

## 2021 Kansas Statutes

**74-99c09. Money received by center; center subject to audit; tax credits authorized for donations, limitations, administration; criteria for fund distributions.** (a) Any money received by the center from any source shall be maintained in interest-bearing accounts in Kansas banks or Kansas savings and loan associations. Any accounts so maintained shall be administered by the center for entrepreneurship under guidelines developed and implemented by the center and approved by the secretary of commerce.

(b) The Kansas center for entrepreneurship shall be subject to audit by the legislative division of post audit in accordance with the provisions of the legislative post audit act.

(c) A credit against the tax imposed by article 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, on the Kansas taxable income of a contributor, against the tax imposed by K.S.A. 40-252, and amendments thereto, and for tax year 2019, and all tax years thereafter, against the privilege tax as measured by net income of financial institutions pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto shall be allowed for a contribution to the Kansas center for entrepreneurship. The credit shall be a total maximum amount equal to 75% of a contributor's donation to the Kansas center for entrepreneurship, subject to the limitation set forth. This tax credit may be used in its entirety in the taxable year in which the contribution is made. The provisions of this section shall be applicable to all taxable years beginning after December 31, 2004. If the amount by which that portion of the credit allowed by this section exceeds the contributor's liability in any one taxable year, the remaining portion of the credit may be carried forward until the total amount of the credit is used. If the contributor is a corporation having an election in effect under subchapter S of the federal internal revenue code or a partnership, the credit provided by this section shall be claimed by the shareholders of these corporations or the partners of a partnership in the same manner as these shareholders or partners account for their proportionate shares of the income or loss of these corporations or partnerships.

(d) The secretary of revenue shall not allow tax credits of more than \$100,000 that are attributable to an individual contributor in the Kansas center for entrepreneurship each year. In no event shall the total amount of tax credits allowed under this section exceed \$2,000,000 for any one fiscal year, except that for fiscal year 2011, the total amount of credits allowed under this section shall not exceed \$1,800,000.

(e) The Kansas center for entrepreneurship, along with the department, shall develop a system for application for registration of an authorization of tax credits authorized pursuant to this act and shall control distribution of all tax credits to contributors pursuant to this act. The Kansas center for entrepreneurship, along with the department, shall also develop rules for the administration of and disbursements from its accounts.

(f) The Kansas center for entrepreneurship shall distribute funds to regional or local community seed capital funds or economic development agencies based on the following criteria: (1) The organization can provide a 40% match; (2) the organization provides a plan that assures funds will be used as seed capital for qualified entrepreneurs; (3) the funds will be used in a distressed or rural community; or (4) other criteria as deemed necessary by the Kansas center for entrepreneurship.

**History:** L. 2004, ch. 112, § 63; L. 2006, ch. 201, § 4; L. 2010, ch. 123, § 3; L. 2019, ch. 15, § 1; July 1.