

As Amended by House Committee

Session of 2017

HOUSE BILL No. 2400

By Committee on Taxation

3-17

1 AN ACT concerning sales taxation; relating to the collection of sales taxes  
2 from certain remote sellers; amending K.S.A. 2016 Supp. 79-3602 and  
3 repealing the existing section.  
4

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

6 New Section 1. (a) Notwithstanding any other provision of law, any  
7 seller selling tangible personal property, products transferred electronically  
8 or rendering or furnishing any services for delivery into Kansas that are  
9 subject to taxation under the Kansas retailers' sales tax act who does not  
10 have a physical presence in this state shall remit sales tax and follow all  
11 applicable procedures and requirements of the Kansas retailers' sales tax  
12 act as if the seller had a physical presence in this state once the seller  
13 meets either of the following requirements for the current calendar year or  
14 the immediately preceding calendar year:

15 (1) The seller's gross revenue from the sale of tangible personal  
16 property, products transferred electronically or services delivered into this  
17 state exceeds \$100,000; or

18 (2) the seller sold tangible personal property, products transferred  
19 electronically or services delivered into this state in 200 or more separate  
20 transactions.

21 (b) A seller complying with the provisions of this section, voluntarily  
22 or otherwise, may only seek a recovery of taxes, penalties or interest by  
23 following the recovery procedures pursuant to K.S.A. 2016 Supp. 79-  
24 3693, and amendments thereto. However, no claim may be granted on the  
25 basis that the taxpayer lacked a physical presence in the state and complied  
26 with this section voluntarily if the section is subject to an injunction.

27 (c) No seller who remits sales tax voluntarily or otherwise under this  
28 section is liable to a purchaser who claims that the sales tax has been over-  
29 collected because a provision of this section is later deemed unlawful.

30 (d) The provisions of this section shall be part of and supplemental to  
31 the Kansas retailers' sales tax act.

32 (e) **Notwithstanding any other provision of law, the department of**  
33 **revenue may bring a declaratory judgment action in any district court**  
34 **against any person the department believes meets the criteria of**  
35 **subsection (a) to establish that the obligation to remit sales tax is**  
36 **applicable and valid under state and federal law. The district court**

1 shall act on this declaratory judgment action as expeditiously as  
2 possible and this action shall proceed with priority over any other  
3 action presenting the same question in any other venue.

4 (f) (1) Upon the filing of an action for declaratory judgment  
5 under subsection (e), the court shall grant an injunction during the  
6 pendency of the action prohibiting the department or any other state  
7 entity from enforcing the obligation in subsection (a) against any seller  
8 who is a party to the action who does not affirmatively consent or  
9 otherwise remit sales tax on a voluntary basis. No injunction shall be  
10 granted under this subsection if there is a previous judgment from a  
11 court of record in this state in a previous judgment against the seller  
12 who is a party to the action establishing the validity of the obligation  
13 under subsection (a).

14 (2) If a court has entered a judgment against a seller or otherwise  
15 lifted or dissolved an injunction under this section, the department  
16 shall assess and apply the obligation under subsection (a) from the  
17 date the judgment is entered or the injunction is lifted with respect to  
18 that matter.

19 (g) Notwithstanding any other provision of law, attorney expenses  
20 and related expenses shall not be awarded in any action brought  
21 pursuant to this section or any appeal from any action brought  
22 pursuant to this section.

23 (h) Nothing in this section affects the obligation of any purchaser  
24 from this state to remit use tax as to any applicable transaction in  
25 which the seller does not collect and remit or remit an offsetting sales  
26 tax.

27 Sec. 2. K.S.A. 2016 Supp. 79-3602 is hereby amended to read as  
28 follows: 79-3602. Except as otherwise provided, as used in the Kansas  
29 retailers' sales tax act:

30 (a) "Agent" means a person appointed by a seller to represent the  
31 seller before the member states.

32 (b) "Agreement" means the multistate agreement entitled the  
33 streamlined sales and use tax agreement approved by the streamlined sales  
34 tax implementing states at Chicago, Illinois on November 12, 2002.

