

## HOUSE BILL No. 2077

By Committee on Taxation

Requested by Reily Goynes on behalf of Kansas Pet Advocates

1-23

1 AN ACT concerning sales taxation; relating to sales tax exemptions;  
2 providing an exemption for animal shelters and rescue network  
3 managers; amending K.S.A. 2024 Supp. 79-3606 and repealing the  
4 existing section.  
5

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

7 Section 1. K.S.A. 2024 Supp. 79-3606 is hereby amended to read as  
8 follows: 79-3606. The following shall be exempt from the tax imposed by  
9 this act:

10 (a) All sales of motor-vehicle fuel or other articles upon which a sales  
11 or excise tax has been paid, not subject to refund, under the laws of this  
12 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-  
13 3301, and amendments thereto, including consumable material for such  
14 electronic cigarettes, cereal malt beverages and malt products as defined  
15 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,  
16 malt syrup and malt extract, that is not subject to taxation under the  
17 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles  
18 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed  
19 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and  
20 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments  
21 thereto, and gross receipts from regulated sports contests taxed pursuant to  
22 the Kansas professional regulated sports act, and amendments thereto;

23 (b) all sales of tangible personal property or service, including the  
24 renting and leasing of tangible personal property, purchased directly by the  
25 state of Kansas, a political subdivision thereof, other than a school or  
26 educational institution, or purchased by a public or private nonprofit  
27 hospital, public hospital authority, nonprofit blood, tissue or organ bank or  
28 nonprofit integrated community care organization and used exclusively for  
29 state, political subdivision, hospital, public hospital authority, nonprofit  
30 blood, tissue or organ bank or nonprofit integrated community care  
31 organization purposes, except when: (1) Such state, hospital or public  
32 hospital authority is engaged or proposes to engage in any business  
33 specifically taxable under the provisions of this act and such items of  
34 tangible personal property or service are used or proposed to be used in  
35 such business; or (2) such political subdivision is engaged or proposes to

1 engage in the business of furnishing gas, electricity or heat to others and  
2 such items of personal property or service are used or proposed to be used  
3 in such business;

4 (c) all sales of tangible personal property or services, including the  
5 renting and leasing of tangible personal property, purchased directly by a  
6 public or private elementary or secondary school or public or private  
7 nonprofit educational institution and used primarily by such school or  
8 institution for nonsectarian programs and activities provided or sponsored  
9 by such school or institution or in the erection, repair or enlargement of  
10 buildings to be used for such purposes. The exemption herein provided  
11 shall not apply to erection, construction, repair, enlargement or equipment  
12 of buildings used primarily for human habitation, except that such  
13 exemption shall apply to the erection, construction, repair, enlargement or  
14 equipment of buildings used for human habitation by the cerebral palsy  
15 research foundation of Kansas located in Wichita, Kansas, multi  
16 community diversified services, incorporated, located in McPherson,  
17 Kansas, the Kansas state school for the blind and the Kansas state school  
18 for the deaf;

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

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

1 issued without the payment of the sales or compensating tax otherwise  
2 imposed upon such materials, shall be guilty of a misdemeanor and, upon  
3 conviction therefor, shall be subject to the penalties provided for in K.S.A.  
4 79-3615(h), and amendments thereto;

5 (e) all sales of tangible personal property or services purchased by a  
6 contractor for the erection, repair or enlargement of buildings or other  
7 projects for the government of the United States, its agencies or  
8 instrumentalities, that would be exempt from taxation if purchased directly  
9 by the government of the United States, its agencies or instrumentalities.

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

36 (f) tangible personal property purchased by a railroad or public utility  
37 for consumption or movement directly and immediately in interstate  
38 commerce;

39 (g) sales of aircraft including remanufactured and modified aircraft  
40 sold to persons using directly or through an authorized agent such aircraft  
41 as certified or licensed carriers of persons or property in interstate or  
42 foreign commerce under authority of the laws of the United States or any  
43 foreign government or sold to any foreign government or agency or

1 instrumentality of such foreign government and all sales of aircraft for use  
2 outside of the United States and sales of aircraft repair, modification and  
3 replacement parts and sales of services employed in the remanufacture,  
4 modification and repair of aircraft;

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

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

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

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

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

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

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

43 (o) all sales of animals, fowl and aquatic plants and animals, the

1 primary purpose of which is use in agriculture or aquaculture, as defined in  
2 K.S.A. 47-1901, and amendments thereto, the production of food for  
3 human consumption, the production of animal, dairy, poultry or aquatic  
4 plant and animal products, fiber or fur, or the production of offspring for  
5 use for any such purpose or purposes;

6 (p) all sales of drugs dispensed pursuant to a prescription order by a  
7 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-  
8 1626, and amendments thereto. As used in this subsection, "drug" means a  
9 compound, substance or preparation and any component of a compound,  
10 substance or preparation, other than food and food ingredients, dietary  
11 supplements or alcoholic beverages, recognized in the official United  
12 States pharmacopeia, official homeopathic pharmacopoeia of the United  
13 States or official national formulary, and supplement to any of them,  
14 intended for use in the diagnosis, cure, mitigation, treatment or prevention  
15 of disease or intended to affect the structure or any function of the body,  
16 except that for taxable years commencing after December 31, 2013, this  
17 subsection shall not apply to any sales of drugs used in the performance or  
18 induction of an abortion, as defined in K.S.A. 65-6701, and amendments  
19 thereto;

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

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

43 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,

1 all sales of tangible personal property or services purchased directly or  
2 indirectly by a groundwater management district organized or operating  
3 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,  
4 by a rural water district organized or operating under the authority of  
5 K.S.A. 82a-612, and amendments thereto, or by a water supply district  
6 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-  
7 3522 et seq. or 19-3545, and amendments thereto, which property or  
8 services are used in the construction activities, operation or maintenance of  
9 the district;

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

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

39 (v) all sales of tangible personal property to any contractor for use in  
40 preparing meals for delivery to homebound elderly persons over 60 years  
41 of age and to homebound disabled persons or to be served at a group-  
42 sitting at a location outside of the home to otherwise homebound elderly  
43 persons over 60 years of age and to otherwise homebound disabled

1 persons, as all or part of any food service project funded in whole or in  
2 part by government or as part of a private nonprofit food service project  
3 available to all such elderly or disabled persons residing within an area of  
4 service designated by the private nonprofit organization, and all sales of  
5 tangible personal property for use in preparing meals for consumption by  
6 indigent or homeless individuals whether or not such meals are consumed  
7 at a place designated for such purpose, and all sales of food products by or  
8 on behalf of any such contractor or organization for any such purpose;

