

As Amended by House Committee

Session of 2013

HOUSE BILL No. 2253

By Committee on Federal and State Affairs

2-6

1 AN ACT concerning abortion; relating to the funding of abortion services;
2 **relating to prenatally and postnatally diagnosed conditions;**
3 relating to restrictions on late-term abortions; relating to the woman's-
4 right-to-know act; amending K.S.A. 2012 Supp. 40-2246, 65-6701, 65-
5 6703, 65-6709, 65-6710, 76-3308, 79-32,117, 79-32,138, 79-32,182b,
6 79-32,195, 79-32,261 and 79-3606 and repealing the existing sections.
7

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

9 New Section 1. As used in sections 1 through 8, and amendments
10 thereto:

11 (a) "Abortion" has the same meaning as such term is defined in
12 K.S.A. 65-6701, and amendments thereto.

13 (b) "Health benefit plan" means any hospital or medical expense
14 policy, health, hospital or medical services corporation contract, and a plan
15 provided by a municipal group-funded pool, or a health maintenance
16 organization contract offered by any employer or any certificate issued
17 under any such policy, contract or plan.

18 (c) "Health care entity" means an individual physician or other health
19 care professional, a hospital, a provider-sponsored organization, a health
20 maintenance organization or any other health care facility or organization.

21 (d) "School district" means any public school district organized under
22 the laws of this state.

23 (e) "State agency" has the same meaning as such term is defined in
24 K.S.A. 75-3701, and amendments thereto.

25 New Sec. 2. (a) The legislature hereby finds and declares the
26 following:

27 (1) The life of each human being begins at fertilization;

28 (2) unborn children have interests in life, health and well-being that
29 should be protected; and

30 (3) the parents of unborn children have protectable interests in the
31 life, health and well-being of the unborn children of such parents.

32 (b) On and after July 1, 2013, the laws of this state shall be
33 interpreted and construed to acknowledge on behalf of the unborn child at
34 every stage of development, all the rights, privileges and immunities

1 available to other persons, citizens and residents of this state, subject only
2 to the constitution of the United States, and decisional interpretations
3 thereof by the United States supreme court and specific provisions to the
4 contrary in the Kansas constitution and the Kansas Statutes Annotated.

5 (c) As used in this section:

6 (1) "Fertilization" means the fusion of a human spermatozoon with a
7 human ovum.

8 (2) "Unborn children" or "unborn child" shall include all unborn
9 children or the offspring of human beings from the moment of fertilization
10 until birth at every stage of biological development.

11 (d) Nothing in this section shall be construed as creating a cause of
12 action against a woman for indirectly harming her unborn child by failing
13 to properly care for herself or by failing to follow any particular program
14 of prenatal care.

15 New Sec. 3. Except to the extent required by federal law:

16 (a) No moneys appropriated from the state general fund or from any
17 special revenue fund shall be expended for any abortion;

18 (b) no tax credit shall be allowed against any income tax, premium or
19 privilege tax liability and no exemption shall be granted from sales or
20 compensating use tax for that portion of such amounts paid or incurred for
21 an abortion, or that portion of such amounts paid or incurred for a health
22 benefit plan, including premium assistance, for the purchase of an optional
23 rider for coverage of abortion in accordance with K.S.A. 2012 Supp. 40-
24 2,190, and amendments thereto;

25 (c) in the case of any tax-preferred trust or account, the purpose of
26 which is to pay medical expenses of the account beneficiary, any amount
27 paid or distributed from such an account for an abortion shall be included
28 in the gross income of such beneficiary; and

29 (d) no health care services provided by any state agency, or any
30 employee of a state agency while acting within the scope of such
31 employee's employment, shall include abortion, nor shall money
32 appropriated from the state general fund or from any special revenue fund
33 be used to pay for the lease or operation of any facility in which abortions
34 are performed.

35 New Sec. 4. No school district, employee or ~~volunteer~~ **agent** thereof,
36 or educational service provider contracting with such school district shall
37 provide abortion services. No school district shall permit any person or
38 entity to offer, sponsor or otherwise furnish in any manner any course
39 materials or instruction relating to human sexuality or sexually transmitted
40 diseases if such person or entity is an abortion services provider, or an
41 employee, **agent** or volunteer of an abortion services provider.

42 New Sec. 5. Nothing in sections 1 through 8, and amendments
43 thereto, shall repeal, amend or have any effect on any other state law to the

1 extent such law imposes any limitation on the use of funds for abortion,
2 more restrictive than the limitations set forth in sections 1 through 8, and
3 amendments thereto.

4 New Sec. 6. Nothing in sections 1 through 8, and amendments
5 thereto, shall be construed:

6 (a) To require any state agency or municipality to provide or pay for
7 any abortion; or

8 (b) as creating or recognizing a right to an abortion.

9 New Sec. 7. No state agency shall discriminate against any individual
10 or institutional health care entity on the basis that such health care entity
11 does not provide, pay for or refer for abortions.

12 Sec. 8. The limitations set forth in sections 1 through 8, and
13 amendments thereto, shall not apply to an abortion which is necessary to
14 preserve the life of the pregnant woman.

15 **New Sec. 9. (a) The secretary of the department of health and
16 environment may authorize and oversee certain activities, including
17 the awarding of grants, contracts or cooperative agreements to eligible
18 entities to:**

19 **(1) Collect, synthesize and disseminate current evidence-based
20 information relating to Down syndrome or other prenatally or
21 postnatally diagnosed conditions; and**

22 **(2) coordinate the provision of, and access to, new or existing
23 supportive services for women and the spouses of such women who
24 receive a positive diagnosis of Down syndrome or other prenatally or
25 postnatally diagnosed conditions for their child, including, but not
26 limited to:**

27 **(A) The establishment of a resource telephone hotline or website
28 accessible to women and the spouses of such women who receive a
29 positive diagnosis of Down syndrome or other prenatally or
30 postnatally diagnosed conditions for their child;**

31 **(B) the development of outreach programs to new and expecting
32 parents to provide them with up-to-date information on the range of
33 outcomes for individuals living with the diagnosed condition,
34 including physical, developmental, educational and psychosocial
35 outcomes;**

36 **(C) the development of local peer support programs to effectively
37 serve women and the spouses of such women who receive a positive
38 diagnosis of Down syndrome or other prenatally or postnatally
39 diagnosed conditions for their child;**

40 **(D) the establishment of a network of local registries of families
41 willing to adopt newborns with Down syndrome or other prenatally or
42 postnatally diagnosed conditions, and links to adoption agencies
43 willing to place babies with Down syndrome or other prenatally or**

1 postnatally diagnosed conditions with families willing to adopt; and

2 (E) the establishment of awareness and education programs for
3 health care providers who provide, interpret or inform parents of the
4 results of prenatal tests for Down syndrome or other prenatally or
5 postnatally diagnosed conditions to patients.

6 (b) A grantee under this section shall make the following
7 available to health care providers of parents who receive a prenatal or
8 postnatal diagnosis for their child:

9 (1) Up-to-date, evidence-based, written information concerning
10 the range of outcomes for individuals living with the diagnosed
11 condition, including physical, developmental, educational and
12 psychosocial outcomes;

13 (2) contact information regarding support services, including
14 information hotlines and websites specific to Down syndrome or other
15 prenatally or postnatally diagnosed conditions, resource centers or
16 clearinghouses, local peer support groups and other education and
17 support programs.

18 (c) Information provided under this subsection shall be culturally
19 and linguistically appropriate as needed by women and the spouses of
20 such women who receive a positive diagnosis for Down syndrome or
21 other prenatally or postnatally diagnosed conditions for their child,
22 and approved by the secretary.

23 (d) In distributing funds under this section, the secretary shall
24 place an emphasis on funding partnerships between health care
25 professional groups and disability advocacy organizations.

26 (e) On or before January 12, 2015, the secretary shall prepare
27 and submit a report to the governor and the legislature on the grants,
28 contracts and cooperative agreements made under this section and the
29 effectiveness of the programs supported by such grants, contracts and
30 cooperative agreements.

31 (f) As used in this section:

32 (1) "Down syndrome" means a chromosomal disorder caused by
33 an error in cell division that results in the presence of an extra whole
34 or partial copy of chromosome 21.

35 (2) "Eligible entity" means the state, or any political subdivision
36 thereof, or any other entity with appropriate expertise in prenatally
37 and postnatally diagnosed conditions, as determined by the secretary.

38 (3) "Health care provider" shall have the same meaning as that
39 term is defined in K.S.A. 40-3401, and amendments thereto.

40 (4) "Postnatally diagnosed condition" means any health condition
41 identified during the 12-month period beginning at birth.

42 (5) "Prenatally diagnosed condition" means any fetal health
43 condition identified by prenatal genetic testing or prenatal screening

1 procedures.

2 (6) "Prenatal test" means diagnostic or screening tests offered to
3 pregnant women seeking routine prenatal care that are administered
4 on a required or recommended basis by a health care provider based
5 on medical history, family background, ethnic background, previous
6 test results or other risk factors.

7 (7) "Secretary" means the secretary of the department of health
8 and environment.

9 Sec. 9-10. K.S.A. 2012 Supp. 40-2246 is hereby amended to read as
10 follows: 40-2246. (a) A credit against the taxes otherwise due under the
11 Kansas income tax act shall be allowed to an employer for amounts paid
12 during the taxable year for purposes of this act on behalf of an eligible
13 employee as defined in K.S.A. 40-2239, and amendments thereto, to
14 provide health insurance or care and amounts contributed to health savings
15 accounts of eligible covered employees, *except that for taxable years*
16 *commencing after December 31, 2013, no credit shall be allowed pursuant*
17 *to this section for that portion of any amounts paid by an employer for*
18 *healthcare {expenditures}, a health benefit plan, as defined in section 1,*
19 *and amendments thereto, or amounts contributed to health savings*
20 *accounts for the purchase of an optional rider for coverage of abortion in*
21 *accordance with K.S.A. 40-2,190, and amendments thereto.*

22 (b) ~~(1) For employers that have established a small employer health~~
23 ~~benefit plan after December 31, 1999, but prior to January 1, 2005, the~~
24 ~~amount of the credit allowed by subsection (a) shall be \$35 per month per~~
25 ~~eligible covered employee or 50% of the total amount paid by the~~
26 ~~employer during the taxable year, whichever is less, for the first two years~~
27 ~~of participation. In the third year, the credit shall be equal to 75% of the~~
28 ~~lesser of \$35 per month per employee or 50% of the total amount paid by~~
29 ~~the employer during the taxable year. In the fourth year, the credit shall be~~
30 ~~equal to 50% of the lesser of \$35 per month per employee or 50% of the~~
31 ~~total amount paid by the employer during the taxable year. In the fifth year,~~
32 ~~the credit shall be equal to 25% of the lesser of \$35 per month per~~
33 ~~employee or 50% of the total amount paid by the employer during the~~
34 ~~taxable year. For the sixth and subsequent years, no credit shall be~~
35 ~~allowed.~~

36 ~~(2)~~ For employers that have established a small employer health
37 benefit plan or made contributions to a health savings account of an
38 eligible covered employee after December 31, 2004, the amount of credit
39 allowed by subsection (a) shall be \$70 per month per eligible covered
40 employee for the first 12 months of participation, \$50 per month per
41 eligible covered employee for the next 12 months of participation and \$35
42 per eligible covered employee for the next 12 months of participation.
43 After 36 months of participation, no credit shall be allowed.

1 (c) If the credit allowed by this section is claimed, the amount of any
2 deduction allowable under the Kansas income tax act for expenses
3 described in this section shall be reduced by the dollar amount of the
4 credit. The election to claim the credit shall be made at the time of filing
5 the tax return in accordance with law. If the credit allowed by this section
6 exceeds the taxes imposed under the Kansas income tax act for the taxable
7 year, that portion of the credit which exceeds those taxes shall be refunded
8 to the taxpayer.

9 (d) Any amount of expenses paid by an employer under this act shall
10 not be included as income to the employee for purposes of the Kansas
11 income tax act. If such expenses have been included in federal taxable
12 income of the employee, the amount included shall be subtracted in
13 arriving at state taxable income under the Kansas income tax act.

14 (e) The secretary of revenue shall promulgate rules and regulations to
15 carry out the provisions of this section.

16 (f) This section shall apply to all taxable years commencing after
17 December 31, ~~1999~~ {2004}.

18 (g) For tax year 2013 and all tax years thereafter, the income tax
19 credit provided by this section shall only be available to taxpayers subject
20 to the income tax on corporations imposed pursuant to subsection (c) of
21 K.S.A. 79-32,110, and amendments thereto, and shall be applied only
22 against such taxpayer's corporate income tax liability.

23 ~~Sec. 10.~~ **11.** K.S.A. 2012 Supp. 65-6701 is hereby amended to read as
24 follows: 65-6701. As used in ~~this act~~ *K.S.A. 65-6701 through 65-6721, and*
25 *amendments thereto:*

26 (a) "Abortion" means the use or prescription of any instrument,
27 medicine, drug or any other substance or device to terminate the
28 pregnancy of a woman known to be pregnant with an intention other than
29 to increase the probability of a live birth, to preserve the life or health of
30 the child after live birth, or to remove a dead unborn child who died as the
31 result of natural causes in utero, accidental trauma or a criminal assault on
32 the pregnant woman or her unborn child, and which causes the premature
33 termination of the pregnancy.

34 (b) *"Bodily function" means physical functions only. The term "bodily*
35 *function" does not include mental or emotional functions.*

36 (c) "Counselor" means a person who is: (1) Licensed to practice
37 medicine and surgery; (2) ~~licensed to practice psychology;~~ (3) ~~licensed to~~
38 ~~practice professional or practical nursing;~~ (4) ~~registered to practice~~
39 ~~professional counseling;~~ (5) ~~licensed as a social worker;~~ (6) the holder of a
40 ~~master's or doctor's degree from an accredited graduate school of social~~
41 ~~work;~~ (7) ~~registered to practice marriage and family therapy;~~ (8) *licensed*
42 *to practice professional or practical nursing;* (3) *the following persons*
43 *licensed to practice behavioral sciences: Licensed psychologists, licensed*

1 *master's level psychologists, licensed clinical psychotherapists, licensed*
2 *social workers, licensed specialist clinical social workers, licensed*
3 *marriage and family therapists, licensed clinical marriage and family*
4 *therapists, licensed professional counselors, licensed clinical professional*
5 *counselors; (4) a licensed physician assistant; or—(9) (5) a currently*
6 *ordained member of the clergy or religious authority of any religious*
7 *denomination or society. Counselor does not include the physician who*
8 *performs or induces the abortion or a physician or other person who assists*
9 *in performing or inducing the abortion.*

10 ~~(e)~~ (d) "Department" means the department of health and
11 environment.

12 (e) "*Fertilization*" means the fusion of a human spermatozoon with a
13 human ovum.

14 ~~(d)~~ (f) "Gestational age" means the time that has elapsed since the
15 first day of the woman's last menstrual period.

16 ~~(e)~~ (g) "Medical emergency" means ~~that a condition which, on the~~
17 ~~basis of the physician's good faith clinical judgment, that, in reasonable~~
18 *medical judgment, so complicates the medical condition of a the pregnant*
19 *woman as to necessitate the immediate abortion of her pregnancy without*
20 *first determining gestational age to avert her the death of the woman or for*
21 *which a delay necessary to determine gestational age will create serious*
22 *risk of substantial and irreversible physical impairment of a major bodily*
23 *function. No condition shall be deemed a medical emergency if based on a*
24 *claim or diagnosis that the woman will engage in conduct which would*
25 *result in her death or in substantial and irreversible physical impairment*
26 *of a major bodily function.*

27 ~~(f)~~ (h) "Minor" means a person less than 18 years of age.

28 ~~(g)~~ (i) "Physician" means a person licensed to practice medicine and
29 surgery in this state.

30 ~~(h)~~ (j) "Pregnant" or "pregnancy" means that female reproductive
31 condition of having an unborn child in the mother's body.

32 ~~(i)~~ (k) "Qualified person" means an agent of the physician who is a
33 psychologist, licensed social worker, ~~registered licensed~~ professional
34 counselor, *licensed marriage and family therapist, licensed master's level*
35 *psychologist, licensed clinical psychotherapist, registered nurse or*
36 *physician.*

37 ~~(j)~~ (l) "Unemancipated minor" means any minor who has never been:
38 (1) Married; or (2) freed, by court order or otherwise, from the care,
39 custody and control of the minor's parents.

40 ~~(k)~~ (m) "Viable" means that stage of fetal development when it is the
41 physician's judgment according to accepted obstetrical or neonatal
42 standards of care and practice applied by physicians in the same or similar
43 circumstances that there is a reasonable probability that the life of the child

1 can be continued indefinitely outside the mother's womb with natural or
2 artificial life-supportive measures.

3 ~~Sec. 12.~~ **12.** K.S.A. 2012 Supp. 65-6703 is hereby amended to read as
4 follows: 65-6703. (a) No person shall perform or induce, *or attempt to*
5 *perform or induce* an abortion when the unborn child is viable unless such
6 person is a physician and has a documented referral from another
7 physician not legally or financially affiliated with the physician
8 performing or inducing, *or attempting to perform or induce* the abortion
9 and both physicians provide a written determination, based upon a medical
10 judgment arrived at using and exercising that degree of care, skill and
11 proficiency commonly exercised by the ordinary skillful, careful and
12 prudent physician in the same or similar circumstances and that would be
13 made by a reasonably prudent physician, knowledgeable in the field, and
14 knowledgeable about the case and the treatment possibilities with respect
15 to the conditions involved, that: (1) The abortion is necessary to preserve
16 the life of the pregnant woman; or (2) a continuation of the pregnancy will
17 cause a substantial and irreversible *physical* impairment of a major bodily
18 function of the pregnant woman. *No condition shall be deemed to exist if it*
19 *is based on a claim or diagnosis that the woman will engage in conduct*
20 *that would result in her death or in substantial and irreversible physical*
21 *impairment of a major bodily function.*

22 (b) Except in the case of a medical emergency, a copy of the written
23 documented referral and of the abortion-performing physician's written
24 determination shall be provided to the pregnant woman no less than 30
25 minutes prior to the initiation of the abortion. The written determination
26 shall be time-stamped at the time it is delivered to the pregnant woman.
27 The medical basis for the determination shall also be reported by the
28 physician as part of the written report made by the physician to the
29 secretary of health and environment under K.S.A. 65-445, and
30 amendments thereto. Such determination shall specify:

31 (1) If the unborn child was determined to be nonviable and the
32 medical basis of such determination;

33 (2) if the abortion is necessary to preserve the life of the pregnant
34 woman and the medical basis of such determination, including the specific
35 medical condition the physician believes would cause the death of the
36 pregnant woman; or

37 (3) if a continuation of the pregnancy will cause a substantial and
38 irreversible *physical* impairment of a major bodily function of the pregnant
39 woman and the medical basis of such determination, including the specific
40 medical condition the physician believes would constitute a substantial and
41 irreversible *physical* impairment of a major bodily function of the pregnant
42 woman.

