

SENATE BILL No. 539

By Committee on Assessment and Taxation

3-7

1 AN ACT concerning taxation; relating to income tax; modifying tax rates  
2 for individuals; increasing the Kansas standard deduction and the  
3 Kansas personal exemption; ~~increasing the income limit to qualify for a~~  
4 *eliminating the income limitation to receive the* subtraction  
5 modification—~~for exempting~~ social security—~~income benefits;~~  
6 *{establishing a child tax credit;}* relating to privilege tax; decreasing  
7 the normal tax rate; relating to property tax; increasing the extent of  
8 exemption for residential property from the statewide school levy;  
9 ~~relating to sales and compensating use tax; reducing the state rate of tax~~  
10 ~~on sales of food and food ingredients; modifying the percent credited to~~  
11 ~~the state highway fund from revenue collected; {relating to sales and~~  
12 *compensating use tax; reducing the state rate of tax on sales of food*  
13 *and food ingredients; modifying the percent credited to the state*  
14 *highway fund from revenue collected;}* amending K.S.A. 79-1107 and  
15 79-1108 and K.S.A. 2023 Supp. 79-201x, 79-32,110, 79-32,117, 79-  
16 32,119, ~~and;~~ 79-32,121, 79-3603, 79-3603d, 79-3620, 79-3703 and  
17 79-3710, *79-3603, 79-3603d, 79-3620, 79-3703 and 79-3710*; and  
18 repealing the existing sections.

19  
20 WHEREAS, The provisions of the amendments to the sections in this  
21 act shall be known as the tax relief for all Kansans act.

22 Now, therefore:

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

24 *{New Section 1. (a) For tax year 2024, and all tax years thereafter,*  
25 *there shall be allowed a credit against the tax liability of a resident*  
26 *individual taxpayer imposed under the Kansas income tax act for each*  
27 *qualifying child of the taxpayer in the amount set forth in the following*  
28 *schedule for married individuals filing joint returns and all other*  
29 *individuals, except as provided in subsection (b):*

<i>Kansas adjusted</i>	<i>Amount of credit</i>
<i>gross income</i>	<i>per qualifying child</i>
<i>\$0 to \$25,000</i>	<i>\$600</i>
<i>Over \$25,000 but not over \$50,000</i>	<i>\$400</i>
<i>Over \$50,000 but not over \$75,000</i>	<i>\$200</i>

1	<i>Over \$75,000 but not over \$100,000</i>	<i>\$100</i>
2	<i>Over \$100,000 but not over \$200,000</i>	<i>\$75</i>
3	<i>Over \$200,000 but not over \$350,000</i>	<i>\$50</i>
4	<i>Over \$350,000</i>	<i>\$25</i>

5 *(b) Married individuals filing separate returns for a tax year for which*  
6 *they could have filed a joint return may each claim only 1/2 of the*  
7 *amount of credit per qualifying child that would have been claimed on a*  
8 *joint return.*

9 *(c) In the case of all tax years after tax year 2024, all threshold income*  
10 *amounts and credit amounts prescribed in this section shall be increased*  
11 *by an amount equal to such amount multiplied by the cost-of-living*  
12 *adjustment determined under section 1(f)(3) of the federal internal*  
13 *revenue code for the calendar year in which the taxable year*  
14 *commences.*

15 *(d) Except as provided in subsection (b), an individual may be claimed*  
16 *as a qualifying child by only one taxpayer per tax year.*

17 *(e) If the amount of the credit allowed by this section exceeds the*  
18 *taxpayer's income tax liability imposed under the Kansas income tax act,*  
19 *such excess amount shall be refunded to the taxpayer.*

20 *(f) The secretary of revenue shall compile an annual report each year*  
21 *on the child tax credit that includes the number of taxpayers receiving*  
22 *the credit, the adjusted threshold income amounts and credit amounts*  
23 *pursuant to subsection (c), the aggregate amount of the credits, an*  
24 *analysis of the cost of the credit and any other information necessary to*  
25 *evaluate the effectiveness of the credit. On or before January 31 each*  
26 *year, the secretary of revenue shall submit such annual report in writing*  
27 *to the senate committee on assessment and taxation and the house*  
28 *committee on taxation.*

29 *(g) As used in this section, "qualifying child" means, with respect to*  
30 *any taxpayer for any taxable year, an individual who:*

- 31 *(1) Bears a relationship to the taxpayer described in subsection (h);*
- 32 *(2) has the same principal place of abode as the taxpayer for more*  
33 *than 1/2 of such taxable year;*
- 34 *(3) has not attained 5 years of age as of the close of the calendar year*  
35 *in which the taxable year of the taxpayer begins;*
- 36 *(4) has not provided over 1/2 of such individual's own support for the*  
37 *calendar year in which the taxable year of the taxpayer begins; and*
- 38 *(5) has not filed a joint return, other than only for a claim of refund,*  
39 *with the individual's spouse for the taxable year.*

40 *(h) An individual bears a relationship to the taxpayer described in this*  
41 *section if such individual is:*

- 42 *(1) A child of the taxpayer or a descendant of such a child; or*
- 43 *(2) a brother, sister, stepbrother or stepsister of the taxpayer or a*

1 *descendant of any such relative.*

2 *(i) The provisions of this section shall be a part of and supplemental to*  
 3 *the Kansas income tax act.*

4 ~~Section 1.~~ *{Sec. 2.}* K.S.A. 2023 Supp. 79-201x is hereby amended to  
 5 read as follows: 79-201x. (a) For taxable year ~~2022~~ 2024, and all taxable  
 6 years thereafter, the following described property, to the extent herein  
 7 specified, shall be and is hereby exempt from the property tax levied  
 8 pursuant to the provisions of K.S.A. 72-5142, and amendments thereto:  
 9 Property used for residential purposes to the extent of ~~\$40,000–\$80,000~~  
 10 *{\$100,000}* of its appraised valuation.

11 (b) For taxable year ~~2023~~ 2025, and all taxable years thereafter, the  
 12 dollar amount of the extent of appraised valuation that is exempt pursuant  
 13 to subsection (a) shall be adjusted to reflect the average percentage change  
 14 in statewide residential valuation of all residential real property for the  
 15 preceding 10 years. Such average percentage change shall not be less than  
 16 zero. The director of property valuation shall calculate the average  
 17 percentage change for purposes of this annual adjustment and calculate the  
 18 dollar amount of the extent of appraised valuation that is exempt pursuant  
 19 to this section each year.

20 ~~Sec. 2.~~ *{3.}* K.S.A. 79-1107 is hereby amended to read as follows: 79-  
 21 1107. (a) Every national banking association and state bank located or  
 22 doing business within the state shall pay to the state for the privilege of  
 23 doing business within the state a tax according to or measured by its net  
 24 income for the next preceding taxable year to be computed as provided in  
 25 this act. Such tax shall consist of a normal tax and a surtax and shall be  
 26 computed as follows:

27 ~~(a)(1)~~ (A) For tax year 2024, the normal tax shall be an amount equal  
 28 to ~~2<sup>1</sup>/<sub>4</sub>%~~ 2.25% of such net income; ~~and~~

29 (B) for tax year 2025, the normal tax shall be an amount equal to  
 30 1.94% of such net income; and

31 (C) for tax year 2026, and all tax years thereafter, the normal tax  
 32 shall be an amount equal to 1.63% of such net income; and

33 ~~(b)(2)~~ the surtax shall be an amount equal to ~~2<sup>1</sup>/<sub>8</sub>%~~ 2.125% of such  
 34 net income in excess of \$25,000.

35 (b) The tax levied shall be in lieu of ad valorem taxes which might  
 36 otherwise be imposed by the state or political subdivisions thereof upon  
 37 shares of capital stock or the intangible assets of national banking  
 38 associations and state banks.

39 ~~Sec. 3.~~ *{4.}* K.S.A. 79-1108 is hereby amended to read as follows: 79-  
 40 1108. (a) Every trust company and savings and loan association located or  
 41 doing business within the state shall pay to the state for the privilege of  
 42 doing business within the state a tax according to or measured by its net  
 43 income for the next preceding taxable year to be computed as provided in

1 this act. Such tax shall consist of a normal tax and a surtax and shall be  
 2 computed as follows:

3 ~~(a)(1)~~ (A) For tax year 2024, the normal tax on every trust company  
 4 and savings and loan association shall be an amount equal to ~~2.25%~~ 2.25%  
 5 of such net income; ~~and~~

6 (B) for tax year 2025, the normal tax on every trust company and  
 7 savings and loan association shall be an amount equal to 1.93% of such  
 8 net income; and

9 (C) for tax year 2026, and all tax years thereafter, the normal tax on  
 10 every trust company and savings and loan association shall be an amount  
 11 equal to 1.61% of such net income; and

12 ~~(b)(2)~~ the surtax on every trust company and savings and loan  
 13 association shall be an amount equal to ~~2.25%~~ 2.25% of such net income in  
 14 excess of \$25,000.

15 (b) The tax levied shall be in lieu of ad valorem taxes which might  
 16 otherwise be imposed by the state or political subdivision thereof upon  
 17 shares of capital stock or other intangible assets of trust companies and  
 18 savings and loan associations.

19 ~~Sec. 4.~~ ~~{5.}~~ K.S.A. 2023 Supp. 79-32,110 is hereby amended to read  
 20 as follows: 79-32,110. (a) *Resident Individuals.* Except as otherwise  
 21 provided by K.S.A. 79-3220(a), and amendments thereto, a tax is hereby  
 22 imposed upon the Kansas taxable income of every resident individual,  
 23 which tax shall be computed in accordance with the following tax  
 24 schedules:

25 (1) *Married individuals filing joint returns.*

26 ~~(A)~~ For tax year 2012:

If the taxable income is:	The tax is:
27 Not over \$30,000.....	3.5% of Kansas taxable income
28 Over \$30,000 but not over \$60,000.....	\$1,050 plus 6.25% of excess
29 _____	over \$30,000
30 Over \$60,000.....	\$2,925 plus 6.45% of excess
31 _____	over \$60,000

32 ~~(B)~~ For tax year 2013:

If the taxable income is:	The tax is:
33 Not over \$30,000.....	3.0% of Kansas taxable income
34 Over \$30,000.....	\$900 plus 4.9% of excess over
35 _____	\$30,000

36 ~~(C)~~ For tax year 2014:

If the taxable income is:	The tax is:
37 Not over \$30,000.....	2.7% of Kansas taxable income
38 Over \$30,000.....	\$810 plus 4.8% of excess over
39 _____	\$30,000

40 ~~(D)~~ For tax years 2015 and 2016:

1	If the taxable income is:	The tax is:
2	Not over \$30,000.....	2.7% of Kansas taxable income
3	Over \$30,000.....	\$810 plus 4.6% of excess over
4	_____	\$30,000
5	(E) For tax year 2017:	
6	If the taxable income is:	The tax is:
7	Not over \$30,000.....	2.9% of Kansas taxable income
8	Over \$30,000 but not over \$60,000.....	\$870 plus 4.9% of excess over
9	_____	\$30,000
10	Over \$60,000.....	\$2,340 plus 5.2% of excess over
11	_____	\$60,000
12	(F) For tax year years 2018, and all tax years thereafter through 2023:	
13	If the taxable income is:	The tax is:
14	Not over \$30,000.....	3.1% of Kansas taxable income
15	Over \$30,000 but not over \$60,000.....	\$930 plus 5.25% of excess
16	_____	over \$30,000
17	Over \$60,000.....	\$2,505 plus 5.7% of excess
18	_____	over \$60,000
19	(2) <i>All other individuals.</i>	
20	(A) For tax year 2012:	
21	If the taxable income is:	The tax is:
22	Not over \$15,000.....	3.5% of Kansas taxable income
23	Over \$15,000 but not over \$30,000.....	\$525 plus 6.25% of excess
24	_____	over \$15,000
25	Over \$30,000.....	\$1,462.50 plus 6.45% of excess
26	_____	over \$30,000
27	(B) For tax year 2013:	
28	If the taxable income is:	The tax is:
29	Not over \$15,000.....	3.0% of Kansas taxable income
30	Over \$15,000.....	\$450 plus 4.9% of excess over
31	_____	\$15,000
32	(C) For tax year 2014:	
33	If the taxable income is:	The tax is:
34	Not over \$15,000.....	2.7% of Kansas taxable income
35	Over \$15,000.....	\$405 plus 4.8% of excess over
36	_____	\$15,000
37	(D) For tax years 2015 and 2016:	
38	If the taxable income is:	The tax is:
39	Not over \$15,000.....	2.7% of Kansas taxable income
40	Over \$15,000.....	\$405 plus 4.6% of excess over
41	_____	\$15,000
42	(E) For tax year 2017:	
43	If the taxable income is:	The tax is:

1	Not over \$15,000.....	2.9% of Kansas taxable income
2	Over \$15,000 but not over \$30,000.....	\$435 plus 4.9% of excess over
3		\$15,000
4	Over \$30,000.....	\$1,170 plus 5.2% of excess over
5		\$30,000
6	<del>(F) For tax year years 2018, and all tax years thereafter through 2023:</del>	
7	If the taxable income is:	The tax is:
8	Not over \$15,000.....	3.1% of Kansas taxable income
9	Over \$15,000 but not over \$30,000.....	\$465 plus 5.25% of excess
10		over \$15,000
11	Over \$30,000.....	\$1,252.50 plus 5.7% of excess
12		over \$30,000

13  
 14 (3) *All resident individuals. For all individuals regardless of filing*  
 15 *status, the tax shall be in an amount equal to:*

- 16 (A) 5.7% of Kansas taxable income for tax year 2024;
- 17 (B) 5.65% of Kansas taxable income for tax year 2025;
- 18 (C) 5.6% of Kansas taxable income for tax year 2026;
- 19 (D) 5.55% of Kansas taxable income for tax year 2027;
- 20 (E) 5.5% of Kansas taxable income for tax year 2028; and
- 21 (F) 5.45% of Kansas taxable income **for** tax year 2029, and all tax
- 22 *years thereafter.*

23 (b) *Nonresident Individuals.* A tax is hereby imposed upon the Kansas  
 24 taxable income of every nonresident individual, which tax shall be an  
 25 amount equal to the tax computed under subsection (a) as if the  
 26 nonresident were a resident multiplied by the ratio of modified Kansas  
 27 source income to Kansas adjusted gross income.

28 (c) *Corporations.* A tax is hereby imposed upon the Kansas taxable  
 29 income of every corporation doing business within this state or deriving  
 30 income from sources within this state. Such tax shall consist of a normal  
 31 tax and a surtax and shall be computed as follows unless otherwise  
 32 modified pursuant to K.S.A. 2023 Supp. 74-50,321, and amendments  
 33 thereto:

34 (1) The normal tax shall be in an amount equal to 4% of the Kansas  
 35 taxable income of such corporation; and

36 (2) The surtax shall be in an amount equal to 3% of the Kansas  
 37 taxable income of such corporation in excess of \$50,000.

38 (d) *Fiduciaries.* A tax is hereby imposed upon the Kansas taxable  
 39 income of estates and trusts at the rates provided in subsection (a)(2)  
 40 ~~hereof~~ *for tax years 2018 through 2023 and at the rates provided in*  
 41 *subsection (a)(3) for tax year 2024, and all tax years thereafter.*

42 (e) Notwithstanding the provisions of subsections (a) and (b): ~~(1) For~~  
 43 ~~tax years 2016 and 2017, married individuals filing joint returns with~~

1 ~~taxable income of \$12,500 or less, and all other individuals with taxable~~  
2 ~~income of \$5,000 or less, shall have a tax liability of zero; and (2), for tax~~  
3 ~~year years 2018, and all tax years thereafter through 2023, married~~  
4 ~~individuals filing joint returns with taxable income of \$5,000 or less, and~~  
5 ~~all other individuals with taxable income of \$2,500 or less, shall have a tax~~  
6 ~~liability of zero.~~

7 ~~(f)—No taxpayer shall be assessed penalties and interest arising from~~  
8 ~~the underpayment of taxes due to changes to the rates in subsection (a) that~~  
9 ~~became law on July 1, 2017, so long as such underpayment is rectified on~~  
10 ~~or before April 17, 2018.~~

11 ~~Sec. -5: {6.}~~ K.S.A. 2023 Supp. 79-32,117 is hereby amended to read  
12 as follows: 79-32,117. (a) The Kansas adjusted gross income of an  
13 individual means such individual's federal adjusted gross income for the  
14 taxable year, with the modifications specified in this section.

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

16 (i) Interest income less any related expenses directly incurred in the  
17 purchase of state or political subdivision obligations, to the extent that the  
18 same is not included in federal adjusted gross income, on obligations of  
19 any state or political subdivision thereof, but to the extent that interest  
20 income on obligations of this state or a political subdivision thereof issued  
21 prior to January 1, 1988, is specifically exempt from income tax under the  
22 laws of this state authorizing the issuance of such obligations, it shall be  
23 excluded from computation of Kansas adjusted gross income whether or  
24 not included in federal adjusted gross income. Interest income on  
25 obligations of this state or a political subdivision thereof issued after  
26 December 31, 1987, shall be excluded from computation of Kansas  
27 adjusted gross income whether or not included in federal adjusted gross  
28 income.

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

36 (iii) The federal net operating loss deduction, except that the federal  
37 net operating loss deduction shall not be added to an individual's federal  
38 adjusted gross income for tax years beginning after December 31, 2016.

39 (iv) Federal income tax refunds received by the taxpayer if the  
40 deduction of the taxes being refunded resulted in a tax benefit for Kansas  
41 income tax purposes during a prior taxable year. Such refunds shall be  
42 included in income in the year actually received regardless of the method  
43 of accounting used by the taxpayer. For purposes hereof, a tax benefit shall

1 be deemed to have resulted if the amount of the tax had been deducted in  
2 determining income subject to a Kansas income tax for a prior year  
3 regardless of the rate of taxation applied in such prior year to the Kansas  
4 taxable income, but only that portion of the refund shall be included as  
5 bears the same proportion to the total refund received as the federal taxes  
6 deducted in the year to which such refund is attributable bears to the total  
7 federal income taxes paid for such year. For purposes of the foregoing  
8 sentence, federal taxes shall be considered to have been deducted only to  
9 the extent such deduction does not reduce Kansas taxable income below  
10 zero.

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

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

19 (vii) The amount of any charitable contribution made to the extent the  
20 same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-  
21 32,196, and amendments thereto.

22 (viii) The amount of any costs incurred for improvements to a swine  
23 facility, claimed for deduction in determining federal adjusted gross  
24 income, to the extent the same is claimed as the basis for any credit  
25 allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

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

32 (x) Amounts received as nonqualified withdrawals, as defined by  
33 K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a  
34 family postsecondary education savings account, such amounts were  
35 subtracted from the federal adjusted gross income pursuant to subsection  
36 (c)(xv) or if such amounts are not already included in the federal adjusted  
37 gross income.

38 (xi) The amount of any contribution made to the same extent the  
39 same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-  
40 50,154, and amendments thereto.

41 (xii) For taxable years commencing after December 31, 2004,  
42 amounts received as withdrawals not in accordance with the provisions of  
43 K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution



1 to an individual development account, such amounts were subtracted from  
2 the federal adjusted gross income pursuant to subsection (c)(xiii), or if  
3 such amounts are not already included in the federal adjusted gross  
4 income.

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

9 (xiv) The amount of any amortization deduction claimed in  
10 determining federal adjusted gross income to the extent the same is  
11 claimed for deduction pursuant to K.S.A. 79-32,221, and amendments  
12 thereto.

13 (xv) The amount of any expenditures claimed for deduction in  
14 determining federal adjusted gross income, to the extent the same is  
15 claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223  
16 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-  
17 32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-  
18 32,251 through 79-32,254, and amendments thereto.

19 (xvi) The amount of any amortization deduction claimed in  
20 determining federal adjusted gross income to the extent the same is  
21 claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-  
22 32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

23 (xvii) The amount of any amortization deduction claimed in  
24 determining federal adjusted gross income to the extent the same is  
25 claimed for deduction pursuant to K.S.A. 79-32,256, and amendments  
26 thereto.

27 (xviii) For taxable years commencing after December 31, 2006, the  
28 amount of any ad valorem or property taxes and assessments paid to a state  
29 other than Kansas or local government located in a state other than Kansas  
30 by a taxpayer who resides in a state other than Kansas, when the law of  
31 such state does not allow a resident of Kansas who earns income in such  
32 other state to claim a deduction for ad valorem or property taxes or  
33 assessments paid to a political subdivision of the state of Kansas in  
34 determining taxable income for income tax purposes in such other state, to  
35 the extent that such taxes and assessments are claimed as an itemized  
36 deduction for federal income tax purposes.

37 (xix) For taxable years beginning after December 31, 2012, and  
38 ending before January 1, 2017, the amount of any: (1) Loss from business  
39 as determined under the federal internal revenue code and reported from  
40 schedule C and on line 12 of the taxpayer's form 1040 federal individual  
41 income tax return; (2) loss from rental real estate, royalties, partnerships, S  
42 corporations, except those with wholly owned subsidiaries subject to the  
43 Kansas privilege tax, estates, trusts, residual interest in real estate

1 mortgage investment conduits and net farm rental as determined under the  
2 federal internal revenue code and reported from schedule E and on line 17  
3 of the taxpayer's form 1040 federal individual income tax return; and (3)  
4 farm loss as determined under the federal internal revenue code and  
5 reported from schedule F and on line 18 of the taxpayer's form 1040  
6 federal income tax return; all to the extent deducted or subtracted in  
7 determining the taxpayer's federal adjusted gross income. For purposes of  
8 this subsection, references to the federal form 1040 and federal schedule  
9 C, schedule E, and schedule F, shall be to such form and schedules as they  
10 existed for tax year 2011, and as revised thereafter by the internal revenue  
11 service.