35 (c) "Alcoholic beverages" means beverages that are suitable for  
36 human consumption and contain 0.05% or more of alcohol by volume.

37 (d) "Certified automated system (CAS)" means software certified  
38 under the agreement to calculate the tax imposed by each jurisdiction on a  
39 transaction, determine the amount of tax to remit to the appropriate state  
40 and maintain a record of the transaction.

41 (e) "Certified service provider (CSP)" means an agent certified under  
42 the agreement to perform all the seller's sales and use tax functions, other  
43 than the seller's obligation to remit tax on its own purchases.

1 (f) "Computer" means an electronic device that accepts information  
2 in digital or similar form and manipulates it for a result based on a  
3 sequence of instructions.

4 (g) "Computer software" means a set of coded instructions designed  
5 to cause a computer or automatic data processing equipment to perform a  
6 task.

7 (h) "Delivered electronically" means delivered to the purchaser by  
8 means other than tangible storage media.

9 (i) "Delivery charges" means charges by the seller of personal  
10 property or services for preparation and delivery to a location designated  
11 by the purchaser of personal property or services including, but not limited  
12 to, transportation, shipping, postage, handling, crating and packing.  
13 Delivery charges shall not include charges for delivery of direct mail if the  
14 charges are separately stated on an invoice or similar billing document  
15 given to the purchaser.

16 (j) "Direct mail" means printed material delivered or distributed by  
17 United States mail or other delivery services to a mass audience or to  
18 addressees on a mailing list provided by the purchaser or at the direction of  
19 the purchaser when the cost of the items are not billed directly to the  
20 recipients. Direct mail includes tangible personal property supplied  
21 directly or indirectly by the purchaser to the direct mail seller for inclusion  
22 in the package containing the printed material. Direct mail does not  
23 include multiple items of printed material delivered to a single address.

24 (k) "Director" means the state director of taxation.

25 (l) "Educational institution" means any nonprofit school, college and  
26 university that offers education at a level above the 12<sup>th</sup> grade, and  
27 conducts regular classes and courses of study required for accreditation by,  
28 or membership in, the North Central Association of Colleges and Schools,  
29 the state board of education, or that otherwise qualify as an "educational  
30 institution," as defined by K.S.A. 74-50,103, and amendments thereto.  
31 Such phrase shall include: (1) A group of educational institutions that  
32 operates exclusively for an educational purpose; (2) nonprofit endowment  
33 associations and foundations organized and operated exclusively to  
34 receive, hold, invest and administer moneys and property as a permanent  
35 fund for the support and sole benefit of an educational institution; (3)  
36 nonprofit trusts, foundations and other entities organized and operated  
37 principally to hold and own receipts from intercollegiate sporting events  
38 and to disburse such receipts, as well as grants and gifts, in the interest of  
39 collegiate and intercollegiate athletic programs for the support and sole  
40 benefit of an educational institution; and (4) nonprofit trusts, foundations  
41 and other entities organized and operated for the primary purpose of  
42 encouraging, fostering and conducting scholarly investigations and  
43 industrial and other types of research for the support and sole benefit of an

1 educational institution.

2 (m) "Electronic" means relating to technology having electrical,  
3 digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

4 (n) "Food and food ingredients" means substances, whether in liquid,  
5 concentrated, solid, frozen, dried or dehydrated form, that are sold for  
6 ingestion or chewing by humans and are consumed for their taste or  
7 nutritional value. "Food and food ingredients" does not include alcoholic  
8 beverages or tobacco.

9 (o) "Gross receipts" means the total selling price or the amount  
10 received as defined in this act, in money, credits, property or other  
11 consideration valued in money from sales at retail within this state; and  
12 embraced within the provisions of this act. The taxpayer, may take credit  
13 in the report of gross receipts for: (1) An amount equal to the selling price  
14 of property returned by the purchaser when the full sale price thereof,  
15 including the tax collected, is refunded in cash or by credit; and (2) an  
16 amount equal to the allowance given for the trade-in of property.