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

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

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

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

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

36 (bb) all sales of used mobile homes or manufactured homes. As used  
37 in this subsection: (1) "Mobile homes" and "manufactured homes" mean  
38 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)  
39 "sales of used mobile homes or manufactured homes" means sales other  
40 than the original retail sale thereof;

41 (cc) all sales of tangible personal property or services purchased prior  
42 to January 1, 2012, except as otherwise provided, for the purpose of and in  
43 conjunction with constructing, reconstructing, enlarging or remodeling a



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

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

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

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

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

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

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

30 (jj) all sales of tangible personal property or services, including the  
31 renting and leasing of tangible personal property, purchased directly on  
32 behalf of a community-based facility for people with intellectual disability  
33 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and  
34 amendments thereto, and licensed in accordance with the provisions of  
35 K.S.A. 39-2001 et seq., and amendments thereto, and all sales of tangible  
36 personal property or services purchased by contractors during the time  
37 period from July, 2003, through June, 2006, for the purpose of  
38 constructing, equipping, maintaining or furnishing a new facility for a  
39 community-based facility for people with intellectual disability or mental  
40 health center located in Riverton, Cherokee County, Kansas, that would  
41 have been eligible for sales tax exemption pursuant to this subsection if  
42 purchased directly by such facility or center. This exemption shall not  
43 apply to tangible personal property customarily used for human habitation

1 purposes;

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

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

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

9 (2) For purposes of this subsection:

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

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

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

34 (D) "manufacturing or processing business" means a business that  
35 utilizes an integrated production operation to manufacture, process,  
36 fabricate, finish or assemble items for wholesale and retail distribution as  
37 part of what is commonly regarded by the general public as an industrial  
38 manufacturing or processing operation or an agricultural commodity  
39 processing operation. (i) Industrial manufacturing or processing operations  
40 include, by way of illustration but not of limitation, the fabrication of  
41 automobiles, airplanes, machinery or transportation equipment, the  
42 fabrication of metal, plastic, wood or paper products, electricity power  
43 generation, water treatment, petroleum refining, chemical production,

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

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

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

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

36 (A) Receive, transport, convey, handle, treat or store raw materials in  
37 preparation of its placement on the production line;

38 (B) transport, convey, handle or store the property undergoing  
39 manufacturing or processing at any point from the beginning of the  
40 production line through any warehousing or distribution operation of the  
41 final product that occurs at the plant or facility;

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

1 (D) guide, control or direct the movement of property undergoing  
2 manufacturing or processing;

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

6 (F) plan, manage, control or record the receipt and flow of inventories  
7 of raw materials, consumables and component parts, the flow of the  
8 property undergoing manufacturing or processing and the management of  
9 inventories of the finished product;

10 (G) produce energy for, lubricate, control the operating of or  
11 otherwise enable the functioning of other production machinery and  
12 equipment and the continuation of production operations;

13 (H) package the property being manufactured or processed in a  
14 container or wrapping in which such property is normally sold or  
15 transported;

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

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

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

28 (L) treat, transport or store waste or other byproducts of production  
29 operations at the plant or facility; or

30 (M) control pollution at the plant or facility where the pollution is  
31 produced by the manufacturing or processing operation.

32 (4) The following machinery, equipment and materials shall be  
33 deemed to be exempt even though it may not otherwise qualify as  
34 machinery and equipment used as an integral or essential part of an  
35 integrated production operation: (A) Computers and related peripheral  
36 equipment that are utilized by a manufacturing or processing business for  
37 engineering of the finished product or for research and development or  
38 product design; (B) machinery and equipment that is utilized by a  
39 manufacturing or processing business to manufacture or rebuild tangible  
40 personal property that is used in manufacturing or processing operations,  
41 including tools, dies, molds, forms and other parts of qualifying machinery  
42 and equipment; (C) portable plants for aggregate concrete, bulk cement  
43 and asphalt including cement mixing drums to be attached to a motor

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

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

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

21 (B) machinery, equipment and tools used primarily in maintaining  
22 and repairing any type of machinery and equipment or the building and  
23 plant;

24 (C) transportation, transmission and distribution equipment not  
25 primarily used in a production, warehousing or material handling  
26 operation at the plant or facility, including the means of conveyance of  
27 natural gas, electricity, oil or water, and equipment related thereto, located  
28 outside the plant or facility;

29 (D) office machines and equipment including computers and related  
30 peripheral equipment not used directly and primarily to control or measure  
31 the manufacturing process;

32 (E) furniture and other furnishings;

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

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

39 (H) machinery and equipment used for general plant heating, cooling  
40 and lighting;

41 (I) motor vehicles that are registered for operation on public  
42 highways; or

43 (J) employee apparel, except safety and protective apparel that is

1 purchased by an employer and furnished gratuitously to employees who  
2 are involved in production or research activities.

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

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

13 (ll) all sales of educational materials purchased for distribution to the  
14 public at no charge by a nonprofit corporation organized for the purpose of  
15 encouraging, fostering and conducting programs for the improvement of  
16 public health, except that for taxable years commencing after December  
17 31, 2013, this subsection shall not apply to any sales of such materials  
18 purchased by a nonprofit corporation which performs any abortion, as  
19 defined in K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

39 (rr) all sales of tangible personal property that will admit the  
40 purchaser thereof to any annual event sponsored by a nonprofit  
41 organization that is exempt from federal income taxation pursuant to  
42 section 501(c)(3) of the federal internal revenue code of 1986, except that  
43 for taxable years commencing after December 31, 2013, this subsection

1 shall not apply to any sales of such tangible personal property purchased  
2 by a nonprofit organization which performs any abortion, as defined in  
3 K.S.A. 65-6701, and amendments thereto;

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

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

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

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

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

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

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

30 (4) the American diabetes association Kansas affiliate, inc. for the  
31 purpose of eliminating diabetes through medical research, public education  
32 focusing on disease prevention and education, patient education including  
33 information on coping with diabetes, and professional education and  
34 training;

35 (5) the American lung association of Kansas, inc. for the purpose of  
36 eliminating all lung diseases through medical research, public education  
37 including information on coping with lung diseases, professional education  
38 and training related to lung disease and other related services to reduce the  
39 incidence of disability and death due to lung disease;

40 (6) the Kansas chapters of the Alzheimer's disease and related  
41 disorders association, inc. for the purpose of providing assistance and  
42 support to persons in Kansas with Alzheimer's disease, and their families  
43 and caregivers;



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

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

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

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

13 (11) the spina bifida association of Kansas for the purpose of  
14 providing financial, educational and practical aid to families and  
15 individuals with spina bifida. Such aid includes, but is not limited to,  
16 funding for medical devices, counseling and medical educational  
17 opportunities;

