

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Commerce, Labor and Economic Development** recommends **SB 66** be amended on page 2, in line 24, by striking "its next series of funding" and inserting "any additional funds";

On page 3, in line 32, after "liability" by inserting "at the time of the investment in a qualified Kansas business";

On page 6, in line 4, after "investors" by inserting "who lawfully make an investment"; also in line 4, by striking all after "shall"; in line 5, by striking all before "under" and inserting "not have tax credits disallowed solely due to the business losing its designation as a qualified Kansas business"; following line 8, by inserting:

"Sec. 4. K.S.A. 79-32,176a is hereby amended to read as follows: 79-32,176a. (a) Any resident individual taxpayer who makes expenditures for the purpose of making all or any portion of an existing facility accessible to individuals with a disability, which facility is used as, or in connection with, such taxpayer's principal dwelling or the principal dwelling of a lineal ascendant or descendant, including construction of a small barrier-free living unit attached to such principal dwelling, shall be entitled to claim a tax credit in an amount equal to the applicable percentage of such expenditures or ~~\$9,000~~ \$15,000, whichever is less, against the income tax liability imposed against such taxpayer pursuant to article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto. Nothing in this subsection shall be deemed to prevent any such taxpayer from claiming such credit: (1) For each principal dwelling in which the taxpayer or lineal ascendant or descendant may reside, or facility used in connection

therewith; or (2) more than once, but not more often than once every four-year period of time.

The applicable percentage of such expenditures eligible for credit shall be as set forth in the following ~~schedule~~ schedules:

Married individuals filing joint returns.

Taxpayers Federal Adjusted Gross Income	% of expenditures eligible for credit
\$0 to \$25,000 <u>\$60,000</u>	100%
Over \$25,000 <u>\$60,000</u> but not over \$30,000 <u>\$70,000</u>	90%
Over \$30,000 <u>\$70,000</u> but not over \$35,000 <u>\$80,000</u>	80%
Over \$35,000 <u>\$80,000</u> but not over \$40,000 <u>\$90,000</u>	70%
Over \$40,000 <u>\$90,000</u> but not over \$45,000 <u>\$100,000</u>	60%
Over \$45,000 <u>\$100,000</u> but not over \$55,000 <u>\$110,000</u>	50%
Over \$55,000 <u>\$110,000</u> but not over <u>\$120,000</u>	40%
Over <u>\$120,000</u> but not over <u>\$130,000</u>	30%
Over <u>\$130,000</u> but not over <u>\$140,000</u>	20%
Over <u>\$140,000</u> but not over <u>\$150,000</u>	10%
Over <u>\$150,000</u>	0%

All other individuals.

Taxpayers Federal Adjusted Gross Income	% of expenditures eligible for credit
\$0 to \$40,000.....	100%
Over \$40,000 but not over \$50,000.....	90%
Over \$50,000 but not over \$60,000.....	80%
Over \$60,000 but not over \$70,000.....	70%
Over \$70,000 but not over \$80,000.....	60%
Over \$80,000 but not over \$90,000.....	50%
Over \$90,000 but not over \$100,000.....	40%
Over \$100,000 but not over \$110,000.....	30%
Over \$110,000 but not over \$120,000.....	20%
Over \$120,000 but not over \$130,000.....	10%
Over \$130,000.....	0%

Such tax credit shall be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made by the taxpayer. If the amount of such tax credit exceeds the taxpayer's income tax liability for such taxable year, the amount thereof which exceeds such tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from

tax liability, except that no such tax credit shall be carried over for deduction after the fourth taxable year succeeding the taxable year in which the expenditures are made.

(b) Notwithstanding the provisions of subsection (a), if the amount of the taxpayer's tax liability is less than ~~\$2,250~~ \$3,750 in the first year in which the credit is claimed under this section, an amount equal to the amount by which $\frac{1}{4}$ of the credit allowable under this section exceeds such tax liability shall be refunded to the taxpayer and the amount by which such credit exceeds such tax liability less the amount of such refund may be carried over for the next three succeeding taxable years. If the amount of the taxpayer's tax liability is less than ~~\$2,250~~ \$3,750 in the second year in which the credit is claimed under this section, an amount equal to the amount by which $\frac{1}{3}$ of the amount of the credit carried over from the first taxable year exceeds such tax liability shall be refunded to the taxpayer and the amount by which the amount of the credit carried over from the first taxable year exceeds such tax liability less the amount of such refund may be carried over for the next two succeeding taxable years. If the amount of the taxpayer's tax liability is less than ~~\$2,250~~ \$3,750 in the third year in which the credit is claimed under this section, an amount equal to the amount by which $\frac{1}{2}$ of the amount carried over from the second taxable year exceeds such tax liability shall be refunded to the taxpayer and the amount by which the amount of the credit carried over from the second taxable year exceeds such tax liability less the amount of such refund may be carried over to the next succeeding taxable year. If the amount of the credit carried over from the third taxable year exceeds the taxpayer's income tax liability for such year, the amount thereof which exceeds such tax liability shall be refunded to the taxpayer.

(c) In the case of all tax years commencing after December 31, 2021, the maximum tax credit amount, as prescribed in subsection (a), and the tax liability threshold amount in the first, second and third years, as prescribed in subsection (b), shall be increased by an amount equal to

such maximum tax credit amount and tax liability threshold amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) of the federal internal revenue code for the calendar year in which the taxable year commences.

(d) The provisions of this section are applicable to tax year ~~2013~~ 2021, and all tax years thereafter.";

Also on page 6, in line 9, by striking "and" and inserting a comma; also in line 9, after "74-8136" by inserting "and 79-32,176a";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "economic development" and inserting "income taxation"; in line 4, after the last semicolon by inserting "expenditures to make principal dwelling accessible to persons with a disability;"; in line 5, by striking the first "and" and inserting a comma; also in line 5, after "74-8136" by inserting "and 79-32,176a"; and the bill be passed as amended.

Chairperson