AN ACT concerning postsecondary education; relating to repayment of
student loans; tax credits; establishing the state employee student loan
repayment assistance act.

Be it enacted by the Legislature of the State of Kansas:
Section 1. Sections 1 through 4, and amendments thereto, shall be
known and may be cited as the state employee student loan repayment
assistance act.
Sec. 2. As used in the state employee student loan repayment
assistance act:
(a) "Board" means the state board of regents.
(b) "Eligible borrower" means any state employee who:
(1) Received or agreed to the terms of a student loan to attend a
postsecondary educational institution; and
(2) obtained an academic degree from a postsecondary educational
institution.
(c) "Postsecondary educational institution" means any:
(1) State educational institution as such term is defined in K.S.A. 76-
711, and amendments thereto; or
(2) community college, municipal university, technical college or
independent postsecondary educational institution as such terms are
defined in K.S.A. 74-32,194, and amendments thereto.
(d) "State employee" means a person employed by the state of Kansas
as a classified or unclassified employee in the state personnel system or
any appointed or elective officer of the state of Kansas.
(e) (1) "Student loan" means: (A) Any federal education loan or other
loan primarily used to finance educational expenses, including, but not
limited to, loans used to finance tuition, fees, books, supplies, room and
board, transportation and miscellaneous personal expenses; or (B) any loan
made for the purpose of refinancing a student loan as defined in
subparagraph (A).
(2) The term "student loan" shall not include: (A) Any extension of
credit under an open-ended consumer credit plan, a reverse mortgage
transaction, a residential mortgage transaction or any other loan that is
secured by real or personal property; or (B) any extension of credit made by
a postsecondary educational institution, if the term of such extension of
credit is no longer than a person's educational program.

(f) "Student loan eligible for repayment" means any student loan of
an eligible borrower to which such eligible borrower is making payments
for the purpose of repayment of such student loan.

Sec. 3. (a) To be eligible to receive the student loan repayment
assistance tax credit pursuant to section 4, and amendments thereto, a
person must be an eligible borrower.

(b) (1) Upon application to the board of regents, in each calendar
year, the board of regents shall certify whether a person is an eligible
borrower and shall determine the total amount of principal and interest the
eligible borrower paid upon such loan for the calendar year. Application
for certification pursuant to this section shall be submitted in such form
and manner as prescribed by the board.

(2) The board shall require an initial application for certification of an
eligible borrower to include a transcript of the applicant's coursework and
degree obtained at a postsecondary educational institution.

(3) The board shall require each eligible borrower to submit
verification of state employment for the tax year in which the student loan
repayment assistance tax credit is claimed. If an eligible borrower was not
a state employee for the entirety of the tax year in which such tax credit is
claimed, the board shall certify the amount of principal and interest the
eligible borrower paid as a state employee, or is anticipated to pay as a
state employee based on such borrower's loan repayment plan, upon such
loan for the tax year.

(c) The board may establish rules and regulations for the
administration of the provisions of the state employee student loan
repayment act.

Sec. 4. There shall be allowed a credit against the tax liability
imposed upon a taxpayer pursuant to the Kansas income tax act for tax
year 2020, and each tax year thereafter, an amount equal to 50% of the
total principal and interest paid by an eligible borrower upon a student
loan eligible for repayment that was certified by the state board of regents
pursuant to section 3, and amendments thereto. The credit shall be claimed
and deducted from the taxpayer's income tax liability during the tax year in
which payments were made upon such student loan eligible for repayment.
If the amount of any such tax credit claimed by a taxpayer exceeds the
taxpayer's income tax liability, such excess amount shall be refunded to the
taxpayer. Each taxpayer shall provide a copy of the certification obtained
pursuant to section 3, and amendments thereto, when claiming such
credit.

Sec. 5. This act shall take effect and be in force from and after its
publication in the statute book.