43 (c) (1) Except in the case of a medical emergency, prior to performing

1 *or inducing, or attempting to perform or induce* an abortion upon a
2 woman, the physician shall determine the gestational age of the unborn
3 child according to accepted obstetrical and neonatal practice and standards
4 applied by physicians in the same or similar circumstances. If the
5 physician determines the gestational age is less than 22 weeks, the
6 physician shall document as part of the medical records of the woman the
7 basis for the determination. The medical basis for the determination of the
8 gestational age of the unborn child shall also be reported by the physician
9 as part of the written report made by the physician to the secretary of
10 health and environment under K.S.A. 65-445, and amendments thereto.

11 (2) If the physician determines the gestational age of the unborn child
12 is 22 or more weeks, prior to performing *or inducing, or attempting to*
13 *perform or induce* an abortion upon the woman the physician shall
14 determine if the unborn child is viable by using and exercising that degree
15 of care, skill and proficiency commonly exercised by the ordinary skillful,
16 careful and prudent physician in the same or similar circumstances. In
17 making this determination of viability, the physician shall perform or cause
18 to be performed such medical examinations and tests as are necessary to
19 make a finding of the gestational age of the unborn child and shall enter
20 such findings and determinations of viability in the medical record of the
21 woman.

22 (3) If the physician determines the gestational age of an unborn child
23 is 22 or more weeks, and determines that the unborn child is not viable and
24 performs an abortion on the woman, the physician shall report such
25 determinations, the medical basis and the reasons for such determinations
26 in writing to the medical care facility in which the abortion is performed
27 for inclusion in the report of the medical care facility to the secretary of
28 health and environment under K.S.A. 65-445, and amendments thereto, or
29 if the abortion is not performed in a medical care facility, the physician
30 shall report such determinations, the medical basis and the reasons for
31 such determinations in writing to the secretary of health and environment
32 as part of the written report made by the physician to the secretary of
33 health and environment under K.S.A. 65-445, and amendments thereto.

34 (4) If the physician who is to perform the abortion determines the
35 gestational age of an unborn child is 22 or more weeks, and determines
36 that the unborn child is viable, both physicians under subsection (a)
37 determine in accordance with the provisions of subsection (a) that an
38 abortion is necessary to preserve the life of the pregnant woman or that a
39 continuation of the pregnancy will cause a substantial and irreversible
40 *physical* impairment of a major bodily function of the pregnant woman
41 and the physician performs an abortion on the woman, the physician who
42 performs the abortion shall report such determinations, the medical basis
43 and the reasons for such determinations, including the specific medical

1 diagnosis for the determination that an abortion is necessary to preserve
2 the life of the pregnant woman or that a continuation of the pregnancy will
3 cause a substantial and irreversible *physical* impairment of a major bodily
4 function of the pregnant woman and the name of the referring physician
5 required by subsection (a) in writing to the medical care facility in which
6 the abortion is performed for inclusion in the report of the medical care
7 facility to the secretary of health and environment under K.S.A. 65-445,
8 and amendments thereto, or if the abortion is not performed in a medical
9 care facility, the physician who performs the abortion shall report such
10 determinations, the medical basis and the reasons for such determinations,
11 including the specific medical diagnosis for the determination that an
12 abortion is necessary to preserve the life of the pregnant woman or that a
13 continuation of the pregnancy will cause a substantial and irreversible
14 *physical* impairment of a major bodily function of the pregnant woman
15 and the name of the referring physician required by subsection (a) in
16 writing to the secretary of health and environment as part of the written
17 report made by the physician to the secretary of health and environment
18 under K.S.A. 65-445, and amendments thereto.

19 (5) The physician shall retain the medical records required to be kept
20 under paragraphs (1) and (2) of this subsection (c) for not less than 10
21 years and shall retain a copy of the written reports required under
22 paragraphs (3) and (4) of this subsection (c) for not less than 10 years.

23 (d) The secretary of health and environment shall adopt rules and
24 regulations to administer this section. Such rules and regulations shall
25 include:

26 (1) A detailed list of the information that must be kept by a physician
27 under paragraphs (1) and (2) of subsection (c);

28 (2) the contents of the written reports required under paragraphs (3)
29 and (4) of subsection (c); and

30 (3) detailed specifications regarding information that must be
31 provided by a physician in order to comply with the obligation to disclose
32 the medical basis and specific medical diagnosis relied upon in
33 determining that an abortion is necessary to preserve the life of the
34 pregnant woman or that a continuation of the pregnancy will cause a
35 substantial and irreversible *physical* impairment of a major bodily function
36 of the pregnant woman.

37 (e) A woman upon whom an abortion is performed shall not be
38 prosecuted under this section for a conspiracy to violate this section
39 pursuant to K.S.A. 2012 Supp. 21-5302, and amendments thereto.

40 (f) Nothing in this section shall be construed to create a right to an
41 abortion. Notwithstanding any provision of this section, a person shall not
42 perform an abortion that is prohibited by law.

43 (g) (1) A woman upon whom an abortion is performed in violation of

1 this section, the father, if married to the woman at the time of the abortion,
2 and the parents or custodial guardian of the woman, if the woman has not
3 attained the age of 18 years at the time of the abortion, may in a civil
4 action obtain appropriate relief, unless, in a case where the plaintiff is not
5 the woman upon whom the abortion was performed, the pregnancy
6 resulted from the plaintiff's criminal conduct.

7 (2) Such relief shall include:

8 (A) Money damages for all injuries, psychological and physical,
9 occasioned by the violation of this section;

10 (B) statutory damages equal to three times the cost of the abortion;
11 and

12 (C) reasonable attorney fees.

13 (h) The prosecution of violations of this section may be brought by
14 the attorney general or by the district attorney or county attorney for the
15 county where any violation of this section is alleged to have occurred.

16 (i) Nothing in this section shall be construed to restrict the authority
17 of the board of healing arts to engage in a disciplinary action.

18 (j) If any provision of this section is held to be invalid or
19 unconstitutional, it shall be conclusively presumed that the legislature
20 would have enacted the remainder of this section without such invalid or
21 unconstitutional provision.

22 (k) Upon a first conviction of a violation of this section, a person
23 shall be guilty of a class A nonperson misdemeanor. Upon a second or
24 subsequent conviction of a violation of this section, a person shall be
25 guilty of a severity level 10, nonperson felony.

26 ~~Sec. 12. 13.~~ K.S.A. 2012 Supp. 65-6709 is hereby amended to read as
27 follows: 65-6709. No abortion shall be performed or induced without the
28 voluntary and informed consent of the woman upon whom the abortion is
29 to be performed or induced. Except in the case of a medical emergency,
30 consent to an abortion is voluntary and informed only if:

31 (a) At least 24 hours before the abortion the physician who is to
32 perform the abortion or the referring physician has informed the woman in
33 writing of:

34 (1) The name of the physician who will perform the abortion;

35 (2) a description of the proposed abortion method;

36 (3) a description of risks related to the proposed abortion method,
37 including *risk of premature birth in future pregnancies, risk of breast*
38 *cancer and risks to the woman's reproductive health and alternatives to the*
39 *abortion that a reasonable patient would consider material to the decision*
40 *of whether or not to undergo the abortion;*

41 (4) the probable gestational age of the unborn child at the time the
42 abortion is to be performed and that Kansas law requires the following:
43 "No person shall perform or induce an abortion when the unborn child is

1 viable unless such person is a physician and has a documented referral
2 from another physician not financially associated with the physician
3 performing or inducing the abortion and both physicians determine that:
4 (1) The abortion is necessary to preserve the life of the pregnant woman;
5 or (2) a continuation of the pregnancy will cause a substantial and
6 irreversible *physical* impairment of a major bodily function of the pregnant
7 woman." If the child is born alive, the attending physician has the legal
8 obligation to take all reasonable steps necessary to maintain the life and
9 health of the child;

10 (5) the probable anatomical and physiological characteristics of the
11 unborn child at the time the abortion is to be performed;

12 (6) the contact information for ~~free~~ counseling assistance for
13 medically challenging pregnancies ~~and~~, the contact information for ~~free~~
14 perinatal hospice services **and a listing of websites for national perinatal**
15 **assistance**, *including information regarding which entities provide such*
16 *services free of charge*;

17 (7) the medical risks associated with carrying an unborn child to
18 term; and

19 (8) any need for anti-Rh immune globulin therapy, if she is Rh
20 negative, the likely consequences of refusing such therapy and the cost of
21 the therapy.

22 (b) At least 24 hours before the abortion, the physician who is to
23 perform the abortion, the referring physician or a qualified person has
24 informed the woman in writing that:

25 (1) Medical assistance benefits may be available for prenatal care,
26 childbirth and neonatal care, and that more detailed information on the
27 availability of such assistance is contained in the printed materials given to
28 her and described in K.S.A. 65-6710, and amendments thereto;

29 (2) the informational materials in K.S.A. 65-6710, and amendments
30 thereto, are available in printed form and online, and describe the unborn
31 child, list agencies which offer alternatives to abortion with a special
32 section listing adoption services and list providers of free ultrasound
33 services;

34 (3) the father of the unborn child is liable to assist in the support of
35 her child, even in instances where he has offered to pay for the abortion
36 except that in the case of rape this information may be omitted;

37 (4) the woman is free to withhold or withdraw her consent to the
38 abortion at any time prior to invasion of the uterus without affecting her
39 right to future care or treatment and without the loss of any state or
40 federally-funded benefits to which she might otherwise be entitled; ~~and~~

41 (5) the abortion will terminate the life of a whole, separate, unique,
42 living human being; *and*

43 (6) *by no later than 20 weeks from fertilization, the unborn child has*

1 *the physical structures necessary to experience pain. There is evidence*
2 *that by 20 weeks from fertilization unborn children seek to evade certain*
3 *stimuli in a manner that in an infant or an adult would be interpreted to be*
4 *a response to pain. Anesthesia is routinely administered to unborn*
5 *children who are 20 weeks from fertilization or older who undergo*
6 *prenatal surgery.*

7 (c) At least 30 minutes prior to the abortion procedure, prior to
8 physical preparation for the abortion and prior to the administration of
9 medication for the abortion, the woman shall meet privately with the
10 physician who is to perform the abortion and such person's staff to ensure
11 that she has an adequate opportunity to ask questions of and obtain
12 information from the physician concerning the abortion.

13 (d) At least 24 hours before the abortion, the woman is given a copy
14 of the informational materials described in K.S.A. 65-6710, and
15 amendments thereto. If the woman asks questions concerning any of the
16 information or materials, answers shall be provided to her in her own
17 language.

18 (e) The woman certifies in writing on a form provided by the
19 department, prior to the abortion, that the information required to be
20 provided under subsections (a), (b) and (d) has been provided and that she
21 has met with the physician who is to perform the abortion on an individual
22 basis as provided under subsection (c). All physicians who perform
23 abortions shall report the total number of certifications received monthly
24 to the department. *The total number of certifications shall be reported by*
25 *the physician as part of the written report made by the physician to the*
26 *secretary of health and environment under K.S.A. 65-445, and*
27 *amendments thereto.* The department shall make the number of
28 certifications received available on an annual basis.

29 (f) Prior to the performance of the abortion, the physician who is to
30 perform the abortion or the physician's agent receives a copy of the written
31 certification prescribed by subsection (e) of this section.

32 (g) The woman is not required to pay any amount for the abortion
33 procedure until the 24-hour waiting period has expired.

34 (h) A physician who will use ultrasound equipment preparatory to or
35 in the performance of the abortion, at least 30 minutes prior to the
36 performance of the abortion:

37 (1) Informs the woman that she has the right to view the ultrasound
38 image of her unborn child, at no additional expense to her;

39 (2) informs the woman that she has the right to receive a physical
40 picture of the ultrasound image, at no additional expense to her;

41 (3) offers the woman the opportunity to view the ultrasound image
42 and receive a physical picture of the ultrasound image;

43 (4) certifies in writing that the woman was offered the opportunity to

1 view the ultrasound image and receive a physical picture of the ultrasound
2 image at least 30 minutes prior to the performance of the abortion; and

3 (5) obtains the woman's signed acceptance or rejection of the
4 opportunity to view the ultrasound image and receive a physical picture of
5 the ultrasound image.

6 If the woman accepts the offer and requests to view the ultrasound
7 image, receive a physical picture of the ultrasound image or both, her
8 request shall be granted by the physician at no additional expense to the
9 woman. The physician's certification shall be time-stamped at the time the
10 opportunity to view the ultrasound image and receive a physical picture of
11 the ultrasound image was offered.

12 (i) A physician who will use heart monitor equipment preparatory to
13 or in the performance of the abortion, at least 30 minutes prior to the
14 performance of the abortion:

15 (1) Informs the woman that she has the right to listen to the heartbeat
16 of her unborn child, at no additional expense to her;

17 (2) offers the woman the opportunity to listen to the heartbeat of her
18 unborn child;

19 (3) certifies in writing that the woman was offered the opportunity to
20 listen to the heartbeat of her unborn child at least 30 minutes prior to the
21 performance of the abortion; and

22 (4) obtains the woman's signed acceptance or rejection of the
23 opportunity to listen to the heartbeat of her unborn child.

24 If the woman accepts the offer and requests to listen to the heartbeat of
25 her unborn child, her request shall be granted by the physician at no
26 additional expense to the woman. The physician's certification shall be
27 time-stamped at the time the opportunity to listen to the heartbeat of her
28 unborn child was offered.

29 (j) The physician's certification required by subsections (h) and (i)
30 together with the pregnant woman's signed acceptance or rejection of such
31 offer shall be placed in the woman's medical file in the physician's office
32 and kept for 10 years. However, in the case of a minor, the physician shall
33 keep a copy of the certification and the signed acceptance or rejection in
34 the minor's medical file for five years past the minor's majority, but in no
35 event less than 10 years.

36 (k) Any private office, freestanding surgical outpatient clinic or other
37 facility or clinic in which abortions are performed shall conspicuously post
38 a sign in a location so as to be clearly visible to patients. The sign required
39 pursuant to this subsection shall be printed with lettering that is legible and
40 shall be at least three quarters of an inch boldfaced type ~~which reads~~. *The*
41 *sign shall include the address for the pregnancy resources website*
42 *published and maintained by the department of health and environment,*
43 *and the following text:*

1 Notice: It is against the law for anyone, regardless of their relationship
2 to you, to force you to have an abortion. By law, we cannot perform an
3 abortion on you unless we have your freely given and voluntary consent. It
4 is against the law to perform an abortion on you against your will. You
5 have the right to contact any local or state law enforcement agency to
6 receive protection from any actual or threatened physical abuse or
7 violence. You have the right to change your mind at any time prior to the
8 actual abortion and request that the abortion procedure cease. *It is*
9 *unlawful for anyone to make you have an abortion against your will, even*
10 *if you are a minor. The father of your child must provide support for the*
11 *child, even if he has offered to pay for an abortion. If you decide not to*
12 *have an abortion, you may qualify for financial help for pregnancy,*
13 *childbirth and newborn care. If you qualify, medicaid will pay or help pay*
14 *the cost of doctor, clinic, hospital and other related medical expenses,*
15 *including childbirth delivery services and care for your newborn baby.*
16 *Many agencies are willing to provide assistance so that you may carry*
17 *your child to term, and to assist you after your child's birth.*

18 The provisions of this subsection shall not apply to any private office,
19 freestanding surgical outpatient clinic or other facility or clinic which
20 performs abortions only when necessary to prevent the death of the
21 pregnant woman.

22 **(l) Any private office, freestanding surgical outpatient clinic or**
23 **other facility or clinic in which abortions are performed that has a**
24 **website shall publish an easily identifiable link on the homepage of**
25 **such website that directly links to the department of health and**
26 **environment's website that provides informed consent materials under**
27 **the woman's-right-to-know act. Such link shall read: "The Kansas**
28 **Department of Health and Environment maintains a website**
29 **containing objective, nonjudgmental, scientifically accurate**
30 **information about the development of the unborn child, as well as**
31 **video of sonogram images of the unborn child at various stages of**
32 **development. The Kansas Department of Health and Environment's**
33 **website can be reached by clicking here."**

34 **(m)** For purposes of this section:

35 (1) The term "human being" means an individual living member of
36 the species of homo sapiens, including the unborn human being during the
37 entire embryonic and fetal ages from fertilization to full gestation.

38 (2) The term "medically challenging pregnancy" means a pregnancy
39 where the unborn child is diagnosed as having: (A) A severe anomaly; or
40 (B) an illness, disease or defect which is invariably fatal.

41 ~~Sec. 13.~~ **14.** K.S.A. 2012 Supp. 65-6710 is hereby amended to read as
42 follows: 65-6710. (a) The department shall cause to be published and
43 distributed widely, within 30 days after the effective date of this act, and

1 shall update on an annual basis, the following easily comprehensible
2 informational materials:

3 (1) Geographically indexed printed materials designed to inform the
4 woman of public and private agencies and services available to assist a
5 woman through pregnancy, upon childbirth and while her child is
6 dependent, including but not limited to, a list of providers of free
7 ultrasound services and adoption agencies. The materials shall include a
8 comprehensive list of the agencies, a description of the services they offer
9 and the telephone numbers and addresses of the agencies; and inform the
10 woman about available medical assistance benefits for prenatal care,
11 childbirth and neonatal care and about the support obligations of the father
12 of a child who is born alive. The department shall ensure that the materials
13 described in this section are comprehensive and do not directly or
14 indirectly promote, exclude or discourage the use of any agency or service
15 described in this section. The materials shall also contain a toll-free 24-
16 hour-a-day telephone number which may be called to obtain, orally, such
17 a list and description of agencies in the locality of the caller and of the
18 services they offer. The materials shall state that it is unlawful for any
19 individual to coerce a woman to undergo an abortion, *and* that any
20 physician who performs an abortion upon a woman without her informed
21 consent may be liable to her for damages. Kansas law permits adoptive
22 parents to pay costs of prenatal care, childbirth and neonatal care. The
23 materials shall include the following statement:

24 "Many public and private agencies exist to provide counseling and
25 information on available services. You are strongly urged to seek their
26 assistance to obtain guidance during your pregnancy. In addition, you are
27 encouraged to seek information on ~~abortion services~~, alternatives to
28 abortion, including adoption, and resources available to postpartum
29 mothers. The law requires that your physician or the physician's agent
30 provide the enclosed information."

