

SENATE BILL No. 429

By Committee on Assessment and Taxation

Requested by Senator Sykes

1-30

1 AN ACT concerning taxation; relating to sales and compensating use tax;
2 reducing the state rate of tax on sales of food and food ingredients;
3 amending K.S.A. 2023 Supp. 79-3603, 79-3603d, 79-3620, 79-3703
4 and 79-3710 and repealing the existing sections.
5

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

7 Section 1. K.S.A. 2023 Supp. 79-3603 is hereby amended to read as
8 follows: 79-3603. For the privilege of engaging in the business of selling
9 tangible personal property at retail in this state or rendering or furnishing
10 any of the services taxable under this act, there is hereby levied and there
11 shall be collected and paid a tax at the rate of 6.5%. On and after January
12 1, 2023, 17% and on and after ~~January 1, 2025~~ April 1, 2024, 18% of the
13 tax rate imposed pursuant to this section and the rate provided in K.S.A.
14 2023 Supp. 79-3603d, and amendments thereto, shall be levied for the
15 state highway fund, the state highway fund purposes and those purposes
16 specified in K.S.A. 68-416, and amendments thereto, and all revenue
17 collected and received from such tax levy shall be deposited in the state
18 highway fund.

19 Within a redevelopment district established pursuant to K.S.A. 74-
20 8921, and amendments thereto, there is hereby levied and there shall be
21 collected and paid an additional tax at the rate of 2% until the earlier of the
22 date the bonds issued to finance or refinance the redevelopment project
23 have been paid in full or the final scheduled maturity of the first series of
24 bonds issued to finance any part of the project.

25 Such tax shall be imposed upon:

26 (a) The gross receipts received from the sale of tangible personal
27 property at retail within this state;

28 (b) the gross receipts from intrastate, interstate or international
29 telecommunications services and any ancillary services sourced to this
30 state in accordance with K.S.A. 79-3673, and amendments thereto, except
31 that telecommunications service does not include: (1) Any interstate or
32 international 800 or 900 service; (2) any interstate or international private
33 communications service as defined in K.S.A. 79-3673, and amendments
34 thereto; (3) any value-added nonvoice data service; (4) any
35 telecommunication service to a provider of telecommunication services

1 which will be used to render telecommunications services, including
2 carrier access services; or (5) any service or transaction defined in this
3 section among entities classified as members of an affiliated group as
4 provided by section 1504 of the federal internal revenue code of 1986, as
5 in effect on January 1, 2001;

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

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

25 (e) the gross receipts from the sale of admissions to any place
26 providing amusement, entertainment or recreation services including
27 admissions to state, county, district and local fairs, but such tax shall not
28 be levied and collected upon the gross receipts received from sales of
29 admissions to any cultural and historical event which occurs triennially;

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

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

40 (h) the gross receipts from the service of renting or leasing of tangible
41 personal property except such tax shall not apply to the renting or leasing
42 of machinery, equipment or other personal property owned by a city and
43 purchased from the proceeds of industrial revenue bonds issued prior to

1 July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through
2 12-1749, and amendments thereto, and any city or lessee renting or leasing
3 such machinery, equipment or other personal property purchased with the
4 proceeds of such bonds who shall have paid a tax under the provisions of
5 this section upon sales made prior to July 1, 1973, shall be entitled to a
6 refund from the sales tax refund fund of all taxes paid thereon;

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

10 (j) the gross receipts from the rendering of the services of washing
11 and washing and waxing of vehicles;

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

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

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

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

40 (n) the gross receipts received from dues charged by public and
41 private clubs, drinking establishments, organizations and businesses,
42 payment of which entitles a member to the use of facilities for recreation
43 or entertainment, but such tax shall not be levied and collected upon the

1 gross receipts received from: (1) Dues charged by any organization exempt
2 from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and
3 amendments thereto; and (2) sales of memberships in a nonprofit
4 organization which is exempt from federal income taxation pursuant to
5 section 501(c)(3) of the federal internal revenue code of 1986, and whose
6 purpose is to support the operation of a nonprofit zoo;

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

42 (p) the gross receipts received for the service of installing or applying
43 tangible personal property which when installed or applied is not being

1 held for sale in the regular course of business, and whether or not such
2 tangible personal property when installed or applied remains tangible
3 personal property or becomes a part of real estate, except that no tax shall
4 be imposed upon the service of installing or applying tangible personal
5 property in connection with the original construction of a building or
6 facility, the original construction, reconstruction, restoration, remodeling,
7 renovation, repair or replacement of a residence or the construction,
8 reconstruction, restoration, replacement or repair of a bridge or highway.

