

SENATE BILL No. 211

By Committee on Assessment and Taxation

2-23

1 AN ACT concerning income taxation; relating to credits; certain purchases
2 of goods and services from qualified vendors that provide employment
3 to individuals who are blind or severely disabled; qualifications,
4 procedures and limitations.

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

7 Section 1. (a) For tax year 2017 and all tax years thereafter, a credit
8 shall be allowed against the tax imposed by the Kansas income tax act in
9 an amount equal to 15% of the amount for expenditures of goods and
10 services purchased by the taxpayer from a qualified vendor on and after
11 January 1, 2017, as certified by the secretary of commerce as provided
12 subsection (d).

13 (b) In addition to the credit provided in subsection (a), for tax year
14 2017 and all tax years thereafter, for purchases of goods and services by a
15 taxpayer from a qualified vendor prior to January 1, 2017, a taxpayer shall
16 be allowed a credit in an amount of 15% of the amount of such purchases
17 based on the existing book of business of such taxpayer in 2016. The
18 amount of such credit awarded for each taxpayer shall not exceed
19 \$500,000 per qualified vendor per tax year. Such limitation shall not apply
20 to the credit specified in subsection (a) related to purchases of goods and
21 services made on and after January 1, 2017.

22 (c) The tax credit allowed by this section shall be deducted from the
23 taxpayer's income tax liability for the tax year in which the expenditures
24 were made by the taxpayer. If the amount of such tax credit exceeds the
25 taxpayer's income tax liability for such tax year, the taxpayer may carry
26 over the amount that exceeds such tax liability for deduction from the
27 taxpayer's liability in the next succeeding tax year or years until the total
28 amount of the tax credit has been deducted from tax liability, except that
29 no such tax credit shall be carried over for deduction after the fourth tax
30 year succeeding the tax year in which the expenditures were incurred.

31 (d) The secretary of commerce shall annually certify that
32 expenditures for goods and services purchased by a taxpayer subject to the
33 tax credit provided in this section were made from a qualified vendor, and
34 provide such certification to the secretary of revenue. The secretary of
35 commerce is hereby authorized to promulgate rules and regulations for
36 establishing criteria based on the provisions of K.S.A. 75-3317 et seq., and

1 amendments thereto, for evaluating whether purchases by taxpayers from a
2 qualified vendor should be certified as provided in this section, with the
3 assistance and approval of the secretary of revenue.

4 (e) As used in this section, "qualified vendor" means the same as
5 defined in K.S.A. 75-3317, and amendments thereto, or a nonprofit
6 certified business, both of which have a mission of providing employment
7 to individuals who are blind or severely disabled in an integrated setting,
8 pay minimum wage or above, and offer a qualified company-sponsored
9 insurance plan under the affordable care act or pay the required subsidy to
10 the internal revenue service for employees who purchase insurance
11 through the open market, if a company-sponsored plan is not offered. If
12 any such company is not covered under the affordable care act, and does
13 not offer a company-sponsored insurance plan, such company must offer
14 assistance to the employee to cover at least 75% of their health insurance
15 costs through a health saving account or other legal and appropriate
16 methodology.

17 Sec. 2. This act shall take effect and be in force from and after its
18 publication in the statute book.