17 (p) "Ingredient or component part" means tangible personal property  
18 which is necessary or essential to, and which is actually used in and  
19 becomes an integral and material part of tangible personal property or  
20 services produced, manufactured or compounded for sale by the producer,  
21 manufacturer or compounder in its regular course of business. The  
22 following items of tangible personal property are hereby declared to be  
23 ingredients or component parts, but the listing of such property shall not be  
24 deemed to be exclusive nor shall such listing be construed to be a  
25 restriction upon, or an indication of, the type or types of property to be  
26 included within the definition of "ingredient or component part" as herein  
27 set forth:

28 (1) Containers, labels and shipping cases used in the distribution of  
29 property produced, manufactured or compounded for sale which are not to  
30 be returned to the producer, manufacturer or compounder for reuse.

31 (2) Containers, labels, shipping cases, paper bags, drinking straws,  
32 paper plates, paper cups, twine and wrapping paper used in the distribution  
33 and sale of property taxable under the provisions of this act by wholesalers  
34 and retailers and which is not to be returned to such wholesaler or retailer  
35 for reuse.

36 (3) Seeds and seedlings for the production of plants and plant  
37 products produced for resale.

38 (4) Paper and ink used in the publication of newspapers.

39 (5) Fertilizer used in the production of plants and plant products  
40 produced for resale.

41 (6) Feed for animals, fowl and aquatic plants and animals, the  
42 primary purpose of which is use in agriculture or aquaculture, as defined in  
43 K.S.A. 47-1901, and amendments thereto, the production of food for

1 human consumption, the production of animal, dairy, poultry or aquatic  
2 plant and animal products, fiber, fur, or the production of offspring for use  
3 for any such purpose or purposes.

4 (q) "Isolated or occasional sale" means the nonrecurring sale of  
5 tangible personal property, or services taxable hereunder by a person not  
6 engaged at the time of such sale in the business of selling such property or  
7 services. Any religious organization which makes a nonrecurring sale of  
8 tangible personal property acquired for the purpose of resale shall be  
9 deemed to be not engaged at the time of such sale in the business of selling  
10 such property. Such term shall include: (1) Any sale by a bank, savings and  
11 loan institution, credit union or any finance company licensed under the  
12 provisions of the Kansas uniform consumer credit code of tangible  
13 personal property which has been repossessed by any such entity; and (2)  
14 any sale of tangible personal property made by an auctioneer or agent on  
15 behalf of not more than two principals or households if such sale is  
16 nonrecurring and any such principal or household is not engaged at the  
17 time of such sale in the business of selling tangible personal property.

18 (r) "Lease or rental" means any transfer of possession or control of  
19 tangible personal property for a fixed or indeterminate term for  
20 consideration. A lease or rental may include future options to purchase or  
21 extend.

22 (1) Lease or rental does not include: (A) A transfer of possession or  
23 control of property under a security agreement or deferred payment plan  
24 that requires the transfer of title upon completion of the required  
25 payments;

26 (B) a transfer of possession or control of property under an agreement  
27 that requires the transfer of title upon completion of required payments and  
28 payment of an option price does not exceed the greater of \$100 or 1% of  
29 the total required payments; or

30 (C) providing tangible personal property along with an operator for a  
31 fixed or indeterminate period of time. A condition of this exclusion is that  
32 the operator is necessary for the equipment to perform as designed. For the  
33 purpose of this subsection, an operator must do more than maintain,  
34 inspect or set-up the tangible personal property.

35 (2) Lease or rental does include agreements covering motor vehicles  
36 and trailers where the amount of consideration may be increased or  
37 decreased by reference to the amount realized upon sale or disposition of  
38 the property as defined in 26 U.S.C. § 7701(h)(1).

39 (3) This definition shall be used for sales and use tax purposes  
40 regardless if a transaction is characterized as a lease or rental under  
41 generally accepted accounting principles, the internal revenue code, the  
42 uniform commercial code, K.S.A. 84-1-101 et seq., and amendments  
43 thereto, or other provisions of federal, state or local law.

