

Tax Credit for Purchases from Businesses that Employ Individuals with Disabilities; HB 2044

HB 2044 authorizes a new income tax credit for tax years 2019 through 2023 equivalent to 15.0 percent of expenditures on goods and services purchased from “qualified vendors” or nonprofit “certified businesses,” as those terms are defined by the bill, that provide a certain level of health insurance benefits and have at least 30.0 percent of their employees be resident Kansans with disabilities. The amount of the credit is capped at \$500,000 per each qualified vendor each tax year. The cumulative amount of credits allowed is capped at \$5.0 million. The tax credits are nonrefundable, and unused credits may carry forward for up to four years and apply against the liability of future tax years.

The Secretary of Commerce must annually certify the qualified expenditures eligible for the tax credit and provide the amount to the Secretary of Revenue. The Secretary of Revenue must make an annual report to the standing taxation committees on the implementation and effectiveness of the tax credit program. The Secretary of Commerce is authorized to promulgate rules and regulations for evaluating whether purchases by taxpayers from a qualified vendor should be certified.