31 (2) Printed materials that inform the pregnant woman of the probable
32 anatomical and physiological characteristics of the unborn child at two-
33 week gestational increments from fertilization to full term, including
34 pictures or drawings representing the development of an unborn child at
35 two-week gestational increments, and any relevant information on the
36 possibility of the unborn child's survival. Any such pictures or drawings
37 shall contain the dimensions of the unborn child and shall be realistic. The
38 material shall include ~~the statement~~ *the following statements: (A) That by*
39 *no later than 20 weeks from fertilization, the unborn child has the physical*
40 *structures necessary to experience pain; (B) that there is evidence that by*
41 *20 weeks from fertilization unborn children seek to evade certain stimuli*
42 *in a manner that in an infant or an adult would be interpreted to be a*
43 *response to pain; (C) that anesthesia is routinely administered to unborn*

1 children who are 20 weeks from fertilization or older who undergo
2 prenatal surgery; (D) that less than 5% of all natural pregnancies end in
3 spontaneous miscarriage after detection of cardiac activity, and a fetal
4 heartbeat is, therefore, a key medical indicator that an unborn child is
5 likely to achieve the capacity for live birth; and (E) that abortion
6 terminates the life of a whole, separate, unique, living human being. The
7 materials shall be objective, nonjudgmental and designed to convey only
8 accurate scientific information about the unborn child at the various
9 gestational ages. The material shall also contain objective information
10 describing the methods of abortion procedures commonly employed, the
11 medical risks commonly associated with each such procedure, *including*
12 *risk of premature birth in future pregnancies, risk of breast cancer, risks to*
13 *the woman's reproductive health* and the medical risks associated with
14 carrying an unborn child to term.

15 (3) *The printed materials shall, at a minimum, contain the following*
16 *text:*

17 *Your doctor is required to tell you about the nature of the physical and*
18 *emotional risks of both the abortion procedure and carrying a child to*
19 *term. The doctor must tell you how long you have been pregnant and must*
20 *give you a chance to ask questions and discuss your decision about the*
21 *pregnancy carefully and privately in your own language.*

22 *In order to determine the gestational age of the unborn child, the*
23 *doctor may use ultrasound equipment preparatory to the performance of*
24 *an abortion. You have the right to view the ultrasound image of the unborn*
25 *child at no additional expense, and you have the right to receive a picture*
26 *of the unborn child.*

27 *A directory of services is also available. By calling or visiting the*
28 *agencies and offices in the directory you can find out about alternatives to*
29 *abortion, assistance to make an adoption plan for your baby or locate*
30 *public and private agencies that offer medical and financial help during*
31 *pregnancy, during childbirth and while you are raising your child.*

32 *Furthermore, you should know that: (A) It is unlawful for any*
33 *individual to coerce you to undergo an abortion. Coercion is the use of*
34 *express or implied threats of violence or intimidation to compel a person*
35 *to act against such person's will; (B) abortion terminates the life of a*
36 *whole, separate, unique, living human being; (C) any physician who fails*
37 *to provide informed consent prior to performing an abortion may be guilty*
38 *of unprofessional conduct and liable for damages; (D) you are not*
39 *required to pay any amount for the abortion procedure until the 24-hour*
40 *waiting period has expired; (E) the father of your child is legally*
41 *responsible to assist in the support of the child, even in instances where*
42 *the father has offered to pay for an abortion; and (F) the law permits*
43 *adoptive parents to pay the costs of prenatal care, childbirth and neonatal*

1 care.

2 *Many public and private agencies exist to provide counseling and*
3 *information on available services. You are strongly urged to seek*
4 *assistance from such agencies in order to obtain guidance during your*
5 *pregnancy. In addition, you are encouraged to seek information on*
6 *alternatives to abortion, including adoption, and resources available to*
7 *postpartum mothers. The law requires that your physician, or the*
8 *physician's agent, provide this information.*

9 *Pregnancy begins at fertilization with the union of a man's sperm and a*
10 *woman's egg to form a single-cell embryo. This brand new being contains*
11 *the original copy of a new individual's complete genetic code. Gender, eye*
12 *color and other traits are determined at fertilization.*

13 *Most significant developmental milestones occur long before birth*
14 *during the first eight weeks following fertilization when most body parts*
15 *and all body systems appear and begin to function. The main divisions of*
16 *the body, such as the head, chest, abdomen, pelvis, arms and legs are*
17 *established by about four weeks after fertilization. Eight weeks after*
18 *fertilization, except for the small size, the developing human's overall*
19 *appearance and many internal structures closely resemble the newborn.*

20 *Pregnancy is not just a time for growing all the parts of the body. It is*
21 *also a time of preparation for survival after birth. Starting more than 30*
22 *weeks before birth, many common daily activities seen in children and*
23 *adults begin in the womb. These activities include, but are not limited to,*
24 *hiccups, touching the face, breathing motions, urination, right- or left-*
25 *handedness, thumb-sucking, swallowing, yawning, jaw movement,*
26 *reflexes, REM sleep, hearing, taste and sensation.*

27 *Unless otherwise noted, all prenatal ages in the rest of these materials*
28 *are referenced from the start of the last normal menstrual period. This age*
29 *is two weeks greater than the age since fertilization.*

30 *By five weeks, development of the brain, the spinal cord and the heart*
31 *is well underway. The heart begins beating at five weeks and one day, and*
32 *is visible by ultrasound almost immediately. By six weeks, the heart is*
33 *pumping the unborn child's own blood to such unborn child's brain and*
34 *body. All four chambers of the heart are present, and more than one*
35 *million heartbeats have occurred. The head, chest and abdominal cavities*
36 *have formed and the beginnings of the arms and legs are easily seen. At*
37 *6½ weeks, rapid brain development continues with the appearance of the*
38 *cerebral hemispheres. At 7½ weeks, the unborn child reflexively turns*
39 *away in response to light touch on the face. The fingers also begin to form*
40 *on the hand.*

41 *By 8½ weeks, the bones of the jaw and collarbone begin to harden.*
42 *Brainwaves have been measured and recorded by this point in gestation.*
43 *By nine weeks, the hands move, the neck turns and hiccups begin. Girls*

1 *also now have ovaries and boys have testes. The unborn child's heart is*
2 *nearly fully formed, and the heart rate peaks at about 170 beats per*
3 *minute and will gradually slow down until birth. Electrical recordings of*
4 *the heart at 9½ weeks are very similar to the EKG tracing of the unborn*
5 *child.*

6 *By 10 weeks, intermittent breathing motions begin, and the kidneys*
7 *begin to produce and release urine. All the fingers and toes are free and*
8 *fully formed, and several hundred muscles are now present. The hands and*
9 *feet move frequently, and most unborn children show the first signs of*
10 *right- or left-handedness. Pain receptors in the skin, the sensory nerves*
11 *connecting them to the spinal cord, and the nerve tracts in the spinal cord*
12 *that will carry pain impulses to the brain are all present by this time.*
13 *Experts estimate the 10-week unborn child possesses approximately 90%*
14 *of the 4,500 body parts found in adults. This means approximately 4,000*
15 *permanent body parts are present just eight weeks after fertilization.*

16 *By 11 weeks, the head moves forward and back, the jaw actively opens*
17 *and closes and the unborn child periodically sighs and stretches. The face,*
18 *palms of the hands and soles of the feet are sensitive to light touch. The*
19 *unborn child begins thumb-sucking and swallowing amniotic fluid. The*
20 *uterus is now present, and girls' ovaries now contain reproductive cells*
21 *that will give rise to eggs later in life.*

22 *At 12 weeks, fingerprints start forming, while fingernails and toenails*
23 *begin to grow. The bones are hardening in many locations. The heartbeat*
24 *can be detected with a hand-held doppler fetal monitor, or external heart*
25 *rate monitor. By 13 weeks the lips and nose are fully formed and the*
26 *unborn child can make complex facial expressions.*

27 *At 14 weeks, taste buds are present all over the mouth and tongue. The*
28 *unborn child now produces a wide variety of hormones. Also, the arms*
29 *reach final proportion to body size. By 15 weeks, the entire unborn child,*
30 *except for parts of the scalp, responds to light touch, and tooth*
31 *development is underway.*

32 *At 16 weeks, a pregnant woman may begin to feel the unborn child*
33 *move. The unborn child also begins making several digestive enzymes.*
34 *Around 17 weeks, blood cell formation moves to its permanent location*
35 *inside the bone marrow, and the unborn child begins storing energy in the*
36 *form of body fat.*

37 *By 18 weeks, the formation of the breathing passages, called the*
38 *bronchial tree, is complete. The unborn child will release stress hormones*
39 *in response to being poked with a needle. By 19 weeks, the unborn child's*
40 *heart has beaten more than 20 million times.*

41 *By 20 weeks, nearly all organs and structures of the unborn child have*
42 *been formed. The larynx, or voice box, moves in a way similar to*
43 *movement seen during crying after birth. The skin has developed sweat*

1 *glands and is covered by a greasy white substance called vernix, which*
2 *protects the skin from the long exposure to amniotic fluid. At 21 weeks,*
3 *breathing patterns, body movements and the heart rate begin to follow*
4 *daily cycles called circadian rhythms.*

5 *By 22 weeks, the cochlea, the organ of hearing, reaches adult size, and*
6 *the unborn child begins hearing and responding to various sounds. All the*
7 *skin layers and structures are now complete. The unborn child reacts to*
8 *stimuli that would be recognized as painful if applied to an adult human.*

9 *By 22 weeks, some infants can live outside the womb with specialized*
10 *medical care, and survival rates have been reported as high as 40% in*
11 *some medical centers. Between 20 and 23 weeks, rapid eye movements*
12 *begin, which are similar to the REM sleep pattern seen when children and*
13 *adults have dreams.*

14 *By 24 weeks, more than 30 million heartbeats have occurred. Survival*
15 *rates for infants born at 24 weeks have been reported as high as 81%. By*
16 *25 weeks, breathing motions may occur up to 44 times per minute.*

17 *By 26 weeks, sudden, loud noises trigger a blink-startle response in the*
18 *unborn child and may increase body movement, the heart rate and*
19 *swallowing. The lungs begin to produce a substance necessary for*
20 *breathing after birth. The survival rate of infants born at 26 weeks has*
21 *been reported as high as 95%.*

22 *By 28 weeks, the sense of smell is functioning and the eyes produce*
23 *tears. Nearly all infants born between this point and full term survive. By*
24 *29 weeks, pupils of the eyes react to light. By 31 weeks, the heart has beat*
25 *more than 40 million times, and wrinkles in the skin disappear as more fat*
26 *deposits are formed.*

27 *By 32 weeks, breathing movements occur up to 40% of the time. By 34*
28 *weeks true alveoli, or air "pocket" cells, begin developing in the lungs. At*
29 *36 weeks, scalp hair is silky and lies against the head. By 37 weeks, the*
30 *unborn child has a firm hand grip, and the heart has beat more than 50*
31 *million times. The unborn child initiates labor, ideally around 40 weeks,*
32 *leading to childbirth.*

33 *By state law, no person shall perform or induce an abortion when the*
34 *unborn child is viable or pain-capable unless such person is a physician*
35 *and has a documented referral. The physician who performs or induces an*
36 *abortion when the unborn child is viable must have a documented referral*
37 *from another physician not legally or financially affiliated with the*
38 *physician performing or inducing the abortion. Both physicians must*
39 *determine that the abortion is necessary to preserve the life of the*
40 *pregnant woman or that a continuation of the pregnancy will cause a*
41 *substantial and irreversible impairment of a major physical bodily*
42 *function of the pregnant woman. If the child is born alive, the attending*
43 *physician has the legal obligation to take all reasonable steps necessary to*

1 *maintain the life and health of the child.*

2 *What about adoption? Women or couples facing an untimely pregnancy*
3 *who choose not to take on the full responsibilities of parenthood have*
4 *another option, which is adoption. Counseling and support services are a*
5 *key part of adoption and are available from a variety of adoption agencies*
6 *and parent support groups across the state. A list of adoption agencies is*
7 *available. There are several ways to make a plan for adoption, including*
8 *through a child placement agency or through a private attorney. Although*
9 *fully anonymous adoptions are available, some degree of openness in*
10 *adoption is more common, such as permitting the birth mother to choose*
11 *the adoptive parents. A father only has the right to consent to an adoption*
12 *or refuse consent and raise the child if he provides support for the mother*
13 *during the last six months of the pregnancy.*

14 *The father of a child has a legal responsibility to provide for the*
15 *support, educational, medical and other needs of the child. In Kansas, that*
16 *responsibility includes child support payments to the child's mother or*
17 *legal guardian. A child has rights of inheritance from the father and may*
18 *be eligible through him for benefits such as life insurance, social security,*
19 *pension, veteran's or disability benefits. Further, the child benefits from*
20 *knowing the father's medical history and any potential health problems*
21 *that can be passed genetically. A father's and mother's rights are equal*
22 *regarding access, care and custody.*

23 *Paternity can be established in Kansas by two methods: (A) The father*
24 *and mother, at the time of birth, can sign forms provided by the hospital*
25 *acknowledging paternity and the father's name is added to the birth*
26 *certificate; or (B) a legal action can be brought in a court of law to*
27 *determine paternity and establish a child support order. Issues of paternity*
28 *affect your legal rights and the rights of the child.*

29 *The decision regarding your pregnancy is one of the most important*
30 *decisions you will ever make. There are lists of state, county and local*
31 *health and social service agencies and organizations available to assist*
32 *you. You are encouraged to contact these groups if you need more*
33 *information so you can make an informed decision.*

34 (4) A certification form to be used by physicians or their agents under
35 subsection (e) of K.S.A. 65-6709, and amendments thereto, which will list
36 all the items of information which are to be given to women by physicians
37 or their agents under the woman's-right-to-know act.

38 ~~(4)~~ (5) A standardized video containing all of the information
39 described in paragraphs (1) and (2). In addition, the video shall show
40 ultrasound images, using the best available ultrasound technology, of an
41 unborn child at two week gestational increments.

42 (b) The print materials required under this section shall be printed in a
43 typeface large enough to be clearly legible. The informational video ~~shall~~

1 *may* be published in digital video disc format *or in the latest video*
2 *technology available*. All materials required to be published under this
3 section shall also be published online on the department's website. All
4 materials shall be made available in both English and Spanish language
5 versions.

6 (c) The materials required under this section shall be available at no
7 cost from the department upon request and in appropriate number to any
8 person, facility or hospital.

9 ~~Sec. 14.~~ **15.** K.S.A. 2012 Supp. 76-3308 is hereby amended to read as
10 follows: 76-3308. (a) The authority shall have all the powers necessary to
11 carry out the purposes and provisions of this act, including, without
12 limitation, the following powers to:

13 (1) Have the duties, privileges, immunities, rights, liabilities and
14 disabilities of a body corporate and a political instrumentality of the state;

15 (2) have perpetual existence and succession;

16 (3) adopt, have and use a seal and to alter the same at its pleasure;

17 (4) sue and be sued in its own name;

18 (5) make and execute contracts, guarantees or any other instruments
19 and agreements necessary or convenient for the exercise of its powers and
20 functions including, without limitation, to make and execute contracts with
21 hospitals or other health care businesses to operate and manage any or all
22 of the hospital facilities or operations and to incur liabilities and secure the
23 obligations of any entity or individual;

24 (6) borrow money and to issue bonds evidencing the same and pledge
25 all or any part of the authority's assets therefor;

26 (7) purchase, lease, trade, exchange or otherwise acquire, maintain,
27 hold, improve, mortgage, sell, lease and dispose of personal property,
28 whether tangible or intangible, and any interest therein; and to purchase,
29 lease, trade, exchange or otherwise acquire real property or any interest
30 therein, and to maintain, hold, improve, mortgage, lease and otherwise
31 transfer such real property, so long as such transactions do not conflict
32 with the mission of the authority as specified in this act;

33 (8) incur or assume indebtedness to, and enter into contracts with the
34 Kansas development finance authority, which is authorized to borrow
35 money and provide financing for the authority;

36 (9) develop policies and procedures generally applicable to the
37 procurement of goods, services and construction, based upon sound
38 business practices;

39 (10) contract for and to accept any gifts, grants and loans of funds,
40 property, or any other aid in any form from the federal government, the
41 state, any state agency, or any other source, or any combination thereof,
42 and to comply with the provisions of the terms and conditions thereof;

43 (11) acquire space, equipment, services, supplies and insurance

1 necessary to carry out the purposes of this act;

2 (12) deposit any moneys of the authority in any banking institution
3 within or without the state or in any depository authorized to receive such
4 deposits, one or more persons to act as custodians of the moneys of the
5 authority, to give surety bonds in such amounts in form and for such
6 purposes as the board requires;

7 (13) procure such insurance, participate in such insurance plans or
8 provide such self insurance or both as it deems necessary or convenient to
9 carry out the purposes and provisions of this act; the purchase of
10 insurance, participation in an insurance plan or creation of a self-insurance
11 fund by the authority shall not be deemed as a waiver or relinquishment of
12 any sovereign immunity to which the authority or its officers, directors,
13 employees or agents are otherwise entitled;

14 (14) appoint, supervise and set the salary and compensation of a
15 president of the authority who shall be appointed by and serve at the
16 pleasure of the board;

17 (15) fix, revise, charge and collect rates, rentals, fees and other
18 charges for the services or facilities furnished by or on behalf of the
19 authority, and to establish policies and procedures regarding any such
20 service rendered for the use, occupancy or operation of any such facility;
21 such charges and policies and procedures not to be subject to supervision
22 or regulation by any commission, board, bureau or agency of the State;
23 and

24 (16) do any and all things necessary or convenient to carry out the
25 authority's purposes and exercise the powers given in this act.

26 (b) The authority may create, own in whole or in part, or otherwise
27 acquire or dispose of any entity organized for a purpose related to or in
28 support of the mission of the authority.

29 (c) The authority may participate in joint ventures with individuals,
30 corporations, governmental bodies or agencies, partnerships, associations,
31 insurers or other entities to facilitate any activities or programs consistent
32 with the public purpose and intent of this act.

33 (d) The authority may create a nonprofit entity or entities for the
34 purpose of soliciting, accepting and administering grants, outright gifts and
35 bequests, endowment gifts and bequests and gifts and bequests in trust
36 which entity or entities shall not engage in trust business.

37 (e) In carrying out any activities authorized by this act, the authority
38 may provide appropriate assistance, including the making of loans and
39 providing time of employees, to corporations, partnerships, associations,
40 joint ventures or other entities, whether or not such corporations,
41 partnerships, associations, joint ventures or other entities are owned or
42 controlled in whole or in part, directly or indirectly, by the authority.

43 (f) Effective with the transfer date, all moneys of the authority shall

1 be deposited in one or more banks or trust companies in one or more
2 special accounts. All banks and trust companies are authorized to give
3 security for such deposits if required by the authority. The moneys in such
4 accounts shall be paid out on a warrant or other orders of the treasurer of
5 the authority or any such other person or persons as the authority may
6 authorize to execute such warrants or orders.

7 (g) Notwithstanding any provision of law to the contrary, the
8 authority, effective with the transfer date, may invest the authority's
9 operating funds in any obligations or securities as authorized by the board.
10 The board shall adopt written investment guidelines.

11 (h) The authority is authorized to negotiate contracts with one or
12 more qualified parties to provide collection services. The selection of a
13 collection services provider shall be based on responses to a request for
14 proposals from qualified professional firms and shall be administered in
15 accordance with policies adopted by the board.