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

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

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

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

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

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

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

43 (19) the international association of lions clubs for the purpose of

1 creating and fostering a spirit of understanding among all people for  
2 humanitarian needs by providing voluntary services through community  
3 involvement and international cooperation;

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

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

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

14 (23) the angel babies association, for the purpose of providing  
15 assistance, support and items of necessity to teenage mothers and their  
16 babies; and

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

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

22 (xx) all sales of tangible personal property and services purchased by  
23 a nonprofit zoo that is exempt from federal income taxation pursuant to  
24 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf  
25 of such zoo by an entity itself exempt from federal income taxation  
26 pursuant to section 501(c)(3) of the federal internal revenue code of 1986  
27 contracted with to operate such zoo 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 nonprofit zoo that would be  
31 exempt from taxation under the provisions of this section if purchased  
32 directly by such nonprofit zoo or the entity operating such zoo. Nothing in  
33 this subsection shall be deemed to exempt the purchase of any construction  
34 machinery, equipment or tools used in the constructing, equipping,  
35 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
36 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for  
37 the purpose of constructing, equipping, reconstructing, maintaining,  
38 repairing, enlarging, furnishing or remodeling facilities, it shall obtain  
39 from the state and furnish to the contractor an exemption certificate for the  
40 project involved, and the contractor may purchase materials for  
41 incorporation in such project. The contractor shall furnish the number of  
42 such certificate to all suppliers from whom such purchases are made, and  
43 such suppliers shall execute invoices covering the same bearing the

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

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

27 (zz) all sales of machinery and equipment purchased by over-the-air,  
28 free access radio or television station that is used directly and primarily for  
29 the purpose of producing a broadcast signal or is such that the failure of  
30 the machinery or equipment to operate would cause broadcasting to cease.  
31 For purposes of this subsection, machinery and equipment shall include,  
32 but not be limited to, that required by rules and regulations of the federal  
33 communications commission, and all sales of electricity which are  
34 essential or necessary for the purpose of producing a broadcast signal or is  
35 such that the failure of the electricity would cause broadcasting to cease;

36 (aaa) all sales of tangible personal property and services purchased by  
37 a religious organization that is exempt from federal income taxation  
38 pursuant to section 501(c)(3) of the federal internal revenue code, and used  
39 exclusively for religious purposes, and all sales of tangible personal  
40 property or services purchased by a contractor for the purpose of  
41 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
42 furnishing or remodeling facilities for any such organization that would be  
43 exempt from taxation under the provisions of this section if purchased

1 directly by such organization. Nothing in this subsection shall be deemed  
2 to exempt the purchase of any construction machinery, equipment or tools  
3 used in the constructing, equipping, reconstructing, maintaining, repairing,  
4 enlarging, furnishing or remodeling facilities for any such organization.  
5 When any such organization shall contract for the purpose of constructing,  
6 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
7 remodeling facilities, 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 certificate to all suppliers from  
11 whom such purchases are made, and such suppliers shall execute invoices  
12 covering the same bearing the number of such certificate. Upon  
13 completion of the project the contractor shall furnish to such organization  
14 concerned 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 that will not be so incorporated in the building or other project  
22 reported and paid by such contractor to the director of taxation not later  
23 than the 20<sup>th</sup> day of the month following the close of the month in which it  
24 shall be determined that such materials will not be used for the purpose for  
25 which such certificate was issued, such organization concerned shall be  
26 liable for tax on all materials purchased for the project, and upon payment  
27 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 K.S.A. 79-3615(h), and amendments thereto.  
35 Sales tax paid on and after July 1, 1998, but prior to the effective date of  
36 this act upon the gross receipts received from any sale exempted by the  
37 amendatory provisions of this subsection shall be refunded. Each claim for  
38 a sales tax refund shall be verified and submitted to the director of taxation  
39 upon forms furnished by the director and shall be accompanied by any  
40 additional documentation required by the director. The director shall  
41 review each claim and shall refund that amount of sales tax paid as  
42 determined under the provisions of this subsection. All refunds shall be  
43 paid from the sales tax refund fund upon warrants of the director of

1 accounts and reports pursuant to vouchers approved by the director or the  
2 director's designee;

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

8 (ccc) on and after July 1, 1999, all sales of tangible personal property  
9 and services purchased by a primary care clinic or health center the  
10 primary purpose of which is to provide services to medically underserved  
11 individuals and families, and that is exempt from federal income taxation  
12 pursuant to section 501(c)(3) of the federal internal revenue code, and all  
13 sales of tangible personal property or services purchased by a contractor  
14 for the purpose of constructing, equipping, reconstructing, maintaining,  
15 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
16 or center that would be exempt from taxation under the provisions of this  
17 section if purchased directly by such clinic or center, except that for  
18 taxable years commencing after December 31, 2013, this subsection shall  
19 not apply to any sales of such tangible personal property and services  
20 purchased by a primary care clinic or health center which performs any  
21 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
22 in this subsection shall be deemed to exempt the purchase of any  
23 construction machinery, equipment or tools used in the constructing,  
24 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
25 remodeling facilities for any such clinic or center. When any such clinic or  
26 center shall contract for the purpose of constructing, equipping,  
27 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
28 facilities, it shall obtain from the state and furnish to the contractor an  
29 exemption certificate for the project involved, and the contractor may  
30 purchase materials for incorporation in such project. The contractor shall  
31 furnish the number of such certificate to all suppliers from whom such  
32 purchases are made, and such suppliers shall execute invoices covering the  
33 same bearing the number of such certificate. Upon completion of the  
34 project the contractor shall furnish to such clinic or center concerned a  
35 sworn statement, on a form to be provided by the director of taxation, that  
36 all purchases so made were entitled to exemption under this subsection.  
37 All invoices shall be held by the contractor for a period of five years and  
38 shall be subject to audit by the director of taxation. If any materials  
39 purchased under such a certificate are found not to have been incorporated  
40 in the building or other project or not to have been returned for credit or  
41 the sales or compensating tax otherwise imposed upon such materials that  
42 will not be so incorporated in the building or other project reported and  
43 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>

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

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

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

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

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

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

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

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

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

39 (lll) all sales of tangible personal property and services purchased by  
40 special olympics Kansas, inc. for the purpose of providing year-round  
41 sports training and athletic competition in a variety of olympic-type sports  
42 for individuals with intellectual disabilities by giving them continuing  
43 opportunities to develop physical fitness, demonstrate courage, experience



1 joy and participate in a sharing of gifts, skills and friendship with their  
2 families, other special olympics athletes and the community, and activities  
3 provided or sponsored by such organization, and all sales of tangible  
4 personal property by or on behalf of any such organization;