12 (xx) For taxable years beginning after December 31, 2012, and  
13 ending before January 1, 2017, the amount of any deduction for self-  
14 employment taxes under section 164(f) of the federal internal revenue  
15 code as in effect on January 1, 2012, and amendments thereto, in  
16 determining the federal adjusted gross income of an individual taxpayer, to  
17 the extent the deduction is attributable to income reported on schedule C,  
18 E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income  
19 tax return.

20 (xxi) For taxable years beginning after December 31, 2012, and  
21 ending before January 1, 2017, the amount of any deduction for pension,  
22 profit sharing, and annuity plans of self-employed individuals under  
23 section 62(a)(6) of the federal internal revenue code as in effect on January  
24 1, 2012, and amendments thereto, in determining the federal adjusted gross  
25 income of an individual taxpayer.

26 (xxii) For taxable years beginning after December 31, 2012, and  
27 ending before January 1, 2017, the amount of any deduction for health  
28 insurance under section 162(l) of the federal internal revenue code as in  
29 effect on January 1, 2012, and amendments thereto, in determining the  
30 federal adjusted gross income of an individual taxpayer.

31 (xxiii) For taxable years beginning after December 31, 2012, and  
32 ending before January 1, 2017, the amount of any deduction for domestic  
33 production activities under section 199 of the federal internal revenue code  
34 as in effect on January 1, 2012, and amendments thereto, in determining  
35 the federal adjusted gross income of an individual taxpayer.

36 (xxiv) For taxable years commencing after December 31, 2013, that  
37 portion of the amount of any expenditure deduction claimed in  
38 determining federal adjusted gross income for expenses paid for medical  
39 care of the taxpayer or the taxpayer's spouse or dependents when such  
40 expenses were paid or incurred for an abortion, or for a health benefit plan,  
41 as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of  
42 an optional rider for coverage of abortion in accordance with K.S.A. 40-  
43 2,190, and amendments thereto, to the extent that such taxes and

1 assessments are claimed as an itemized deduction for federal income tax  
2 purposes.

3 (xxv) For taxable years commencing after December 31, 2013, that  
4 portion of the amount of any expenditure deduction claimed in  
5 determining federal adjusted gross income for expenses paid by a taxpayer  
6 for health care when such expenses were paid or incurred for abortion  
7 coverage, a health benefit plan, as defined in K.S.A. 65-6731, and  
8 amendments thereto, when such expenses were paid or incurred for  
9 abortion coverage or amounts contributed to health savings accounts for  
10 such taxpayer's employees for the purchase of an optional rider for  
11 coverage of abortion in accordance with K.S.A. 40-2,190, and  
12 amendments thereto, to the extent that such taxes and assessments are  
13 claimed as a deduction for federal income tax purposes.

14 (xxvi) For all taxable years beginning after December 31, 2016, the  
15 amount of any charitable contribution made to the extent the same is  
16 claimed as the basis for the credit allowed pursuant to K.S.A. 72-4357, and  
17 amendments thereto, and is also claimed as an itemized deduction for  
18 federal income tax purposes.

19 (xxvii) For all taxable years commencing after December 31, 2020,  
20 the amount deducted by reason of a carryforward of disallowed business  
21 interest pursuant to section 163(j) of the federal internal revenue code of  
22 1986, as in effect on January 1, 2018.

23 (xxviii) For all taxable years beginning after December 31, 2021, the  
24 amount of any contributions to, or earnings from, a first-time home buyer  
25 savings account if distributions from the account were not used to pay for  
26 expenses or transactions authorized pursuant to K.S.A. 2023 Supp. 58-  
27 4904, and amendments thereto, or were not held for the minimum length  
28 of time required pursuant to K.S.A. 2023 Supp. 58-4904, and amendments  
29 thereto. Contributions to, or earnings from, such account shall also include  
30 any amount resulting from the account holder not designating a surviving  
31 payable on death beneficiary pursuant to K.S.A. 2023 Supp. 58-4904(e),  
32 and amendments thereto.

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

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

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

43 (iii) The portion of any gain or loss from the sale or other disposition

1 of property having a higher adjusted basis for Kansas income tax purposes  
2 than for federal income tax purposes on the date such property was sold or  
3 disposed of in a transaction in which gain or loss was recognized for  
4 purposes of federal income tax that does not exceed such difference in  
5 basis, but if a gain is considered a long-term capital gain for federal  
6 income tax purposes, the modification shall be limited to that portion of  
7 such gain which is included in federal adjusted gross income.

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

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

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

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

27 (viii) Amounts received by retired railroad employees as a  
28 supplemental annuity under the provisions of 45 U.S.C. §§ 228b(a) and  
29 228c(a)(1) et seq.

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

35 (x) For taxable years beginning after December 31, 1976, the amount  
36 of the federal tentative jobs tax credit disallowance under the provisions of  
37 26 U.S.C. § 280C. For taxable years ending after December 31, 1978, the  
38 amount of the targeted jobs tax credit and work incentive credit  
39 disallowances under 26 U.S.C. § 280C.

40 (xi) For taxable years beginning after December 31, 1986, dividend  
41 income on stock issued by Kansas venture capital, inc.

42 (xii) For taxable years beginning after December 31, 1989, amounts  
43 received by retired employees of a board of public utilities as pension and

1 retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,  
2 and amendments thereto.

3 (xiii) For taxable years beginning after December 31, 2004, amounts  
4 contributed to and the amount of income earned on contributions deposited  
5 to an individual development account under K.S.A. 74-50,201 et seq., and  
6 amendments thereto.

7 (xiv) For all taxable years commencing after December 31, 1996, that  
8 portion of any income of a bank organized under the laws of this state or  
9 any other state, a national banking association organized under the laws of  
10 the United States, an association organized under the savings and loan  
11 code of this state or any other state, or a federal savings association  
12 organized under the laws of the United States, for which an election as an  
13 S corporation under subchapter S of the federal internal revenue code is in  
14 effect, which accrues to the taxpayer who is a stockholder of such  
15 corporation and which is not distributed to the stockholders as dividends of  
16 the corporation. For taxable years beginning after December 31, 2012, and  
17 ending before January 1, 2017, the amount of modification under this  
18 subsection shall exclude the portion of income or loss reported on schedule  
19 E and included on line 17 of the taxpayer's form 1040 federal individual  
20 income tax return.

21 (xv) For all taxable years beginning after December 31, 2017, the  
22 cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple  
23 filing a joint return, for each designated beneficiary that are contributed to:  
24 (1) A family postsecondary education savings account established under  
25 the Kansas postsecondary education savings program or a qualified tuition  
26 program established and maintained by another state or agency or  
27 instrumentality thereof pursuant to section 529 of the internal revenue  
28 code of 1986, as amended, for the purpose of paying the qualified higher  
29 education expenses of a designated beneficiary; or (2) an achieving a  
30 better life experience (ABLE) account established under the Kansas ABLE  
31 savings program or a qualified ABLE program established and maintained  
32 by another state or agency or instrumentality thereof pursuant to section  
33 529A of the internal revenue code of 1986, as amended, for the purpose of  
34 saving private funds to support an individual with a disability. The terms  
35 and phrases used in this paragraph shall have the meaning respectively  
36 ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and  
37 amendments thereto, and the provisions of such sections are hereby  
38 incorporated by reference for all purposes thereof.

39 (xvi) For all taxable years beginning after December 31, 2004,  
40 amounts received by taxpayers who are or were members of the armed  
41 forces of the United States, including service in the Kansas army and air  
42 national guard, as a recruitment, sign up or retention bonus received by  
43 such taxpayer as an incentive to join, enlist or remain in the armed services

1 of the United States, including service in the Kansas army and air national  
2 guard, and amounts received for repayment of educational or student loans  
3 incurred by or obligated to such taxpayer and received by such taxpayer as  
4 a result of such taxpayer's service in the armed forces of the United States,  
5 including service in the Kansas army and air national guard.

6 (xvii) For all taxable years beginning after December 31, 2004,  
7 amounts received by taxpayers who are eligible members of the Kansas  
8 army and air national guard as a reimbursement pursuant to K.S.A. 48-  
9 281, and amendments thereto, and amounts received for death benefits  
10 pursuant to K.S.A. 48-282, and amendments thereto, to the extent that  
11 such death benefits are included in federal adjusted gross income of the  
12 taxpayer.

13 ~~(xviii) For the taxable year beginning after December 31, 2006,~~  
14 ~~amounts received as benefits under the federal social security act which~~  
15 ~~are included in federal adjusted gross income of a taxpayer with federal~~  
16 ~~adjusted gross income of \$50,000 or less, whether such taxpayer's filing~~  
17 ~~status is single, head of household, married filing separate or married filing~~  
18 ~~jointly; and (A) For all taxable years beginning after December 31, 2007,~~  
19 ~~and ending before January 1, 2024, amounts received as benefits under the~~  
20 ~~federal social security act which are included in federal adjusted gross~~  
21 ~~income of a taxpayer with federal adjusted gross income of \$75,000 or~~  
22 ~~less, whether such taxpayer's filing status is single, head of household,~~  
23 ~~married filing separate or married filing jointly; and~~

24 ~~(B) for all taxable years beginning after December 31, 2023,~~  
25 ~~amounts received as benefits under the federal social security act that are~~  
26 ~~included in federal adjusted gross income of a taxpayer—whether a~~  
27 ~~taxpayer's filing status is single, head of household, married filing~~  
28 ~~separate or married filing jointly, and the amount of the subtraction~~  
29 ~~modification provided by this paragraph shall be calculated as follows:~~

30 ~~Subtraction modification = social security income x social security~~  
31 ~~taxable rate.~~

32 ~~For purposes of this subparagraph:~~

33 ~~(1) Social security income is the amount of benefits received under~~  
34 ~~the social security act and included in federal adjusted gross income; and~~

35 ~~(2) social security taxable rate shall be determined as follows:~~

36 ~~(a) For taxpayers with federal adjusted gross income of \$100,000 or~~  
37 ~~less, then the social security taxable rate is 1;~~

38 ~~(b) for taxpayers with federal adjusted gross income greater than~~  
39 ~~\$100,000 and less than the threshold, then the social security taxable rate~~  
40 ~~shall be calculated as:  $1 - ((\text{federal adjusted gross income} - 100,000) /$~~   
41 ~~denominator); and~~

