purpose other than that for which such a certificate is issued without  
22 the payment of the sales or compensating tax otherwise imposed thereon,  
23 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
24 subject to the penalties provided for in K.S.A. 79-3615(h), and  
25 amendments thereto;

26 (iii) all sales of tangible personal property or services purchased by a  
27 contractor for the purpose of constructing, maintaining, repairing,  
28 enlarging, furnishing or remodeling facilities for the operation of services  
29 for Wichita children's home for any such purpose that would be exempt  
30 from taxation under the provisions of this section if purchased directly by  
31 Wichita children's home. Nothing in this subsection shall be deemed to  
32 exempt the purchase of any construction machinery, equipment or tools  
33 used in the constructing, maintaining, repairing, enlarging, furnishing or  
34 remodeling such facilities for Wichita children's home. When Wichita  
35 children's home contracts for the purpose of constructing, maintaining,  
36 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain  
37 from the state and furnish to the contractor an exemption certificate for the  
38 project involved, and the contractor may purchase materials for  
39 incorporation in such project. The contractor shall furnish the number of  
40 such certificate to all suppliers from whom such purchases are made, and  
41 such suppliers shall execute invoices covering the same bearing the  
42 number of such certificate. Upon completion of the project, the contractor  
43 shall furnish to Wichita children's home a sworn statement, on a form to be



1 provided by the director of taxation, that all purchases so made were  
2 entitled to exemption under this subsection. All invoices shall be held by  
3 the contractor for a period of five years and shall be subject to audit by the  
4 director of taxation. If any materials purchased under such a certificate are  
5 found not to have been incorporated in the building or other project or not  
6 to have been returned for credit or the sales or compensating tax otherwise  
7 imposed upon such materials that will not be so incorporated in the  
8 building or other project reported and paid by such contractor to the  
9 director of taxation not later than the 20<sup>th</sup> day of the month following the  
10 close of the month in which it shall be determined that such materials will  
11 not be used for the purpose for which such certificate was issued, Wichita  
12 children's home shall be liable for the tax on all materials purchased for the  
13 project, and upon payment, it may recover the same from the contractor  
14 together with reasonable attorney fees. Any contractor or any agent,  
15 employee or subcontractor, who shall use or otherwise dispose of any  
16 materials purchased under such a certificate for any purpose other than that  
17 for which such a certificate is issued without the payment of the sales or  
18 compensating tax otherwise imposed upon such materials, shall be guilty  
19 of a misdemeanor and, upon conviction, shall be subject to the penalties  
20 provided for in K.S.A. 79-3615(h), and amendments thereto;

21 (jjjj) all sales of tangible personal property or services purchased by  
22 or on behalf of the beacon, inc., that is exempt from federal income  
23 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
24 for the purpose of providing those desiring help with food, shelter, clothing  
25 and other necessities of life during times of special need;

26 (kkkk) all sales of tangible personal property and services purchased  
27 by or on behalf of reaching out from within, inc., which is exempt from  
28 federal income taxation pursuant to section 501(c)(3) of the federal  
29 internal revenue code, for the purpose of sponsoring self-help programs for  
30 incarcerated persons that will enable such incarcerated persons to become  
31 role models for non-violence while in correctional facilities and productive  
32 family members and citizens upon return to the community;

33 (llll) all sales of tangible personal property and services purchased by  
34 Gove county healthcare endowment foundation, inc., which is exempt  
35 from federal income taxation pursuant to section 501(c)(3) of the federal  
36 internal revenue code of 1986, and which such property and services are  
37 used for the purpose of constructing and equipping an airport in Quinter,  
38 Kansas, and all sales of tangible personal property or services purchased  
39 by a contractor for the purpose of constructing and equipping an airport in  
40 Quinter, Kansas, for such organization, that would be exempt from  
41 taxation under the provisions of this section if purchased directly by such  
42 organization. Nothing in this subsection shall be deemed to exempt the  
43 purchase of any construction machinery, equipment or tools used in the

1 constructing or equipping of facilities for such organization. When such  
2 organization shall contract for the purpose of constructing or equipping an  
3 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
4 contractor an exemption certificate for the project involved, and the  
5 contractor may purchase materials for incorporation in such project. The  
6 contractor shall furnish the number of such certificate to all suppliers from  
7 whom such purchases are made, and such suppliers shall execute invoices  
8 covering the same bearing the number of such certificate. Upon  
9 completion of the project, the contractor shall furnish to such organization  
10 concerned a sworn statement, on a form to be provided by the director of  
11 taxation, that all purchases so made were entitled to exemption under this  
12 subsection. All invoices shall be held by the contractor for a period of five  
13 years and shall be subject to audit by the director of taxation. If any  
14 materials purchased under such a certificate are found not to have been  
15 incorporated in such facilities or not to have been returned for credit or the  
16 sales or compensating tax otherwise imposed upon such materials that will  
17 not be so incorporated in such facilities reported and paid by such  
18 contractor to the director of taxation no later than the 20<sup>th</sup> day of the month  
19 following the close of the month in which it shall be determined that such  
20 materials will not be used for the purpose for which such certificate was  
21 issued, such organization concerned shall be liable for tax on all materials  
22 purchased for the project, and upon payment thereof it may recover the  
23 same from the contractor together with reasonable attorney fees. Any  
24 contractor or any agent, employee or subcontractor thereof, who purchased  
25 under such a certificate for any purpose other than that for which such a  
26 certificate is issued without the payment of the sales or compensating tax  
27 otherwise imposed upon such materials, shall be guilty of a misdemeanor  
28 and, upon conviction therefor, shall be subject to the penalties provided for  
29 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this  
30 subsection shall expire and have no effect on and after July 1, 2019; ~~and~~

31 (mmmm) all sales of gold or silver coins; and palladium, platinum,  
32 gold or silver bullion. For the purposes of this subsection, "bullion" means  
33 bars, ingots or commemorative medallions of gold, silver, platinum,  
34 palladium, or a combination thereof, for which the value of the metal  
35 depends on its content and not the form; *and*

36 (nnnn) *all sales of tangible personal property or services purchased*  
37 *by friends of hospice of Jefferson county, which is exempt from federal*  
38 *income taxation pursuant to section 501(c)(3) of the federal internal*  
39 *revenue code of 1986, for the purpose of providing support to the*  
40 *Jefferson county hospice agency in end-of-life care of Jefferson county*  
41 *families, friends and neighbors, and all sales of entry or participation fees,*  
42 *charges or tickets by friends of hospice of Jefferson county for such*  
43 *organization's fundraising event for such purpose.*

1       Sec. 4. K.S.A. 79-3603 and 79-3606 are hereby repealed.

2       Sec. 5. This act shall take effect and be in force from and after its  
3       publication in the statute book.