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

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

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

20 (ppp) all sales of tangible personal property and services purchased  
21 by or on behalf of a homeless shelter that is exempt from federal income  
22 taxation pursuant to section 501(c)(3) of the federal income tax code of  
23 1986, and used by any such homeless shelter to provide emergency and  
24 transitional housing for individuals and families experiencing  
25 homelessness, and all sales of any such property by or on behalf of any  
26 such homeless shelter for any such purpose;

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

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

29 (rrr) all sales of tangible personal property and services purchased by  
30 any county law library maintained pursuant to law and sales of tangible  
31 personal property and services purchased by an organization that would  
32 have been exempt from taxation under the provisions of this subsection if  
33 purchased directly by the county law library for the purpose of providing  
34 legal resources to attorneys, judges, students and the general public, and  
35 all sales of any such property by or on behalf of any such county law  
36 library;

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

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

41 (ttt) all sales of tangible personal property or services purchased by a  
42 contractor for a project for the purpose of restoring, constructing,  
43 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or

1 remodeling a home or facility owned by a nonprofit museum that has been  
2 granted an exemption pursuant to subsection (qq), which such home or  
3 facility is located in a city that has been designated as a qualified  
4 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and  
5 amendments thereto, and which such project is related to the purposes of  
6 K.S.A. 75-5071 et seq., and amendments thereto, and that would be  
7 exempt from taxation under the provisions of this section if purchased  
8 directly by such nonprofit museum. Nothing in this subsection shall be  
9 deemed to exempt the purchase of any construction machinery, equipment  
10 or tools used in the restoring, constructing, equipping, reconstructing,  
11 maintaining, repairing, enlarging, furnishing or remodeling a home or  
12 facility for any such nonprofit museum. When any such nonprofit museum  
13 shall contract for the purpose of restoring, constructing, equipping,  
14 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
15 a home or facility, it shall obtain from the state and furnish to the  
16 contractor an exemption certificate for the project involved, and the  
17 contractor may purchase materials for incorporation in such project. The  
18 contractor shall furnish the number of such certificates to all suppliers  
19 from whom such purchases are made, and such suppliers shall execute  
20 invoices covering the same bearing the number of such certificate. Upon  
21 completion of the project, the contractor shall furnish to such nonprofit  
22 museum a sworn statement on a form to be provided by the director of  
23 taxation that all purchases so made were entitled to exemption under this  
24 subsection. All invoices shall be held by the contractor for a period of five  
25 years and shall be subject to audit by the director of taxation. If any  
26 materials purchased under such a certificate are found not to have been  
27 incorporated in the building or other project or not to have been returned  
28 for credit or the sales or compensating tax otherwise imposed upon such  
29 materials that will not be so incorporated in a home or facility or other  
30 project reported and paid by such contractor to the director of taxation not  
31 later than the 20<sup>th</sup> day of the month following the close of the month in  
32 which it shall be determined that such materials will not be used for the  
33 purpose for which such certificate was issued, such nonprofit museum  
34 shall be liable for tax on all materials purchased for the project, and upon  
35 payment thereof it may recover the same from the contractor together with  
36 reasonable attorney fees. Any contractor or any agent, employee or  
37 subcontractor thereof, who shall use or otherwise dispose of any materials  
38 purchased under such a certificate for any purpose other than that for  
39 which such a certificate is issued without the payment of the sales or  
40 compensating tax otherwise imposed upon such materials, shall be guilty  
41 of a misdemeanor and, upon conviction therefor, shall be subject to the  
42 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

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

1 by Kansas children's service league, hereinafter referred to as KCSL,  
2 which is exempt from federal income taxation pursuant to section 501(c)  
3 (3) of the federal internal revenue code of 1986, and which such property  
4 and services are used for the purpose of providing for the prevention and  
5 treatment of child abuse and maltreatment as well as meeting additional  
6 critical needs for children, juveniles and family, and all sales of any such  
7 property by or on behalf of KCSL for any such purpose; and all sales of  
8 tangible personal property or services purchased by a contractor for the  
9 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
10 remodeling facilities for the operation of services for KCSL for any such  
11 purpose that would be exempt from taxation under the provisions of this  
12 section if purchased directly by KCSL. Nothing in this subsection shall be  
13 deemed to exempt the purchase of any construction machinery, equipment  
14 or tools used in the constructing, maintaining, repairing, enlarging,  
15 furnishing or remodeling such facilities for KCSL. When KCSL contracts  
16 for the purpose of constructing, maintaining, repairing, enlarging,  
17 furnishing or remodeling such facilities, it shall obtain from the state and  
18 furnish to the contractor an exemption certificate for the project involved,  
19 and the contractor may purchase materials for incorporation in such  
20 project. The contractor shall furnish the number of such certificate to all  
21 suppliers from whom such purchases are made, and such suppliers shall  
22 execute invoices covering the same bearing the number of such certificate.  
23 Upon completion of the project the contractor shall furnish to KCSL a  
24 sworn statement, on a form to be provided by the director of taxation, that  
25 all purchases so made were entitled to exemption under this subsection.  
26 All invoices shall be held by the contractor for a period of five years and  
27 shall be subject to audit by the director of taxation. If any materials  
28 purchased under such a certificate are found not to have been incorporated  
29 in the building or other project or not to have been returned for credit or  
30 the sales or compensating tax otherwise imposed upon such materials that  
31 will not be so incorporated in the building or other project reported and  
32 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
33 day of the month following the close of the month in which it shall be  
34 determined that such materials will not be used for the purpose for which  
35 such certificate was issued, KCSL shall be liable for tax on all materials  
36 purchased for the project, and upon payment thereof it may recover the  
37 same from the contractor together with reasonable attorney fees. Any  
38 contractor or any agent, employee or subcontractor thereof, who shall use  
39 or otherwise dispose of any materials purchased under such a certificate  
40 for any purpose other than that for which such a certificate is issued  
41 without the payment of the sales or compensating tax otherwise imposed  
42 upon such materials, shall be guilty of a misdemeanor and, upon  
43 conviction therefor, shall be subject to the penalties provided for in K.S.A.