9 For the purposes of this subsection:

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

20 (2) "building" means only those enclosures within which individuals
21 customarily are employed, or which are customarily used to house
22 machinery, equipment or other property, and including the land
23 improvements immediately surrounding such building;

24 (3) "facility" means a mill, plant, refinery, oil or gas well, water well,
25 feedlot or any conveyance, transmission or distribution line of any
26 cooperative, nonprofit, membership corporation organized under or subject
27 to the provisions of K.S.A. 17-4601 et seq., and amendments thereto, or
28 municipal or quasi-municipal corporation, including the land
29 improvements immediately surrounding such facility;

30 (4) "residence" means only those enclosures within which individuals
31 customarily live;

32 (5) "utility structure" means transmission and distribution lines
33 owned by an independent transmission company or cooperative, the
34 Kansas electric transmission authority or natural gas or electric public
35 utility; and

36 (6) "windstorm" means straight line winds of at least 80 miles per
37 hour as determined by a recognized meteorological reporting agency or
38 organization;

39 (q) the gross receipts received for the service of repairing, servicing,
40 altering or maintaining tangible personal property which when such
41 services are rendered is not being held for sale in the regular course of
42 business, and whether or not any tangible personal property is transferred
43 in connection therewith. The tax imposed by this subsection shall be

1 applicable to the services of repairing, servicing, altering or maintaining an
 2 item of tangible personal property which has been and is fastened to,
 3 connected with or built into real property;

4 (r) the gross receipts from fees or charges made under service or
 5 maintenance agreement contracts for services, charges for the providing of
 6 which are taxable under the provisions of subsection (p) or (q);

7 (s) on and after January 1, 2005, the gross receipts received from the
 8 sale of prewritten computer software and the sale of the services of
 9 modifying, altering, updating or maintaining prewritten computer
 10 software, whether the prewritten computer software is installed or
 11 delivered electronically by tangible storage media physically transferred to
 12 the purchaser or by load and leave;

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

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

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

20 (w) all sales of charitable raffle tickets in accordance with K.S.A. 75-
 21 5171 et seq., and amendments thereto, shall be exempt from taxes imposed
 22 pursuant to this section; and

23 (x) commencing on January 1, 2023, and thereafter, the state rate on
 24 the gross receipts from the sale of food and food ingredients shall be as set
 25 forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.

26 Sec. 2. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as
 27 follows: 79-3603d. (a) There is hereby levied and there shall be collected
 28 and paid a tax upon the gross receipts from the sale of food and food
 29 ingredients. The rate of tax shall be as follows:

30 (1) Commencing on January 1, 2023, at the rate of 4%;

31 (2) commencing on January 1, 2024, at the rate of 2%; and

32 (3) commencing on ~~January 1, 2025~~ *April 1, 2024*, and thereafter, at
 33 the rate of 0%.

34 (b) The provisions of this section shall not apply to prepared food
 35 unless sold without eating utensils provided by the seller and described
 36 below:

37 (1) Food sold by a seller whose proper primary NAICS classification
 38 is manufacturing in sector 311, except subsector 3118 (bakeries);

39 (2) (A) food sold in an unheated state by weight or volume as a single
 40 item; or

41 (B) only meat or seafood sold in an unheated state by weight or
 42 volume as a single item;

43 (3) bakery items, including bread, rolls, buns, biscuits, bagels,

1 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,
2 cookies and tortillas; or

3 (4) food sold that ordinarily requires additional cooking, as opposed
4 to just reheating, by the consumer prior to consumption.

5 (c) The provisions of this section shall be a part of and supplemental
6 to the Kansas retailers' sales tax act.

7 Sec. 3. K.S.A. 2023 Supp. 79-3620 is hereby amended to read as
8 follows: 79-3620. (a) All revenue collected or received by the director of
9 taxation from the taxes imposed by this act shall be remitted to the state
10 treasurer in accordance with the provisions of K.S.A. 75-4215, and
11 amendments thereto. Upon receipt of each such remittance, the state
12 treasurer shall deposit the entire amount in the state treasury, less amounts
13 withheld as provided in subsection (b) and amounts credited as provided in
14 subsections (c), (d) and (e), to the credit of the state general fund.

15 (b) A refund fund, designated as "sales tax refund fund" not to exceed
16 \$100,000 shall be set apart and maintained by the director from sales tax
17 collections and estimated tax collections and held by the state treasurer for
18 prompt payment of all sales tax refunds. Such fund shall be in such
19 amount, within the limit set by this section, as the director shall determine
20 is necessary to meet current refunding requirements under this act. In the
21 event such fund as established by this section is, at any time, insufficient to
22 provide for the payment of refunds due claimants thereof, the director shall
23 certify the amount of additional funds required to the director of accounts
24 and reports who shall promptly transfer the required amount from the state
25 general fund to the sales tax refund fund, and notify the state treasurer,
26 who shall make proper entry in the records.

