

HOUSE BILL No. 2499

By Committee on Taxation

1-20

1 AN ACT concerning taxation; relating to sales and compensating use tax;
2 providing for a refund of tax paid on sales of property used in video,
3 internet access and telecommunications services.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) As used in this section:

7 (1) "Internet access service" means a service by wire or radio that
8 provides the capability to transmit data to and receive data from all or
9 substantially all internet endpoints, including any capabilities that are
10 incidental to and enable the operation of the communications services.

11 (2) "Provider" means a provider of video service, internet access
12 service or telecommunications services. A "provider" includes an affiliate
13 or subsidiary.

14 (3) "Telecommunications service" means the same as defined in
15 K.S.A. 66-1,187, and amendments thereto.

16 (4) "Video service" means the same as defined in K.S.A. 12-2022,
17 and amendments thereto.

18 (b) On and after July 1, 2022, sales tax paid pursuant to K.S.A. 79-
19 3603, and amendments thereto, and compensating use tax paid pursuant to
20 K.S.A. 79-3703, and amendments thereto, shall be refunded when such tax
21 has been paid on the sale of such property that a provider directly used or
22 consumed in the provision of:

23 (1) Video service;

24 (2) internet access service; or

25 (3) telecommunications service.

26 (c) The amount of refund allowed for purchases made in a calendar
27 year pursuant to this section shall be calculated as follows:

28 (1) The amount of the tax paid by the provider during the calendar
29 year on property eligible for a refund under this section if the total amount
30 of tax paid by all providers eligible pursuant to this section for a refund is
31 not more than \$40,000,000 for the calendar year; or

32 (2) a pro rata share of \$40,000,000 based on the amount of refund due
33 to the provider out of the total amount of tax refund claimed by all eligible
34 providers.

35 (d) Any claim for refund for payment of tax shall be submitted on and
36 after January 1, but prior to April 1, for any purchases that were made for

1 the prior calendar year. A claim for refund pursuant to this section shall be
2 deemed waived if such claim is not received by the director of taxation by
3 April 1. Each claim for a tax refund shall be verified and submitted to the
4 director of taxation upon forms furnished by the director and shall be
5 accompanied by any additional documentation required by the director.
6 The director shall review each claim and shall refund the amount of sales
7 or compensating use tax paid as determined under the provisions of this
8 section. All refunds shall be paid from the sales tax refund fund upon
9 warrants of the director of accounts and reports pursuant to vouchers
10 approved by the director of taxation or the director's designee. No interest
11 shall be paid on refunds granted pursuant to this section. In no event shall
12 any city or county sales tax paid be refunded pursuant to this section.

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