16 (i) Notwithstanding any provision of law to the contrary, no abortion
17 shall be performed, except in the event of a medical emergency, in any
18 medical facility, hospital or clinic owned, leased or operated by the
19 authority. The provisions of this subsection are not applicable to any
20 member of the physician faculty of the university of Kansas school of
21 medicine *when such abortion is performed outside the scope of such*
22 *member's employment on property not owned, leased or operated by the*
23 *authority. As used in this subsection, "medical emergency" means a*
24 ~~pregnant woman's medical condition that, on the basis of a physician's~~
25 ~~good-faith clinical judgment, necessitates an immediate abortion to avert~~
26 ~~the woman's death or to avert a serious risk of substantial and irreversible~~
27 ~~impairment of a major bodily function~~ *a condition that, in reasonable*
28 *medical judgment, so complicates the medical condition of the pregnant*
29 *woman as to necessitate the immediate abortion of her pregnancy to avert*
30 *the death of the woman. No condition shall be deemed a medical*
31 *emergency if based on a claim or diagnosis that the woman will engage in*
32 *conduct which would result in her death.*

33 Sec. ~~45~~ **16**. K.S.A. 2012 Supp. 79-32,117 is hereby amended to read
34 as follows: 79-32,117. (a) The Kansas adjusted gross income of an
35 individual means such individual's federal adjusted gross income for the
36 taxable year, with the modifications specified in this section.

37 (b) There shall be added to federal adjusted gross income:

38 (i) Interest income less any related expenses directly incurred in the
39 purchase of state or political subdivision obligations, to the extent that the
40 same is not included in federal adjusted gross income, on obligations of
41 any state or political subdivision thereof, but to the extent that interest
42 income on obligations of this state or a political subdivision thereof issued
43 prior to January 1, 1988, is specifically exempt from income tax under the

1 laws of this state authorizing the issuance of such obligations, it shall be
2 excluded from computation of Kansas adjusted gross income whether or
3 not included in federal adjusted gross income. Interest income on
4 obligations of this state or a political subdivision thereof issued after
5 December 31, 1987, shall be excluded from computation of Kansas
6 adjusted gross income whether or not included in federal adjusted gross
7 income.

8 (ii) Taxes on or measured by income or fees or payments in lieu of
9 income taxes imposed by this state or any other taxing jurisdiction to the
10 extent deductible in determining federal adjusted gross income and not
11 credited against federal income tax. This paragraph shall not apply to taxes
12 imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
13 amendments thereto, for privilege tax year 1995, and all such years
14 thereafter.

15 (iii) The federal net operating loss deduction.

16 (iv) Federal income tax refunds received by the taxpayer if the
17 deduction of the taxes being refunded resulted in a tax benefit for Kansas
18 income tax purposes during a prior taxable year. Such refunds shall be
19 included in income in the year actually received regardless of the method
20 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
21 be deemed to have resulted if the amount of the tax had been deducted in
22 determining income subject to a Kansas income tax for a prior year
23 regardless of the rate of taxation applied in such prior year to the Kansas
24 taxable income, but only that portion of the refund shall be included as
25 bears the same proportion to the total refund received as the federal taxes
26 deducted in the year to which such refund is attributable bears to the total
27 federal income taxes paid for such year. For purposes of the foregoing
28 sentence, federal taxes shall be considered to have been deducted only to
29 the extent such deduction does not reduce Kansas taxable income below
30 zero.

31 (v) The amount of any depreciation deduction or business expense
32 deduction claimed on the taxpayer's federal income tax return for any
33 capital expenditure in making any building or facility accessible to the
34 handicapped, for which expenditure the taxpayer claimed the credit
35 allowed by K.S.A. 79-32,177, and amendments thereto.

36 (vi) Any amount of designated employee contributions picked up by
37 an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
38 and amendments thereto.

39 (vii) The amount of any charitable contribution made to the extent the
40 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
41 32,196, and amendments thereto.

42 (viii) The amount of any costs incurred for improvements to a swine
43 facility, claimed for deduction in determining federal adjusted gross

1 income, to the extent the same is claimed as the basis for any credit
2 allowed pursuant to K.S.A. 2012 Supp. 79-32,204, and amendments
3 thereto.

4 (ix) The amount of any ad valorem taxes and assessments paid and
5 the amount of any costs incurred for habitat management or construction
6 and maintenance of improvements on real property, claimed for deduction
7 in determining federal adjusted gross income, to the extent the same is
8 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
9 and amendments thereto.

10 (x) Amounts received as nonqualified withdrawals, as defined by
11 K.S.A. 2012 Supp. 75-643, and amendments thereto, if, at the time of
12 contribution to a family postsecondary education savings account, such
13 amounts were subtracted from the federal adjusted gross income pursuant
14 to paragraph (xv) of subsection (c) of K.S.A. 79-32,117, and amendments
15 thereto, or if such amounts are not already included in the federal adjusted
16 gross income.

17 (xi) The amount of any contribution made to the same extent the
18 same is claimed as the basis for the credit allowed pursuant to K.S.A. 2012
19 Supp. 74-50,154, and amendments thereto.

20 (xii) For taxable years commencing after December 31, 2004,
21 amounts received as withdrawals not in accordance with the provisions of
22 K.S.A. 2012 Supp. 74-50,204, and amendments thereto, if, at the time of
23 contribution to an individual development account, such amounts were
24 subtracted from the federal adjusted gross income pursuant to paragraph
25 (xiii) of subsection (c), or if such amounts are not already included in the
26 federal adjusted gross income.

27 (xiii) The amount of any expenditures claimed for deduction in
28 determining federal adjusted gross income, to the extent the same is
29 claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.
30 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

31 (xiv) The amount of any amortization deduction claimed in
32 determining federal adjusted gross income to the extent the same is
33 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,221, and
34 amendments thereto.

35 (xv) The amount of any expenditures claimed for deduction in
36 determining federal adjusted gross income, to the extent the same is
37 claimed as the basis for any credit allowed pursuant to K.S.A. 2012 Supp.
38 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233
39 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-
40 32,248 or 79-32,251 through 79-32,254, and amendments thereto.

41 (xvi) The amount of any amortization deduction claimed in
42 determining federal adjusted gross income to the extent the same is
43 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,227, 79-

1 32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments
2 thereto.

3 (xvii) The amount of any amortization deduction claimed in
4 determining federal adjusted gross income to the extent the same is
5 claimed for deduction pursuant to K.S.A. 2012 Supp. 79-32,256, and
6 amendments thereto.

7 (xviii) For taxable years commencing after December 31, 2006, the
8 amount of any ad valorem or property taxes and assessments paid to a state
9 other than Kansas or local government located in a state other than Kansas
10 by a taxpayer who resides in a state other than Kansas, when the law of
11 such state does not allow a resident of Kansas who earns income in such
12 other state to claim a deduction for ad valorem or property taxes or
13 assessments paid to a political subdivision of the state of Kansas in
14 determining taxable income for income tax purposes in such other state, to
15 the extent that such taxes and assessments are claimed as an itemized
16 deduction for federal income tax purposes.

17 (xix) For all taxable years beginning after December 31, 2012, the
18 amount of any: (1) Loss from business as determined under the federal
19 internal revenue code and reported from schedule C and on line 12 of the
20 taxpayer's form 1040 federal individual income tax return; (2) loss from
21 rental real estate, royalties, partnerships, S corporations, estates, trusts,
22 residual interest in real estate mortgage investment conduits and net farm
23 rental as determined under the federal internal revenue code and reported
24 from schedule E and on line 17 of the taxpayer's form 1040 federal
25 individual income tax return; and (3) farm loss as determined under the
26 federal internal revenue code and reported from schedule F and on line 18
27 of the taxpayer's form 1040 federal income tax return; all to the extent
28 deducted or subtracted in determining the taxpayer's federal adjusted gross
29 income. For purposes of this subsection, references to the federal form
30 1040 and federal schedule C, schedule E, and schedule F, shall be to such
31 form and schedules as they existed for tax year 2011, and as revised
32 thereafter by the internal revenue service.

33 (xx) For all taxable years beginning after December 31, 2012, the
34 amount of any deduction for self-employment taxes under section 164(f)
35 of the federal internal revenue code as in effect on January 1, 2012, and
36 amendments thereto, in determining the federal adjusted gross income of
37 an individual taxpayer.

38 (xxi) For all taxable years beginning after December 31, 2012, the
39 amount of any deduction for pension, profit sharing, and annuity plans of
40 self-employed individuals under section 62(a)(6) of the federal internal
41 revenue code as in effect on January 1, 2012, and amendments thereto, in
42 determining the federal adjusted gross income of an individual taxpayer.

43 (xxii) For all taxable years beginning after December 31, 2012, the

1 amount of any deduction for health insurance under section 162(l) of the
2 federal internal revenue code as in effect on January 1, 2012, and
3 amendments thereto, in determining the federal adjusted gross income of
4 an individual taxpayer.

5 (xxiii) For all taxable years beginning after December 31, 2012, the
6 amount of any deduction for domestic production activities under section
7 199 of the federal internal revenue code as in effect on January 1, 2012,
8 and amendments thereto, in determining the federal adjusted gross income
9 of an individual taxpayer.

10 (xxiv) *For taxable years commencing after December 31, 2013, that*
11 *portion of the amount of any expenditure deduction claimed in*
12 *determining federal adjusted gross income for expenses paid for medical*
13 *care of the taxpayer or the taxpayer's spouse or dependents when such*
14 *expenses were paid or incurred for an abortion, or for a health benefit*
15 *plan, as defined in section 1, and amendments thereto, for the purchase of*
16 *an optional rider for coverage of abortion in accordance with K.S.A. 2012*
17 *Supp. 40-2,190, and amendments thereto, to the extent that such taxes and*
18 *assessments are claimed as an itemized deduction for federal income tax*
19 *purposes.*

20 (xxv) *For taxable years commencing after December 31, 2013, that*
21 *portion of the amount of any expenditure deduction claimed in*
22 *determining federal adjusted gross income for expenses paid by a*
23 *taxpayer for health care, a health benefit plan, as defined in section 1, and*
24 *amendments thereto, or amounts contributed to health savings accounts*
25 *for such taxpayer's employees for the purchase of an optional rider for*
26 *coverage of abortion in accordance with K.S.A. 2012 Supp. 40-2,190, and*
27 *amendments thereto, to the extent that such taxes and assessments are*
28 *claimed as an itemized deduction for federal income tax purposes.*

29 (c) There shall be subtracted from federal adjusted gross income:

30 (i) Interest or dividend income on obligations or securities of any
31 authority, commission or instrumentality of the United States and its
32 possessions less any related expenses directly incurred in the purchase of
33 such obligations or securities, to the extent included in federal adjusted
34 gross income but exempt from state income taxes under the laws of the
35 United States.

36 (ii) Any amounts received which are included in federal adjusted
37 gross income but which are specifically exempt from Kansas income
38 taxation under the laws of the state of Kansas.

39 (iii) The portion of any gain or loss from the sale or other disposition
40 of property having a higher adjusted basis for Kansas income tax purposes
41 than for federal income tax purposes on the date such property was sold or
42 disposed of in a transaction in which gain or loss was recognized for
43 purposes of federal income tax that does not exceed such difference in

1 basis, but if a gain is considered a long-term capital gain for federal
2 income tax purposes, the modification shall be limited to that portion of
3 such gain which is included in federal adjusted gross income.

4 (iv) The amount necessary to prevent the taxation under this act of
5 any annuity or other amount of income or gain which was properly
6 included in income or gain and was taxed under the laws of this state for a
7 taxable year prior to the effective date of this act, as amended, to the
8 taxpayer, or to a decedent by reason of whose death the taxpayer acquired
9 the right to receive the income or gain, or to a trust or estate from which
10 the taxpayer received the income or gain.

11 (v) The amount of any refund or credit for overpayment of taxes on
12 or measured by income or fees or payments in lieu of income taxes
13 imposed by this state, or any taxing jurisdiction, to the extent included in
14 gross income for federal income tax purposes.

15 (vi) Accumulation distributions received by a taxpayer as a
16 beneficiary of a trust to the extent that the same are included in federal
17 adjusted gross income.

18 (vii) Amounts received as annuities under the federal civil service
19 retirement system from the civil service retirement and disability fund and
20 other amounts received as retirement benefits in whatever form which
21 were earned for being employed by the federal government or for service
22 in the armed forces of the United States.

23 (viii) Amounts received by retired railroad employees as a
24 supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
25 228c (a)(1) et seq.

26 (ix) Amounts received by retired employees of a city and by retired
27 employees of any board of such city as retirement allowances pursuant to
28 K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
29 ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
30 amendments thereto.

31 (x) For taxable years beginning after December 31, 1976, the amount
32 of the federal tentative jobs tax credit disallowance under the provisions of
33 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
34 amount of the targeted jobs tax credit and work incentive credit
35 disallowances under 26 U.S.C. § 280 C.

36 (xi) For taxable years beginning after December 31, 1986, dividend
37 income on stock issued by Kansas Venture Capital, Inc.

38 (xii) For taxable years beginning after December 31, 1989, amounts
39 received by retired employees of a board of public utilities as pension and
40 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,
41 and amendments thereto.

42 (xiii) For taxable years beginning after December 31, 2004, amounts
43 contributed to and the amount of income earned on contributions deposited

1 to an individual development account under K.S.A. 2012 Supp. 74-50,201
2 et seq., and amendments thereto.

3 (xiv) For all taxable years commencing after December 31, 1996, that
4 portion of any income of a bank organized under the laws of this state or
5 any other state, a national banking association organized under the laws of
6 the United States, an association organized under the savings and loan
7 code of this state or any other state, or a federal savings association
8 organized under the laws of the United States, for which an election as an
9 S corporation under subchapter S of the federal internal revenue code is in
10 effect, which accrues to the taxpayer who is a stockholder of such
11 corporation and which is not distributed to the stockholders as dividends of
12 the corporation. For all taxable years beginning after December 31, 2012,
13 the amount of modification under this subsection shall exclude the portion
14 of income or loss reported on schedule E and included on line 17 of the
15 taxpayer's form 1040 federal individual income tax return.

16 (xv) For all taxable years beginning after December 31, 2006,
17 amounts not exceeding \$3,000, or \$6,000 for a married couple filing a
18 joint return, for each designated beneficiary which are contributed to a
19 family postsecondary education savings account established under the
20 Kansas postsecondary education savings program or a qualified tuition
21 program established and maintained by another state or agency or
22 instrumentality thereof pursuant to section 529 of the internal revenue
23 code of 1986, as amended, for the purpose of paying the qualified higher
24 education expenses of a designated beneficiary at an institution of
25 postsecondary education. The terms and phrases used in this paragraph
26 shall have the meaning respectively ascribed thereto by the provisions of
27 K.S.A. 2012 Supp. 75-643, and amendments thereto, and the provisions of
28 such section are hereby incorporated by reference for all purposes thereof.

29 (xvi) For all taxable years beginning after December 31, 2004,
30 amounts received by taxpayers who are or were members of the armed
31 forces of the United States, including service in the Kansas army and air
32 national guard, as a recruitment, sign up or retention bonus received by
33 such taxpayer as an incentive to join, enlist or remain in the armed services
34 of the United States, including service in the Kansas army and air national
35 guard, and amounts received for repayment of educational or student loans
36 incurred by or obligated to such taxpayer and received by such taxpayer as
37 a result of such taxpayer's service in the armed forces of the United States,
38 including service in the Kansas army and air national guard.

39 (xvii) For all taxable years beginning after December 31, 2004,
40 amounts received by taxpayers who are eligible members of the Kansas
41 army and air national guard as a reimbursement pursuant to K.S.A. 48-
42 281, and amendments thereto, and amounts received for death benefits
43 pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section

1 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and
2 amendments thereto, to the extent that such death benefits are included in
3 federal adjusted gross income of the taxpayer.

4 (xviii) For the taxable year beginning after December 31, 2006,
5 amounts received as benefits under the federal social security act which
6 are included in federal adjusted gross income of a taxpayer with federal
7 adjusted gross income of \$50,000 or less, whether such taxpayer's filing
8 status is single, head of household, married filing separate or married filing
9 jointly; and for all taxable years beginning after December 31, 2007,
10 amounts received as benefits under the federal social security act which
11 are included in federal adjusted gross income of a taxpayer with federal
12 adjusted gross income of \$75,000 or less, whether such taxpayer's filing
13 status is single, head of household, married filing separate or married filing
14 jointly.

15 (xix) Amounts received by retired employees of Washburn university
16 as retirement and pension benefits under the university's retirement plan.

17 (xx) For all taxable years beginning after December 31, 2012, the
18 amount of any: (1) Net profit from business as determined under the
19 federal internal revenue code and reported from schedule C and on line 12
20 of the taxpayer's form 1040 federal individual income tax return; (2) net
21 income from rental real estate, royalties, partnerships, S corporations,
22 estates, trusts, residual interest in real estate mortgage investment conduits
23 and net farm rental as determined under the federal internal revenue code
24 and reported from schedule E and on line 17 of the taxpayer's form 1040
25 federal individual income tax return; and (3) net farm profit as determined
26 under the federal internal revenue code and reported from schedule F and
27 on line 18 of the taxpayer's form 1040 federal income tax return; all to the
28 extent included in the taxpayer's federal adjusted gross income. For
29 purposes of this subsection, references to the federal form 1040 and
30 federal schedule C, schedule E, and schedule F, shall be to such form and
31 schedules as they existed for tax year 2011 and as revised thereafter by the
32 internal revenue service.

33 (d) There shall be added to or subtracted from federal adjusted gross
34 income the taxpayer's share, as beneficiary of an estate or trust, of the
35 Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
36 amendments thereto.

37 (e) The amount of modifications required to be made under this
38 section by a partner which relates to items of income, gain, loss, deduction
39 or credit of a partnership shall be determined under K.S.A. 79-32,131, and
40 amendments thereto, to the extent that such items affect federal adjusted
41 gross income of the partner.

42 ~~Sec. 16.~~ **17.** K.S.A. 2012 Supp. 79-32,138 is hereby amended to read
43 as follows: 79-32,138. (a) Kansas taxable income of a corporation taxable

1 under this act shall be the corporation's federal taxable income for the
2 taxable year with the modifications specified in this section.

3 (b) There shall be added to federal taxable income: (i) The same
4 modifications as are set forth in subsection (b) of K.S.A. 79-32,117, and
5 amendments thereto, with respect to resident individuals, except
6 subsections (b)(xix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii).

7 (ii) The amount of all depreciation deductions claimed for any
8 property upon which the deduction allowed by K.S.A. 2012 Supp. 79-
9 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-
10 32,255 or 79-32,256, and amendments thereto, is claimed.

11 (iii) The amount of any charitable contribution deduction claimed for
12 any contribution or gift to or for the use of any racially segregated
13 educational institution.