1 79-3615(h), and amendments thereto;

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

10 (www) all sales of tangible personal property purchased by or on  
11 behalf of the Frontenac education foundation, which is exempt from  
12 federal income taxation pursuant to section 501(c)(3) of the federal  
13 internal revenue code, for the purpose of providing education support for  
14 students, and all sales of any such property by or on behalf of such  
15 organization for such purpose;

16 (xxx) all sales of personal property and services purchased by the  
17 booth theatre foundation, inc., an organization, which is exempt from  
18 federal income taxation pursuant to section 501(c)(3) of the federal  
19 internal revenue code of 1986, and which such personal property and  
20 services are used by any such organization in the constructing, equipping,  
21 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
22 of the booth theatre, and all sales of tangible personal property or services  
23 purchased by a contractor for the purpose of constructing, equipping,  
24 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
25 the booth theatre for such organization, that would be exempt from  
26 taxation under the provisions of this section if purchased directly by such  
27 organization. Nothing in this subsection shall be deemed to exempt the  
28 purchase of any construction machinery, equipment or tools used in the  
29 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
30 furnishing or remodeling facilities for any such organization. When any  
31 such organization shall contract for the purpose of constructing, equipping,  
32 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
33 facilities, it shall obtain from the state and furnish to the contractor an  
34 exemption certificate for the project involved, and the contractor may  
35 purchase materials for incorporation in such project. The contractor shall  
36 furnish the number of such certificate to all suppliers from whom such  
37 purchases are made, and such suppliers shall execute invoices covering the  
38 same bearing the number of such certificate. Upon completion of the  
39 project the contractor shall furnish to such organization concerned a sworn  
40 statement, on a form to be provided by the director of taxation, that all  
41 purchases so made were entitled to exemption under this subsection. All  
42 invoices shall be held by the contractor for a period of five years and shall  
43 be subject to audit by the director of taxation. If any materials purchased

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

29 (yyy) all sales of tangible personal property and services purchased  
30 by TLC charities foundation, inc., hereinafter referred to as TLC charities,  
31 which is exempt from federal income taxation pursuant to section 501(c)  
32 (3) of the federal internal revenue code of 1986, and which such property  
33 and services are used for the purpose of encouraging private philanthropy  
34 to further the vision, values, and goals of TLC for children and families,  
35 inc.; and all sales of such property and services by or on behalf of TLC  
36 charities for any such purpose and all sales of tangible personal property or  
37 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 TLC charities for any such purpose that would  
40 be exempt from taxation under the provisions of this section if purchased  
41 directly by TLC charities. Nothing in this subsection shall be deemed to  
42 exempt the purchase of any construction machinery, equipment or tools  
43 used in the constructing, maintaining, repairing, enlarging, furnishing or

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

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

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

42 (bbbb) all sales of entry or participation fees, charges or tickets by  
43 Guadalupe health foundation, which is exempt from federal income



1   taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
2   for such organization's annual fundraising event which purpose is to  
3   provide health care services for uninsured workers;

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

13   (dddd) all sales of tangible personal property or services purchased  
14   by or on behalf of goodwill industries or Easter seals of Kansas, inc., both  
15   of which are exempt from federal income taxation pursuant to section  
16   501(c)(3) of the federal internal revenue code, for the purpose of providing  
17   education, training and employment opportunities for people with  
18   disabilities and other barriers to employment;

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

26   (ffff) all sales of tangible personal property and services purchased by  
27   sheltered living, inc., which is exempt from federal income taxation  
28   pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
29   and which such property and services are used for the purpose of  
30   providing residential and day services for people with developmental  
31   disabilities or intellectual disability, or both, and all sales of any such  
32   property by or on behalf of sheltered living, inc., for any such purpose; and  
33   all sales of tangible personal property or services purchased by a  
34   contractor for the purpose of rehabilitating, constructing, maintaining,  
35   repairing, enlarging, furnishing or remodeling homes and facilities for  
36   sheltered living, inc., for any such purpose that would be exempt from  
37   taxation under the provisions of this section if purchased directly by  
38   sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
39   the purchase of any construction machinery, equipment or tools used in the  
40   constructing, maintaining, repairing, enlarging, furnishing or remodeling  
41   such homes and facilities for sheltered living, inc. When sheltered living,  
42   inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
43   repairing, enlarging, furnishing or remodeling such homes and facilities, it

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

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

31 (hhhh) all sales of tangible personal property or services purchased  
32 on or after July 1, 2014, for the purpose of and in conjunction with  
33 constructing, reconstructing, enlarging or remodeling a business identified  
34 under the North American industry classification system (NAICS)  
35 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and  
36 installation of machinery and equipment purchased for installation at any  
37 such business. The exemption provided in this subsection shall not apply  
38 to projects that have actual total costs less than \$50,000. When a person  
39 contracts for the construction, reconstruction, enlargement or remodeling  
40 of any such business, such person shall obtain from the state and furnish to  
41 the contractor an exemption certificate for the project involved, and the  
42 contractor may purchase materials, machinery and equipment for  
43 incorporation in such project. The contractor shall furnish the number of

1 such certificates to all suppliers from whom such purchases are made, and  
2 such suppliers shall execute invoices covering the same bearing the  
3 number of such certificate. Upon completion of the project, the contractor  
4 shall furnish to the owner of the business a sworn statement, on a form to  
5 be provided by the director of taxation, that all purchases so made were  
6 entitled to exemption under this subsection. All invoices shall be held by  
7 the contractor for a period of five years and shall be subject to audit by the  
8 director of taxation. Any contractor or any agent, employee or  
9 subcontractor of the contractor, who shall use or otherwise dispose of any  
10 materials, machinery or equipment purchased under such a certificate for  
11 any purpose other than that for which such a certificate is issued without  
12 the payment of the sales or compensating tax otherwise imposed thereon,  
13 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
14 subject to the penalties provided for in K.S.A. 79-3615(h), and  
15 amendments thereto;

16 (iii) all sales of tangible personal property or services purchased by a  
17 contractor for the purpose of constructing, maintaining, repairing,  
18 enlarging, furnishing or remodeling facilities for the operation of services  
19 for Wichita children's home for any such purpose that would be exempt  
20 from taxation under the provisions of this section if purchased directly by  
21 Wichita children's home. Nothing in this subsection shall be deemed to  
22 exempt the purchase of any construction machinery, equipment or tools  
23 used in the constructing, maintaining, repairing, enlarging, furnishing or  
24 remodeling such facilities for Wichita children's home. When Wichita  
25 children's home contracts for the purpose of constructing, maintaining,  
26 repairing, enlarging, furnishing or remodeling such 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 Wichita children's home a sworn statement, on a form to be  
34 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 that 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 20<sup>th</sup> 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, Wichita  
2 children's home shall be liable for the tax on all materials purchased for the  
3 project, and upon payment, it may recover the same from the contractor  
4 together with reasonable attorney fees. Any contractor or any agent,  
5 employee or subcontractor, who shall use or otherwise dispose of any  
6 materials purchased under such a certificate for any purpose other than that  
7 for which such a certificate is issued without the payment of the sales or  
8 compensating tax otherwise imposed upon such materials, shall be guilty  
9 of a misdemeanor and, upon conviction, shall be subject to the penalties  
10 provided for in K.S.A. 79-3615(h), and amendments thereto;