42 ~~(c) for taxpayers with federal adjusted gross income equal to or~~  
43 ~~greater than the threshold, then the social security taxable rate is 0.~~

1 ~~(d) (i) — "Denominator" is equal to 25,000.~~

2 ~~(ii) — "Threshold" is equal to \$125,000.~~

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

5 (xx) For taxable years beginning after December 31, 2012, and  
6 ending before January 1, 2017, the amount of any: (1) Net profit from  
7 business as determined under the federal internal revenue code and  
8 reported from schedule C and on line 12 of the taxpayer's form 1040  
9 federal individual income tax return; (2) net income, not including  
10 guaranteed payments as defined in section 707(c) of the federal internal  
11 revenue code and as reported to the taxpayer from federal schedule K-1,  
12 (form 1065-B), in box 9, code F or as reported to the taxpayer from federal  
13 schedule K-1, (form 1065) in box 4, from rental real estate, royalties,  
14 partnerships, S corporations, estates, trusts, residual interest in real estate  
15 mortgage investment conduits and net farm rental as determined under the  
16 federal internal revenue code and reported from schedule E and on line 17  
17 of the taxpayer's form 1040 federal individual income tax return; and (3)  
18 net farm profit as determined under the federal internal revenue code and  
19 reported from schedule F and on line 18 of the taxpayer's form 1040  
20 federal income tax return; all to the extent included in the taxpayer's  
21 federal adjusted gross income. For purposes of this subsection, references  
22 to the federal form 1040 and federal schedule C, schedule E, and schedule  
23 F, shall be to such form and schedules as they existed for tax year 2011  
24 and as revised thereafter by the internal revenue service.

25 (xxi) For all taxable years beginning after December 31, 2013,  
26 amounts equal to the unreimbursed travel, lodging and medical  
27 expenditures directly incurred by a taxpayer while living, or a dependent  
28 of the taxpayer while living, for the donation of one or more human organs  
29 of the taxpayer, or a dependent of the taxpayer, to another person for  
30 human organ transplantation. The expenses may be claimed as a  
31 subtraction modification provided for in this section to the extent the  
32 expenses are not already subtracted from the taxpayer's federal adjusted  
33 gross income. In no circumstances shall the subtraction modification  
34 provided for in this section for any individual, or a dependent, exceed  
35 \$5,000. As used in this section, "human organ" means all or part of a liver,  
36 pancreas, kidney, intestine, lung or bone marrow. The provisions of this  
37 paragraph shall take effect on the day the secretary of revenue certifies to  
38 the director of the budget that the cost for the department of revenue of  
39 modifications to the automated tax system for the purpose of  
40 implementing this paragraph will not exceed \$20,000.

41 (xxii) For taxable years beginning after December 31, 2012, and  
42 ending before January 1, 2017, the amount of net gain from the sale of: (1)  
43 Cattle and horses, regardless of age, held by the taxpayer for draft,

1 breeding, dairy or sporting purposes, and held by such taxpayer for 24  
2 months or more from the date of acquisition; and (2) other livestock,  
3 regardless of age, held by the taxpayer for draft, breeding, dairy or  
4 sporting purposes, and held by such taxpayer for 12 months or more from  
5 the date of acquisition. The subtraction from federal adjusted gross income  
6 shall be limited to the amount of the additions recognized under the  
7 provisions of subsection (b)(xix) attributable to the business in which the  
8 livestock sold had been used. As used in this paragraph, the term  
9 "livestock" shall not include poultry.

10 (xxiii) For all taxable years beginning after December 31, 2012,  
11 amounts received under either the Overland Park, Kansas police  
12 department retirement plan or the Overland Park, Kansas fire department  
13 retirement plan, both as established by the city of Overland Park, pursuant  
14 to the city's home rule authority.

15 (xxiv) For taxable years beginning after December 31, 2013, and  
16 ending before January 1, 2017, the net gain from the sale from Christmas  
17 trees grown in Kansas and held by the taxpayer for six years or more.

18 (xxv) For all taxable years commencing after December 31, 2020,  
19 100% of global intangible low-taxed income under section 951A of the  
20 federal internal revenue code of 1986, before any deductions allowed  
21 under section 250(a)(1)(B) of such code.

22 (xxvi) For all taxable years commencing after December 31, 2020,  
23 the amount disallowed as a deduction pursuant to section 163(j) of the  
24 federal internal revenue code of 1986, as in effect on January 1, 2018.

25 (xxvii) For taxable years commencing after December 31, 2020, the  
26 amount disallowed as a deduction pursuant to section 274 of the federal  
27 internal revenue code of 1986 for meal expenditures shall be allowed to  
28 the extent such expense was deductible for determining federal income tax  
29 and was allowed and in effect on December 31, 2017.

30 (xxviii) For all taxable years beginning after December 31, 2021: (1)  
31 The amount contributed to a first-time home buyer savings account  
32 pursuant to K.S.A. 2023 Supp. 58-4903, and amendments thereto, in an  
33 amount not to exceed \$3,000 for an individual or \$6,000 for a married  
34 couple filing a joint return; or (2) amounts received as income earned from  
35 assets in a first-time home buyer savings account.

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

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



1 gross income of the partner.

2 ~~Sec. 6. {7.}~~ K.S.A. 2023 Supp. 79-32,119 is hereby amended to read  
3 as follows: 79-32,119. (a) The Kansas standard deduction of an individual,  
4 including a husband and wife who are either both residents or who file a  
5 joint return as if both were residents, shall be equal to the sum of the  
6 standard deduction amount allowed pursuant to this section, and the  
7 additional standard deduction amount allowed pursuant to this section for  
8 each such deduction allowable to such individual or to such husband and  
9 wife under the federal internal revenue code.

10 (b) For tax year 1998, and all tax years thereafter, the additional  
11 standard deduction amount shall be as follows: Single individual and head  
12 of household filing status, \$850; and married filing status, \$700.

13 (c) (1) For tax year 2013 through tax year 2020, the standard  
14 deduction amount of an individual, including husband and wife who are  
15 either both residents or who file a joint return as if both were residents,  
16 shall be as follows: Single individual filing status, \$3,000; married filing  
17 status, \$7,500; and head of household filing status, \$5,500.

18 (2) For tax year 2021, ~~and all tax years thereafter~~ *through tax year*  
19 *2023*, the standard deduction amount of an individual, including husband  
20 and wife who are either both residents or who file a joint return as if both  
21 were residents, shall be as follows: Single individual filing status, \$3,500;  
22 married filing status, \$8,000; and head of household filing status, \$6,000.

23 (3) *For tax year 2024, and all tax years thereafter, the standard*  
24 *deduction amount of an individual, including husband and wife who are*  
25 *either both residents or who file a joint return as if both were residents,*  
26 *shall be as follows: Single individual filing status, \$4,000; married filing*  
27 *status, \$8,000; and head of household filing status, \$6,000.*

28 (4) *In the case of tax year 2025, and all tax years thereafter, amounts*  
29 *prescribed in paragraph (3) shall be increased by an amount equal to such*  
30 *amount multiplied by the cost-of-living adjustment determined under*  
31 *section 1(f)(3) of the federal internal revenue code for the calendar year in*  
32 *which the taxable year commences.*

33 (d) For purposes of this section, the federal standard deduction  
34 allowable to a husband and wife filing separate Kansas income tax returns  
35 shall be determined on the basis that separate federal returns were filed,  
36 and the federal standard deduction of a husband and wife filing a joint  
37 Kansas income tax return shall be determined on the basis that a joint  
38 federal income tax return was filed.

39 ~~Sec. 7. {8.}~~ K.S.A. 2023 Supp. 79-32,121 is hereby amended to read  
40 as follows: 79-32,121. (a) ~~An individual~~ (1) *For tax year 2024, and all tax*  
41 *years thereafter, a taxpayer shall be allowed a Kansas exemption of*  
42 ~~\$2,250 for each exemption~~ *as follows:*

43 (A) *In the case of married individuals filing a joint return, a personal*

1 exemption of \$22,000;

2 (B) in the case of all other individuals with a filing status of single,  
3 head of household or married filing separate, a personal exemption of  
4 \$11,000; and

5 (C) in addition to the amount allowed pursuant to subparagraph (A)  
6 or (B), a personal exemption of \$3,000 for each dependent for which such  
7 individual taxpayer is entitled to a deduction for the taxable year for  
8 federal income tax purposes.

9 (2) In the case of tax year 2025, and all tax years thereafter, amounts  
10 prescribed in paragraph (1) shall be increased by an amount equal to such  
11 amount multiplied by the cost-of-living adjustment determined under  
12 section 1(f)(3) of the federal internal revenue code for the calendar year in  
13 which the taxable year commences.

14 (b) In addition to the exemptions provided in subsection (a), any  
15 individual who has been honorably discharged from active service in any  
16 branch of the armed forces of the United States and who is certified by the  
17 United States department of veterans affairs or its successor to be in  
18 receipt of disability compensation at the 100% rate, if the disability is  
19 permanent and was sustained through military action or accident or  
20 resulted from disease contracted while in such active service, such  
21 individual shall be allowed an additional Kansas exemption of \$2,250 for  
22 tax year 2023, and all tax years thereafter.