14 (iv) *For taxable years commencing December 31, 2013, that portion*
15 *of the amount of any expenditure deduction claimed in determining federal*
16 *adjusted gross income for expenses paid by a taxpayer for health care, a*
17 *health benefit plan, as defined in section 1, and amendments thereto, or*
18 *amounts contributed to health savings accounts for such taxpayer's*
19 *employees for the purchase of an optional rider for coverage of abortion*
20 *in accordance with K.S.A. 2012 Supp. 40-2,190, and amendments thereto.*

21 (c) There shall be subtracted from federal taxable income: (i) The
22 same modifications as are set forth in subsection (c) of K.S.A. 79-32,117,
23 and amendments thereto, with respect to resident individuals, except
24 subsection (c)(xx).

25 (ii) The federal income tax liability for any taxable year commencing
26 prior to December 31, 1971, for which a Kansas return was filed after
27 reduction for all credits thereon, except credits for payments on estimates
28 of federal income tax, credits for gasoline and lubricating oil tax, and for
29 foreign tax credits if, on the Kansas income tax return for such prior year,
30 the federal income tax deduction was computed on the basis of the federal
31 income tax paid in such prior year, rather than as accrued. Notwithstanding
32 the foregoing, the deduction for federal income tax liability for any year
33 shall not exceed that portion of the total federal income tax liability for
34 such year which bears the same ratio to the total federal income tax
35 liability for such year as the Kansas taxable income, as computed before
36 any deductions for federal income taxes and after application of
37 subsections (d) and (e) of this section as existing for such year, bears to the
38 federal taxable income for the same year.

39 (iii) An amount for the amortization deduction allowed pursuant to
40 K.S.A. 2012 Supp. 79-32,221, 79-32,227, 79-32,232, 79-32,237, 79-
41 32,249, 79-32,250, 79-32,255 or 79-32,256, and amendments thereto.

42 (iv) For all taxable years commencing after December 31, 1987, the
43 amount included in federal taxable income pursuant to the provisions of

1 section 78 of the internal revenue code.

2 (v) For all taxable years commencing after December 31, 1987, 80%
3 of dividends from corporations incorporated outside of the United States
4 or the District of Columbia which are included in federal taxable income.

5 (d) If any corporation derives all of its income from sources within
6 Kansas in any taxable year commencing after December 31, 1979, its
7 Kansas taxable income shall be the sum resulting after application of
8 subsections (a) through (c) hereof. Otherwise, such corporation's Kansas
9 taxable income in any such taxable year, after excluding any refunds of
10 federal income tax and before the deduction of federal income taxes
11 provided by subsection (c)(ii) shall be allocated as provided in K.S.A. 79-
12 3271 to K.S.A. 79-3293, inclusive, and amendments thereto, plus any
13 refund of federal income tax as determined under paragraph (iv) of
14 subsection (b) of K.S.A. 79-32,117, and amendments thereto, and minus
15 the deduction for federal income taxes as provided by subsection (c)(ii)
16 shall be such corporation's Kansas taxable income.

17 (e) A corporation may make an election with respect to its first
18 taxable year commencing after December 31, 1982, whereby no addition
19 modifications as provided for in subsection (b)(ii) of K.S.A. 79-32,138,
20 and amendments thereto, and subtraction modifications as provided for in
21 subsection (c)(iii) of K.S.A. 79-32,138, and amendments thereto, as those
22 subsections existed prior to their amendment by this act, shall be required
23 to be made for such taxable year.

24 ~~Sec. 47.~~ **18.** K.S.A. 2012 Supp. 79-32,182b is hereby amended to
25 read as follows: 79-32,182b. (a) For all taxable years commencing after
26 December 31, 2000, a credit shall be allowed against the tax imposed by
27 the Kansas income tax act on the Kansas taxable income of a taxpayer for
28 expenditures in research and development activities conducted within this
29 state in an amount equal to 6¹/₂% of the amount by which the amount
30 expended for such activities in the taxable year of the taxpayer exceeds the
31 taxpayer's average of the actual expenditures for such purposes made in
32 such taxable year and the next preceding two taxable years.

33 (b) In any one taxable year, the amount of such credit allowable for
34 deduction from the taxpayer's tax liability shall not exceed 25% of the total
35 amount of such credit plus any applicable carry forward amount. The
36 amount by which that portion of the credit allowed by subsections (a) and
37 (b) to be claimed in any one taxable year exceeds the taxpayer's tax
38 liability in such year may be carried forward until the total amount of the
39 credit is used.

40 (c) As used in this section, the term "expenditures in research and
41 development activities" means expenditures made for such purposes, other
42 than expenditures of moneys made available to the taxpayer pursuant to
43 federal or state law, which are treated as expenses allowable for deduction

1 under the provisions of the federal internal revenue code of 1986, ~~and~~
2 ~~amendments thereto~~ *as amended, except that for taxable years*
3 *commencing after December 31, 2013, expenditures in research and*
4 *development activities shall not include any expenditures for the*
5 *performance of any abortion, as defined in K.S.A. 65-6701, and*
6 *amendments thereto.*

7 (d) For tax year 2013 and all tax years thereafter, the income tax
8 credit provided by this section shall only be available to taxpayers subject
9 to the income tax on corporations imposed pursuant to subsection (c) of
10 K.S.A. 79-32,110, and amendments thereto, and shall be applied only
11 against such taxpayer's corporate income tax liability.

12 ~~Sec. 48. 19.~~ K.S.A. 2012 Supp. 79-32,195 is hereby amended to read
13 as follows: 79-32,195. As used in this act, the following words and phrases
14 shall have the meanings ascribed to them herein: (a) "Business firm"
15 means any business entity authorized to do business in the state of Kansas
16 which is subject to the state income tax imposed by the provisions of the
17 Kansas income tax act, any individual subject to the state income tax
18 imposed by the provisions of the Kansas income tax act, any national
19 banking association, state bank, trust company or savings and loan
20 association paying an annual tax on its net income pursuant to article 11 of
21 chapter 79 of the Kansas Statutes Annotated, *and amendments thereto*, or
22 any insurance company paying the premium tax and privilege fees
23 imposed pursuant to K.S.A. 40-252, and amendments thereto;

24 (b) "Community services" means:

25 (1) The conduct of activities which meet a demonstrated community
26 need and which are designed to achieve improved educational and social
27 services for Kansas children and their families, and which are coordinated
28 with communities including, but not limited to, social and human services
29 organizations that address the causes of poverty through programs and
30 services that assist low income persons in the areas of employment, food,
31 housing, emergency assistance and health care;

32 (2) crime prevention; and

33 (3) health care services.

34 (c) "Crime prevention" means any nongovernmental activity which
35 aids in the prevention of crime.

36 (d) "Community service organization" means any organization
37 performing community services in Kansas and which:

38 (1) Has obtained a ruling from the internal revenue service of the
39 United States department of the treasury that such organization is exempt
40 from income taxation under the provisions of section 501(c)(3) of the
41 federal internal revenue code; or

42 (2) is incorporated in the state of Kansas or another state as a
43 nonstock, nonprofit corporation; or

1 (3) has been designated as a community development corporation by
2 the United States government under the provisions of title VII of the
3 economic opportunity act of 1964; or

4 (4) is chartered by the United States congress.

5 (e) "Contributions" shall mean and include the donation of cash,
6 services or property other than used clothing in an amount or value of
7 \$250 or more. Stocks and bonds contributed shall be valued at the stock
8 market price on the date of transfer. Services contributed shall be valued at
9 the standard billing rate for not-for-profit clients. Personal property items
10 contributed shall be valued at the lesser of its fair market value or cost to
11 the donor and may be inclusive of costs incurred in making the
12 contribution, but shall not include sales tax. Contributions of real estate are
13 allowable for credit only when title thereto is in fee simple absolute and is
14 clear of any encumbrances. The amount of credit allowable shall be based
15 upon the lesser of two current independent appraisals conducted by state
16 licensed appraisers.

17 (f) "Health care services" shall include, but not be limited to, the
18 following: Services provided by local health departments, city, county or
19 district hospitals, city or county nursing homes, or other residential
20 institutions, preventive health care services offered by a community
21 service organization including immunizations, prenatal care, the
22 postponement of entry into nursing homes by home health care services,
23 and community based services for persons with a disability, mental health
24 services, indigent health care, physician or health care worker recruitment,
25 health education, emergency medical services, services provided by rural
26 health clinics, integration of health care services, home health services and
27 services provided by rural health networks, *except that for taxable years*
28 *commencing after December 31, 2013, health care services shall not*
29 *include any service involving the performance of any abortion, as defined*
30 *in K.S.A. 65-6701, and amendments thereto.*

31 (g) "Rural community" means any city having a population of fewer
32 than 15,000 located in a county that is not part of a standard metropolitan
33 statistical area as defined by the United States department of commerce or
34 its successor agency. However, any such city located in a county defined
35 as a standard metropolitan statistical area shall be deemed a rural
36 community if a substantial number of persons in such county derive their
37 income from agriculture and, in any county where there is only one city
38 within the county which has a population of more than 15,000 and which
39 classifies as a standard metropolitan statistical area, all other cities in that
40 county having a population of less than 15,000 shall be deemed a rural
41 community.

42 ~~Sec. 19.~~ **20.** K.S.A. 2012 Supp. 79-32,261 is hereby amended to read
43 as follows: 79-32,261. (a) On and after July 1, 2008, any taxpayer who

1 contributes in the manner prescribed by this section to a community
2 college located in Kansas for capital improvements, to a technical college
3 for deferred maintenance or the purchase of technology or equipment or to
4 a postsecondary educational institution located in Kansas for deferred
5 maintenance, shall be allowed a credit against the tax imposed by the
6 Kansas income tax act, the premium tax or privilege fees imposed
7 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
8 measured by net income of financial institutions imposed pursuant to
9 article 11 of chapter 79 of the Kansas Statutes Annotated, *and amendments*
10 *thereto*. The tax credit allowed by this section is applicable for the tax year
11 2008 for any contributions made on and after July 1, 2008, and for the tax
12 years 2009, 2010, 2011 and 2012 for any contributions made during the
13 entire tax year. The amount of the credit allowed by this section shall not
14 exceed 60% of the total amount contributed during the taxable year by the
15 taxpayer to a community college or a technical college located in Kansas
16 for such purposes. The amount of the credit allowed by this section shall
17 not exceed 50% of the total amount contributed during the taxable year by
18 the taxpayer to a postsecondary educational institution for such purposes.
19 If the amount of the credit allowed by this section for a taxpayer who
20 contributes to a community college or a technical college exceeds the
21 taxpayer's income tax liability imposed by the Kansas income tax act, such
22 excess amount shall be refunded to the taxpayer. If the amount of the tax
23 credit for a taxpayer who contributes to a postsecondary educational
24 institution exceeds the taxpayer's income tax liability for the taxable year,
25 the amount which exceeds the tax liability may be carried over for
26 deduction from the taxpayer's income tax liability in the next succeeding
27 taxable year or years until the total amount of the tax credit has been
28 deducted from tax liability, except that no such tax credit shall be carried
29 over for deduction after the third taxable year succeeding the taxable year
30 in which the contribution is made. Prior to the issuance of any tax credits
31 pursuant to this section, the structure of the process in which contributions
32 received by a community college, a technical college or a postsecondary
33 educational institution qualify as tax credits allowed and issued pursuant to
34 this section shall be developed by a community college, a technical college
35 and a postsecondary educational institution in consultation with the
36 secretary of revenue and the foundation or endowment association of any
37 such community college, technical college or postsecondary educational
38 institution in a manner that complies with requirements specified in the
39 federal internal revenue code of 1986, as amended, so that contributions
40 qualify as charitable contributions allowable as deductions from federal
41 adjusted gross income.

42 (b) (1) Upon receipt of any such contributions to a community
43 college made pursuant to the provisions of this section, the treasurer of the

1 community college shall deposit such contributions to the credit of the
2 capital outlay fund of such community college established as provided by
3 K.S.A. 71-501a, and amendments thereto. Expenditures from such fund
4 shall be made for the purposes described in subsection (a) of K.S.A. 71-
5 501, and amendments thereto, except that expenditures shall not be made
6 from such fund for new construction or the acquisition of real property for
7 use as building sites or for educational programs.

8 (2) Upon receipt of any such contributions to a technical college
9 made pursuant to the provisions of this section, such contributions shall be
10 deposited to the credit of a deferred maintenance fund or a technology and
11 equipment fund established by the technical college which received the
12 contribution. Expenditures from such fund shall be made only for the
13 purpose as provided in this subsection.

14 (3) Upon receipt of any such contributions to a postsecondary
15 educational institution made pursuant to the provisions of this section,
16 such contributions shall be deposited to the credit of the appropriate
17 deferred maintenance support fund of the postsecondary educational
18 institution which received the contribution. Expenditures from such fund
19 shall be made only for the purposes designated for such fund pursuant to
20 law.

21 (c) (1) In no event shall the total amount of credits allowed under this
22 section for taxpayers who contribute to any one such community college
23 or technical college exceed the following amounts: For the tax year 2008,
24 an amount not to exceed \$78,125; for the tax year 2009, an amount not to
25 exceed \$156,250; and for the tax years 2010, 2011 and 2012, an amount
26 not to exceed \$208,233.33.

27 (2) In no event shall the total of credits allowed under this section for
28 taxpayers who contribute to postsecondary educational institutions exceed
29 the following amounts: For the tax year 2008, an amount not to exceed
30 \$5,625,000; for the tax year 2009, an amount not to exceed \$11,250,000;
31 and for the tax years 2010, 2011 and 2012, an amount not to exceed
32 \$15,000,000. Except as otherwise provided, the allocation of such tax
33 credits for each individual state educational institution shall be determined
34 by the state board of regents in consultation with the secretary of revenue
35 and the university foundation or endowment association of each
36 postsecondary educational institution, and such determination shall be
37 completed prior to the issuance of any tax credits pursuant to this section.
38 Not more than 40% of the total of credits allowed under this section shall
39 be allocated to any one postsecondary educational institution unless all
40 such postsecondary educational institutions approve an allocation to any
41 one such postsecondary educational institution which exceeds 40% of the
42 total of such credits allowed under this section.

43 (d) As used in this section: (1) "Community college" means a

1 community college established under the provisions of the community
2 college act;

3 (2) "deferred maintenance" means the maintenance, repair,
4 reconstruction or rehabilitation of a building located at a technical college
5 or a postsecondary educational institution which has been deferred, any
6 utility systems relating to such building, any life-safety upgrades to such
7 building and any improvements necessary to be made to such building in
8 order to comply with the requirements of the Americans with disabilities
9 act or other federal or state law, *except that for taxable years commencing*
10 *after December 31, 2013, deferred maintenance shall not include any*
11 *maintenance, repair, reconstruction or rehabilitation of any building in*
12 *which any abortion, as defined in K.S.A. 65-6701, and amendments*
13 *thereto, is performed;*

14 (3) "postsecondary educational institution" means the university of
15 Kansas, Kansas state university of agriculture and applied science, Wichita
16 state university, Emporia state university, Pittsburg state university, Fort
17 Hays state university and Washburn university of Topeka; and

18 (4) "technical college" means a technical college as designated
19 pursuant to K.S.A. 72-4472, 72-4473, 72-4474, 72-4475 and 72-4477, and
20 amendments thereto.

21 (e) Any taxpayer not subject to Kansas income, privilege or
22 premiums tax who contributes to a community college, technical college
23 or postsecondary educational institution, hereinafter designated the
24 transferor, may sell, assign, convey or otherwise transfer tax credits
25 allowed and earned pursuant to this section. The sale price of a tax credit
26 shall be at least 50% of the full value of the credit. Such credit shall be
27 deemed to be allowed and earned by any such taxpayer which is only
28 disqualified therefrom by reason of not being subject to such Kansas taxes.
29 The taxpayer acquiring earned credits, hereinafter designated the
30 transferee, may use the amount of the acquired credits to offset up to 100%
31 of the taxpayer's income, privilege or premiums tax liability for the taxable
32 year in which such acquisition was made. Such credits may be sold or
33 transferred only one time and, if sold or transferred, shall be transferred in
34 the tax year such credit is earned or the two successive tax years. A
35 transferred credit shall be claimed in the year purchased. The transferor
36 shall enter into a written agreement with the transferee establishing the
37 terms and conditions of the sale or transfer and shall perfect such transfer
38 by notifying the secretary of revenue in writing within 30 calendar days
39 following the effective date of the transfer, subject to the review and
40 approval or denial of such transfer by the secretary of revenue. The
41 transferor and transferee shall provide any information pertaining to the
42 sale or transfer as may be required by the secretary of revenue to
43 administer and carry out the provisions of this section. The amount

1 received by the transferor of such tax credit shall be taxable as income of
2 the transferor, and the excess of the value of such credit over the amount
3 paid by the transferee for such credit shall be taxable as income of the
4 transferee.

5 (f) The secretary of revenue shall submit an annual report to the
6 legislature to assist the legislature in the evaluation of the utilization of any
7 credits claimed pursuant to this act, including information specific as to
8 each community college, technical college or postsecondary educational
9 institution. Such report shall be due on or before the first day of the
10 legislative session following the tax year in which the credits were
11 claimed.

12 (g) The secretary of revenue shall adopt rules and regulations
13 necessary to administer the provisions of this section.

