



Pat George, Secretary

Sam Brownback, Governor

## Kansas Department of Commerce Overview of Rural Opportunity Zones (ROZ), Community Service Tax Credit Program and Angel Investor Tax Credit Program

Prepared for the House Commerce, Labor and Economic Development Committee  
Room 346-S, The Statehouse  
Jan. 28, 2013

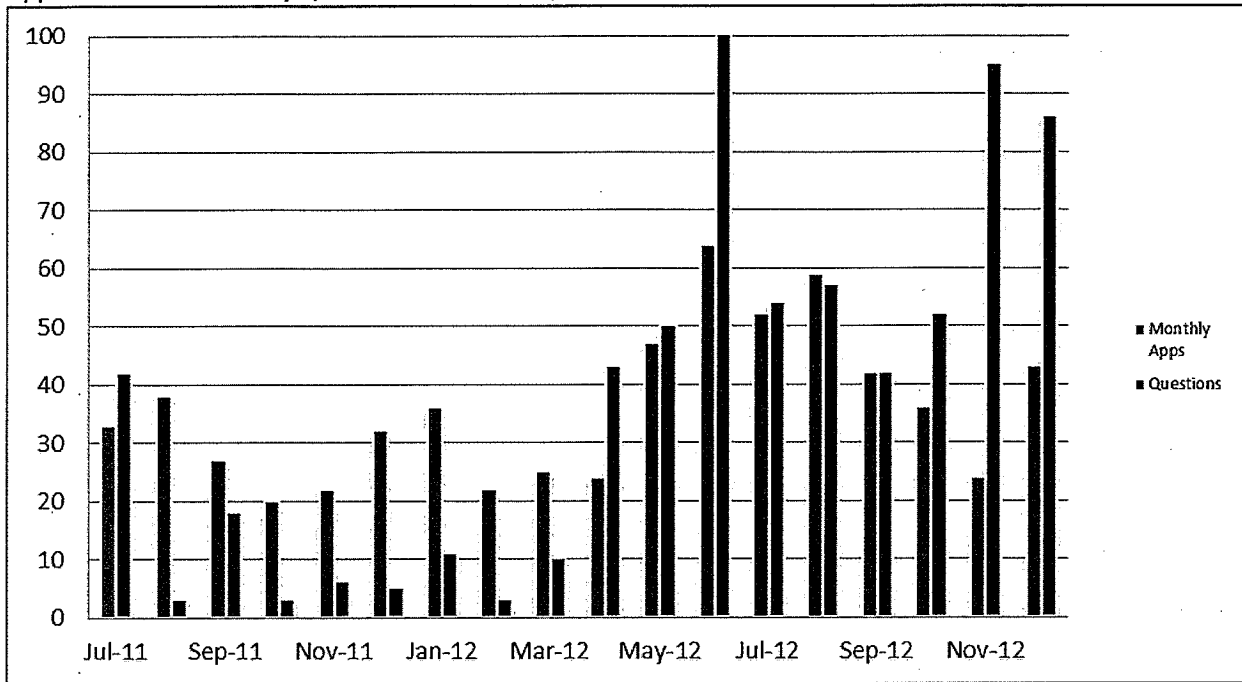
### Rural Opportunity Zones

The Rural Opportunity Zones program was established by the Legislature in 2011 as a tool by which the state of Kansas would address the loss of population in rural areas. 50 counties were selected for the program and they were authorized to offer two incentives; a waiver for income tax for up to 5 years and up to \$15,000 in student loan repayment to qualified individuals. In order to qualify for the income tax waiver, an individual must have lived outside the state for the 5 years immediately prior to moving to a ROZ county. To qualify for the student loan repayment, an individual must move to a participating county, have a degree from an accredited institution, and have an outstanding student loan balance. Today I will share with you some information on the program performance which you will also find later on the full report.