1 (4) This definition will be applied only prospectively from the  
2 effective date of this act and will have no retroactive impact on existing  
3 leases or rentals.

4 (s) "Load and leave" means delivery to the purchaser by use of a  
5 tangible storage media where the tangible storage media is not physically  
6 transferred to the purchaser.

7 (t) "Member state" means a state that has entered in the agreement,  
8 pursuant to provisions of article VIII of the agreement.

9 (u) "Model 1 seller" means a seller that has selected a CSP as its  
10 agent to perform all the seller's sales and use tax functions, other than the  
11 seller's obligation to remit tax on its own purchases.

12 (v) "Model 2 seller" means a seller that has selected a CAS to  
13 perform part of its sales and use tax functions, but retains responsibility for  
14 remitting the tax.

15 (w) "Model 3 seller" means a seller that has sales in at least five  
16 member states, has total annual sales revenue of at least \$500,000,000, has  
17 a proprietary system that calculates the amount of tax due each jurisdiction  
18 and has entered into a performance agreement with the member states that  
19 establishes a tax performance standard for the seller. As used in this  
20 subsection a seller includes an affiliated group of sellers using the same  
21 proprietary system.

22 (x) "Municipal corporation" means any city incorporated under the  
23 laws of Kansas.

24 (y) "Nonprofit blood bank" means any nonprofit place, organization,  
25 institution or establishment that is operated wholly or in part for the  
26 purpose of obtaining, storing, processing, preparing for transfusing,  
27 furnishing, donating or distributing human blood or parts or fractions of  
28 single blood units or products derived from single blood units, whether or  
29 not any remuneration is paid therefor, or whether such procedures are done  
30 for direct therapeutic use or for storage for future use of such products.

31 (z) "Persons" means any individual, firm, copartnership, joint  
32 adventure, association, corporation, estate or trust, receiver or trustee, or  
33 any group or combination acting as a unit, and the plural as well as the  
34 singular number; and shall specifically mean any city or other political  
35 subdivision of the state of Kansas engaging in a business or providing a  
36 service specifically taxable under the provisions of this act.

37 (aa) "Political subdivision" means any municipality, agency or  
38 subdivision of the state which is, or shall hereafter be, authorized to levy  
39 taxes upon tangible property within the state or which certifies a levy to a  
40 municipality, agency or subdivision of the state which is, or shall hereafter  
41 be, authorized to levy taxes upon tangible property within the state. Such  
42 term also shall include any public building commission, housing, airport,  
43 port, metropolitan transit or similar authority established pursuant to law

1 and the horsethief reservoir benefit district established pursuant to K.S.A.  
2 82a-2201, and amendments thereto.

3 (bb) "Prescription" means an order, formula or recipe issued in any  
4 form of oral, written, electronic or other means of transmission by a duly  
5 licensed practitioner authorized by the laws of this state.

6 (cc) "Prewritten computer software" means computer software,  
7 including prewritten upgrades, which is not designed and developed by the  
8 author or other creator to the specifications of a specific purchaser. The  
9 combining of two or more prewritten computer software programs or  
10 prewritten portions thereof does not cause the combination to be other than  
11 prewritten computer software. Prewritten computer software includes  
12 software designed and developed by the author or other creator to the  
13 specifications of a specific purchaser when it is sold to a person other than  
14 the purchaser. Where a person modifies or enhances computer software of  
15 which the person is not the author or creator, the person shall be deemed to  
16 be the author or creator only of such person's modifications or  
17 enhancements. Prewritten computer software or a prewritten portion  
18 thereof that is modified or enhanced to any degree, where such  
19 modification or enhancement is designed and developed to the  
20 specifications of a specific purchaser, remains prewritten computer  
21 software, except that where there is a reasonable, separately stated charge  
22 or an invoice or other statement of the price given to the purchaser for  
23 such modification or enhancement, such modification or enhancement  
24 shall not constitute prewritten computer software.

