SENATE BILL No. 386
By Committee on Assessment and Taxation

AN ACT concerning income taxation; relating to credits; business and job development; amending K.S.A. 2011 Supp. 79-32,153 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2011 Supp. 79-32,153 is hereby amended to read as follows: 79-32,153.(a) For taxable years commencing after December 31, 1997, and before January 1, 2012, any taxpayer who shall invest in a qualified business facility, as defined in subsection (b) of K.S.A. 79-32,154, and amendments thereto, and effective for tax years commencing after December 31, 2010, and before January 1, 2012, located in an area other than a metropolitan county as defined in either K.S.A. 2011 Supp. 74-50,114 or 74-50,211, and amendments thereto, shall be allowed a credit for such investment, in an amount determined under subsection (b) against the tax imposed by the Kansas income tax act, the premium tax or privilege fees imposed pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as measured by net income of financial institutions imposed pursuant to chapter 79, article 11 of the Kansas Statutes Annotated for the taxable year during which commencement of commercial operations, as defined in subsection (f) of K.S.A. 79-32,154, and amendments thereto, occurs at such qualified business facility, and for each of the nine succeeding taxable years. No credit shall be allowed under this section unless the number of qualified business facility employees, as determined under subsection (d) of K.S.A. 79-32,154, and amendments thereto, engaged or maintained in employment at the qualified business facility as a direct result of the investment by the taxpayer for the taxable year for which the credit is claimed equals or exceeds two. Where an employee performs services for the taxpayer outside the qualified business facility, the employee shall be considered engaged or maintained in employment at the qualified business facility if: (1) The employee's service performed outside the qualified business facility is incidental to the employee's service inside the qualified business facility; or (2) the base of operations or, the place from which the service is directed or controlled, is at the qualified business facility.

(b) The credit allowed by subsection (a) for any taxpayer who invests in a qualified business facility shall be a portion of the tax, but not in...
excess of 50% of such tax, otherwise imposed on or measured by the
taxpayer's qualified business facility income, as defined in subsection (g)
of K.S.A. 79-32,154, and amendments thereto, for the taxable year for
which such credit is allowed. Such portion shall be an amount equal to the
sum of the following:
(1) One hundred dollars for each qualified business facility employee
determined under K.S.A. 79-32,154, and amendments thereto; plus
(2) One hundred dollars for each $100,000, or major fraction
thereof, (which shall be deemed to be 51% or more), in qualified business
facility investment as determined under K.S.A. 79-32,154, and
amendments thereto.
(c) For tax years commencing after December 31, 2005, any taxpayer
claiming credits pursuant to this section, as a condition for claiming and
qualifying for such credits, shall provide information pursuant to K.S.A.
2011 Supp. 79-32,243, and amendments thereto, as part of the tax return in
which such credits are claimed. Such credits shall not be denied solely on
the basis of the contents of the information provided by the taxpayer
(d) No credit shall be allowed under this section for investment in a
public utility, as such term is defined in K.S.A. 66-104, and amendments
thereto.
Sec. 2. K.S.A. 2011 Supp. 79-32,153 is hereby repealed.
Sec. 3. This act shall take effect and be in force from and after its
publication in the Kansas register.