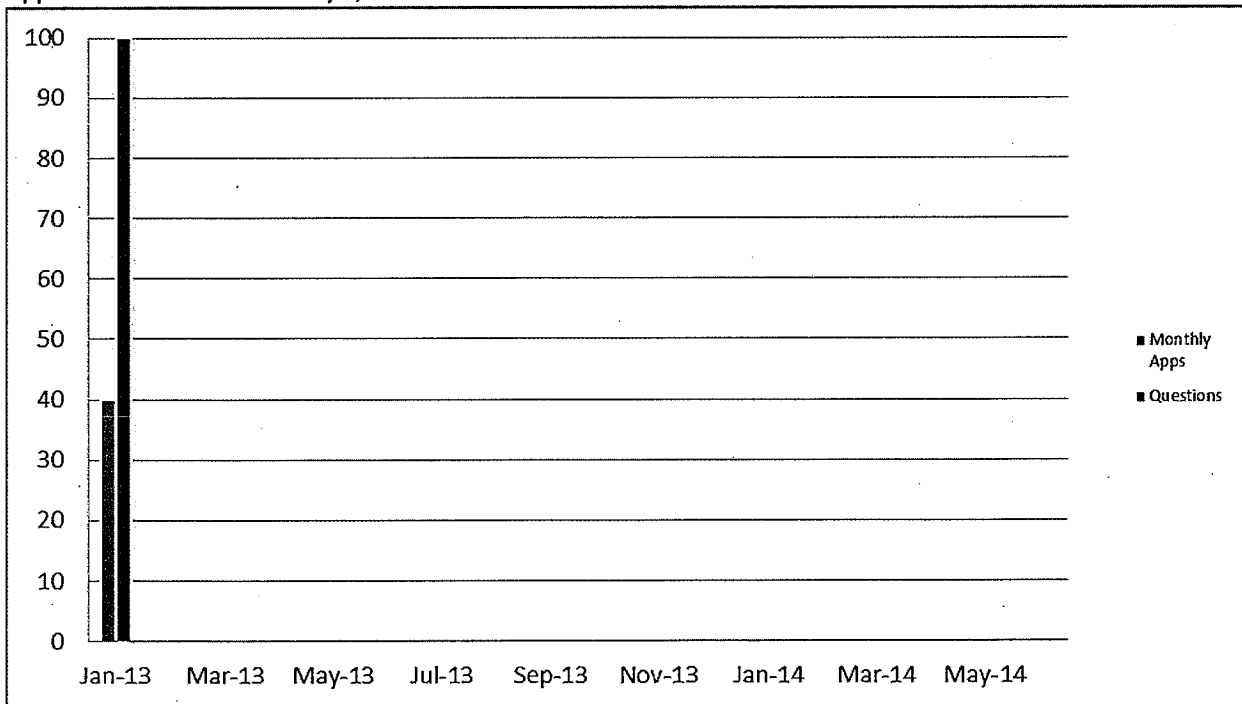
Please note that these totals are for the student loan repayment incentive. The first year for which an individual could claim the income tax incentive was 2012. Those individuals are filing those returns with the Department of Revenue now.

**Total Applications:** 686  
**Out of state applicants:** 238  
**# of states:** 37  
**Approved:** 374  
**Pending:** 121  
**Denied:** 186  
**Student Loan Payments for 2012:** \$376,418

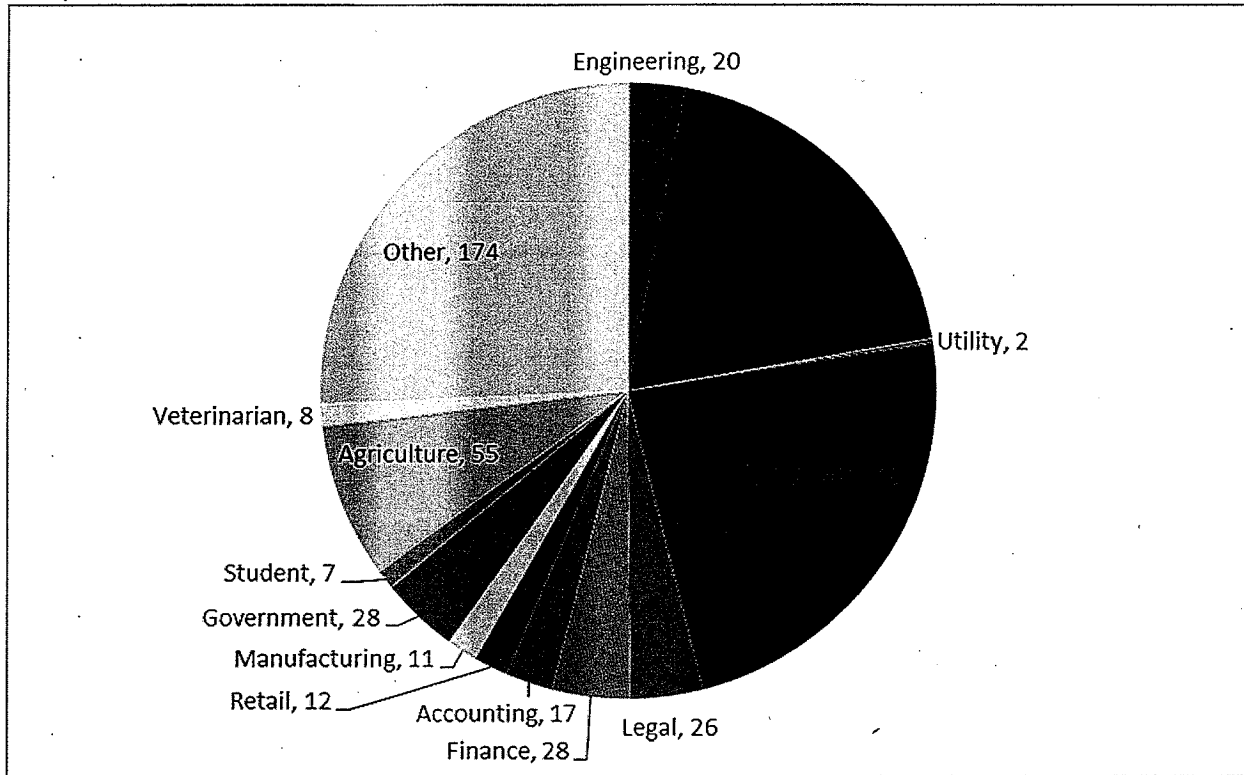
Applications & Emails July 1, 2011 – December 31, 2012



