

HOUSE BILL No. 2753

By Committee on Taxation

2-20

1 AN ACT concerning taxation; relating to income tax credits and sales tax
2 exemptions; periodic review, reports to certain legislative committees.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) On or before February 1 of each year, the commissioner
6 of insurance shall make a presentation to the senate standing committee on
7 financial institutions and insurance and the house standing committee on
8 insurance reviewing the following tax credits according to the following
9 schedule:

10 (1) In 2019:

11 (A) The credit for salaries paid to Kansas employees authorized by
12 K.S.A. 40-252d, and amendments thereto;

13 (B) the credit for certain business investment expenses in qualified
14 business facilities authorized by K.S.A. 2017 Supp. 40-252f, and
15 amendments thereto; and

16 (C) the insurance department service regulation fund credit
17 authorized by K.S.A. 40-112, and amendments thereto;

18 (2) in 2020:

19 (A) The health insurance association assessment credit authorized by
20 K.S.A. 40-2121, and amendments thereto;

21 (B) the small insurance business credit authorized by K.S.A. 40-252e,
22 and amendments thereto; and

23 (C) the property and casualty insurance guaranty association credit
24 authorized by K.S.A. 40-2906a, and amendments thereto; and

25 (3) in 2021:

26 (A) the fire fighters relief fund credit authorized by K.S.A. 40-252,
27 and amendments thereto;

28 (B) the fire marshal credit authorized by K.S.A. 40-252, and
29 amendments thereto;

30 (C) the life and health insurance guaranty association credit
31 authorized by K.S.A. 40-3016, and amendments thereto; and

32 (D) the disabled accessibility credit authorized by K.S.A. 70-2813,
33 and amendments thereto.

34 (b) The presentation required by subsection (a) shall include the
35 following information:

36 (1) A description of the credit, its history and its goals;

1 (2) an assessment of the credit's design and administration; and

2 (3) an estimate of the credit's economic and fiscal impact.

3 (c) A tax credit reviewed pursuant to subsection (a) shall be reviewed
4 again not more than three years after the credit was most recently
5 reviewed.

6 (d) On or before March 1 of each year, the senate standing committee
7 on financial institutions and insurance and the house committee on
8 insurance shall make a report to the legislature summarizing the
9 committee's findings, conclusions and recommendations. A copy of such
10 report shall be published on the website described in K.S.A. 2017 Supp.
11 74-72,123, and amendments thereto.

12 Sec. 2. (a) On or before February 1 of each year, the secretary of
13 commerce shall make a presentation to the senate standing committee on
14 commerce and the house standing committee on commerce, labor and
15 economic development reviewing the following tax credits and economic
16 development programs according to the following schedule:

17 (1) In 2019:

18 (A) The STAR bond financing act, K.S.A. 2017 Supp. 12-17,162 et
19 seq., and amendments thereto;

20 (B) the high performance incentive program, K.S.A. 74-50,131, and
21 amendments thereto;

22 (C) tax credits for investment in stock of Kansas venture capital, inc.,
23 authorized by K.S.A. 74-8206, and amendments thereto; and

24 (D) tax credits for investment in a certified Kansas venture capital
25 company authorized by K.S.A. 74-8304, and amendments thereto;

26 (2) in 2020:

27 (A) The promoting employment across Kansas act, K.S.A. 2017
28 Supp. 74-50,210 et seq., and amendments thereto;

29 (B) expenditures from the job creation fund created by K.S.A. 2017
30 Supp. 74-50,224, and amendments thereto;

31 (C) tax credits for investment in the technology-based venture-capital
32 fund authorized by K.S.A. 74-8316, and amendments thereto; and

33 (D) tax credits for investment in a certified local seed capital pool
34 authorized by K.S.A. 74-8404, and amendments thereto; and

35 (3) in 2021:

36 (A) Student loans paid by a resident individual living in a rural
37 opportunity zone, K.S.A. 2017 Supp. 74-50,222, and amendments thereto;

38 (B) rural opportunity zone tax credits authorized by K.S.A. 2017
39 Supp. 79-32,267, and amendments thereto;

40 (C) tax credits authorized by the Kansas angel investor tax credit act,
41 K.S.A. 2017 Supp. 74-8131 et seq., and amendments thereto; and

42 (D) tax credits authorized by the individual development account
43 program act, K.S.A. 2017 Supp. 74-50,208, and amendments thereto.