23 ~~Sec. 8.—K.S.A. 2023 Supp. 79-3603 is hereby amended to read as~~  
24 ~~follows: 79-3603. For the privilege of engaging in the business of selling~~  
25 ~~tangible personal property at retail in this state or rendering or furnishing~~  
26 ~~any of the services taxable under this act, there is hereby levied and there~~  
27 ~~shall be collected and paid a tax at the rate of 6.5%. On and after January~~  
28 ~~1, 2023, 17% and on and after January 1, 2025 July 1, 2024, 18% of the~~  
29 ~~tax rate imposed pursuant to this section and the rate provided in K.S.A.~~  
30 ~~2023 Supp. 79-3603d, and amendments thereto, shall be levied for the~~  
31 ~~state highway fund, the state highway fund purposes and those purposes~~  
32 ~~specified in K.S.A. 68-416, and amendments thereto, and all revenue~~  
33 ~~collected and received from such tax levy shall be deposited in the state~~  
34 ~~highway fund.~~

35 ~~Within a redevelopment district established pursuant to K.S.A. 74-~~  
36 ~~8921, and amendments thereto, there is hereby levied and there shall be~~  
37 ~~collected and paid an additional tax at the rate of 2% until the earlier of the~~  
38 ~~date the bonds issued to finance or refinance the redevelopment project~~  
39 ~~have been paid in full or the final scheduled maturity of the first series of~~  
40 ~~bonds issued to finance any part of the project.~~

41 ~~Such tax shall be imposed upon:~~

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

1       ~~(b) the gross receipts from intrastate, interstate or international~~  
2 ~~telecommunications services and any ancillary services sourced to this~~  
3 ~~state in accordance with K.S.A. 79-3673, and amendments thereto, except~~  
4 ~~that telecommunications service does not include: (1) Any interstate or~~  
5 ~~international 800 or 900 service; (2) any interstate or international private~~  
6 ~~communications service as defined in K.S.A. 79-3673, and amendments~~  
7 ~~thereto; (3) any value-added nonvoice data service; (4) any~~  
8 ~~telecommunication service to a provider of telecommunication services~~  
9 ~~which will be used to render telecommunications services, including~~  
10 ~~carrier access services; or (5) any service or transaction defined in this~~  
11 ~~section among entities classified as members of an affiliated group as~~  
12 ~~provided by section 1504 of the federal internal revenue code of 1986, as~~  
13 ~~in effect on January 1, 2001;~~

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

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

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

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

41       ~~(g) the gross receipts from the service of renting of rooms by hotels,~~  
42 ~~as defined by K.S.A. 36-501, and amendments thereto, or by~~  
43 ~~accommodation brokers, as defined by K.S.A. 12-1692, and amendments~~

1 thereto, but such tax shall not be levied and collected upon the gross  
2 receipts received from sales of such service to the federal government and  
3 any agency, officer or employee thereof in association with the  
4 performance of official government duties;

5 (h) ~~the gross receipts from the service of renting or leasing of tangible~~  
6 ~~personal property except such tax shall not apply to the renting or leasing~~  
7 ~~of machinery, equipment or other personal property owned by a city and~~  
8 ~~purchased from the proceeds of industrial revenue bonds issued prior to~~  
9 ~~July 1, 1973, in accordance with the provisions of K.S.A. 12-1740 through~~  
10 ~~12-1749, and amendments thereto, and any city or lessee renting or leasing~~  
11 ~~such machinery, equipment or other personal property purchased with the~~  
12 ~~proceeds of such bonds who shall have paid a tax under the provisions of~~  
13 ~~this section upon sales made prior to July 1, 1973, shall be entitled to a~~  
14 ~~refund from the sales tax refund fund of all taxes paid thereon;~~

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

18 (j) ~~the gross receipts from the rendering of the services of washing~~  
19 ~~and washing and waxing of vehicles;~~

20 (k) ~~the gross receipts from cable, community antennae and other~~  
21 ~~subscriber radio and television services;~~

22 (l) (1) ~~except as otherwise provided by paragraph (2), the gross~~  
23 ~~receipts received from the sales of tangible personal property to all~~  
24 ~~contractors, subcontractors or repairmen for use by them in erecting~~  
25 ~~structures, or building on, or otherwise improving, altering, or repairing~~  
26 ~~real or personal property.~~

27 (2) ~~Any such contractor, subcontractor or repairman who maintains~~  
28 ~~an inventory of such property both for sale at retail and for use by them for~~  
29 ~~the purposes described by paragraph (1) shall be deemed a retailer with~~  
30 ~~respect to purchases for and sales from such inventory, except that the~~  
31 ~~gross receipts received from any such sale, other than a sale at retail, shall~~  
32 ~~be equal to the total purchase price paid for such property and the tax~~  
33 ~~imposed thereon shall be paid by the deemed retailer;~~

34 (m) ~~the gross receipts received from fees and charges by public and~~  
35 ~~private clubs, drinking establishments, organizations and businesses for~~  
36 ~~participation in sports, games and other recreational activities, but such tax~~  
37 ~~shall not be levied and collected upon the gross receipts received from: (1)~~  
38 ~~Fees and charges by any political subdivision, by any organization exempt~~  
39 ~~from property taxation pursuant to K.S.A. 79-201 Ninth, and amendments~~  
40 ~~thereto, or by any youth recreation organization exclusively providing~~  
41 ~~services to persons 18 years of age or younger which is exempt from~~  
42 ~~federal income taxation pursuant to section 501(c)(3) of the federal~~  
43 ~~internal revenue code of 1986, for participation in sports, games and other~~

1 recreational activities; and (2) entry fees and charges for participation in a  
2 special event or tournament sanctioned by a national sporting association  
3 to which spectators are charged an admission which is taxable pursuant to  
4 subsection (e);

5 ~~(n) the gross receipts received from dues charged by public and~~  
6 ~~private clubs, drinking establishments, organizations and businesses,~~  
7 ~~payment of which entitles a member to the use of facilities for recreation~~  
8 ~~or entertainment, but such tax shall not be levied and collected upon the~~  
9 ~~gross receipts received from: (1) Dues charged by any organization exempt~~  
10 ~~from property taxation pursuant to K.S.A. 79-201 *Eighth* and *Ninth*, and~~  
11 ~~amendments thereto; and (2) sales of memberships in a nonprofit~~  
12 ~~organization which is exempt from federal income taxation pursuant to~~  
13 ~~section 501(e)(3) of the federal internal revenue code of 1986, and whose~~  
14 ~~purpose is to support the operation of a nonprofit zoo;~~

15 ~~(o) the gross receipts received from the isolated or occasional sale of~~  
16 ~~motor vehicles or trailers but not including: (1) The transfer of motor~~  
17 ~~vehicles or trailers by a person to a corporation or limited liability~~  
18 ~~company solely in exchange for stock securities or membership interest in~~  
19 ~~such corporation or limited liability company; (2) the transfer of motor~~  
20 ~~vehicles or trailers by one corporation or limited liability company to~~  
21 ~~another when all of the assets of such corporation or limited liability~~  
22 ~~company are transferred to such other corporation or limited liability~~  
23 ~~company; or (3) the sale of motor vehicles or trailers which are subject to~~  
24 ~~taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and~~  
25 ~~amendments thereto, by an immediate family member to another~~  
26 ~~immediate family member. For the purposes of paragraph (3), immediate~~  
27 ~~family member means lineal ascendants or descendants, and their spouses.~~  
28 ~~Any amount of sales tax paid pursuant to the Kansas retailers sales tax act~~  
29 ~~on the isolated or occasional sale of motor vehicles or trailers on and after~~  
30 ~~July 1, 2004, which the base for computing the tax was the value pursuant~~  
31 ~~to K.S.A. 79-5105(a), (b)(1) and (b)(2), and amendments thereto, when~~  
32 ~~such amount was higher than the amount of sales tax which would have~~  
33 ~~been paid under the law as it existed on June 30, 2004, shall be refunded to~~  
34 ~~the taxpayer pursuant to the procedure prescribed by this section. Such~~  
35 ~~refund shall be in an amount equal to the difference between the amount of~~  
36 ~~sales tax paid by the taxpayer and the amount of sales tax which would~~  
37 ~~have been paid by the taxpayer under the law as it existed on June 30,~~  
38 ~~2004. Each claim for a sales tax refund shall be verified and submitted not~~  
39 ~~later than six months from the effective date of this act to the director of~~  
40 ~~taxation upon forms furnished by the director and shall be accompanied by~~  
41 ~~any additional documentation required by the director. The director shall~~  
42 ~~review each claim and shall refund that amount of tax paid as provided by~~  
43 ~~this act. All such refunds shall be paid from the sales tax refund fund, upon~~

1 warrants of the director of accounts and reports pursuant to vouchers  
2 approved by the director of taxation or the director's designee. No refund  
3 for an amount less than \$10 shall be paid pursuant to this act. In  
4 determining the base for computing the tax on such isolated or occasional  
5 sale, the fair market value of any motor vehicle or trailer traded in by the  
6 purchaser to the seller may be deducted from the selling price;

7 (p) ~~the gross receipts received for the service of installing or applying~~  
8 ~~tangible personal property which when installed or applied is not being~~  
9 ~~held for sale in the regular course of business, and whether or not such~~  
10 ~~tangible personal property when installed or applied remains tangible~~  
11 ~~personal property or becomes a part of real estate, except that no tax shall~~  
12 ~~be imposed upon the service of installing or applying tangible personal~~  
13 ~~property in connection with the original construction of a building or~~  
14 ~~facility, the original construction, reconstruction, restoration, remodeling,~~  
15 ~~renovation, repair or replacement of a residence or the construction,~~  
16 ~~reconstruction, restoration, replacement or repair of a bridge or highway.~~

17 For the purposes of this subsection:

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

28 (2) ~~"building" means only those enclosures within which individuals~~  
29 ~~customarily are employed, or which are customarily used to house~~  
30 ~~machinery, equipment or other property, and including the land~~  
31 ~~improvements immediately surrounding such building;~~

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

38 (4) ~~"residence" means only those enclosures within which individuals~~  
39 ~~customarily live;~~

40 (5) ~~"utility structure" means transmission and distribution lines~~  
41 ~~owned by an independent transmission company or cooperative, the~~  
42 ~~Kansas electric transmission authority or natural gas or electric public~~  
43 ~~utility; and~~

1       ~~(6) "windstorm" means straight line winds of at least 80 miles per~~  
2 ~~hour as determined by a recognized meteorological reporting agency or~~  
3 ~~organization;~~

4       ~~(q) the gross receipts received for the service of repairing, servicing,~~  
5 ~~altering or maintaining tangible personal property which when such~~  
6 ~~services are rendered is not being held for sale in the regular course of~~  
7 ~~business, and whether or not any tangible personal property is transferred~~  
8 ~~in connection therewith. The tax imposed by this subsection shall be~~  
9 ~~applicable to the services of repairing, servicing, altering or maintaining an~~  
10 ~~item of tangible personal property which has been and is fastened to,~~  
11 ~~connected with or built into real property;~~

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

15       ~~(s) on and after January 1, 2005, the gross receipts received from the~~  
16 ~~sale of prewritten computer software and the sale of the services of~~  
17 ~~modifying, altering, updating or maintaining prewritten computer~~  
18 ~~software, whether the prewritten computer software is installed or~~  
19 ~~delivered electronically by tangible storage media physically transferred to~~  
20 ~~the purchaser or by load and leave;~~

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

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

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

28       ~~(w) all sales of charitable raffle tickets in accordance with K.S.A. 75-~~  
29 ~~5171 et seq., and amendments thereto, shall be exempt from taxes imposed~~  
30 ~~pursuant to this section; and~~

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

34       ~~Sec. 9. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as~~  
35 ~~follows: 79-3603d. (a) There is hereby levied and there shall be collected~~  
36 ~~and paid a tax upon the gross receipts from the sale of food and food~~  
37 ~~ingredients. The rate of tax shall be as follows:~~

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

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

40       ~~(3) commencing on January 1, 2025 *July 1, 2024*, and thereafter, at~~  
41 ~~the rate of 0%.~~

42       ~~(b) The provisions of this section shall not apply to prepared food~~  
43 ~~unless sold without eating utensils provided by the seller and described~~

1 below:

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

4 (2) (A) ~~food sold in an unheated state by weight or volume as a single~~  
5 ~~item; or~~

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

8 (3) ~~bakery items, including bread, rolls, buns, biscuits, bagels,~~  
9 ~~croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars,~~  
10 ~~cookies and tortillas; or~~

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

13 (e) ~~The provisions of this section shall be a part of and supplemental~~  
14 ~~to the Kansas retailers' sales tax act.~~

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

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

35 (c) (1) ~~On January 1, 2023, the state treasurer shall credit 17% of the~~  
36 ~~revenue collected and received from the tax imposed by K.S.A. 79-3603,~~  
37 ~~and amendments thereto, at the rates provided in K.S.A. 79-3603, and~~  
38 ~~amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments~~  
39 ~~thereto, and deposited as provided by subsection (a), exclusive of amounts~~  
40 ~~credited pursuant to subsection (d), in the state highway fund.~~

41 (2) ~~On January 1, 2025 July 1, 2024, and thereafter, the state treasurer~~  
42 ~~shall credit 18% of the revenue collected and received from the tax~~  
43 ~~imposed by K.S.A. 79-3603, and amendments thereto, at the rates~~



1 provided in K.S.A. 79-3603, and amendments thereto, and K.S.A. 2023-  
2 Supp. 79-3603d, and amendments thereto, and deposited as provided by  
3 subsection (a), exclusive of amounts credited pursuant to subsection (d), in  
4 the state highway fund.