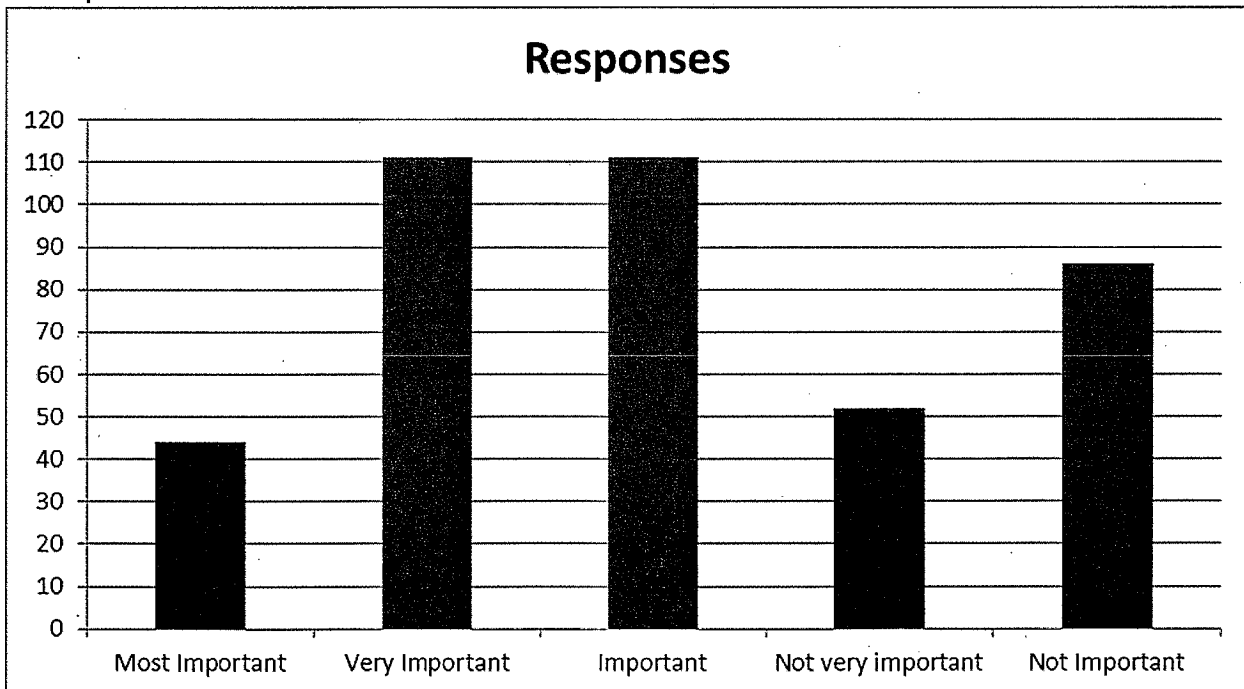
Applications & Emails January 1, 2013



**Occupations**



**ROZ Importance**



## **Community Service Tax Credit Program**

The Community Service Tax Credit Program is designed to facilitate capital campaigns for non-profits conducting certain eligible activities/ or projects in Kansas. The eligible activities are community services, healthcare, and non-governmental crime prevention. Urban non-profits, communities with population greater than 15,000, receive 50% credits while rural projects receive 70% credits.

### **Program History**

According to our records \$75 million in tax credits have been awarded which has generated \$108,385,000 in donations for healthcare and community service projects across Kansas.

\$6.5 million has been donated to these projects by donors living or based outside of Kansas since 1995. 510 projects have been funded since 1995. Since 2006 projects funded have included 6 health clinics, 51 hospital expansions/ renovations, 5 mental health facilities, 20 nursing homes/ assisted living facilities, etc.

### **2012**

**Total 2012 projects:** 27

**Total applications:** 73

**Urban/ rural breakdown for 2012:** 7 urban projects (26%) & 20 rural projects (74%)

### **2011-12 Program Year**

**2011-12 projects total:** 22 projects awarded out of 74 applications

**2011-12 Donations:** \$6,689,812 (\$1.62 in donated for every \$1 in tax credits)

## **Angel Investor Tax Credit Program**

The Angel Investor Tax Credit program is designed to provide tax credits to Angel Investors investing in Kansas-based start-up companies developing innovative technologies, products, and/ or services. I have managed this program since August of 2012 after Wade Wiebe, the previous manager, left the agency.

### **2012**

**Total 2012 companies:** 42 companies utilized tax credits/ 4 were unable to raise capital despite being awarded tax credits (the tax credits were then utilized by other companies)

**Total 2012 tax credits utilized/ amount of funding facilitated:** \$6,819,826 utilized in 2012 which helped facilitate \$13,639,652 in angel investment in KS companies

Angel Investor Tax Credits utilized by year