25 (dd) "Property which is consumed" means tangible personal property  
26 which is essential or necessary to and which is used in the actual process  
27 of and consumed, depleted or dissipated within one year in: (1) The  
28 production, manufacture, processing, mining, drilling, refining or  
29 compounding of tangible personal property; (2) the providing of services;  
30 (3) the irrigation of crops, for sale in the regular course of business; or (4)  
31 the storage or processing of grain by a public grain warehouse or other  
32 grain storage facility, and which is not reusable for such purpose. The  
33 following is a listing of tangible personal property, included by way of  
34 illustration but not of limitation, which qualifies as property which is  
35 consumed:

36 (A) Insecticides, herbicides, germicides, pesticides, fungicides,  
37 fumigants, antibiotics, biologicals, pharmaceuticals, vitamins and  
38 chemicals for use in commercial or agricultural production, processing or  
39 storage of fruit, vegetables, feeds, seeds, grains, animals or animal  
40 products whether fed, injected, applied, combined with or otherwise used;

41 (B) electricity, gas and water; and

42 (C) petroleum products, lubricants, chemicals, solvents, reagents and  
43 catalysts.

1 (ee) "Purchase price" applies to the measure subject to use tax and  
2 has the same meaning as sales price.

3 (ff) "Purchaser" means a person to whom a sale of personal property  
4 is made or to whom a service is furnished.

5 (gg) "Quasi-municipal corporation" means any county, township,  
6 school district, drainage district or any other governmental subdivision in  
7 the state of Kansas having authority to receive or hold moneys or funds.

8 (hh) "Registered under this agreement" means registration by a seller  
9 with the member states under the central registration system provided in  
10 article IV of the agreement.

11 (ii) "Retailer" means a seller regularly engaged in the business of  
12 selling, leasing or renting tangible personal property at retail or furnishing  
13 electrical energy, gas, water, services or entertainment, and selling only to  
14 the user or consumer and not for resale.

15 (jj) "Retail sale" or "sale at retail" means any sale, lease or rental for  
16 any purpose other than for resale, sublease or subrent.

17 (kk) "Sale" or "sales" means the exchange of tangible personal  
18 property, as well as the sale thereof for money, and every transaction,  
19 conditional or otherwise, for a consideration, constituting a sale, including  
20 the sale or furnishing of electrical energy, gas, water, services or  
21 entertainment taxable under the terms of this act and including, except as  
22 provided in the following provision, the sale of the use of tangible personal  
23 property by way of a lease, license to use or the rental thereof regardless of  
24 the method by which the title, possession or right to use the tangible  
25 personal property is transferred. The term "sale" or "sales" shall not mean  
26 the sale of the use of any tangible personal property used as a dwelling by  
27 way of a lease or rental thereof for a term of more than 28 consecutive  
28 days.

29 (ll) (1) "Sales or selling price" applies to the measure subject to sales  
30 tax and means the total amount of consideration, including cash, credit,  
31 property and services, for which personal property or services are sold,  
32 leased or rented, valued in money, whether received in money or  
33 otherwise, without any deduction for the following:

34 (A) The seller's cost of the property sold;

35 (B) the cost of materials used, labor or service cost, interest, losses,  
36 all costs of transportation to the seller, all taxes imposed on the seller and  
37 any other expense of the seller;

38 (C) charges by the seller for any services necessary to complete the  
39 sale, other than delivery and installation charges;

40 (D) delivery charges; and

41 (E) installation charges.