5 ~~(d) The state treasurer shall credit all revenue collected or received~~  
6 ~~from the tax imposed by K.S.A. 79-3603, and amendments thereto, as~~  
7 ~~certified by the director, from taxpayers doing business within that portion~~  
8 ~~of a STAR bond project district occupied by a STAR bond project or~~  
9 ~~taxpayers doing business with such entity financed by a STAR bond~~  
10 ~~project as defined in K.S.A. 12-17,162, and amendments thereto, that was~~  
11 ~~determined by the secretary of commerce to be of statewide as well as~~  
12 ~~local importance or will create a major tourism area for the state or the~~  
13 ~~project was designated as a STAR bond project as defined in K.S.A. 12-~~  
14 ~~17,162, and amendments thereto, to the city bond finance fund, which fund~~  
15 ~~is hereby created. The provisions of this subsection shall expire when the~~  
16 ~~total of all amounts credited hereunder and under K.S.A. 79-3710(d), and~~  
17 ~~amendments thereto, is sufficient to retire the special obligation bonds~~  
18 ~~issued for the purpose of financing all or a portion of the costs of such~~  
19 ~~STAR bond project.~~

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

1 western boundary, and Highway 56 as the northern boundary, and the  
2 polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>  
3 Street as the southern boundary, Waverly Road as the western boundary,  
4 and the BNSF mainline track as the northern boundary, that includes  
5 capital investment in an amount exceeding \$150 million for the  
6 construction of an intermodal facility to handle the transfer, storage and  
7 distribution of freight through railway and trucking operations.

8 Sec. 11. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as  
9 follows: 79-3703. (a) There is hereby levied and there shall be collected  
10 from every person in this state a tax or excise for the privilege of using,  
11 storing, or consuming within this state any article of tangible personal  
12 property. Such tax shall be levied and collected in an amount equal to the  
13 consideration paid by the taxpayer multiplied by the rate of 6.5%.

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

19 (c) On and after January 1, 2023, 17% and on and after January 1,  
20 2025 *July 1, 2024*, 18% of the tax rate imposed pursuant to this section  
21 and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments  
22 thereto, shall be levied for the state highway fund, the state highway fund  
23 purposes and those purposes specified in K.S.A. 68-416, and amendments  
24 thereto, and all revenue collected and received from such tax levy shall be  
25 deposited in the state highway fund.

26 (d) Within a redevelopment district established pursuant to K.S.A.  
27 74-8921, and amendments thereto, there is hereby levied and there shall be  
28 collected and paid an additional tax of 2% until the earlier of: (1) The date  
29 the bonds issued to finance or refinance the redevelopment project  
30 undertaken in the district have been paid in full; or (2) the final scheduled  
31 maturity of the first series of bonds issued to finance the redevelopment  
32 project.

33 (e) All property purchased or leased within or without this state and  
34 subsequently used, stored or consumed in this state shall be subject to the  
35 compensating tax if the same property or transaction would have been  
36 subject to the Kansas retailers' sales tax had the transaction been wholly  
37 within this state.

38 Sec. 12. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as  
39 follows: 79-3710. (a) All revenue collected or received by the director  
40 under the provisions of this act shall be remitted to the state treasurer in  
41 accordance with the provisions of K.S.A. 75-4215, and amendments  
42 thereto. Upon receipt of each such remittance, the state treasurer shall  
43 deposit the entire amount in the state treasury, less amounts set apart as

1 provided in subsection (b) and amounts credited as provided in subsection  
2 (c), (d) and (e), to the credit of the state general fund.

3 ~~(b) A revolving fund, designated as "compensating tax refund fund"~~  
4 ~~not to exceed \$10,000 shall be set apart and maintained by the director~~  
5 ~~from compensating tax collections and estimated tax collections and held~~  
6 ~~by the state treasurer for prompt payment of all compensating tax refunds.~~  
7 ~~Such fund shall be in such amount, within the limit set by this section, as~~  
8 ~~the director shall determine is necessary to meet current refunding~~  
9 ~~requirements under this act.~~

10 (e) (1) ~~On January 1, 2023, the state treasurer shall credit 17% of the~~  
11 ~~revenue collected and received from the tax imposed by K.S.A. 79-3703,~~  
12 ~~and amendments thereto, at the rates provided in K.S.A. 79-3703, and~~  
13 ~~amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and amendments~~  
14 ~~thereto, and deposited as provided by subsection (a), exclusive of amounts~~  
15 ~~credited pursuant to subsection (d), in the state highway fund.~~

16 ~~(2) On January 1, 2025 July 1, 2024, and thereafter, the state treasurer~~  
17 ~~shall credit 18% of the revenue collected and received from the tax~~  
18 ~~imposed by K.S.A. 79-3703, and amendments thereto, at the rates~~  
19 ~~provided in K.S.A. 79-3703, and amendments thereto, and K.S.A. 2023~~  
20 ~~Supp. 79-3603d, and amendments thereto, and deposited as provided by~~  
21 ~~subsection (a), exclusive of amounts credited pursuant to subsection (d), in~~  
22 ~~the state highway fund.~~

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

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

37 (e) ~~All revenue certified by the director of taxation as having been~~  
38 ~~collected or received from the tax imposed by K.S.A. 79-3603(e), and~~  
39 ~~amendments thereto, on the sale or furnishing of gas, water, electricity and~~  
40 ~~heat for use or consumption within the intermodal facility district~~  
41 ~~described in this subsection, shall be credited by the state treasurer to the~~  
42 ~~state highway fund. Such revenue may be transferred by the secretary of~~  
43 ~~transportation to the rail service improvement fund pursuant to law. The~~

1 provisions of this subsection shall take effect upon certification by the  
2 secretary of transportation that a notice to proceed has been received for  
3 the construction of the improvements within the intermodal facility  
4 district, but not later than December 31, 2010, and shall expire when the  
5 secretary of revenue determines that the total of all amounts credited  
6 hereunder and pursuant to K.S.A. 79-3620(e), and amendments thereto, is  
7 equal to \$53,300,000, but not later than December 31, 2045. Thereafter, all  
8 revenues shall be collected and distributed in accordance with applicable  
9 law. For all tax reporting periods during which the provisions of this  
10 subsection are in effect, none of the exemptions contained in K.S.A. 79-  
11 3601 et seq., and amendments thereto, shall apply to the sale or furnishing  
12 of any gas, water, electricity and heat for use or consumption within the  
13 intermodal facility district. As used in this subsection, "intermodal facility  
14 district" shall consist of an intermodal transportation area as defined by  
15 K.S.A. 12-1770a(oo), and amendments thereto, located in Johnson county  
16 within the polygonal-shaped area having Waverly Road as the eastern  
17 boundary, 191<sup>st</sup> Street as the southern boundary, Four Corners Road as the  
18 western boundary, and Highway 56 as the northern boundary, and the  
19 polygonal-shaped area having Poplar Road as the eastern boundary, 183<sup>rd</sup>  
20 Street as the southern boundary, Waverly Road as the western boundary,  
21 and the BNSF mainline track as the northern boundary, that includes  
22 capital investment in an amount exceeding \$150 million for the  
23 construction of an intermodal facility to handle the transfer, storage and  
24 distribution of freight through railway and trucking operations.

25 *{Sec. 9. K.S.A. 2023 Supp. 79-3603 is hereby amended to read as*  
26 *follows: 79-3603. For the privilege of engaging in the business of selling*  
27 *tangible personal property at retail in this state or rendering or*  
28 *furnishing any of the services taxable under this act, there is hereby*  
29 *levied and there shall be collected and paid a tax at the rate of 6.5%. On*  
30 *and after January 1, 2023, 17% and on and after January 1, 2025 July 1,*  
31 *2024, 18% of the tax rate imposed pursuant to this section and the rate*  
32 *provided in K.S.A. 2023 Supp. 79-3603d, and amendments thereto, shall*  
33 *be levied for the state highway fund, the state highway fund purposes*  
34 *and those purposes specified in K.S.A. 68-416, and amendments thereto,*  
35 *and all revenue collected and received from such tax levy shall be*  
36 *deposited in the state highway fund.*

37 *Within a redevelopment district established pursuant to K.S.A. 74-*  
38 *8921, and amendments thereto, there is hereby levied and there shall be*  
39 *collected and paid an additional tax at the rate of 2% until the earlier of*  
40 *the date the bonds issued to finance or refinance the redevelopment*  
41 *project have been paid in full or the final scheduled maturity of the first*  
42 *series of bonds issued to finance any part of the project.*

43 *Such tax shall be imposed upon:*

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

3       (b) *the gross receipts from intrastate, interstate or international*  
4 *telecommunications services and any ancillary services sourced to this*  
5 *state in accordance with K.S.A. 79-3673, and amendments thereto,*  
6 *except that telecommunications service does not include: (1) Any*  
7 *interstate or international 800 or 900 service; (2) any interstate or*  
8 *international private communications service as defined in K.S.A. 79-*  
9 *3673, and amendments thereto; (3) any value-added nonvoice data*  
10 *service; (4) any telecommunication service to a provider of*  
11 *telecommunication services which will be used to render*  
12 *telecommunications services, including carrier access services; or (5)*  
13 *any service or transaction defined in this section among entities*  
14 *classified as members of an affiliated group as provided by section 1504*  
15 *of the federal internal revenue code of 1986, as in effect on January 1,*  
16 *2001;*