27 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the
28 revenue collected and received from the tax imposed by K.S.A. 79-3603,
29 and amendments thereto, at the rates provided in K.S.A. 79-3603, and
30 amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments
31 thereto, and deposited as provided by subsection (a), exclusive of amounts
32 credited pursuant to subsection (d), in the state highway fund.

33 (2) On ~~January 1, 2025~~ *April 1, 2024*, and thereafter, the state
34 treasurer shall credit 18% of the revenue collected and received from the
35 tax imposed by K.S.A. 79-3603, and amendments thereto, at the rates
36 provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023
37 Supp. 79-3603d, and amendments thereto, and deposited as provided by
38 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
39 the state highway fund.

40 (d) The state treasurer shall credit all revenue collected or received
41 from the tax imposed by K.S.A. 79-3603, and amendments thereto, as
42 certified by the director, from taxpayers doing business within that portion
43 of a STAR bond project district occupied by a STAR bond project or

1 taxpayers doing business with such entity financed by a STAR bond
2 project as defined in K.S.A. 12-17,162, and amendments thereto, that was
3 determined by the secretary of commerce to be of statewide as well as
4 local importance or will create a major tourism area for the state or the
5 project was designated as a STAR bond project as defined in K.S.A. 12-
6 17,162, and amendments thereto, to the city bond finance fund, which fund
7 is hereby created. The provisions of this subsection shall expire when the
8 total of all amounts credited hereunder and under K.S.A. 79-3710(d), and
9 amendments thereto, is sufficient to retire the special obligation bonds
10 issued for the purpose of financing all or a portion of the costs of such
11 STAR bond project.

12 (e) All revenue certified by the director of taxation as having been
13 collected or received from the tax imposed by K.S.A. 79-3603(c), and
14 amendments thereto, on the sale or furnishing of gas, water, electricity and
15 heat for use or consumption within the intermodal facility district
16 described in this subsection, shall be credited by the state treasurer to the
17 state highway fund. Such revenue may be transferred by the secretary of
18 transportation to the rail service improvement fund pursuant to law. The
19 provisions of this subsection shall take effect upon certification by the
20 secretary of transportation that a notice to proceed has been received for
21 the construction of the improvements within the intermodal facility
22 district, but not later than December 31, 2010, and shall expire when the
23 secretary of revenue determines that the total of all amounts credited
24 hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto, is
25 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
26 revenues shall be collected and distributed in accordance with applicable
27 law. For all tax reporting periods during which the provisions of this
28 subsection are in effect, none of the exemptions contained in K.S.A. 79-
29 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
30 of any gas, water, electricity and heat for use or consumption within the
31 intermodal facility district. As used in this subsection, "intermodal facility
32 district" shall consist of an intermodal transportation area as defined by
33 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
34 within the polygonal-shaped area having Waverly Road as the eastern
35 boundary, 191st Street as the southern boundary, Four Corners Road as the
36 western boundary, and Highway 56 as the northern boundary, and the
37 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
38 Street as the southern boundary, Waverly Road as the western boundary,
39 and the BNSF mainline track as the northern boundary, that includes
40 capital investment in an amount exceeding \$150 million for the
41 construction of an intermodal facility to handle the transfer, storage and
42 distribution of freight through railway and trucking operations.

43 Sec. 4. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as

1 follows: 79-3703. (a) There is hereby levied and there shall be collected
2 from every person in this state a tax or excise for the privilege of using,
3 storing, or consuming within this state any article of tangible personal
4 property. Such tax shall be levied and collected in an amount equal to the
5 consideration paid by the taxpayer multiplied by the rate of 6.5%.

6 (b) Commencing on January 1, 2023, and thereafter, the state rate on
7 the amount equal to the consideration paid by the taxpayer from the sale of
8 food and food ingredients as provided in K.S.A. 79-3603, and amendments
9 thereto, shall be as set forth in K.S.A. 2023 Supp. 79-3603d, and
10 amendments thereto.

11 (c) On and after January 1, 2023, 17% and on and after ~~January 1,~~
12 ~~2025 April 1, 2024~~, 18% of the tax rate imposed pursuant to this section
13 and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments
14 thereto, shall be levied for the state highway fund, the state highway fund
15 purposes and those purposes specified in K.S.A. 68-416, and amendments
16 thereto, and all revenue collected and received from such tax levy shall be
17 deposited in the state highway fund.

18 (d) Within a redevelopment district established pursuant to K.S.A.
19 74-8921, and amendments thereto, there is hereby levied and there shall be
20 collected and paid an additional tax of 2% until the earlier of: (1) The date
21 the bonds issued to finance or refinance the redevelopment project
22 undertaken in the district have been paid in full; or (2) the final scheduled
23 maturity of the first series of bonds issued to finance the redevelopment
24 project.