14 ~~Sec. 20.~~ **21.** K.S.A. 2012 Supp. 79-3606 is hereby amended to read as
15 follows: 79-3606. The following shall be exempt from the tax imposed by
16 this act:

17 (a) All sales of motor-vehicle fuel or other articles upon which a sales
18 or excise tax has been paid, not subject to refund, under the laws of this
19 state except cigarettes as defined by K.S.A. 79-3301, and amendments
20 thereto, cereal malt beverages and malt products as defined by K.S.A. 79-
21 3817, and amendments thereto, including wort, liquid malt, malt syrup and
22 malt extract, which is not subject to taxation under the provisions of
23 K.S.A. 79-41a02, and amendments thereto, motor vehicles taxed pursuant
24 to K.S.A. 79-5117, and amendments thereto, tires taxed pursuant to K.S.A.
25 65-3424d, and amendments thereto, drycleaning and laundry services
26 taxed pursuant to K.S.A. 65-34,150, and amendments thereto, and gross
27 receipts from regulated sports contests taxed pursuant to the Kansas
28 professional regulated sports act, and amendments thereto;

29 (b) all sales of tangible personal property or service, including the
30 renting and leasing of tangible personal property, purchased directly by the
31 state of Kansas, a political subdivision thereof, other than a school or
32 educational institution, or purchased by a public or private nonprofit
33 hospital or public hospital authority or nonprofit blood, tissue or organ
34 bank and used exclusively for state, political subdivision, hospital or
35 public hospital authority or nonprofit blood, tissue or organ bank purposes,
36 except when: (1) Such state, hospital or public hospital authority is
37 engaged or proposes to engage in any business specifically taxable under
38 the provisions of this act and such items of tangible personal property or
39 service are used or proposed to be used in such business; or (2) such
40 political subdivision is engaged or proposes to engage in the business of
41 furnishing gas, electricity or heat to others and such items of personal
42 property or service are used or proposed to be used in such business;

43 (c) all sales of tangible personal property or services, including the

1 renting and leasing of tangible personal property, purchased directly by a
2 public or private elementary or secondary school or public or private
3 nonprofit educational institution and used primarily by such school or
4 institution for nonsectarian programs and activities provided or sponsored
5 by such school or institution or in the erection, repair or enlargement of
6 buildings to be used for such purposes. The exemption herein provided
7 shall not apply to erection, construction, repair, enlargement or equipment
8 of buildings used primarily for human habitation;

9 (d) all sales of tangible personal property or services purchased by a
10 contractor for the purpose of constructing, equipping, reconstructing,
11 maintaining, repairing, enlarging, furnishing or remodeling facilities for
12 any public or private nonprofit hospital or public hospital authority, public
13 or private elementary or secondary school, a public or private nonprofit
14 educational institution, state correctional institution including a privately
15 constructed correctional institution contracted for state use and ownership,
16 which would be exempt from taxation under the provisions of this act if
17 purchased directly by such hospital or public hospital authority, school,
18 educational institution or a state correctional institution; and all sales of
19 tangible personal property or services purchased by a contractor for the
20 purpose of constructing, equipping, reconstructing, maintaining, repairing,
21 enlarging, furnishing or remodeling facilities for any political subdivision
22 of the state or district described in subsection (s), the total cost of which is
23 paid from funds of such political subdivision or district and which would
24 be exempt from taxation under the provisions of this act if purchased
25 directly by such political subdivision or district. Nothing in this subsection
26 or in the provisions of K.S.A. 12-3418, and amendments thereto, shall be
27 deemed to exempt the purchase of any construction machinery, equipment
28 or tools used in the constructing, equipping, reconstructing, maintaining,
29 repairing, enlarging, furnishing or remodeling facilities for any political
30 subdivision of the state or any such district. As used in this subsection,
31 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
32 political subdivision" shall mean general tax revenues, the proceeds of any
33 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
34 purpose of constructing, equipping, reconstructing, repairing, enlarging,
35 furnishing or remodeling facilities which are to be leased to the donor.
36 When any political subdivision of the state, district described in subsection
37 (s), public or private nonprofit hospital or public hospital authority, public
38 or private elementary or secondary school, public or private nonprofit
39 educational institution, state correctional institution including a privately
40 constructed correctional institution contracted for state use and ownership
41 shall contract for the purpose of constructing, equipping, reconstructing,
42 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
43 shall obtain from the state and furnish to the contractor an exemption

1 certificate for the project involved, and the contractor may purchase
2 materials for incorporation in such project. The contractor shall furnish the
3 number of such certificate to all suppliers from whom such purchases are
4 made, and such suppliers shall execute invoices covering the same bearing
5 the number of such certificate. Upon completion of the project the
6 contractor shall furnish to the political subdivision, district described in
7 subsection (s), hospital or public hospital authority, school, educational
8 institution or department of corrections concerned a sworn statement, on a
9 form to be provided by the director of taxation, that all purchases so made
10 were entitled to exemption under this subsection. As an alternative to the
11 foregoing procedure, any such contracting entity may apply to the
12 secretary of revenue for agent status for the sole purpose of issuing and
13 furnishing project exemption certificates to contractors pursuant to rules
14 and regulations adopted by the secretary establishing conditions and
15 standards for the granting and maintaining of such status. All invoices
16 shall be held by the contractor for a period of five years and shall be
17 subject to audit by the director of taxation. If any materials purchased
18 under such a certificate are found not to have been incorporated in the
19 building or other project or not to have been returned for credit or the sales
20 or compensating tax otherwise imposed upon such materials which will
21 not be so incorporated in the building or other project reported and paid by
22 such contractor to the director of taxation not later than the 20th day of the
23 month following the close of the month in which it shall be determined
24 that such materials will not be used for the purpose for which such
25 certificate was issued, the political subdivision, district described in
26 subsection (s), hospital or public hospital authority, school, educational
27 institution or the contractor contracting with the department of corrections
28 for a correctional institution concerned shall be liable for tax on all
29 materials purchased for the project, and upon payment thereof it may
30 recover the same from the contractor together with reasonable attorney
31 fees. Any contractor or any agent, employee or subcontractor thereof, who
32 shall use or otherwise dispose of any materials purchased under such a
33 certificate for any purpose other than that for which such a certificate is
34 issued without the payment of the sales or compensating tax otherwise
35 imposed upon such materials, shall be guilty of a misdemeanor and, upon
36 conviction therefor, shall be subject to the penalties provided for in
37 subsection (g) of K.S.A. 79-3615, and amendments thereto;

38 (e) all sales of tangible personal property or services purchased by a
39 contractor for the erection, repair or enlargement of buildings or other
40 projects for the government of the United States, its agencies or
41 instrumentalities, which would be exempt from taxation if purchased
42 directly by the government of the United States, its agencies or
43 instrumentalities. When the government of the United States, its agencies

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

26 (f) tangible personal property purchased by a railroad or public utility
27 for consumption or movement directly and immediately in interstate
28 commerce;

29 (g) sales of aircraft including remanufactured and modified aircraft
30 sold to persons using directly or through an authorized agent such aircraft
31 as certified or licensed carriers of persons or property in interstate or
32 foreign commerce under authority of the laws of the United States or any
33 foreign government or sold to any foreign government or agency or
34 instrumentality of such foreign government and all sales of aircraft for use
35 outside of the United States and sales of aircraft repair, modification and
36 replacement parts and sales of services employed in the remanufacture,
37 modification and repair of aircraft;

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

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

42 (j) meals served without charge or food used in the preparation of
43 such meals to employees of any restaurant, eating house, dining car, hotel,

1 drugstore or other place where meals or drinks are regularly sold to the
2 public if such employees' duties are related to the furnishing or sale of
3 such meals or drinks;

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

10 (l) all isolated or occasional sales of tangible personal property,
11 services, substances or things, except isolated or occasional sale of motor
12 vehicles specifically taxed under the provisions of subsection (o) of K.S.A.
13 79-3603, and amendments thereto;

14 (m) all sales of tangible personal property which become an
15 ingredient or component part of tangible personal property or services
16 produced, manufactured or compounded for ultimate sale at retail within
17 or without the state of Kansas; and any such producer, manufacturer or
18 compounder may obtain from the director of taxation and furnish to the
19 supplier an exemption certificate number for tangible personal property for
20 use as an ingredient or component part of the property or services
21 produced, manufactured or compounded;

22 (n) all sales of tangible personal property which is consumed in the
23 production, manufacture, processing, mining, drilling, refining or
24 compounding of tangible personal property, the treating of by-products or
25 wastes derived from any such production process, the providing of
26 services or the irrigation of crops for ultimate sale at retail within or
27 without the state of Kansas; and any purchaser of such property may
28 obtain from the director of taxation and furnish to the supplier an
29 exemption certificate number for tangible personal property for
30 consumption in such production, manufacture, processing, mining,
31 drilling, refining, compounding, treating, irrigation and in providing such
32 services;

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

39 (p) all sales of drugs dispensed pursuant to a prescription order by a
40 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
41 1626, and amendments thereto. As used in this subsection, "drug" means a
42 compound, substance or preparation and any component of a compound,
43 substance or preparation, other than food and food ingredients, dietary

1 supplements or alcoholic beverages, recognized in the official United
2 States pharmacopoeia, official homeopathic pharmacopoeia of the United
3 States or official national formulary, and supplement to any of them,
4 intended for use in the diagnosis, cure, mitigation, treatment or prevention
5 of disease or intended to affect the structure or any function of the body,
6 *except that for taxable years commencing after December 31, 2013, this*
7 *subsection shall not apply to any sales of drugs used in the performance*
8 *or induction of an abortion, as defined in K.S.A. 65-6701, and*
9 *amendments thereto;*

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

13 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,
14 enteral feeding systems, prosthetic devices and mobility enhancing
15 equipment prescribed in writing by a person licensed to practice the
16 healing arts, dentistry or optometry, and in addition to such sales, all sales
17 of hearing aids, as defined by subsection (c) of K.S.A. 74-5807, and
18 amendments thereto, and repair and replacement parts therefor, including
19 batteries, by a person licensed in the practice of dispensing and fitting
20 hearing aids pursuant to the provisions of K.S.A. 74-5808, and
21 amendments thereto. For the purposes of this subsection: (1) "Mobility
22 enhancing equipment" means equipment including repair and replacement
23 parts to same, but does not include durable medical equipment, which is
24 primarily and customarily used to provide or increase the ability to move
25 from one place to another and which is appropriate for use either in a
26 home or a motor vehicle; is not generally used by persons with normal
27 mobility; and does not include any motor vehicle or equipment on a motor
28 vehicle normally provided by a motor vehicle manufacturer; and (2)
29 "prosthetic device" means a replacement, corrective or supportive device
30 including repair and replacement parts for same worn on or in the body to
31 artificially replace a missing portion of the body, prevent or correct
32 physical deformity or malfunction or support a weak or deformed portion
33 of the body;

34 (s) except as provided in K.S.A. 2012 Supp. 82a-2101, and
35 amendments thereto, all sales of tangible personal property or services
36 purchased directly or indirectly by a groundwater management district
37 organized or operating under the authority of K.S.A. 82a-1020 et seq., and
38 amendments thereto, by a rural water district organized or operating under
39 the authority of K.S.A. 82a-612, and amendments thereto, or by a water
40 supply district organized or operating under the authority of K.S.A. 19-
41 3501 et seq., 19-3522 et seq., or 19-3545, and amendments thereto, which
42 property or services are used in the construction activities, operation or
43 maintenance of the district;

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

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

30 (v) all sales of tangible personal property to any contractor for use in
31 preparing meals for delivery to homebound elderly persons over 60 years
32 of age and to homebound disabled persons or to be served at a group-
33 sitting at a location outside of the home to otherwise homebound elderly
34 persons over 60 years of age and to otherwise homebound disabled
35 persons, as all or part of any food service project funded in whole or in
36 part by government or as part of a private nonprofit food service project
37 available to all such elderly or disabled persons residing within an area of
38 service designated by the private nonprofit organization, and all sales of
39 tangible personal property for use in preparing meals for consumption by
40 indigent or homeless individuals whether or not such meals are consumed
41 at a place designated for such purpose, and all sales of food products by or
42 on behalf of any such contractor or organization for any such purpose;

43 (w) all sales of natural gas, electricity, heat and water delivered

1 through mains, lines or pipes: (1) To residential premises for
2 noncommercial use by the occupant of such premises; (2) for agricultural
3 use and also, for such use, all sales of propane gas; (3) for use in the
4 severing of oil; and (4) to any property which is exempt from property
5 taxation pursuant to K.S.A. 79-201b, *Second* through *Sixth*. As used in this
6 paragraph, "severing" shall have the meaning ascribed thereto by
7 subsection (k) of K.S.A. 79-4216, and amendments thereto. For all sales of
8 natural gas, electricity and heat delivered through mains, lines or pipes
9 pursuant to the provisions of subsection (w)(1) and (w)(2), the provisions
10 of this subsection shall expire on December 31, 2005;

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

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

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

21 (aa) all sales of materials and services applied to equipment which is
22 transported into the state from without the state for repair, service,
23 alteration, maintenance, remanufacture or modification and which is
24 subsequently transported outside the state for use in the transmission of
25 liquids or natural gas by means of pipeline in interstate or foreign
26 commerce under authority of the laws of the United States;

27 (bb) all sales of used mobile homes or manufactured homes. As used
28 in this subsection: (1) "Mobile homes" and "manufactured homes" shall
29 have the meanings ascribed thereto by K.S.A. 58-4202, and amendments
30 thereto; and (2) "sales of used mobile homes or manufactured homes"
31 means sales other than the original retail sale thereof;

32 (cc) all sales of tangible personal property or services purchased prior
33 to January 1, 2012, except as otherwise provided, for the purpose of and in
34 conjunction with constructing, reconstructing, enlarging or remodeling a
35 business or retail business which meets the requirements established in
36 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
37 machinery and equipment purchased for installation at any such business
38 or retail business, and all sales of tangible personal property or services
39 purchased on or after January 1, 2012, for the purpose of and in
40 conjunction with constructing, reconstructing, enlarging or remodeling a
41 business which meets the requirements established in K.S.A. 74-50,115(e),
42 and amendments thereto, and the sale and installation of machinery and
43 equipment purchased for installation at any such business. When a person

1 shall contract for the construction, reconstruction, enlargement or
2 remodeling of any such business or retail business, such person shall
3 obtain from the state and furnish to the contractor an exemption certificate
4 for the project involved, and the contractor may purchase materials,
5 machinery and equipment for incorporation in such project. The contractor
6 shall furnish the number of such certificates to all suppliers from whom
7 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 the owner of the
10 business or retail business a sworn statement, on a form to be provided by
11 the director of taxation, that all purchases so made were entitled to
12 exemption under this subsection. All invoices shall be held by the
13 contractor for a period of five years and shall be subject to audit by the
14 director of taxation. Any contractor or any agent, employee or
15 subcontractor thereof, who shall use or otherwise dispose of any materials,
16 machinery or equipment purchased under such a certificate for any
17 purpose other than that for which such a certificate is issued without the
18 payment of the sales or compensating tax otherwise imposed thereon, shall
19 be guilty of a misdemeanor and, upon conviction therefor, shall be subject
20 to the penalties provided for in subsection (g) of K.S.A. 79-3615, and
21 amendments thereto. As used in this subsection, "business" and "retail
22 business" have the meanings respectively ascribed thereto by K.S.A. 74-
23 50,114, and amendments thereto. Project exemption certificates that have
24 been previously issued under this subsection by the department of revenue
25 pursuant to K.S.A. 74-50,115, and amendments thereto, but not including
26 K.S.A. 74-50,115(e), and amendments thereto, prior to January 1, 2012,
27 and have not expired will be effective for the term of the project or two
28 years from the effective date of the certificate, whichever occurs earlier.
29 Project exemption certificates that are submitted to the department of
30 revenue prior to January 1, 2012, and are found to qualify will be issued a
31 project exemption certificate that will be effective for a two-year period or
32 for the term of the project, whichever occurs earlier;

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

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

37 (ff) on and after July 1, 1988, all sales of new mobile homes or
38 manufactured homes to the extent of 40% of the gross receipts, determined
39 without regard to any trade-in allowance, received from such sale. As used
40 in this subsection, "mobile homes" and "manufactured homes" shall have
41 the meanings ascribed thereto by K.S.A. 58-4202, and amendments
42 thereto;

43 (gg) all sales of tangible personal property purchased in accordance

1 with vouchers issued pursuant to the federal special supplemental food
2 program for women, infants and children;

3 (hh) all sales of medical supplies and equipment, including durable
4 medical equipment, purchased directly by a nonprofit skilled nursing home
5 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
6 and amendments thereto, for the purpose of providing medical services to
7 residents thereof. This exemption shall not apply to tangible personal
8 property customarily used for human habitation purposes. As used in this
9 subsection, "durable medical equipment" means equipment including
10 repair and replacement parts for such equipment, which can withstand
11 repeated use, is primarily and customarily used to serve a medical purpose,
12 generally is not useful to a person in the absence of illness or injury and is
13 not worn in or on the body, but does not include mobility enhancing
14 equipment as defined in subsection (r), oxygen delivery equipment, kidney
15 dialysis equipment or enteral feeding systems;

16 (ii) all sales of tangible personal property purchased directly by a
17 nonprofit organization for nonsectarian comprehensive multidiscipline
18 youth development programs and activities provided or sponsored by such
19 organization, and all sales of tangible personal property by or on behalf of
20 any such organization. This exemption shall not apply to tangible personal
21 property customarily used for human habitation purposes;

22 (jj) all sales of tangible personal property or services, including the
23 renting and leasing of tangible personal property, purchased directly on
24 behalf of a community-based facility for people with intellectual disability
25 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and
26 amendments thereto, and licensed in accordance with the provisions of
27 K.S.A. 75-3307b, and amendments thereto, and all sales of tangible
28 personal property or services purchased by contractors during the time
29 period from July, 2003, through June, 2006, for the purpose of
30 constructing, equipping, maintaining or furnishing a new facility for a
31 community-based facility for people with intellectual disability or mental
32 health center located in Riverton, Cherokee County, Kansas, which would
33 have been eligible for sales tax exemption pursuant to this subsection if
34 purchased directly by such facility or center. This exemption shall not
35 apply to tangible personal property customarily used for human habitation
36 purposes;

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

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

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

1 (2) For purposes of this subsection:

2 (A) "Integrated production operation" means an integrated series of
3 operations engaged in at a manufacturing or processing plant or facility to
4 process, transform or convert tangible personal property by physical,
5 chemical or other means into a different form, composition or character
6 from that in which it originally existed. Integrated production operations
7 shall include: (i) Production line operations, including packaging
8 operations; (ii) preproduction operations to handle, store and treat raw
9 materials; (iii) post production handling, storage, warehousing and
10 distribution operations; and (iv) waste, pollution and environmental
11 control operations, if any;

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

15 (C) "manufacturing or processing plant or facility" means a single,
16 fixed location owned or controlled by a manufacturing or processing
17 business that consists of one or more structures or buildings in a
18 contiguous area where integrated production operations are conducted to
19 manufacture or process tangible personal property to be ultimately sold at
20 retail. Such term shall not include any facility primarily operated for the
21 purpose of conveying or assisting in the conveyance of natural gas,
22 electricity, oil or water. A business may operate one or more manufacturing
23 or processing plants or facilities at different locations to manufacture or
24 process a single product of tangible personal property to be ultimately sold
25 at retail;

26 (D) "manufacturing or processing business" means a business that
27 utilizes an integrated production operation to manufacture, process,
28 fabricate, finish, or assemble items for wholesale and retail distribution as
29 part of what is commonly regarded by the general public as an industrial
30 manufacturing or processing operation or an agricultural commodity
31 processing operation. (i) Industrial manufacturing or processing operations
32 include, by way of illustration but not of limitation, the fabrication of
33 automobiles, airplanes, machinery or transportation equipment, the
34 fabrication of metal, plastic, wood, or paper products, electricity power
35 generation, water treatment, petroleum refining, chemical production,
36 wholesale bottling, newspaper printing, ready mixed concrete production,
37 and the remanufacturing of used parts for wholesale or retail sale. Such
38 processing operations shall include operations at an oil well, gas well,
39 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
40 sand or gravel that has been extracted from the earth is cleaned, separated,
41 crushed, ground, milled, screened, washed, or otherwise treated or
42 prepared before its transmission to a refinery or before any other wholesale
43 or retail distribution. (ii) Agricultural commodity processing operations

1 include, by way of illustration but not of limitation, meat packing, poultry
2 slaughtering and dressing, processing and packaging farm and dairy
3 products in sealed containers for wholesale and retail distribution, feed
4 grinding, grain milling, frozen food processing, and grain handling,
5 cleaning, blending, fumigation, drying and aeration operations engaged in
6 by grain elevators or other grain storage facilities. (iii) Manufacturing or
7 processing businesses do not include, by way of illustration but not of
8 limitation, nonindustrial businesses whose operations are primarily retail
9 and that produce or process tangible personal property as an incidental part
10 of conducting the retail business, such as retailers who bake, cook or
11 prepare food products in the regular course of their retail trade, grocery
12 stores, meat lockers and meat markets that butcher or dress livestock or
13 poultry in the regular course of their retail trade, contractors who alter,
14 service, repair or improve real property, and retail businesses that clean,
15 service or refurbish and repair tangible personal property for its owner;

16 (E) "repair and replacement parts and accessories" means all parts
17 and accessories for exempt machinery and equipment, including, but not
18 limited to, dies, jigs, molds, patterns and safety devices that are attached to
19 exempt machinery or that are otherwise used in production, and parts and
20 accessories that require periodic replacement such as belts, drill bits,
21 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
22 other refractory items for exempt kiln equipment used in production
23 operations;

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

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

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

30 (B) to transport, convey, handle or store the property undergoing
31 manufacturing or processing at any point from the beginning of the
32 production line through any warehousing or distribution operation of the
33 final product that occurs at the plant or facility;

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

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

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

41 (F) to plan, manage, control or record the receipt and flow of
42 inventories of raw materials, consumables and component parts, the flow
43 of the property undergoing manufacturing or processing and the

1 management of inventories of the finished product;

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

5 (H) to package the property being manufactured or processed in a
6 container or wrapping in which such property is normally sold or
7 transported;

8 (I) to transmit or transport electricity, coke, gas, water, steam or
9 similar substances used in production operations from the point of
10 generation, if produced by the manufacturer or processor at the plant site,
11 to that manufacturer's production operation; or, if purchased or delivered
12 from off-site, from the point where the substance enters the site of the
13 plant or facility to that manufacturer's production operations;

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

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

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

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

24 (4) The following machinery, equipment and materials shall be
25 deemed to be exempt even though it may not otherwise qualify as
26 machinery and equipment used as an integral or essential part of an
27 integrated production operation: (A) Computers and related peripheral
28 equipment that are utilized by a manufacturing or processing business for
29 engineering of the finished product or for research and development or
30 product design; (B) machinery and equipment that is utilized by a
31 manufacturing or processing business to manufacture or rebuild tangible
32 personal property that is used in manufacturing or processing operations,
33 including tools, dies, molds, forms and other parts of qualifying machinery
34 and equipment; (C) portable plants for aggregate concrete, bulk cement
35 and asphalt including cement mixing drums to be attached to a motor
36 vehicle; (D) industrial fixtures, devices, support facilities and special
37 foundations necessary for manufacturing and production operations, and
38 materials and other tangible personal property sold for the purpose of
39 fabricating such fixtures, devices, facilities and foundations. An exemption
40 certificate for such purchases shall be signed by the manufacturer or
41 processor. If the fabricator purchases such material, the fabricator shall
42 also sign the exemption certificate; and (E) a manufacturing or processing
43 business' laboratory equipment that is not located at the plant or facility,

1 but that would otherwise qualify for exemption under subsection (3)(E).