42 (2) "Sales or selling price" includes consideration received by the  
43 seller from third parties if:



- 1 (A) The seller actually receives consideration from a party other than  
2 the purchaser and the consideration is directly related to a price reduction  
3 or discount on the sale;
- 4 (B) the seller has an obligation to pass the price reduction or discount  
5 through to the purchaser;
- 6 (C) the amount of the consideration attributable to the sale is fixed  
7 and determinable by the seller at the time of the sale of the item to the  
8 purchaser; and
- 9 (D) one of the following criteria is met:
- 10 (i) The purchaser presents a coupon, certificate or other  
11 documentation to the seller to claim a price reduction or discount where  
12 the coupon, certificate or documentation is authorized, distributed or  
13 granted by a third party with the understanding that the third party will  
14 reimburse any seller to whom the coupon, certificate or documentation is  
15 presented;
- 16 (ii) the purchaser identifies to the seller that the purchaser is a  
17 member of a group or organization entitled to a price reduction or  
18 discount. A preferred customer card that is available to any patron does not  
19 constitute membership in such a group; or
- 20 (iii) the price reduction or discount is identified as a third party price  
21 reduction or discount on the invoice received by the purchaser or on a  
22 coupon, certificate or other documentation presented by the purchaser.
- 23 (3) "Sales or selling price" shall not include:
- 24 (A) Discounts, including cash, term or coupons that are not  
25 reimbursed by a third party that are allowed by a seller and taken by a  
26 purchaser on a sale;
- 27 (B) interest, financing and carrying charges from credit extended on  
28 the sale of personal property or services, if the amount is separately stated  
29 on the invoice, bill of sale or similar document given to the purchaser;
- 30 (C) any taxes legally imposed directly on the consumer that are  
31 separately stated on the invoice, bill of sale or similar document given to  
32 the purchaser;
- 33 (D) the amount equal to the allowance given for the trade-in of  
34 property, if separately stated on the invoice, billing or similar document  
35 given to the purchaser; and
- 36 (E) commencing on July 1, 2006, and ending on June 30, 2009, cash  
37 rebates granted by a manufacturer to a purchaser or lessee of a new motor  
38 vehicle if paid directly to the retailer as a result of the original sale.
- 39 (mm) "Seller" means a person making sales, leases or rentals of  
40 personal property or services, *including sales described in section 1, and*  
41 *amendments thereto.*
- 42 (nn) "Service" means those services described in and taxed under the  
43 provisions of K.S.A. 79-3603, and amendments thereto.

1 (oo) "Sourcing rules" means the rules set forth in K.S.A. 2016 Supp.  
2 79-3670 through 79-3673, K.S.A. 12-191 and 12-191a, and amendments  
3 thereto, which shall apply to identify and determine the state and local  
4 taxing jurisdiction sales or use taxes to pay, or collect and remit on a  
5 particular retail sale.

6 (pp) "Tangible personal property" means personal property that can  
7 be seen, weighed, measured, felt or touched, or that is in any other manner  
8 perceptible to the senses. Tangible personal property includes electricity,  
9 water, gas, steam and prewritten computer software.

10 (qq) "Taxpayer" means any person obligated to account to the  
11 director for taxes collected under the terms of this act.

12 (rr) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco or  
13 any other item that contains tobacco.

14 (ss) "Entity-based exemption" means an exemption based on who  
15 purchases the product or who sells the product. An exemption that is  
16 available to all individuals shall not be considered an entity-based  
17 exemption.

18 (tt) "Over-the-counter" drug means a drug that contains a label that  
19 identifies the product as a drug as required by 21 C.F.R. § 201.66. The  
20 over-the-counter drug label includes: (1) A drug facts panel; or (2) a  
21 statement of the active ingredients with a list of those ingredients  
22 contained in the compound, substance or preparation. Over-the-counter  
23 drugs do not include grooming and hygiene products such as soaps,  
24 cleaning solutions, shampoo, toothpaste, antiperspirants and sun tan  
25 lotions and screens.

26 (uu) "Ancillary services" means services that are associated with or  
27 incidental to the provision of telecommunications services, including, but  
28 not limited to, detailed telecommunications billing, directory assistance,  
29 vertical service and voice mail services.

30 (vv) "Conference bridging service" means an ancillary service that  
31 links two or more participants of an audio or video conference call and  
32 may include the provision of a telephone number. Conference bridging  
33 service does not include the telecommunications services used to reach the  
34 conference bridge.

35 (ww) "Detailed telecommunications billing service" means an  
36 ancillary service of separately stating information pertaining to individual  
37 calls on a customer's billing statement.

