

As Amended by House Committee

Session of 2019

HOUSE BILL No. 2043

By Representative Gartner

1-17

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

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

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

11 (1) In 2020:

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

14 (B) the credit for certain business investment expenses in qualified
15 business facilities authorized by K.S.A. 2018 Supp. 40-252f, and
16 amendments thereto; and

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

19 (2) in 2021:

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

22 (B) the small insurance company credit authorized by K.S.A. 40-
23 252e, and amendments thereto; and

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

26 (3) in 2022:

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

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

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

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

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

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

7 (d) **Upon request by either the chairperson of the senate standing**
8 **committee on financial institutions and insurance or the chairperson**
9 **of the house standing committee on insurance, the commissioner of**
10 **insurance may include any additional tax credits to the presentation**
11 **that are not listed in section 1, and amendments thereto, or remove**
12 **any tax credits from the presentation that no longer have any effect.**

13 (e) On or before March 1 of each year, the senate standing committee
14 on financial institutions and insurance and the house standing committee
15 on insurance shall make a report to the legislature summarizing the
16 committee's findings, conclusions and recommendations. A copy of such
17 report shall be published on the Kansas insurance department's website.

18 Sec. 2. (a) On or before February 1 of each year, the secretary of
19 commerce shall make a presentation to the senate standing committee on
20 commerce and the house standing committee on commerce, labor and
21 economic development reviewing the following tax credits and economic
22 development programs according to the following schedule:

23 (1) In 2020:

24 (A) The STAR bond financing act, K.S.A. 2018 Supp. 12-17,162 et
25 seq., and amendments thereto;

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

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

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

32 (2) in 2021:

33 (A) The promoting employment across Kansas act, K.S.A. 74-50,210
34 et seq., and amendments thereto;

35 (B) expenditures from the job creation fund created by K.S.A. 74-
36 50,224, and amendments thereto;

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

39 (D) tax credits for investment in a certified local seed capital pool
40 authorized by K.S.A. 74-8401, and amendments thereto; and

41 (3) in 2022:

42 (A) Student loans paid for a resident individual living in a rural
43 opportunity zone, K.S.A. 74-50,223, and amendments thereto;

1 (B) rural opportunity zone tax credits authorized by K.S.A. 2018
2 Supp. 79-32,267, and amendments thereto;

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

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

7 (b) The presentation required by subsection (a) shall include the
8 following information:

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

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

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

12 (c) A tax credit or economic development program reviewed pursuant
13 to subsection (a) shall be reviewed again not more than three years after
14 the credit was most recently reviewed.

15 (d) **Upon request by either the chairperson of the senate standing**
16 **committee on commerce or the chairperson of the house standing**
17 **committee on commerce, labor and economic development, the**
18 **secretary of commerce may include any additional tax credits or**
19 **economic development programs to the presentation that are not listed**
20 **in section 2, and amendments thereto, or remove any tax credits or**
21 **economic development programs from the presentation that no longer**
22 **have any effect.**

23 (e) On or before March 1 of each year, the senate standing committee
24 on commerce and the house standing committee on commerce, labor and
25 economic development shall make a report to the legislature summarizing
26 the committee's findings, conclusions and recommendations. A copy of
27 such report shall be published on the Kansas department of commerce's
28 website.

29 Sec. 3. (a) On or before February 1 of each year, the secretary of
30 revenue shall make a presentation to the senate standing committee on
31 assessment and taxation and the house standing committee on taxation
32 reviewing the following tax credits and exemptions according to the
33 following schedule:

34 (1) In 2020:

35 (A) The adoption credit authorized by K.S.A. 2018 Supp. 79-32,202a,
36 and amendments thereto;

37 (B) the earned income credit authorized by K.S.A. 2018 Supp. 79-
38 32,205, and amendments thereto;

39 (C) the research and development credit authorized by K.S.A. 2018
40 Supp. 79-32,182b, and amendments thereto; and

41 (D) property tax exemptions;

42 (2) in 2021:

43 (A) The business and job development credit authorized by K.S.A.

1 79-32,153, and amendments thereto;

2 (B) the historic preservation credit authorized by K.S.A. 2018 Supp.
3 79-32,211, and amendments thereto. **The state historical society shall**
4 **assist the secretary of revenue in presenting on the historic**
5 **preservation credit;**

6 (C) the film production credit authorized by K.S.A. 2018 Supp. 79-
7 32,258, and amendments thereto; and

8 (D) sales tax exemptions;

9 (3) in 2022:

10 (A) The community service contribution credit authorized by K.S.A.
11 79-32,197, and amendments thereto;

12 (B) the environmental compliance credit authorized by K.S.A. 2018
13 Supp. 79-32,222, and amendments thereto;

14 (C) the assistive technology contribution credit authorized by K.S.A.
15 65-7107, and amendments thereto; and

16 (D) the low-income student scholarship credit authorized by K.S.A.
17 72-4357, and amendments thereto; and

18 (4) in 2023:

19 (A) The tax credit on food purchases authorized by K.S.A. 2018
20 Supp. 79-32,271, and amendments thereto;

21 (B) the telecommunications property tax credit authorized by K.S.A.
22 2018 Supp. 79-32,210, and amendments thereto; and

23 (C) the higher education deferred maintenance credit authorized by
24 K.S.A. 2018 Supp. 79-32,261, and amendments thereto.

25 (b) The presentation required by subsection (a) shall include the
26 following information:

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

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

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

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

32 (d) **Upon request by either the chairperson of the senate standing**
33 **committee on assessment and taxation or the chairperson of the house**
34 **standing committee on taxation, the secretary of revenue may include**
35 **any additional tax credits and exemptions to the presentation that are**
36 **not listed in section 3, and amendments thereto, or remove any tax**
37 **credits and exemptions from the presentation that no longer have any**
38 **effect.**

39 (e) On or before March 1 of each year, the senate standing committee
40 on assessment and taxation and the house standing committee on taxation
41 shall make a report to the legislature summarizing the committee's
42 findings, conclusions and recommendations. A copy of such report shall be
43 published on the Kansas department of revenue's website.

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