

REPORTS OF STANDING COMMITTEES

MADAM PRESIDENT:

The Committee on **Assessment and Taxation** recommends **HB 2417**, as amended by House Committee, be amended on page 1, following line 28, by inserting:

"Sec. 2. K.S.A. 2013 Supp. 79-32,267 is hereby amended to read as follows: 79-32,267.

(a) For taxable years commencing after December 31, 2011, and before January 1, 2017, there shall be allowed as a credit against the tax liability of a resident individual taxpayer an amount equal to the resident individual's income tax liability under the provisions of the Kansas income tax act, when the resident individual:

(1) Establishes domicile in a rural opportunity zone on or after July 1, 2011, and prior to January 1, 2016, and was domiciled outside this state for five or more years immediately prior to establishing their domicile in a rural opportunity zone in this state;

(2) had Kansas source income less than \$10,000 in any one year for five or more years immediately prior to establishing their domicile in a rural opportunity zone in this state; ~~and~~

(3) was domiciled in a rural opportunity zone during the entire taxable year for which such credit is claimed; ~~and~~

(4) for taxable years commencing after December 31, 2013, and before January 1, 2017, is employed in a for-profit business or cooperative during the year in which such credit is claimed; or is employed in a for-profit or nonprofit hospital, clinic, nursing home, long-term residential care facility, hospice or medical professional office and directly engaged in providing professional management or professional medical, dental, psychiatric, optometric or other professional healthcare services to the public during the year for which such credit is claimed;

and is not employed by a public entity during the year for which such credit is claimed. For purposes of this section, "public entity" means the state of Kansas, political subdivisions, cities, counties, state universities or colleges, school districts, all special districts, joint agreement entities, public authorities, public trusts and nonprofit corporations or other organizations which are operated with public money, but not including hospitals, clinics, nursing homes, long-term residential care facilities, hospices or professional offices providing medical, dental, psychiatric, optometric or other healthcare services to the public. This paragraph shall not apply to resident individuals who established domicile in a rural opportunity zone before July 1, 2014.

(b) A resident individual may claim the credit authorized by this section for not more than five consecutive years following establishment of their domicile in a rural opportunity zone.

(c) The maximum amount of any refund under this section shall be equal to the amount withheld from the resident individual's wages or payments other than wages pursuant to K.S.A. 79-3294 et seq., and amendments thereto, or paid by the resident individual as estimated taxes pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

(d) As used in this section, "cooperative" shall mean any of the following:

(1) Any association that is governed by the provisions and applications of article 16 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto, the cooperative marketing act;

(2) any association, trust, agreement or arrangement that is governed by the Capper-Volstead act (7 U.S.C. § 291 et seq.);

(3) any corporation organized under the electric cooperative act, K.S.A. 17-4601 et seq., and amendments thereto, or which becomes subject to the electric cooperative act in any manner therein provided, or any limited liability company or corporation, or wholly owned subsidiary thereof, providing electric service at wholesale in the state of Kansas that is owned by four or more electric cooperatives that provide retail service in the state of Kansas, or any member-owned corporation

formed prior to 2004:

(4) any association that is governed by the provisions and applications of article 22 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto, the credit union act;

(5) any association that is governed by the provisions and applications of article 15 of chapter 17 of the Kansas Statutes Annotated, and amendments thereto, the cooperative societies act; or

(6) any rural telephone company, as defined in K.S.A. 66-1,187, and amendments thereto.

(e) No credit shall be allowed under this section if:

(1) The resident individual's income tax return on which the credit is claimed is not timely filed, including any extension; or

(2) the resident individual is delinquent in filing any return with, or paying any tax due to, the state of Kansas or any political subdivision thereof.

~~(e)~~(f) This section shall be part of and supplemental to the Kansas income tax act.";

Also on page 1, in line 29, by striking "is" and inserting "and 79-32,267 are";

And by renumbering sections accordingly;

On page 1, in the title, in line 2, after "zones;" by inserting "private business employment;"; also in line 2, after "74-50,222" by inserting "and 79-32,267"; in line 3, by striking "section" and inserting "sections"; and the bill be passed as amended.

\_\_\_\_\_ Chairperson