38 (xx) "Directory assistance" means an ancillary service of providing  
39 telephone number information or address information, or both.

40 (yy) "Vertical service" means an ancillary service that is offered in  
41 connection with one or more telecommunications services, which offers  
42 advanced calling features that allow customers to identify callers and to  
43 manage multiple calls and call connections, including conference bridging

1 services.

2 (zz) "Voice mail service" means an ancillary service that enables the  
3 customer to store, send or receive recorded messages. Voice mail service  
4 does not include any vertical services that the customer may be required to  
5 have in order to utilize the voice mail service.

6 (aaa) "Telecommunications service" means the electronic  
7 transmission, conveyance or routing of voice, data, audio, video or any  
8 other information or signals to a point, or between or among points. The  
9 term telecommunications service includes such transmission, conveyance  
10 or routing in which computer processing applications are used to act on the  
11 form, code or protocol of the content for purposes of transmissions,  
12 conveyance or routing without regard to whether such service is referred to  
13 as voice over internet protocol services or is classified by the federal  
14 communications commission as enhanced or value added.  
15 Telecommunications service does not include:

16 (1) Data processing and information services that allow data to be  
17 generated, acquired, stored, processed or retrieved and delivered by an  
18 electronic transmission to a purchaser where such purchaser's primary  
19 purpose for the underlying transaction is the processed data or  
20 information;

21 (2) installation or maintenance of wiring or equipment on a  
22 customer's premises;

23 (3) tangible personal property;

24 (4) advertising, including, but not limited to, directory advertising;

25 (5) billing and collection services provided to third parties;

26 (6) internet access service;

27 (7) radio and television audio and video programming services,  
28 regardless of the medium, including the furnishing of transmission,  
29 conveyance and routing of such services by the programming service  
30 provider. Radio and television audio and video programming services shall  
31 include, but not be limited to, cable service as defined in 47 U.S.C. §  
32 522(6) and audio and video programming services delivered by  
33 commercial mobile radio service providers, as defined in 47 C.F.R. § 20.3;

34 (8) ancillary services; or

35 (9) digital products delivered electronically, including, but not limited  
36 to, software, music, video, reading materials or ring tones.

37 (bbb) "800 service" means a telecommunications service that allows a  
38 caller to dial a toll-free number without incurring a charge for the call. The  
39 service is typically marketed under the name 800, 855, 866, 877 and 888  
40 toll-free calling, and any subsequent numbers designated by the federal  
41 communications commission.

42 (ccc) "900 service" means an inbound toll telecommunications  
43 service purchased by a subscriber that allows the subscriber's customers to

1 call in to the subscriber's prerecorded announcement or live service. 900  
2 service does not include the charge for collection services provided by the  
3 seller of the telecommunications services to the subscriber, or service or  
4 product sold by the subscriber to the subscriber's customer. The service is  
5 typically marketed under the name 900 service, and any subsequent  
6 numbers designated by the federal communications commission.

7 (ddd) "Value-added non-voice data service" means a service that  
8 otherwise meets the definition of telecommunications services in which  
9 computer processing applications are used to act on the form, content,  
10 code or protocol of the information or data primarily for a purpose other  
11 than transmission, conveyance or routing.

12 (eee) "International" means a telecommunications service that  
13 originates or terminates in the United States and terminates or originates  
14 outside the United States, respectively. United States includes the District  
15 of Columbia or a U.S. territory or possession.

16 (fff) "Interstate" means a telecommunications service that originates  
17 in one United States state, or a United States territory or possession, and  
18 terminates in a different United States state or a United States territory or  
19 possession.

20 (ggg) "Intrastate" means a telecommunications service that originates  
21 in one United States state or a United States territory or possession, and  
22 terminates in the same United States state or a United States territory or  
23 possession.

24 Sec. 3. K.S.A. 2016 Supp. 79-3602 is hereby repealed.

25 Sec. 4. This act shall take effect and be in force from and after its  
26 publication in the statute book.