1 (b) The presentation required by subsection (a) shall include the
 2 following information:

- 3 (1) A description of the incentive, its history and its goals;
- 4 (2) an assessment of the incentive's design and administration; and
- 5 (3) an estimate of the incentive's economic and fiscal impact.
- 6 (c) A tax credit or economic development program reviewed pursuant
 7 to subsection (a) shall be reviewed again not more than three years after
 8 the credit was most recently reviewed.

9 (d) On or before March 1 of each year, the senate standing committee
 10 on commerce and the house committee on commerce, labor and economic
 11 development shall make a report to the legislature summarizing the
 12 committee's findings, conclusions and recommendations. A copy of such
 13 report shall be published on the website described in K.S.A. 2017 Supp.
 14 74-72,123, and amendments thereto.

15 Sec. 3. (a) On or before February 1 of each year, the secretary of
 16 revenue shall make a presentation to the senate standing committee on
 17 assessment and taxation and the house standing committee on taxation
 18 reviewing the following tax credits and exemptions according to the
 19 following schedule:

- 20 (1) In 2019:
 - 21 (A) The adoption credit authorized by K.S.A. 2017 Supp. 79-32,202a,
 22 and amendments thereto;
 - 23 (B) the earned income credit authorized by K.S.A. 2017 Supp. 79-
 24 32,205, and amendments thereto;
 - 25 (C) the research and development credit authorized by K.S.A. 2017
 26 Supp. 79-32,182b, and amendments thereto; and
 - 27 (D) property tax exemptions;
- 28 (2) in 2020:
 - 29 (A) The business and job development credit authorized by K.S.A.
 30 79-32,153, and amendments thereto;
 - 31 (B) the historic preservation credit authorized by K.S.A. 2017 Supp.
 32 79-32,211, and amendments thereto;
 - 33 (C) the film production credit authorized by K.S.A. 2017 Supp. 79-
 34 32,258, and amendments thereto; and
 - 35 (D) sales tax exemptions;
- 36 (3) in 2021:
 - 37 (A) The community service contribution credit authorized by K.S.A.
 38 79-32,197, and amendments thereto;
 - 39 (B) the environmental compliance credit authorized by K.S.A. 2017
 40 Supp. 79-32,222, and amendments thereto;
 - 41 (C) the assistive technology contribution credit authorized by K.S.A.
 42 65-7107, and amendments thereto; and
 - 43 (D) the low-income student scholarship credit authorized by K.S.A.

1 2017 Supp. 72-4357, and amendments thereto; and

2 (4) in 2022:

3 (A) The tax credit on food purchases authorized by K.S.A. 2017
4 Supp. 79-32,271, and amendments thereto;

5 (B) the telecommunications property tax credit authorized by K.S.A.
6 2017 Supp. 79-32,210, and amendments thereto; and

7 (C) the higher education deferred maintenance credit authorized by
8 K.S.A. 2017 Supp. 79-32,261, and amendments thereto.

9 (b) The presentation required by subsection (a) shall include the
10 following information:

11 (1) A description of the incentive, its history and its goals;

12 (2) an assessment of the incentive's design and administration; and

13 (3) an estimate of the incentive's economic and fiscal impact.

14 (c) A tax credit reviewed pursuant to subsection (a) shall be reviewed
15 again not more than four years after the credit was most recently reviewed.

16 (d) On or before March 1 of each year, the senate standing committee
17 on assessment and taxation and the house committee on taxation shall
18 make a report to the legislature summarizing the committee's findings,
19 conclusions and recommendations. A copy of such report shall be
20 published on the website described in K.S.A. 2017 Supp. 74-72,123, and
21 amendments thereto.

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