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

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

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

42       (f) *the gross receipts from the operation of any coin-operated device*  
43 *dispensing or providing tangible personal property, amusement or other*

1 *services except laundry services, whether automatic or manually*  
2 *operated;*

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

10 *(h) the gross receipts from the service of renting or leasing of*  
11 *tangible personal property except such tax shall not apply to the renting*  
12 *or leasing of machinery, equipment or other personal property owned by*  
13 *a city and purchased from the proceeds of industrial revenue bonds*  
14 *issued prior to July 1, 1973, in accordance with the provisions of K.S.A.*  
15 *12-1740 through 12-1749, and amendments thereto, and any city or*  
16 *lessee renting or leasing such machinery, equipment or other personal*  
17 *property purchased with the proceeds of such bonds who shall have paid*  
18 *a tax under the provisions of this section upon sales made prior to July*  
19 *1, 1973, shall be entitled to a refund from the sales tax refund fund of all*  
20 *taxes paid thereon;*

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

24 *(j) the gross receipts from the rendering of the services of washing*  
25 *and washing and waxing of vehicles;*

26 *(k) the gross receipts from cable, community antennae and other*  
27 *subscriber radio and television services;*

28 *(l) (1) except as otherwise provided by paragraph (2), the gross*  
29 *receipts received from the sales of tangible personal property to all*  
30 *contractors, subcontractors or repairmen for use by them in erecting*  
31 *structures, or building on, or otherwise improving, altering, or repairing*  
32 *real or personal property.*

33 *(2) Any such contractor, subcontractor or repairman who*  
34 *maintains an inventory of such property both for sale at retail and for*  
35 *use by them for the purposes described by paragraph (1) shall be deemed*  
36 *a retailer with respect to purchases for and sales from such inventory,*  
37 *except that the gross receipts received from any such sale, other than a*  
38 *sale at retail, shall be equal to the total purchase price paid for such*  
39 *property and the tax imposed thereon shall be paid by the deemed*  
40 *retailer;*

41 *(m) the gross receipts received from fees and charges by public and*  
42 *private clubs, drinking establishments, organizations and businesses for*  
43 *participation in sports, games and other recreational activities, but such*

1 *tax shall not be levied and collected upon the gross receipts received*  
2 *from: (1) Fees and charges by any political subdivision, by any*  
3 *organization exempt from property taxation pursuant to K.S.A. 79-201*  
4 *Ninth, and amendments thereto, or by any youth recreation organization*  
5 *exclusively providing services to persons 18 years of age or younger*  
6 *which is exempt from federal income taxation pursuant to section 501(c)*  
7 *(3) of the federal internal revenue code of 1986, for participation in*  
8 *sports, games and other recreational activities; and (2) entry fees and*  
9 *charges for participation in a special event or tournament sanctioned by*  
10 *a national sporting association to which spectators are charged an*  
11 *admission which is taxable pursuant to subsection (e);*

12 *(n) the gross receipts received from dues charged by public and*  
13 *private clubs, drinking establishments, organizations and businesses,*  
14 *payment of which entitles a member to the use of facilities for recreation*  
15 *or entertainment, but such tax shall not be levied and collected upon the*  
16 *gross receipts received from: (1) Dues charged by any organization*  
17 *exempt from property taxation pursuant to K.S.A. 79-201 Eighth and*  
18 *Ninth, and amendments thereto; and (2) sales of memberships in a*  
19 *nonprofit organization which is exempt from federal income taxation*  
20 *pursuant to section 501(c)(3) of the federal internal revenue code of*  
21 *1986, and whose purpose is to support the operation of a nonprofit zoo;*

22 *(o) the gross receipts received from the isolated or occasional sale*  
23 *of motor vehicles or trailers but not including: (1) The transfer of motor*  
24 *vehicles or trailers by a person to a corporation or limited liability*  
25 *company solely in exchange for stock securities or membership interest*  
26 *in such corporation or limited liability company; (2) the transfer of*  
27 *motor vehicles or trailers by one corporation or limited liability company*  
28 *to another when all of the assets of such corporation or limited liability*  
29 *company are transferred to such other corporation or limited liability*  
30 *company; or (3) the sale of motor vehicles or trailers which are subject*  
31 *to taxation pursuant to the provisions of K.S.A. 79-5101 et seq., and*  
32 *amendments thereto, by an immediate family member to another*  
33 *immediate family member. For the purposes of paragraph (3),*  
34 *immediate family member means lineal ascendants or descendants, and*  
35 *their spouses. Any amount of sales tax paid pursuant to the Kansas*  
36 *retailers sales tax act on the isolated or occasional sale of motor vehicles*  
37 *or trailers on and after July 1, 2004, which the base for computing the*  
38 *tax was the value pursuant to K.S.A. 79-5105(a), (b)(1) and (b)(2), and*  
39 *amendments thereto, when such amount was higher than the amount of*  
40 *sales tax which would have been paid under the law as it existed on June*  
41 *30, 2004, shall be refunded to the taxpayer pursuant to the procedure*  
42 *prescribed by this section. Such refund shall be in an amount equal to*  
43 *the difference between the amount of sales tax paid by the taxpayer and*

1 *the amount of sales tax which would have been paid by the taxpayer*  
2 *under the law as it existed on June 30, 2004. Each claim for a sales tax*  
3 *refund shall be verified and submitted not later than six months from the*  
4 *effective date of this act to the director of taxation upon forms furnished*  
5 *by the director and shall be accompanied by any additional*  
6 *documentation required by the director. The director shall review each*  
7 *claim and shall refund that amount of tax paid as provided by this act.*  
8 *All such refunds shall be paid from the sales tax refund fund, upon*  
9 *warrants of the director of accounts and reports pursuant to vouchers*  
10 *approved by the director of taxation or the director's designee. No*  
11 *refund for an amount less than \$10 shall be paid pursuant to this act. In*  
12 *determining the base for computing the tax on such isolated or*  
13 *occasional sale, the fair market value of any motor vehicle or trailer*  
14 *traded in by the purchaser to the seller may be deducted from the selling*  
15 *price;*

16 *(p) the gross receipts received for the service of installing or*  
17 *applying tangible personal property which when installed or applied is*  
18 *not being held for sale in the regular course of business, and whether or*  
19 *not such tangible personal property when installed or applied remains*  
20 *tangible personal property or becomes a part of real estate, except that*  
21 *no tax shall be imposed upon the service of installing or applying*  
22 *tangible personal property in connection with the original construction*  
23 *of a building or facility, the original construction, reconstruction,*  
24 *restoration, remodeling, renovation, repair or replacement of a*  
25 *residence or the construction, reconstruction, restoration, replacement*  
26 *or repair of a bridge or highway.*

27 *For the purposes of this subsection:*

28 *(1) "Original construction" means the first or initial construction*  
29 *of a new building or facility. The term "original construction" shall*  
30 *include the addition of an entire room or floor to any existing building*  
31 *or facility, the completion of any unfinished portion of any existing*  
32 *building or facility and the restoration, reconstruction or replacement of*  
33 *a building, facility or utility structure damaged or destroyed by fire,*  
34 *flood, tornado, lightning, explosion, windstorm, ice loading and*  
35 *attendant winds, terrorism or earthquake, but such term, except with*  
36 *regard to a residence, shall not include replacement, remodeling,*  
37 *restoration, renovation or reconstruction under any other*  
38 *circumstances;*

39 *(2) "building" means only those enclosures within which*  
40 *individuals customarily are employed, or which are customarily used to*  
41 *house machinery, equipment or other property, and including the land*  
42 *improvements immediately surrounding such building;*

43 *(3) "facility" means a mill, plant, refinery, oil or gas well, water*



1 *well, feedlot or any conveyance, transmission or distribution line of any*  
2 *cooperative, nonprofit, membership corporation organized under or*  
3 *subject to the provisions of K.S.A. 17-4601 et seq., and amendments*  
4 *thereto, or municipal or quasi-municipal corporation, including the land*  
5 *improvements immediately surrounding such facility;*

6 *(4) "residence" means only those enclosures within which*  
7 *individuals customarily live;*

8 *(5) "utility structure" means transmission and distribution lines*  
9 *owned by an independent transmission company or cooperative, the*  
10 *Kansas electric transmission authority or natural gas or electric public*  
11 *utility; and*

12 *(6) "windstorm" means straight line winds of at least 80 miles per*  
13 *hour as determined by a recognized meteorological reporting agency or*  
14 *organization;*

15 *(q) the gross receipts received for the service of repairing, servicing,*  
16 *altering or maintaining tangible personal property which when such*  
17 *services are rendered is not being held for sale in the regular course of*  
18 *business, and whether or not any tangible personal property is*  
19 *transferred in connection therewith. The tax imposed by this subsection*  
20 *shall be applicable to the services of repairing, servicing, altering or*  
21 *maintaining an item of tangible personal property which has been and is*  
22 *fastened to, connected with or built into real property;*

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

26 *(s) on and after January 1, 2005, the gross receipts received from*  
27 *the sale of prewritten computer software and the sale of the services of*  
28 *modifying, altering, updating or maintaining prewritten computer*  
29 *software, whether the prewritten computer software is installed or*  
30 *delivered electronically by tangible storage media physically transferred*  
31 *to the purchaser or by load and leave;*

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

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

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

39 *(w) all sales of charitable raffle tickets in accordance with K.S.A.*  
40 *75-5171 et seq., and amendments thereto, shall be exempt from taxes*  
41 *imposed pursuant to this section; and*

42 *(x) commencing on January 1, 2023, and thereafter, the state rate*  
43 *on the gross receipts from the sale of food and food ingredients shall be*

1 *as set forth in K.S.A. 2023 Supp. 79-3603d, and amendments thereto.*

2 *Sec. 10. K.S.A. 2023 Supp. 79-3603d is hereby amended to read as*  
3 *follows: 79-3603d. (a) There is hereby levied and there shall be collected*  
4 *and paid a tax upon the gross receipts from the sale of food and food*  
5 *ingredients. The rate of tax shall be as follows:*

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

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

8 *(3) commencing on ~~January 1, 2025~~ July 1, 2024, and thereafter, at*  
9 *the rate of 0%.*

10 *(b) The provisions of this section shall not apply to prepared food*  
11 *unless sold without eating utensils provided by the seller and described*  
12 *below:*

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

16 *(2) (A) food sold in an unheated state by weight or volume as a*  
17 *single item; or*

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

20 *(3) bakery items, including bread, rolls, buns, biscuits, bagels,*  
21 *croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins,*  
22 *bars, cookies and tortillas; or*