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

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

23 (llll) all sales of tangible personal property and services purchased by  
24 Gove county healthcare endowment foundation, inc., which is exempt  
25 from federal income taxation pursuant to section 501(c)(3) of the federal  
26 internal revenue code of 1986, and which such property and services are  
27 used for the purpose of constructing and equipping an airport in Quinter,  
28 Kansas, and all sales of tangible personal property or services purchased  
29 by a contractor for the purpose of constructing and equipping an airport in  
30 Quinter, Kansas, for such organization, that would be exempt from  
31 taxation under the provisions of this section if purchased directly by such  
32 organization. Nothing in this subsection shall be deemed to exempt the  
33 purchase of any construction machinery, equipment or tools used in the  
34 constructing or equipping of facilities for such organization. When such  
35 organization shall contract for the purpose of constructing or equipping an  
36 airport in Quinter, Kansas, it shall obtain from the state and furnish to the  
37 contractor an exemption certificate for the project involved, and the  
38 contractor may purchase materials for incorporation in such project. The  
39 contractor shall furnish the number of such certificate to all suppliers from  
40 whom such purchases are made, and such suppliers shall execute invoices  
41 covering the same bearing the number of such certificate. Upon  
42 completion of the project, the contractor shall furnish to such organization  
43 concerned a sworn statement, on a form to be provided by the director of

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

21 (mmmm) all sales of gold or silver coins; and palladium, platinum,  
22 gold or silver bullion. For the purposes of this subsection, "bullion" means  
23 bars, ingots or commemorative medallions of gold, silver, platinum,  
24 palladium, or a combination thereof, for which the value of the metal  
25 depends on its content and not the form;

26 (nnnn) all sales of tangible personal property or services purchased  
27 by friends of hospice of Jefferson county, an organization that is exempt  
28 from federal income taxation pursuant to section 501(c)(3) of the federal  
29 internal revenue code of 1986, for the purpose of providing support to the  
30 Jefferson county hospice agency in end-of-life care of Jefferson county  
31 families, friends and neighbors, and all sales of entry or participation fees,  
32 charges or tickets by friends of hospice of Jefferson county for such  
33 organization's fundraising event for such purpose;

34 (oooo) all sales of tangible personal property or services purchased  
35 for the purpose of and in conjunction with constructing, reconstructing,  
36 enlarging or remodeling a qualified business facility by a qualified firm or  
37 qualified supplier that meets the requirements established in K.S.A. 2024  
38 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has  
39 been approved for a project exemption certificate by the secretary of  
40 commerce, and the sale and installation of machinery and equipment  
41 purchased by such qualified firm or qualified supplier for installation at  
42 any such qualified business facility. When a person shall contract for the  
43 construction, reconstruction, enlargement or remodeling of any such

1 qualified business facility, such person shall obtain from the state and  
2 furnish to the contractor an exemption certificate for the project involved,  
3 and the contractor may purchase materials, machinery and equipment for  
4 incorporation in such project. The contractor shall furnish the number of  
5 such certificates to all suppliers from whom such purchases are made, and  
6 such suppliers shall execute invoices covering the same bearing the  
7 number of such certificate. Upon completion of the project, the contractor  
8 shall furnish to the owner of the qualified firm or qualified supplier a  
9 sworn statement, on a form to be provided by the director of taxation, that  
10 all purchases so made were entitled to exemption under this subsection.  
11 All invoices shall be held by the contractor for a period of five years and  
12 shall be subject to audit by the director of taxation. Any contractor or any  
13 agent, employee or subcontractor thereof who shall use or otherwise  
14 dispose of any materials, machinery or equipment purchased under such a  
15 certificate for any purpose other than that for which such a certificate is  
16 issued without the payment of the sales or compensating tax otherwise  
17 imposed thereon, shall be guilty of a misdemeanor and, upon conviction  
18 therefor, shall be subject to the penalties provided for in K.S.A. 79-  
19 3615(h), and amendments thereto. As used in this subsection, "qualified  
20 business facility," "qualified firm" and "qualified supplier" mean the same  
21 as defined in K.S.A. 2024 Supp. 74-50,311, and amendments thereto;

22 (pppp) (1) all sales of tangible personal property or services  
23 purchased by a not-for-profit corporation that is designated as an area  
24 agency on aging by the secretary for aging and disabilities services and is  
25 exempt from federal income taxation pursuant to section 501(c)(3) of the  
26 federal internal revenue code for the purpose of coordinating and  
27 providing seniors and those living with disabilities with services that  
28 promote person-centered care, including home-delivered meals,  
29 congregate meal settings, long-term case management, transportation,  
30 information, assistance and other preventative and intervention services to  
31 help service recipients remain in their homes and communities or for the  
32 purpose of constructing, equipping, reconstructing, maintaining, repairing,  
33 enlarging, furnishing or remodeling facilities for such area agency on  
34 aging; and

35 (2) all sales of tangible personal property or services purchased by a  
36 contractor for the purpose of constructing, equipping, reconstructing,  
37 maintaining, repairing, enlarging, furnishing or remodeling facilities for an  
38 area agency on aging that would be exempt from taxation under the  
39 provisions of this section if purchased directly by such area agency on  
40 aging. Nothing in this paragraph shall be deemed to exempt the purchase  
41 of any construction machinery, equipment or tools used in the  
42 constructing, equipping, reconstructing, maintaining, repairing, enlarging,  
43 furnishing or remodeling facilities for an area agency on aging. When an

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

32 (qqqq) all sales of tangible personal property or services purchased  
33 by Kansas suicide prevention HQ, inc., an organization that is exempt  
34 from federal income taxation pursuant to section 501(c)(3) of the federal  
35 internal revenue code of 1986, for the purpose of bringing suicide  
36 prevention training and awareness to communities across the state;

37 (rrrr) all sales of the services of slaughtering, butchering, custom  
38 cutting, dressing, processing and packaging of an animal for human  
39 consumption when the animal is delivered or furnished by a customer that  
40 owns the animal and such meat or poultry is for use or consumption by  
41 such customer;

42 (ssss) all sales of tangible personal property or services purchased by  
43 or on behalf of doorstep inc., an organization that is exempt from federal

1 income taxation pursuant to section 501(c)(3) of the federal internal  
2 revenue code of 1986, for the purpose of providing short-term emergency  
3 aid to families and individuals in need, including assistance with food,  
4 clothing, rent, prescription medications, transportation and utilities, and  
5 providing information on services to promote long-term self-sufficiency;

