

HOUSE BILL No. 2376

By Representatives Swenson and Barnes

2-7

AN ACT enacting the taxpayers' right to know act; amending K.S.A. 2000 Supp. 74-8017 and 75-5133 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2000 Supp. 74-8017 is hereby amended to read as follows: 74-8017. (a) It shall be the duty of Kansas, Inc. to prepare an annual report evaluating the cost effectiveness of the various income tax credits and sales tax exemptions enacted to encourage economic development within this state and submit the same to the standing committees on taxation and economic development of the house and assessment and taxation and commerce of the senate at the beginning of each regular session of the legislature. ~~The~~ *For taxable years commencing after December 31, 2001, the* secretary of revenue shall ~~develop a questionnaire on the utilization of state income tax credits and sales tax exemptions that shall be completed by all corporate taxpayers subject to state income tax that shall be submitted to the department of revenue concurrently with the filing of an annual corporate income tax return. The questionnaire shall require respondents to indicate utilization of the following credits and exemptions provide Kansas, Inc. with the names, addresses, and if available, telephone numbers of individual, corporate and privilege tax filers utilizing the economic development credits named below for the purpose of conducting a confidential survey of those firms:~~

(1) ~~Income tax credits, premium or privilege tax credits for investment in a qualified business facility and creation of new employment authorized under the provisions of the job expansion and investment credit act of 1976 and acts amendatory thereof and supplemental thereto pursuant to K.S.A. 79-32,153, and amendments thereto;~~

(2) ~~income tax, premium or privilege tax credits for investment in a qualified business facility and for the creation of new employment authorized under the provisions of K.S.A. 79-32,160a, and amendments thereto;~~

~~(2) (3) income tax credits for expenditures in research and development activities authorized by K.S.A. 79-32,182 and 79-32,182a and amendments thereto;~~

~~(3) (4) income and financial institutions privilege tax credits for cash~~

1 investment in stock of Kansas Venture Capital, Inc. authorized by K.S.A.
2 74-8205 and 74-8206, and amendments thereto;

3 ~~(4)~~ (5) income tax credits for cash investment in certified Kansas ven-
4 ture capital companies authorized by K.S.A. 74-8304, and amendments
5 thereto;

6 ~~(5)~~ (6) income tax credits for cash investment in certified local seed
7 capital pools authorized by K.S.A. 74-8401, and amendments thereto;

8 ~~(6)~~ (7) income tax credits, *premium or privilege tax credits* for in-
9 vestment in the training and education of qualified firms' employees au-
10 thORIZED by K.S.A. 2000 Supp. 74-50,132, and amendments thereto; *and*

11 ~~(7)~~ sales tax exemptions for property or services purchased for the
12 purpose of and in conjunction with constructing, reconstructing, enlarg-
13 ing or remodeling a business, or retail business meeting the requirements
14 of K.S.A. 74-50,115, and amendments thereto, and machinery and equip-
15 ment for installation at such business or retail business authorized by
16 subsection (cc) of K.S.A. 1993 Supp. 79-3606a, and amendments thereto,
17 and

18 ~~(8)~~ sales tax exemptions for machinery and equipment used directly
19 and primarily for the purposes of manufacturing, assembling, processing,
20 finishing, storing, warehousing or distributing articles of tangible personal
21 property in this state intended for resale by a manufacturing or processing
22 plant or facility or a storage, warehousing or distribution facility. The
23 secretary of revenue shall provide the completed questionnaires and cop-
24 ies of sales tax exemption certificates to Kansas, Inc. for the preparation
25 of such report.

26 (8) *tax credits against income tax, privilege or premium tax credits*
27 *for qualified investment which exceeds \$50,000 authorized by K.S.A. 74-*
28 *50,132 and 79-32,160a, and amendments thereto.*

29 (b) *For taxable years commencing after December 31, 2001, the sec-*
30 *retary of revenue shall provide Kansas, Inc. copies of applications for*
31 *project exemption certificates completed by taxpayers and approved by*
32 *the secretary of revenue for the purpose of receiving sales tax exemption*
33 *on property or services purchased for the purpose of and in conjunction*
34 *with constructing, reconstructing, enlarging or remodeling a business*
35 *meeting the requirements of K.S.A. 74-50,115, and amendments thereto,*
36 *and machinery and equipment for installation at such qualified business*
37 *authorized by subsection (cc) of K.S.A. 79-3606, and amendments thereto,*
38 *for the preparation of such report.*