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

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

9 (B) machinery, equipment and tools used primarily in maintaining
10 and repairing any type of machinery and equipment or the building and
11 plant;

12 (C) transportation, transmission and distribution equipment not
13 primarily used in a production, warehousing or material handling
14 operation at the plant or facility, including the means of conveyance of
15 natural gas, electricity, oil or water, and equipment related thereto, located
16 outside the plant or facility;

17 (D) office machines and equipment including computers and related
18 peripheral equipment not used directly and primarily to control or measure
19 the manufacturing process;

20 (E) furniture and other furnishings;

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

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

27 (H) machinery and equipment used for general plant heating, cooling
28 and lighting;

29 (I) motor vehicles that are registered for operation on public
30 highways; or

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

34 (6) Subsections (3) and (5) shall not be construed as exclusive listings
35 of the machinery and equipment that qualify or do not qualify as an
36 integral or essential part of an integrated production operation. When
37 machinery or equipment is used as an integral or essential part of
38 production operations part of the time and for nonproduction purpose at
39 other times, the primary use of the machinery or equipment shall
40 determine whether or not such machinery or equipment qualifies for
41 exemption.

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

1 (ll) all sales of educational materials purchased for distribution to the
2 public at no charge by a nonprofit corporation organized for the purpose of
3 encouraging, fostering and conducting programs for the improvement of
4 public health, *except that for taxable years commencing after December*
5 *31, 2013, this subsection shall not apply to any sales of such materials*
6 *purchased by a nonprofit corporation which performs any abortion, as*
7 *defined in K.S.A. 65-6701, and amendments thereto;*

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

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

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

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

20 (qq) all sales of tangible personal property and services purchased by
21 a nonprofit museum or historical society or any combination thereof,
22 including a nonprofit organization which is organized for the purpose of
23 stimulating public interest in the exploration of space by providing
24 educational information, exhibits and experiences, which is exempt from
25 federal income taxation pursuant to section 501(c)(3) of the federal
26 internal revenue code of 1986;

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

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

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

43 (uu) all sales of tangible personal property and services purchased by

1 or on behalf of any rural volunteer fire-fighting organization for use
2 exclusively in the performance of its duties and functions;

3 (vv) all sales of tangible personal property purchased by any of the
4 following organizations which are exempt from federal income taxation
5 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
6 for the following purposes, and all sales of any such property by or on
7 behalf of any such organization for any such purpose:

8 (1) The American Heart Association, Kansas Affiliate, Inc. for the
9 purposes of providing education, training, certification in emergency
10 cardiac care, research and other related services to reduce disability and
11 death from cardiovascular diseases and stroke;

12 (2) the Kansas Alliance for the Mentally Ill, Inc. for the purpose of
13 advocacy for persons with mental illness and to education, research and
14 support for their families;

15 (3) the Kansas Mental Illness Awareness Council for the purposes of
16 advocacy for persons who are mentally ill and to education, research and
17 support for them and their families;

18 (4) the American Diabetes Association Kansas Affiliate, Inc. for the
19 purpose of eliminating diabetes through medical research, public education
20 focusing on disease prevention and education, patient education including
21 information on coping with diabetes, and professional education and
22 training;

23 (5) the American Lung Association of Kansas, Inc. for the purpose of
24 eliminating all lung diseases through medical research, public education
25 including information on coping with lung diseases, professional education
26 and training related to lung disease and other related services to reduce the
27 incidence of disability and death due to lung disease;

28 (6) the Kansas chapters of the Alzheimer's Disease and Related
29 Disorders Association, Inc. for the purpose of providing assistance and
30 support to persons in Kansas with Alzheimer's disease, and their families
31 and caregivers;

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

35 (8) the National Kidney Foundation of Kansas and Western Missouri
36 for the purpose of eliminating kidney disease through medical research
37 and public and private education related to such disease;

38 (9) the heartstrings community foundation for the purpose of
39 providing training, employment and activities for adults with
40 developmental disabilities;

41 (10) the Cystic Fibrosis Foundation, Heart of America Chapter, for
42 the purposes of assuring the development of the means to cure and control
43 cystic fibrosis and improving the quality of life for those with the disease;

- 1 (11) the spina bifida association of Kansas for the purpose of
2 providing financial, educational and practical aid to families and
3 individuals with spina bifida. Such aid includes, but is not limited to,
4 funding for medical devices, counseling and medical educational
5 opportunities;
- 6 (12) the CHWC, Inc., for the purpose of rebuilding urban core
7 neighborhoods through the construction of new homes, acquiring and
8 renovating existing homes and other related activities, and promoting
9 economic development in such neighborhoods;
- 10 (13) the cross-lines cooperative council for the purpose of providing
11 social services to low income individuals and families;
- 12 (14) the Dreams Work, Inc., for the purpose of providing young adult
13 day services to individuals with developmental disabilities and assisting
14 families in avoiding institutional or nursing home care for a
15 developmentally disabled member of their family;
- 16 (15) the KSDS, Inc., for the purpose of promoting the independence
17 and inclusion of people with disabilities as fully participating and
18 contributing members of their communities and society through the
19 training and providing of guide and service dogs to people with
20 disabilities, and providing disability education and awareness to the
21 general public;
- 22 (16) the lyme association of greater Kansas City, Inc., for the purpose
23 of providing support to persons with lyme disease and public education
24 relating to the prevention, treatment and cure of lyme disease;
- 25 (17) the Dream Factory, Inc., for the purpose of granting the dreams
26 of children with critical and chronic illnesses;
- 27 (18) the Ottawa Suzuki Strings, Inc., for the purpose of providing
28 students and families with education and resources necessary to enable
29 each child to develop fine character and musical ability to the fullest
30 potential;
- 31 (19) the International Association of Lions Clubs for the purpose of
32 creating and fostering a spirit of understanding among all people for
33 humanitarian needs by providing voluntary services through community
34 involvement and international cooperation;
- 35 (20) the Johnson county young matrons, inc., for the purpose of
36 promoting a positive future for members of the community through
37 volunteerism, financial support and education through the efforts of an all
38 volunteer organization;
- 39 (21) the American Cancer Society, Inc., for the purpose of eliminating
40 cancer as a major health problem by preventing cancer, saving lives and
41 diminishing suffering from cancer, through research, education, advocacy
42 and service;
- 43 (22) the community services of Shawnee, inc., for the purpose of

1 providing food and clothing to those in need;

2 (23) the angel babies association, for the purpose of providing
3 assistance, support and items of necessity to teenage mothers and their
4 babies; and

5 (24) the Kansas fairgrounds foundation for the purpose of the
6 preservation, renovation and beautification of the Kansas state fairgrounds;

7 (ww) all sales of tangible personal property purchased by the Habitat
8 for Humanity for the exclusive use of being incorporated within a housing
9 project constructed by such organization;

10 (xx) all sales of tangible personal property and services purchased by
11 a nonprofit zoo which is exempt from federal income taxation pursuant to
12 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
13 of such zoo by an entity itself exempt from federal income taxation
14 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
15 contracted with to operate such zoo and all sales of tangible personal
16 property or services purchased by a contractor for the purpose of
17 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
18 furnishing or remodeling facilities for any nonprofit zoo which would be
19 exempt from taxation under the provisions of this section if purchased
20 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
21 this subsection shall be deemed to exempt the purchase of any construction
22 machinery, equipment or tools used in the constructing, equipping,
23 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
24 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for
25 the purpose of constructing, equipping, reconstructing, maintaining,
26 repairing, enlarging, furnishing or remodeling facilities, it shall obtain
27 from the state and furnish to the contractor an exemption certificate for the
28 project involved, and the contractor may purchase materials for
29 incorporation in such project. The contractor shall furnish the number of
30 such certificate to all suppliers from whom such purchases are made, and
31 such suppliers shall execute invoices covering the same bearing the
32 number of such certificate. Upon completion of the project the contractor
33 shall furnish to the nonprofit zoo concerned a sworn statement, on a form
34 to be provided by the director of taxation, that all purchases so made were
35 entitled to exemption under this subsection. All invoices shall be held by
36 the contractor for a period of five years and shall be subject to audit by the
37 director of taxation. If any materials purchased under such a certificate are
38 found not to have been incorporated in the building or other project or not
39 to have been returned for credit or the sales or compensating tax otherwise
40 imposed upon such materials which will not be so incorporated in the
41 building or other project reported and paid by such contractor to the
42 director of taxation not later than the 20th day of the month following the
43 close of the month in which it shall be determined that such materials will

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

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

15 (zz) all sales of machinery and equipment purchased by over-the-air,
16 free access radio or television station which is used directly and primarily
17 for the purpose of producing a broadcast signal or is such that the failure
18 of the machinery or equipment to operate would cause broadcasting to
19 cease. For purposes of this subsection, machinery and equipment shall
20 include, but not be limited to, that required by rules and regulations of the
21 federal communications commission, and all sales of electricity which are
22 essential or necessary for the purpose of producing a broadcast signal or is
23 such that the failure of the electricity would cause broadcasting to cease;

24 (aaa) all sales of tangible personal property and services purchased by
25 a religious organization which is exempt from federal income taxation
26 pursuant to section 501(c)(3) of the federal internal revenue code, and used
27 exclusively for religious purposes, and all sales of tangible personal
28 property or services purchased by a contractor for the purpose of
29 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
30 furnishing or remodeling facilities for any such organization which would
31 be exempt from taxation under the provisions of this section if purchased
32 directly by such organization. Nothing in this subsection shall be deemed
33 to exempt the purchase of any construction machinery, equipment or tools
34 used in the constructing, equipping, reconstructing, maintaining, repairing,
35 enlarging, furnishing or remodeling facilities for any such organization.
36 When any such organization shall contract for the purpose of constructing,
37 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
38 remodeling facilities, it shall obtain from the state and furnish to the
39 contractor an exemption certificate for the project involved, and the
40 contractor may purchase materials for incorporation in such project. The
41 contractor shall furnish the number of such certificate to all suppliers from
42 whom such purchases are made, and such suppliers shall execute invoices
43 covering the same bearing the number of such certificate. Upon

1 completion of the project the contractor shall furnish to such organization
2 concerned a sworn statement, on a form to be provided by the director of
3 taxation, that all purchases so made were entitled to exemption under this
4 subsection. All invoices shall be held by the contractor for a period of five
5 years and shall be subject to audit by the director of taxation. If any
6 materials purchased under such a certificate are found not to have been
7 incorporated in the building or other project or not to have been returned
8 for credit or the sales or compensating tax otherwise imposed upon such
9 materials which will not be so incorporated in the building or other project
10 reported and paid by such contractor to the director of taxation not later
11 than the 20th day of the month following the close of the month in which it
12 shall be determined that such materials will not be used for the purpose for
13 which such certificate was issued, such organization concerned shall be
14 liable 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 subsection (g) of K.S.A. 79-3615, and
23 amendments thereto. Sales tax paid on and after July 1, 1998, but prior to
24 the effective date of this act upon the gross receipts received from any sale
25 exempted by the amendatory provisions of this subsection shall be
26 refunded. Each claim for a sales tax refund shall be verified and submitted
27 to the director of taxation upon forms furnished by the director and shall
28 be accompanied by any additional documentation required by the director.
29 The director shall review each claim and shall refund that amount of sales
30 tax paid as determined under the provisions of this subsection. All refunds
31 shall be paid from the sales tax refund fund upon warrants of the director
32 of accounts and reports pursuant to vouchers approved by the director or
33 the director's designee;

34 (bbb) all sales of food for human consumption by an organization
35 which is exempt from federal income taxation pursuant to section 501(c)
36 (3) of the federal internal revenue code of 1986, pursuant to a food
37 distribution program which offers such food at a price below cost in
38 exchange for the performance of community service by the purchaser
39 thereof;

40 (ccc) on and after July 1, 1999, all sales of tangible personal property
41 and services purchased by a primary care clinic or health center the
42 primary purpose of which is to provide services to medically underserved
43 individuals and families, and which is exempt from federal income

1 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
2 and all sales of tangible personal property or services purchased by a
3 contractor for the purpose of constructing, equipping, reconstructing,
4 maintaining, repairing, enlarging, furnishing or remodeling facilities for
5 any such clinic or center which would be exempt from taxation under the
6 provisions of this section if purchased directly by such clinic or center,
7 *except that for taxable years commencing after December 31, 2013, this*
8 *subsection shall not apply to any sales of such tangible personal property*
9 *and services purchased by a primary care clinic or health center which*
10 *performs any abortion, as defined in K.S.A. 65-6701, and amendments*
11 *thereto.* Nothing in this subsection shall be deemed to exempt the purchase
12 of any construction machinery, equipment or tools used in the
13 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
14 furnishing or remodeling facilities for any such clinic or center. When any
15 such clinic or center 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 clinic or
24 center concerned a sworn statement, on a form to be provided by the
25 director of taxation, that all purchases so made were entitled to exemption
26 under this subsection. All invoices shall be held by the contractor for a
27 period of five years and shall be subject to audit by the director of taxation.
28 If any materials purchased under such a certificate are found not to have
29 been incorporated in the building or other project or not to have been
30 returned for credit or the sales or compensating tax otherwise imposed
31 upon such materials which will not be so incorporated in the building or
32 other project reported and paid by such contractor to the director of
33 taxation not later than the 20th day of the month following the close of the
34 month in which it shall be determined that such materials will not be used
35 for the purpose for which such certificate was issued, such clinic or center
36 concerned shall be liable for tax on all materials purchased for the project,
37 and upon payment thereof it may recover the same from the contractor
38 together with reasonable attorney fees. Any contractor or any agent,
39 employee or subcontractor thereof, who shall use or otherwise dispose of
40 any materials purchased under such a certificate for any purpose other than
41 that for which such a certificate is issued without the payment of the sales
42 or compensating tax otherwise imposed upon such materials, shall be
43 guilty of a misdemeanor and, upon conviction therefor, shall be subject to

1 the penalties provided for in subsection (g) of K.S.A. 79-3615, and
2 amendments thereto;

3 (ddd) on and after January 1, 1999, and before January 1, 2000, all
4 sales of materials and services purchased by any class II or III railroad as
5 classified by the federal surface transportation board for the construction,
6 renovation, repair or replacement of class II or III railroad track and
7 facilities used directly in interstate commerce. In the event any such track
8 or facility for which materials and services were purchased sales tax
9 exempt is not operational for five years succeeding the allowance of such
10 exemption, the total amount of sales tax which would have been payable
11 except for the operation of this subsection shall be recouped in accordance
12 with rules and regulations adopted for such purpose by the secretary of
13 revenue;

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

18 (fff) all sales of material handling equipment, racking systems and
19 other related machinery and equipment that is used for the handling,
20 movement or storage of tangible personal property in a warehouse or
21 distribution facility in this state; all sales of installation, repair and
22 maintenance services performed on such machinery and equipment; and
23 all sales of repair and replacement parts for such machinery and
24 equipment. For purposes of this subsection, a warehouse or distribution
25 facility means a single, fixed location that consists of buildings or
26 structures in a contiguous area where storage or distribution operations are
27 conducted that are separate and apart from the business' retail operations,
28 if any, and which do not otherwise qualify for exemption as occurring at a
29 manufacturing or processing plant or facility. Material handling and
30 storage equipment shall include aeration, dust control, cleaning, handling
31 and other such equipment that is used in a public grain warehouse or other
32 commercial grain storage facility, whether used for grain handling, grain
33 storage, grain refining or processing, or other grain treatment operation;

34 (ggg) all sales of tangible personal property and services purchased
35 by or on behalf of the Kansas Academy of Science which is exempt from
36 federal income taxation pursuant to section 501(c)(3) of the federal
37 internal revenue code of 1986, and used solely by such academy for the
38 preparation, publication and dissemination of education materials;

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

42 (iii) all sales of personal property and services purchased by an
43 organization which is exempt from federal income taxation pursuant to