6 (tttt) on and after January 1, 2024, all sales of tangible personal  
7 property or services purchased by exploration place, inc., an organization  
8 that is exempt from federal income taxation pursuant to section 501(c)(3)  
9 of the federal internal revenue code, and which such property and services  
10 are used for the purpose of constructing, remodeling, furnishing or  
11 equipping a riverfront amphitheater, a destination playscape, an education  
12 center and indoor renovations at exploration place in Wichita, Kansas, all  
13 sales of tangible personal property or services purchased by Kansas  
14 children's discovery center inc. in Topeka, Kansas, and which such  
15 property and services are used for the purpose of constructing, remodeling,  
16 furnishing or equipping projects that include indoor-outdoor classrooms,  
17 an expanded multi-media gallery, a workshop and loading dock and safety  
18 upgrades such as a tornado shelter, lactation room, first aid room and  
19 sensory room and all sales of tangible personal property or services  
20 purchased by a contractor for the purpose of constructing, remodeling,  
21 furnishing or equipping such projects, for such organizations, that would  
22 be exempt from taxation under the provisions of this section if purchased  
23 directly by such organizations. Nothing in this subsection shall be deemed  
24 to exempt the purchase of any construction machinery, equipment or tools  
25 used in the constructing, remodeling, furnishing or equipping of facilities  
26 for such organization. When such organization shall contract for the  
27 purpose of constructing, remodeling, furnishing or equipping such  
28 projects, it shall obtain from the state and furnish to the contractor an  
29 exemption certificate for the project involved, and the contractor may  
30 purchase materials for incorporation in such project. The contractor shall  
31 furnish the number of such certificate to all suppliers from whom such  
32 purchases are made, and such suppliers shall execute invoices covering the  
33 same bearing the number of such certificate. Upon completion of the  
34 project, the contractor shall furnish to such organization a sworn statement,  
35 on a form to be provided by the director of taxation, that all purchases so  
36 made were entitled to exemption under this subsection. All invoices shall  
37 be held by the contractor for a period of five years and shall be subject to  
38 audit by the director of taxation. If any materials purchased under such a  
39 certificate are found not to have been incorporated in such facilities or not  
40 to have been returned for credit or the sales or compensating tax otherwise  
41 imposed upon such materials that will not be so incorporated in such  
42 facilities reported and paid by such contractor to the director of taxation no  
43 later than the 20<sup>th</sup> day of the month following the close of the month in



1 which it shall be determined that such materials will not be used for the  
2 purpose for which such certificate was issued, such organization shall be  
3 liable for tax on all materials purchased for the project, and upon payment  
4 thereof may recover the same from the contractor together with reasonable  
5 attorney fees. Any contractor or agent, employee or subcontractor thereof,  
6 who purchased under such a certificate for any purpose other than that for  
7 which such a certificate is issued without the payment of the sales or  
8 compensating tax otherwise imposed upon such materials, shall be guilty  
9 of a misdemeanor and, upon conviction therefor, shall be subject to the  
10 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.  
11 Sales tax paid on and after January 1, 2024, but prior to the effective date  
12 of this act, upon the gross receipts received from any sale exempted by the  
13 amendatory provisions of this subsection shall be refunded. Each claim for  
14 a sales tax refund shall be verified and submitted to the director of taxation  
15 upon forms furnished by the director and shall be accompanied by any  
16 additional documentation required by the director. The director shall  
17 review each claim and shall refund that amount of sales tax paid as  
18 determined under the provisions of this subsection. All refunds shall be  
19 paid from the sales tax refund fund upon warrants of the director of  
20 accounts and reports pursuant to vouchers approved by the director or the  
21 director's designee. The provisions of this subsection shall expire and have  
22 no effect on and after December 31, 2030;

23 (uuuu) (1) (A) all sales of equipment, machinery, software, ancillary  
24 components, appurtenances, accessories or other infrastructure purchased  
25 for use in the provision of communications services; and

26 (B) all services purchased by a provider in the provision of the  
27 communications service used in the repair, maintenance or installation in  
28 such communications service.

29 (2) As used in this subsection:

30 (A) "Communications service" means internet access service,  
31 telecommunications service, video service or any combination thereof.

32 (B) "Equipment, machinery, software, ancillary components,  
33 appurtenances, accessories or other infrastructure" includes, but is not  
34 limited to:

35 (i) Wires, cables, fiber, conduits, antennas, poles, switches, routers,  
36 amplifiers, rectifiers, repeaters, receivers, multiplexers, duplexers,  
37 transmitters, circuit cards, insulating and protective materials and cases,  
38 power equipment, backup power equipment, diagnostic equipment, storage  
39 devices, modems, cable modem termination systems and servers;

40 (ii) other general central office or headend equipment, such as  
41 channel cards, frames and cabinets;

42 (iii) equipment used in successor technologies, including items used  
43 to monitor, test, maintain, enable or facilitate qualifying equipment,

1 machinery, software, ancillary components, appurtenances and  
2 accessories; and

3 (iv) other infrastructure that is used in whole or in part to provide  
4 communications services, including broadcasting, distributing, sending,  
5 receiving, storing, transmitting, retransmitting, amplifying, switching,  
6 providing connectivity for or routing communications services.

7 (C) "Internet access service" means the same as internet access as  
8 defined in section 1105 of the internet tax freedom act amendments of  
9 2007, public law 110-108.

10 (D) "Provider" means a person or entity that sells communications  
11 service, including an affiliate or subsidiary.

12 (E) "Telecommunications service" means the same as defined in  
13 K.S.A. 79-3602, and amendments thereto.

14 (F) "Video service" means the same as defined in K.S.A. 12-2022,  
15 and amendments thereto.

16 (3) The provisions of this subsection shall expire and have no effect  
17 on and after July 1, 2029;

18 (vvvv) (1) all sales of tangible personal property or services  
19 purchased by a contractor for the purpose of constructing, equipping,  
20 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
21 a building that is operated by, or is intended to be operated by, the Kansas  
22 fairgrounds foundation, a not-for-profit corporation exempt from federal  
23 income taxation pursuant to section 501(c)(3) of the federal internal  
24 revenue code of 1986, and located on the grounds of the Kansas state fair,  
25 and such tangible personal property would be exempt from taxation under  
26 the provisions of this paragraph if purchased directly by such eligible not-  
27 for-profit corporation. Nothing in this subsection shall be deemed to  
28 exempt the purchase of any construction machinery, equipment or tools  
29 used in the constructing, equipping, reconstructing, maintaining, repairing,  
30 enlarging, furnishing or remodeling a building for such eligible not-for-  
31 profit corporation. When such eligible not-for-profit corporation contracts  
32 for the purpose of constructing, equipping, reconstructing, maintaining,  
33 repairing, enlarging, furnishing or remodeling a building, such corporation  
34 shall obtain from the state and furnish to the contractor an exemption  
35 certificate for the project involved, and such contractor may purchase  
36 materials for incorporation in such project. The contractor shall furnish the  
37 number of such certificate to all suppliers from whom such purchases are  
38 made, and such suppliers shall execute invoices covering such purchases  
39 bearing the number of such certificate. Upon completion of the project, the  
40 contractor shall furnish to such eligible not-for-profit corporation a sworn  
41 statement, on a form to be provided by the director of taxation, that all  
42 purchases so made were entitled to exemption under this subsection. All  
43 invoices shall be held by the contractor for a period of five years and shall

