

**HOUSE BILL No. 2400**

By Committee on Taxation

3-12

Proposed Amendments for HB 2400  
For Committee on Education  
March 20, 2013  
**Re: Sunset provision**  
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Office of Revisor of Statutes

1 AN ACT concerning schools; enacting the corporate education tax credit  
2 scholarship program act; providing for educational scholarships;  
3 authorizing a tax credit; amending K.S.A. 2012 Supp. 79-32,138 and  
4 repealing the existing section.

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

7 New Section 1. The provisions of sections 1 through 7, and  
8 amendments thereto, shall be known and may be cited as the corporate  
9 education tax credit scholarship program act.

10 New Sec. 2. As used in the corporate education tax credit scholarship  
11 program act:

12 (a) "Contributions" means monetary gifts or donations and in-kind  
13 contributions, gifts or donations that have an established market value;

14 (b) "department" means the Kansas department of revenue;

15 (c) "educational scholarship" means an amount not to exceed \$8,000  
16 provided to eligible students to cover all or a portion of the costs of tuition,  
17 fees and expenses of a qualified school and, if applicable, the costs of  
18 transportation to a qualified school if provided by such qualified school;

19 (d) "eligible student" means a child who:

20 (1) (A) Is a member of a household whose total annual income during  
21 the year prior to receiving an educational scholarship under this program  
22 does not exceed 185% of the most recent federal poverty income  
23 guidelines published in the calendar year by the United States department  
24 of health and human services;

25 (B) has an individualized education program and is considered a child  
26 with a disability, as defined by K.S.A. 72-962(z), and amendments thereto;  
27 or

28 (C) has received an educational scholarship under this program and  
29 has not graduated from high school or reached 21 years of age;

30 (2) resides in Kansas while receiving an educational scholarship; and

31 (3) (A) was enrolled in any public school in the previous school year;  
32 or

33 (B) is eligible to be enrolled in any public school in the school year in  
34 which an educational scholarship is first sought for the child and the child  
35 is under the age of six years;

36 (e) "individualized education program" shall have the meaning

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- 1 ascribed thereto in K.S.A. 72-962, and amendments thereto;
- 2 (f) "parent" includes a guardian, custodian or other person with
- 3 authority to act on behalf of the child;
- 4 (g) "program" means the corporate education tax credit scholarship
- 5 program established in sections 1 through 7, and amendments thereto;
- 6 (h) "public school" means a school operated by a school district;
- 7 (i) "qualified school" means any nonpublic school that provides
- 8 education to elementary and secondary students, has notified the state
- 9 board of their intention to participate in the program and complies with the
- 10 requirements of the program;
- 11 (j) "scholarship granting organization" means an organization that
- 12 complies with the requirements of this program and provides educational
- 13 scholarships to students attending qualified schools of their parents'
- 14 choice;
- 15 (k) "school district" or "district" means any unified school district
- 16 organized and operating under the laws of this state;
- 17 (l) "school year" shall have the meaning ascribed thereto in K.S.A.
- 18 72-6408, and amendments thereto;
- 19 (m) "secretary" means the secretary of revenue; and
- 20 (n) "state board" means the state board of education.
- 21 New Sec. 3. (a) There is hereby established the corporate education
- 22 tax credit scholarship program. The program shall provide eligible students
- 23 with an opportunity to attend schools of their parents' choice.
- 24 (b) Each scholarship granting organization shall issue a receipt, in a
- 25 form prescribed by the secretary, to each contributing taxpayer indicating
- 26 the value of the contribution received. Each taxpayer shall provide a copy
- 27 of such receipt when claiming the tax credit established in section 7, and
- 28 amendments thereto.
- 29 (c) Prior to awarding an educational scholarship to an eligible
- 30 student, unless such student is under the age of six years, the scholarship
- 31 granting organization shall receive written verification from the state board
- 32 that such student is an eligible student under this program, provided the
- 33 state board and the board of education of the school district in which the
- 34 eligible student was enrolled the previous school year have received
- 35 written consent from such eligible student's parent authorizing the release
- 36 of such information.
- 37 (d) Upon receipt of information in accordance with subsection (a)(2)
- 38 of section 4, and amendments thereto, the state board shall inform the
- 39 scholarship granting organization if such student has already been
- 40 designated to receive an educational scholarship by another scholarship
- 41 granting organization.
- 42 (e) In each school year, each eligible student under this program shall
- 43 not receive more than one educational scholarship under this program.

1 section were met by the scholarship granting organization, the state board  
 2 shall issue a certificate of compliance to the director of taxation.

3 (c) The state board shall adopt rules and regulations to implement the  
 4 provisions of this section.

5 New Sec. 7. (a) There shall be allowed a credit against the corporate  
 6 income tax liability imposed upon a taxpayer pursuant to the Kansas  
 7 income tax act, the privilege tax liability imposed upon a taxpayer  
 8 pursuant to the privilege tax imposed upon any national banking  
 9 association, state bank, trust company or savings and loan association  
 10 pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and  
 11 amendments thereto, and the premium tax liability imposed upon a  
 12 taxpayer pursuant to the premiums tax and privilege fees imposed upon an  
 13 insurance company pursuant to K.S.A. 40-252, and amendments thereto,  
 14 for tax years commencing after December 31, 2012, an amount equal to  
 15 70% of the amount contributed to a scholarship granting organization  
 16 authorized pursuant to section 1 et seq., and amendments thereto.

17 (b) The credit shall be claimed and deducted from the taxpayer's tax  
 18 liability during the tax year which immediately follows the tax year in  
 19 which the contribution was made to any such scholarship granting  
 20 organization.

21 (c) For each tax year, in no event shall the total amount of credits  
 22 allowed under this section exceed \$10,000,000 for any one tax year.

23 (d) If the amount of any such tax credit claimed by a taxpayer  
 24 exceeds the taxpayer's income, privilege or premium tax liability, such  
 25 excess amount may be carried over for deduction from the taxpayer's  
 26 income, privilege or premium tax liability in the next succeeding year or  
 27 years until the total amount of the credit has been deducted from tax  
 28 liability.

29 (e) The secretary shall adopt rules and regulations regarding filing of  
 30 documents that support the amount of credit claimed pursuant to this  
 31 section.

32 ΓSec. 8. K.S.A. 2012 Supp. 79-32,138 is hereby amended to read as  
 33 follows: 79-32,138. (a) Kansas taxable income of a corporation taxable  
 34 under this act shall be the corporation's federal taxable income for the  
 35 taxable year with the modifications specified in this section.

36 (b) There shall be added to federal taxable income: (i) The same  
 37 modifications as are set forth in subsection (b) of K.S.A. 79-32,117, and  
 38 amendments thereto, with respect to resident individuals, except  
 39 subsections (b)(xix), (b)(xx), (b)(xxi), (b)(xxii) and (b)(xxiii).

40 (ii) The amount of all depreciation deductions claimed for any  
 41 property upon which the deduction allowed by K.S.A. 2012 Supp. 79-  
 42 32,221, 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250, 79-  
 43 32,255 or 79-32,256, and amendments thereto, is claimed.

Insert: "New Sec. 8. The provisions of sections 1  
 through 8, and amendments thereto, shall expire on  
 June 30, 2015."; and by renumbering remaining  
 sections accordingly.