1 section 501(c)(3) of the federal internal revenue code of 1986, and which
2 such personal property and services are used by any such organization in
3 the collection, storage and distribution of food products to nonprofit
4 organizations which distribute such food products to persons pursuant to a
5 food distribution program on a charitable basis without fee or charge, and
6 all sales of tangible personal property or services purchased by a
7 contractor for the purpose of constructing, equipping, reconstructing,
8 maintaining, repairing, enlarging, furnishing or remodeling facilities used
9 for the collection and storage of such food products for any such
10 organization which is exempt from federal income taxation pursuant to
11 section 501(c)(3) of the federal internal revenue code of 1986, which
12 would be exempt from taxation under the provisions of this section if
13 purchased directly by such organization. Nothing in this subsection shall
14 be deemed to exempt the purchase of any construction machinery,
15 equipment or tools used in the constructing, equipping, reconstructing,
16 maintaining, repairing, enlarging, furnishing or remodeling facilities for
17 any such organization. When any such organization shall contract for the
18 purpose of constructing, equipping, reconstructing, maintaining, repairing,
19 enlarging, furnishing or remodeling facilities, it shall obtain from the state
20 and furnish to the contractor an exemption certificate for the project
21 involved, and the contractor may purchase materials for incorporation in
22 such project. The contractor shall furnish the number of such certificate to
23 all suppliers from whom such purchases are made, and such suppliers shall
24 execute invoices covering the same bearing the number of such certificate.
25 Upon completion of the project the contractor shall furnish to such
26 organization concerned a sworn statement, on a form to be provided by the
27 director of taxation, that all purchases so made were entitled to exemption
28 under this subsection. All invoices shall be held by the contractor for a
29 period of five years and shall be subject to audit by the director of taxation.
30 If any materials purchased under such a certificate are found not to have
31 been incorporated in such facilities or not to have been returned for credit
32 or the sales or compensating tax otherwise imposed upon such materials
33 which will not be so incorporated in such facilities reported and paid by
34 such contractor to the director of taxation not later than the 20th day of the
35 month following the close of the month in which it shall be determined
36 that such materials will not be used for the purpose for which such
37 certificate was issued, such organization concerned shall be liable for tax
38 on all materials purchased for the project, and upon payment thereof it
39 may recover the same from the contractor together with reasonable
40 attorney fees. Any contractor or any agent, employee or subcontractor
41 thereof, who shall use or otherwise dispose of any materials purchased
42 under such a certificate for any purpose other than that for which such a
43 certificate is issued without the payment of the sales or compensating tax

1 otherwise imposed upon such materials, shall be guilty of a misdemeanor
2 and, upon conviction therefor, shall be subject to the penalties provided for
3 in subsection (g) of K.S.A. 79-3615, and amendments thereto. Sales tax
4 paid on and after July 1, 2005, but prior to the effective date of this act
5 upon the gross receipts received from any sale exempted by the
6 amendatory provisions of this subsection shall be refunded. Each claim for
7 a sales tax refund shall be verified and submitted to the director of taxation
8 upon forms furnished by the director and shall be accompanied by any
9 additional documentation required by the director. The director shall
10 review each claim and shall refund that amount of sales tax paid as
11 determined under the provisions of this subsection. All refunds shall be
12 paid from the sales tax refund fund upon warrants of the director of
13 accounts and reports pursuant to vouchers approved by the director or the
14 director's designee;

15 (jjj) all sales of dietary supplements dispensed pursuant to a
16 prescription order by a licensed practitioner or a mid-level practitioner as
17 defined by K.S.A. 65-1626, and amendments thereto. As used in this
18 subsection, "dietary supplement" means any product, other than tobacco,
19 intended to supplement the diet that: (1) Contains one or more of the
20 following dietary ingredients: A vitamin, a mineral, an herb or other
21 botanical, an amino acid, a dietary substance for use by humans to
22 supplement the diet by increasing the total dietary intake or a concentrate,
23 metabolite, constituent, extract or combination of any such ingredient; (2)
24 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or
25 liquid form, or if not intended for ingestion, in such a form, is not
26 represented as conventional food and is not represented for use as a sole
27 item of a meal or of the diet; and (3) is required to be labeled as a dietary
28 supplement, identifiable by the supplemental facts box found on the label
29 and as required pursuant to 21 C.F.R. § 101.36;

30 (lll) all sales of tangible personal property and services purchased by
31 special olympics Kansas, inc. for the purpose of providing year-round
32 sports training and athletic competition in a variety of olympic-type sports
33 for individuals with intellectual disabilities by giving them continuing
34 opportunities to develop physical fitness, demonstrate courage, experience
35 joy and participate in a sharing of gifts, skills and friendship with their
36 families, other special olympics athletes and the community, and activities
37 provided or sponsored by such organization, and all sales of tangible
38 personal property by or on behalf of any such organization;

39 (mmm) all sales of tangible personal property purchased by or on
40 behalf of the Marillac Center, Inc., which is exempt from federal income
41 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
42 for the purpose of providing psycho-social-biological and special
43 education services to children, and all sales of any such property by or on

1 behalf of such organization for such purpose;

2 (nnn) all sales of tangible personal property and services purchased
3 by the West Sedgwick County-Sunrise Rotary Club and Sunrise Charitable
4 Fund for the purpose of constructing a boundless playground which is an
5 integrated, barrier free and developmentally advantageous play
6 environment for children of all abilities and disabilities;

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

11 (ppp) all sales of tangible personal property and services purchased
12 by or on behalf of a homeless shelter which is exempt from federal income
13 taxation pursuant to section 501(c)(3) of the federal income tax code of
14 1986, and used by any such homeless shelter to provide emergency and
15 transitional housing for individuals and families experiencing
16 homelessness, and all sales of any such property by or on behalf of any
17 such homeless shelter for any such purpose;

18 (qqq) all sales of tangible personal property and services purchased
19 by TLC for children and families, inc., hereinafter referred to as TLC,
20 which is exempt from federal income taxation pursuant to section 501(c)
21 (3) of the federal internal revenue code of 1986, and which such property
22 and services are used for the purpose of providing emergency shelter and
23 treatment for abused and neglected children as well as meeting additional
24 critical needs for children, juveniles and family, and all sales of any such
25 property by or on behalf of TLC for any such purpose; and all sales of
26 tangible personal property or services purchased by a contractor for the
27 purpose of constructing, maintaining, repairing, enlarging, furnishing or
28 remodeling facilities for the operation of services for TLC for any such
29 purpose which would be exempt from taxation under the provisions of this
30 section if purchased directly by TLC. Nothing in this subsection shall be
31 deemed to exempt the purchase of any construction machinery, equipment
32 or tools used in the constructing, maintaining, repairing, enlarging,
33 furnishing or remodeling such facilities for TLC. When TLC contracts for
34 the purpose of constructing, maintaining, repairing, enlarging, furnishing
35 or remodeling such facilities, it shall obtain from the state and furnish to
36 the contractor an exemption certificate for the project involved, and the
37 contractor may purchase materials for incorporation in such project. The
38 contractor shall furnish the number of such certificate to all suppliers from
39 whom such purchases are made, and such suppliers shall execute invoices
40 covering the same bearing the number of such certificate. Upon
41 completion of the project the contractor shall furnish to TLC a sworn
42 statement, on a form to be provided by the director of taxation, that all
43 purchases so made were entitled to exemption under this subsection. All

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

20 (rrr) all sales of tangible personal property and services purchased by
21 any county law library maintained pursuant to law and sales of tangible
22 personal property and services purchased by an organization which would
23 have been exempt from taxation under the provisions of this subsection if
24 purchased directly by the county law library for the purpose of providing
25 legal resources to attorneys, judges, students and the general public, and
26 all sales of any such property by or on behalf of any such county law
27 library;

28 (sss) all sales of tangible personal property and services purchased by
29 catholic charities or youthville, hereinafter referred to as charitable family
30 providers, which is exempt from federal income taxation pursuant to
31 section 501(c)(3) of the federal internal revenue code of 1986, and which
32 such property and services are used for the purpose of providing
33 emergency shelter and treatment for abused and neglected children as well
34 as meeting additional critical needs for children, juveniles and family, and
35 all sales of any such property by or on behalf of charitable family
36 providers for any such purpose; and all sales of tangible personal property
37 or services purchased by a contractor for the purpose of constructing,
38 maintaining, repairing, enlarging, furnishing or remodeling facilities for
39 the operation of services for charitable family providers for any such
40 purpose which would be exempt from taxation under the provisions of this
41 section if purchased directly by charitable family providers. Nothing in
42 this subsection shall be deemed to exempt the purchase of any construction
43 machinery, equipment or tools used in the constructing, maintaining,

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

33 (ttt) all sales of tangible personal property or services purchased by a
34 contractor for a project for the purpose of restoring, constructing,
35 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
36 remodeling a home or facility owned by a nonprofit museum which has
37 been granted an exemption pursuant to subsection (qq), which such home
38 or facility is located in a city which has been designated as a qualified
39 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
40 amendments thereto, and which such project is related to the purposes of
41 K.S.A. 75-5071 et seq., and amendments thereto, and which would be
42 exempt from taxation under the provisions of this section if purchased
43 directly by such nonprofit museum. Nothing in this subsection shall be

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

36 (uuu) all sales of tangible personal property and services purchased
37 by Kansas children's service league, hereinafter referred to as KCSL,
38 which is exempt from federal income taxation pursuant to section 501(c)
39 (3) of the federal internal revenue code of 1986, and which such property
40 and services are used for the purpose of providing for the prevention and
41 treatment of child abuse and maltreatment as well as meeting additional
42 critical needs for children, juveniles and family, and all sales of any such
43 property by or on behalf of KCSL for any such purpose; and all sales of

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

38 (vvv) all sales of tangible personal property or services, including the
39 renting and leasing of tangible personal property or services, purchased by
40 Jazz in the Woods, Inc., a Kansas corporation which is exempt from
41 federal income taxation pursuant to section 501(c)(3) of the federal
42 internal revenue code, for the purpose of providing Jazz in the Woods, an
43 event benefiting children-in-need and other nonprofit charities assisting

1 such children, and all sales of any such property by or on behalf of such
2 organization for such purpose;

3 (www) all sales of tangible personal property purchased by or on
4 behalf of the Frontenac Education Foundation, which is exempt from
5 federal income taxation pursuant to section 501(c)(3) of the federal
6 internal revenue code, for the purpose of providing education support for
7 students, and all sales of any such property by or on behalf of such
8 organization for such purpose;

9 (xxx) all sales of personal property and services purchased by the
10 booth theatre foundation, inc., an organization which is exempt from
11 federal income taxation pursuant to section 501(c)(3) of the federal
12 internal revenue code of 1986, and which such personal property and
13 services are used by any such organization in the constructing, equipping,
14 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
15 of the booth theatre, and all sales of tangible personal property or services
16 purchased by a contractor for the purpose of constructing, equipping,
17 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
18 the booth theatre for such organization, which would be exempt from
19 taxation under the provisions of this section if purchased directly by such
20 organization. Nothing in this subsection shall be deemed to exempt the
21 purchase of any construction machinery, equipment or tools used in the
22 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
23 furnishing or remodeling facilities for any such organization. When any
24 such organization shall contract for the purpose of constructing, equipping,
25 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
26 facilities, it shall obtain from the state and furnish to the contractor an
27 exemption certificate for the project involved, and the contractor may
28 purchase materials for incorporation in such project. The contractor shall
29 furnish the number of such certificate to all suppliers from whom such
30 purchases are made, and such suppliers shall execute invoices covering the
31 same bearing the number of such certificate. Upon completion of the
32 project the contractor shall furnish to such organization concerned a sworn
33 statement, on a form to be provided by the director of taxation, that all
34 purchases so made were entitled to exemption under this subsection. All
35 invoices shall be held by the contractor for a period of five years and shall
36 be subject to audit by the director of taxation. If any materials purchased
37 under such a certificate are found not to have been incorporated in such
38 facilities or not to have been returned for credit or the sales or
39 compensating tax otherwise imposed upon such materials which will not
40 be so incorporated in such facilities reported and paid by such contractor
41 to the director of taxation not later than the 20th day of the month following
42 the close of the month in which it shall be determined that such materials
43 will not be used for the purpose for which such certificate was issued, such

1 organization concerned shall be liable for tax on all materials purchased
2 for the project, and upon payment thereof it may recover the same from
3 the contractor together with reasonable attorney fees. Any contractor or
4 any agent, employee or subcontractor thereof, who shall use or otherwise
5 dispose of any materials purchased under such a certificate for any purpose
6 other than that for which such a certificate is issued without the payment
7 of the sales or compensating tax otherwise imposed upon such materials,
8 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
9 subject to the penalties provided for in subsection (g) of K.S.A. 79-3615,
10 and amendments thereto. Sales tax paid on and after January 1, 2007, but
11 prior to the effective date of this act upon the gross receipts received from
12 any sale which would have been exempted by the provisions of this
13 subsection had such sale occurred after the effective date of this act shall
14 be refunded. Each claim for a sales tax refund shall be verified and
15 submitted to the director of taxation upon forms furnished by the director
16 and shall be accompanied by any additional documentation required by the
17 director. The director shall review each claim and shall refund that amount
18 of sales tax paid as determined under the provisions of this subsection. All
19 refunds shall be paid from the sales tax refund fund upon warrants of the
20 director of accounts and reports pursuant to vouchers approved by the
21 director or the director's designee;

22 (yyy) all sales of tangible personal property and services purchased
23 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
24 which is exempt from federal income taxation pursuant to section 501(c)
25 (3) of the federal internal revenue code of 1986, and which such property
26 and services are used for the purpose of encouraging private philanthropy
27 to further the vision, values, and goals of TLC for children and families,
28 inc.; and all sales of such property and services by or on behalf of TLC
29 charities for any such purpose and all sales of tangible personal property or
30 services purchased by a contractor for the purpose of constructing,
31 maintaining, repairing, enlarging, furnishing or remodeling facilities for
32 the operation of services for TLC charities for any such purpose which
33 would be exempt from taxation under the provisions of this section if
34 purchased directly by TLC charities. Nothing in this subsection shall be
35 deemed to exempt the purchase of any construction machinery, equipment
36 or tools used in the constructing, maintaining, repairing, enlarging,
37 furnishing or remodeling such facilities for TLC charities. When TLC
38 charities contracts for the purpose of constructing, maintaining, repairing,
39 enlarging, furnishing or remodeling such facilities, it shall obtain from the
40 state and furnish to the contractor an exemption certificate for the project
41 involved, and the contractor may purchase materials for incorporation in
42 such project. The contractor shall furnish the number of such certificate to
43 all suppliers from whom such purchases are made, and such suppliers shall

1 execute invoices covering the same bearing the number of such certificate.
2 Upon completion of the project the contractor shall furnish to TLC
3 charities 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 the building or other project or not to have been returned
9 for credit or the sales or compensating tax otherwise imposed upon such
10 materials which will not be incorporated into the building or other project
11 reported and paid by such contractor to the director of taxation not later
12 than the 20th day of the month following the close of the month in which it
13 shall be determined that such materials will not be used for the purpose for
14 which such certificate was issued, TLC charities shall be liable for tax on
15 all materials purchased for the project, and upon payment thereof it may
16 recover the same from the contractor together with reasonable attorney
17 fees. Any contractor or any agent, employee or subcontractor thereof, who
18 shall use or otherwise dispose of any materials purchased under such a
19 certificate for any purpose other than that for which such a certificate is
20 issued without the payment of the sales or compensating tax otherwise
21 imposed upon such materials, shall be guilty of a misdemeanor and, upon
22 conviction therefor, shall be subject to the penalties provided for in
23 subsection (g) of K.S.A. 79-3615, and amendments thereto;

24 (zzz) all sales of tangible personal property purchased by the rotary
25 club of shawnee foundation which is exempt from federal income taxation
26 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
27 as amended, used for the purpose of providing contributions to community
28 service organizations and scholarships;

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

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

40 (cccc) all sales of tangible personal property or services purchased by
41 or on behalf of wayside waifs, inc., which is exempt from federal income
42 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
43 for the purpose of providing such organization's annual fundraiser, an

1 event whose purpose is to support the care of homeless and abandoned
2 animals, animal adoption efforts, education programs for children and
3 efforts to reduce animal over-population and animal welfare services, and
4 all sales of any such property, including entry or participation fees or
5 charges, by or on behalf of such organization for such purpose;

6 (dddd) all sales of tangible personal property or services purchased
7 by or on behalf of Goodwill Industries or Easter Seals of Kansas, Inc.,
8 both of which are exempt from federal income taxation pursuant to section
9 501(c)(3) of the federal internal revenue code, for the purpose of providing
10 education, training and employment opportunities for people with
11 disabilities and other barriers to employment;

12 (eeee) all sales of tangible personal property or services purchased by
13 or on behalf of All American Beef Battalion, Inc., which is exempt from
14 federal income taxation pursuant to section 501(c)(3) of the federal
15 internal revenue code, for the purpose of educating, promoting and
16 participating as a contact group through the beef cattle industry in order to
17 carry out such projects that provide support and morale to members of the
18 United States armed forces and military services;

19 (ffff) all sales of tangible personal property and services purchased by
20 sheltered living, inc., which is exempt from federal income taxation
21 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
22 and which such property and services are used for the purpose of
23 providing residential and day services for people with developmental
24 disabilities or intellectual disability, or both, and all sales of any such
25 property by or on behalf of sheltered living, inc., for any such purpose; and
26 all sales of tangible personal property or services purchased by a
27 contractor for the purpose of rehabilitating, constructing, maintaining,
28 repairing, enlarging, furnishing or remodeling homes and facilities for
29 sheltered living, inc., for any such purpose which would be exempt from
30 taxation under the provisions of this section if purchased directly by
31 sheltered living, inc. Nothing in this subsection shall be deemed to exempt
32 the purchase of any construction machinery, equipment or tools used in the
33 constructing, maintaining, repairing, enlarging, furnishing or remodeling
34 such homes and facilities for sheltered living, inc. When sheltered living,
35 inc., contracts for the purpose of rehabilitating, constructing, maintaining,
36 repairing, enlarging, furnishing or remodeling such homes and facilities, it
37 shall obtain from the state and furnish to the contractor an exemption
38 certificate for the project involved, and the contractor may purchase
39 materials for incorporation in such project. The contractor shall furnish the
40 number of such certificate to all suppliers from whom such purchases are
41 made, and such suppliers shall execute invoices covering the same bearing
42 the number of such certificate. Upon completion of the project the
43 contractor shall furnish to sheltered living, inc., a sworn statement, on a

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

22 (gggg) all sales of game birds for which the primary purpose is use in
23 hunting.

24 ~~New Sec.-21.~~ **22.** If any provision or clause of this act or application
25 thereof to any person or circumstances is held invalid, such invalidity shall
26 not affect other provisions or applications of the act which can be given
27 effect without the invalid provision or application, and to this end the
28 provisions of this act are declared to be severable.

29 ~~Sec.-22.~~ **23.** K.S.A. 2012 Supp. 40-2246, 65-6701, 65-6703, 65-6709,
30 65-6710, 76-3308, 79-32,117, 79-32,138, 79-32,182b, 79-32,195, 79-
31 32,261 and 79-3606 are hereby repealed.

32 ~~Sec.-23.~~ **24.** This act shall take effect and be in force from and after
33 its publication in the statute book.