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

18 (2) Sales tax paid on and after May 19, 2023, but prior to the effective  
19 date of this act upon the gross receipts received from any sale which would  
20 have been exempted by the provisions of this subsection had such sale  
21 occurred after the effective date of this act shall be refunded. Each claim  
22 for a sales tax refund shall be verified and submitted to the director of  
23 taxation upon forms furnished by the director and shall be accompanied by  
24 any additional documentation required by the director. The director shall  
25 review each claim and shall refund that amount of sales tax paid as  
26 determined under the provisions of this subsection. All refunds shall be  
27 paid from the sales tax refund fund upon warrants of the director of  
28 accounts and reports pursuant to vouchers approved by the director or the  
29 director's designee; ~~and~~

30 (www) (1) all sales of tangible personal property or services  
31 purchased by a pregnancy resource center or residential maternity facility.

32 (2) As used in this subsection, "pregnancy resource center" or  
33 "residential maternity facility" means an organization that is:

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

36 (B) a nonprofit organization organized under the laws of this state;  
37 and

38 (C) a pregnancy resource center or residential maternity facility that:

39 (i) Maintains a dedicated phone number for clients;

40 (ii) maintains in this state its primary physical office, clinic or  
41 residential home that is open for clients for a minimum of 20 hours per  
42 week, excluding state holidays;

43 (iii) offers services, at no cost to the client, for the express purpose of

1 providing assistance to women in order to carry their pregnancy to term,  
2 encourage parenting or adoption, prevent abortion and promote healthy  
3 childbirth; and

4 (iv) utilizes trained healthcare providers, as defined by K.S.A. 2024  
5 Supp. 79-32,316, and amendments thereto, to perform any available  
6 medical procedures; and

7 (xxx) (1) (A) all sales of tangible personal property or services  
8 purchased by or on behalf of a not-for-profit organization that is an  
9 animal shelter licensed under the Kansas pet animal act and is exempt  
10 from federal income taxation pursuant to section 501(c)(3) of the federal  
11 internal revenue code or purchased by a rescue network manager on  
12 behalf of a not-for-profit organization that is a rescue network licensed  
13 under the Kansas pet animal act and is exempt from federal income  
14 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
15 for the purpose of furthering such organization's mission, including, but  
16 not limited to, feeding, housing and providing veterinary and other care to  
17 homeless and abandoned pets, finding homes for abandoned pets, offering  
18 spay and neuter clinics, educational programs and other measures to  
19 address pet overpopulation in Kansas, and all sales of any such property,  
20 including, but not limited to, tangible personal property and entry or  
21 participation fees or charges, by or on behalf of such animal shelter or a  
22 rescue network manager on behalf of such rescue network for such  
23 purpose; and

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

1 *All invoices shall be held by the contractor for a period of five years and*  
2 *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*  
4 *facilities or returned for credit, the contractor shall report and pay the*  
5 *sales or compensating tax on such materials to the director of taxation not*  
6 *later than the 20<sup>th</sup> day of the month following the close of the month in*  
7 *which it shall be determined that such materials will not be used for the*  
8 *purpose for which such certificate was issued. If the contractor fails to*  
9 *make such payment for such materials to the director of taxation, the*  
10 *animal shelter concerned shall be liable for tax on all such materials*  
11 *purchased for the project, and upon payment thereof, the animal shelter*  
12 *may recover such payment from the contractor together with reasonable*  
13 *attorney fees. Any contractor or any agent, employee or subcontractor*  
14 *thereof who shall use or otherwise dispose of any materials purchased*  
15 *under such a certificate for any purpose other than that for which such a*  
16 *certificate is issued without the payment of the sales or compensating tax*  
17 *otherwise imposed upon such materials shall be guilty of a misdemeanor*  
18 *and, upon conviction thereof, shall be subject to the penalties provided for*  
19 *in K.S.A. 79-3615(h), and amendments thereto.*

20 (2) *For purposes of this subsection:*

21 (A) *"Animal" means the same as defined in K.S.A. 47-1701, and*  
22 *amendments thereto;*

23 (B) *"animal shelter" means a facility that is used or designed for use*  
24 *to house, contain, impound or harbor any seized stray, homeless,*  
25 *relinquished or abandoned animal or an organization that acts as an*  
26 *animal rescuer, or that collects and cares for unwanted animals or offers*  
27 *them for adoption. "Animal shelter" also includes a facility of an*  
28 *organization maintaining 20 or more dogs or cats, or both, for the purpose*  
29 *of collecting, accumulating, amassing or maintaining the animals or*  
30 *offering the animals for adoption;*

31 (C) *"rescue network" means the premises of a rescue network*  
32 *manager and all pet animal foster homes organized under that rescue*  
33 *network manager that provide temporary care for one or more dogs or*  
34 *cats not owned by an animal shelter that maintains a central facility for*  
35 *keeping animals and is an organization exempt from federal income*  
36 *taxation pursuant to section 501(c)(3) of the federal internal revenue*  
37 *code; and*

38 (D) *"rescue network manager" means the individual designated by a*  
39 *rescue network to be responsible for the following functions:*

40 (i) *Approving the membership of each pet animal foster home in the*  
41 *rescue network;*

42 (ii) *carrying out the duties of the rescue network manager as*  
43 *provided by rules and regulations of the division of animal health of the*

1 *department of agriculture, including the intake of all dogs and cats in the*  
2 *care of the rescue network;*

3 *(iii) maintaining on that individual's premises all documentation*  
4 *required by rules and regulations of the division of animal health of the*  
5 *department of agriculture pertaining to the adoption, placement or other*  
6 *disposition of each dog and cat receiving temporary care from the rescue*  
7 *network; and*

8 *(iv) ensuring compliance with regulations of the division of animal*  
9 *health of the department of agriculture by each pet animal foster home*  
10 *belonging to the rescue network.*

11 Sec. 2. K.S.A. 2024 Supp. 79-3606 is hereby repealed.

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