25 (e) All property purchased or leased within or without this state and
26 subsequently used, stored or consumed in this state shall be subject to the
27 compensating tax if the same property or transaction would have been
28 subject to the Kansas retailers' sales tax had the transaction been wholly
29 within this state.

30 Sec. 5. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as
31 follows: 79-3710. (a) All revenue collected or received by the director
32 under the provisions of this act shall be remitted to the state treasurer in
33 accordance with the provisions of K.S.A. 75-4215, and amendments
34 thereto. Upon receipt of each such remittance, the state treasurer shall
35 deposit the entire amount in the state treasury, less amounts set apart as
36 provided in subsection (b) and amounts credited as provided in subsection
37 (c), (d) and (e), to the credit of the state general fund.

38 (b) A revolving fund, designated as "compensating tax refund fund"
39 not to exceed \$10,000 shall be set apart and maintained by the director
40 from compensating tax collections and estimated tax collections and held
41 by the state treasurer for prompt payment of all compensating tax refunds.
42 Such fund shall be in such amount, within the limit set by this section, as
43 the director shall determine is necessary to meet current refunding

1 requirements under this act.

2 (c) (1) On January 1, 2023, the state treasurer shall credit 17% of the
3 revenue collected and received from the tax imposed by K.S.A. 79-3703,
4 and amendments thereto, at the rates provided in K.S.A. 79-3703, and
5 amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments
6 thereto, and deposited as provided by subsection (a), exclusive of amounts
7 credited pursuant to subsection (d), in the state highway fund.

8 (2) On ~~January 1, 2025~~ *April 1, 2024*, and thereafter, the state
9 treasurer shall credit 18% of the revenue collected and received from the
10 tax imposed by K.S.A. 79-3703, and amendments thereto, at the rates
11 provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023
12 Supp. 79-3603d, and amendments thereto, and deposited as provided by
13 subsection (a), exclusive of amounts credited pursuant to subsection (d), in
14 the state highway fund.

15 (d) The state treasurer shall credit all revenue collected or received
16 from the tax imposed by K.S.A. 79-3703, and amendments thereto, as
17 certified by the director, from taxpayers doing business within that portion
18 of a redevelopment district occupied by a redevelopment project that was
19 determined by the secretary of commerce to be of statewide as well as
20 local importance or will create a major tourism area for the state as defined
21 in K.S.A. 12-1770a, and amendments thereto, to the city bond finance
22 fund created by K.S.A. 79-3620(d), and amendments thereto. The
23 provisions of this subsection shall expire when the total of all amounts
24 credited hereunder and under K.S.A. 79-3620(d), and amendments thereto,
25 is sufficient to retire the special obligation bonds issued for the purpose of
26 financing all or a portion of the costs of such redevelopment project.

27 This subsection shall not apply to a project designated as a special bond
28 project as defined in K.S.A. 12-1770a(z), and amendments thereto.

29 (e) All revenue certified by the director of taxation as having been
30 collected or received from the tax imposed by K.S.A. 79-3603(c), and
31 amendments thereto, on the sale or furnishing of gas, water, electricity and
32 heat for use or consumption within the intermodal facility district
33 described in this subsection, shall be credited by the state treasurer to the
34 state highway fund. Such revenue may be transferred by the secretary of
35 transportation to the rail service improvement fund pursuant to law. The
36 provisions of this subsection shall take effect upon certification by the
37 secretary of transportation that a notice to proceed has been received for
38 the construction of the improvements within the intermodal facility
39 district, but not later than December 31, 2010, and shall expire when the
40 secretary of revenue determines that the total of all amounts credited
41 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is
42 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all
43 revenues shall be collected and distributed in accordance with applicable

1 law. For all tax reporting periods during which the provisions of this
2 subsection are in effect, none of the exemptions contained in K.S.A. 79-
3 3601 et seq., and amendments thereto, shall apply to the sale or furnishing
4 of any gas, water, electricity and heat for use or consumption within the
5 intermodal facility district. As used in this subsection, "intermodal facility
6 district" shall consist of an intermodal transportation area as defined by
7 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county
8 within the polygonal-shaped area having Waverly Road as the eastern
9 boundary, 191st Street as the southern boundary, Four Corners Road as the
10 western boundary, and Highway 56 as the northern boundary, and the
11 polygonal-shaped area having Poplar Road as the eastern boundary, 183rd
12 Street as the southern boundary, Waverly Road as the western boundary,
13 and the BNSF mainline track as the northern boundary, that includes
14 capital investment in an amount exceeding \$150 million for the
15 construction of an intermodal facility to handle the transfer, storage and
16 distribution of freight through railway and trucking operations.

17 Sec. 6. K.S.A. 2023 Supp. 79-3603, 79-3603d, 79-3620, 79-3703 and
18 79-3710 are hereby repealed.

19 Sec. 7. This act shall take effect and be in force from and after its
20 publication in the Kansas register.