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

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

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

36 *(b) A refund fund, designated as "sales tax refund fund" not to*  
37 *exceed \$100,000 shall be set apart and maintained by the director from*  
38 *sales tax collections and estimated tax collections and held by the state*  
39 *treasurer for prompt payment of all sales tax refunds. Such fund shall*  
40 *be in such amount, within the limit set by this section, as the director*  
41 *shall determine is necessary to meet current refunding requirements*  
42 *under this act. In the event such fund as established by this section is, at*  
43 *any time, insufficient to provide for the payment of refunds due*

1 *claimants thereof, the director shall certify the amount of additional*  
2 *funds required to the director of accounts and reports who shall*  
3 *promptly transfer the required amount from the state general fund to the*  
4 *sales tax refund fund, and notify the state treasurer, who shall make*  
5 *proper entry in the records.*

6 *(c) (1) On January 1, 2023, the state treasurer shall credit 17% of*  
7 *the revenue collected and received from the tax imposed by K.S.A. 79-*  
8 *3603, and amendments thereto, at the rates provided in K.S.A. 79-3603,*  
9 *and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and*  
10 *amendments thereto, and deposited as provided by subsection (a),*  
11 *exclusive of amounts credited pursuant to subsection (d), in the state*  
12 *highway fund.*

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

20 *(d) The state treasurer shall credit all revenue collected or received*  
21 *from the tax imposed by K.S.A. 79-3603, and amendments thereto, as*  
22 *certified by the director, from taxpayers doing business within that*  
23 *portion of a STAR bond project district occupied by a STAR bond project*  
24 *or taxpayers doing business with such entity financed by a STAR bond*  
25 *project as defined in K.S.A. 12-17,162, and amendments thereto, that*  
26 *was determined by the secretary of commerce to be of statewide as well*  
27 *as local importance or will create a major tourism area for the state or*  
28 *the project was designated as a STAR bond project as defined in K.S.A.*  
29 *12-17,162, and amendments thereto, to the city bond finance fund,*  
30 *which fund is hereby created. The provisions of this subsection shall*  
31 *expire when the total of all amounts credited hereunder and under*  
32 *K.S.A. 79-3710(d), and amendments thereto, is sufficient to retire the*  
33 *special obligation bonds issued for the purpose of financing all or a*  
34 *portion of the costs of such STAR bond project.*

35 *(e) All revenue certified by the director of taxation as having been*  
36 *collected or received from the tax imposed by K.S.A. 79-3603(c), and*  
37 *amendments thereto, on the sale or furnishing of gas, water, electricity*  
38 *and heat for use or consumption within the intermodal facility district*  
39 *described in this subsection, shall be credited by the state treasurer to the*  
40 *state highway fund. Such revenue may be transferred by the secretary of*  
41 *transportation to the rail service improvement fund pursuant to law. The*  
42 *provisions of this subsection shall take effect upon certification by the*  
43 *secretary of transportation that a notice to proceed has been received for*

1 *the construction of the improvements within the intermodal facility*  
2 *district, but not later than December 31, 2010, and shall expire when the*  
3 *secretary of revenue determines that the total of all amounts credited*  
4 *hereunder and pursuant to K.S.A. 79-3710(e), and amendments thereto,*  
5 *is equal to \$53,300,000, but not later than December 31, 2045.*  
6 *Thereafter, all revenues shall be collected and distributed in accordance*  
7 *with applicable law. For all tax reporting periods during which the*  
8 *provisions of this subsection are in effect, none of the exemptions*  
9 *contained in K.S.A. 79-3601 et seq., and amendments thereto, shall*  
10 *apply to the sale or furnishing of any gas, water, electricity and heat for*  
11 *use or consumption within the intermodal facility district. As used in this*  
12 *subsection, "intermodal facility district" shall consist of an intermodal*  
13 *transportation area as defined by K.S.A. 12-1770a(oo), and amendments*  
14 *thereto, located in Johnson county within the polygonal-shaped area*  
15 *having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as the*  
16 *southern boundary, Four Corners Road as the western boundary, and*  
17 *Highway 56 as the northern boundary, and the polygonal-shaped area*  
18 *having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the*  
19 *southern boundary, Waverly Road as the western boundary, and the*  
20 *BNSF mainline track as the northern boundary, that includes capital*  
21 *investment in an amount exceeding \$150 million for the construction of*  
22 *an intermodal facility to handle the transfer, storage and distribution of*  
23 *freight through railway and trucking operations.*

24 *Sec. 12. K.S.A. 2023 Supp. 79-3703 is hereby amended to read as*  
25 *follows: 79-3703. (a) There is hereby levied and there shall be collected*  
26 *from every person in this state a tax or excise for the privilege of using,*  
27 *storing, or consuming within this state any article of tangible personal*  
28 *property. Such tax shall be levied and collected in an amount equal to*  
29 *the consideration paid by the taxpayer multiplied by the rate of 6.5%.*

30 *(b) Commencing on January 1, 2023, and thereafter, the state rate*  
31 *on the amount equal to the consideration paid by the taxpayer from the*  
32 *sale of food and food ingredients as provided in K.S.A. 79-3603, and*  
33 *amendments thereto, shall be as set forth in K.S.A. 2023 Supp. 79-*  
34 *3603d, and amendments thereto.*

35 *(c) On and after January 1, 2023, 17% and on and after January 1,*  
36 *2025 July 1, 2024, 18% of the tax rate imposed pursuant to this section*  
37 *and the rate provided in K.S.A. 2023 Supp. 79-3603d, and amendments*  
38 *thereto, shall be levied for the state highway fund, the state highway*  
39 *fund purposes and those purposes specified in K.S.A. 68-416, and*  
40 *amendments thereto, and all revenue collected and received from such*  
41 *tax levy shall be deposited in the state highway fund.*

42 *(d) Within a redevelopment district established pursuant to K.S.A.*  
43 *74-8921, and amendments thereto, there is hereby levied and there shall*

1 *be collected and paid an additional tax of 2% until the earlier of: (1) The*  
2 *date the bonds issued to finance or refinance the redevelopment project*  
3 *undertaken in the district have been paid in full; or (2) the final*  
4 *scheduled maturity of the first series of bonds issued to finance the*  
5 *redevelopment project.*

6 *(e) All property purchased or leased within or without this state and*  
7 *subsequently used, stored or consumed in this state shall be subject to*  
8 *the compensating tax if the same property or transaction would have*  
9 *been subject to the Kansas retailers' sales tax had the transaction been*  
10 *wholly within this state.*

11 *Sec. 13. K.S.A. 2023 Supp. 79-3710 is hereby amended to read as*  
12 *follows: 79-3710. (a) All revenue collected or received by the director*  
13 *under the provisions of this act shall be remitted to the state treasurer in*  
14 *accordance with the provisions of K.S.A. 75-4215, and amendments*  
15 *thereto. Upon receipt of each such remittance, the state treasurer shall*  
16 *deposit the entire amount in the state treasury, less amounts set apart as*  
17 *provided in subsection (b) and amounts credited as provided in*  
18 *subsection (c), (d) and (e), to the credit of the state general fund.*

19 *(b) A revolving fund, designated as "compensating tax refund*  
20 *fund" not to exceed \$10,000 shall be set apart and maintained by the*  
21 *director from compensating tax collections and estimated tax collections*  
22 *and held by the state treasurer for prompt payment of all compensating*  
23 *tax refunds. Such fund shall be in such amount, within the limit set by*  
24 *this section, as the director shall determine is necessary to meet current*  
25 *refunding requirements under this act.*

26 *(c) (1) On January 1, 2023, the state treasurer shall credit 17% of*  
27 *the revenue collected and received from the tax imposed by K.S.A. 79-*  
28 *3703, and amendments thereto, at the rates provided in K.S.A. 79-3703,*  
29 *and amendments thereto, and K.S.A. 2023 Supp. 79-3603d, and*  
30 *amendments thereto, and deposited as provided by subsection (a),*  
31 *exclusive of amounts credited pursuant to subsection (d), in the state*  
32 *highway fund.*

33 *(2) ~~On January 1, 2025~~ July 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. 79-3703, and amendments thereto, at the rates*  
36 *provided in K.S.A. 79-3703, 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),*  
39 *in 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. 79-3703, and amendments thereto, as*  
42 *certified by the director, from taxpayers doing business within that*  
43 *portion of a redevelopment district occupied by a redevelopment project*

1 *that was determined by the secretary of commerce to be of statewide as*  
2 *well as local importance or will create a major tourism area for the state*  
3 *as defined in K.S.A. 12-1770a, and amendments thereto, to the city bond*  
4 *finance fund created by K.S.A. 79-3620(d), and amendments thereto.*  
5 *The provisions of this subsection shall expire when the total of all*  
6 *amounts credited hereunder and under K.S.A. 79-3620(d), and*  
7 *amendments thereto, is sufficient to retire the special obligation bonds*  
8 *issued for the purpose of financing all or a portion of the costs of such*  
9 *redevelopment project.*

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

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*  
15 *and 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. 79-3620(e), and amendments thereto,*  
25 *is equal to \$53,300,000, but not later than December 31, 2045.*  
26 *Thereafter, all revenues shall be collected and distributed in accordance*  
27 *with applicable law. For all tax reporting periods during which the*  
28 *provisions of this subsection are in effect, none of the exemptions*  
29 *contained in K.S.A. 79-3601 et seq., and amendments thereto, shall*  
30 *apply to the sale or furnishing of any gas, water, electricity and heat for*  
31 *use or consumption within the intermodal facility district. As used in this*  
32 *subsection, "intermodal facility district" shall consist of an intermodal*  
33 *transportation area as defined by K.S.A. 12-1770a(oo), and amendments*  
34 *thereto, located in Johnson county within the polygonal-shaped area*  
35 *having Waverly Road as the eastern boundary, 191<sup>st</sup> Street as the*  
36 *southern boundary, Four Corners Road as the western boundary, and*  
37 *Highway 56 as the northern boundary, and the polygonal-shaped area*  
38 *having Poplar Road as the eastern boundary, 183<sup>rd</sup> Street as the*  
39 *southern boundary, Waverly Road as the western boundary, and the*  
40 *BNSF mainline track as the northern boundary, that includes capital*  
41 *investment in an amount exceeding \$150 million for the construction of*  
42 *an intermodal facility to handle the transfer, storage and distribution of*  
43 *freight through railway and trucking operations.}*

1       Sec. ~~13-8~~ {14} K.S.A. 79-1107 and 79-1108 and K.S.A. 2023 Supp.  
2 79-201x, 79-32,110, 79-32,117, 79-32,119, ~~and~~, 79-32,121, ~~79-3603, 79-~~  
3 ~~3603d, 79-3620, 79-3703 and 79-3710~~, **79-3603, 79-3603d, 79-3620, 79-**  
4 **3703 and 79-3710** are hereby repealed.

5       Sec. ~~14-9~~ {15}. This act shall take effect and be in force from and  
6 after its publication in the Kansas register.