39 (c) *Nothing in this section shall be construed to allow disclosure of*
40 *the amount of income or any particulars set forth or disclosed in any*
41 *report, return, federal return or federal return information, where such*
42 *disclosure is prohibited by the federal internal revenue code as in effect*
43 *on September 1, 1996, and amendments thereto, related federal internal*

1 *revenue rules and regulations or other federal law.*

2 Sec. 2. K.S.A. 2000 Supp. 75-5133 is hereby amended to read as
3 follows: 75-5133. (a) Except as otherwise more specifically provided
4 by law, all information received by the director of taxation from applica-
5 tions for licensure or registration made or returns or reports filed under
6 the provisions of any law imposing any excise tax administered by the
7 director, or from any investigation conducted under such provisions, shall
8 be confidential, and it shall be unlawful for any officer or employee of
9 the department of revenue to divulge any such information except in
10 accordance with other provisions of law respecting the enforcement and
11 collection of such tax, in accordance with proper judicial order and as
12 provided in K.S.A. 74-2424, and amendments thereto.

13 (b) Nothing in this section shall be construed to prohibit the publi-
14 cation of statistics, so classified as to prevent identification of particular
15 reports or returns and the items thereof, or the inspection of returns by
16 the attorney general. Nothing in this section shall prohibit the post auditor
17 from access to all such excise tax reports or returns in accordance with
18 and subject to the provisions of subsection (g) of K.S.A. 46-1106, and
19 amendments thereto. Nothing in this section shall be construed to pro-
20 hibit the disclosure of taxpayer information from excise tax returns to
21 persons or entities contracting with the secretary of revenue where the
22 secretary has determined disclosure of such information is essential for
23 completion of the contract and has taken appropriate steps to preserve
24 confidentiality.

25 (c) Notwithstanding the foregoing provisions of this section, the di-
26 rector of taxation may provide: (1) Such information from returns and
27 reports filed under article 42 of chapter 79 of the Kansas Statutes An-
28 notated to county appraisers as is necessary to insure proper valuations
29 of property. Information from such returns and reports may also be ex-
30 changed with any other state agency administering and collecting con-
31 servation or other taxes and fees imposed on or measured by mineral
32 production; and (2) such information from returns and applications for
33 registration filed pursuant to K.S.A. 12-187, and amendments thereto,
34 and K.S.A. 79-3601, and amendments thereto, to a city or county trea-
35 surer or clerk to explain the basis of statistics contained in reports re-
36 quired by K.S.A. 12-189, and amendments thereto, 12-1694, and amend-
37 ments thereto, and 12-1698, and amendments thereto.

38 (d) Nothing in this section shall prohibit the disclosure of the follow-
39 ing oil and gas production statistics received by the department of revenue
40 in accordance with K.S.A. 79-4216 *et seq.* and amendments thereto: Vol-
41 umes of production by well name, well number, operator's name and
42 identification number assigned by the state corporation commission, lease
43 name, leasehold property description, county of production or zone of

1 production, name of purchaser and purchaser's tax identification number
2 assigned by the department of revenue, name of transporter, field code
3 number or lease code, tax period, exempt production volumes by well
4 name or lease, or any combination of this information.

5 (e) Any person receiving any information under the provisions of sub-
6 section (b), (c) or (d) shall be subject to the confidentiality provisions of
7 subsection (a) and to the penalty provisions of subsection ~~(f)~~ (g).

8 (f) *Nothing in this section shall prohibit the disclosure to the president*
9 *of Kansas, Inc. of such information as may be necessary to satisfy the*
10 *requirements of K.S.A. 2000 Supp. 74-8017, and amendments thereto, or*
11 *section 3, and amendments thereto.*

12 ~~(f)~~ (g) Any violation of this section shall be a class B nonperson mis-
13 demeanor, and if the offender is an officer or employee of this state, such
14 officer or employee shall be dismissed from office.

15 New Sec. 3. (a) Beginning with the fiscal year 2003 annual report
16 and biennially thereafter, the secretary of commerce and housing shall
17 provide an analysis of the effect of programs administered by the de-
18 partment of commerce and housing on the aggregate number of jobs
19 created or retained by those programs and the average and mean wages
20 paid in those new jobs. Programs to be included in the analysis shall
21 include, but not be limited to: The food and feeds program, the industrial
22 agriculture program, the Kansas existing industry expansion program,
23 projects funded through the Kansas economic opportunity initiatives
24 fund, the Kansas industrial training and retraining programs, the IM-
25 PACT program, and all programs administered within the international
26 trade division of the department.

27 (b) Prior to January 1, 2002, the secretary of commerce and housing
28 shall adopt measurable goals and objectives for each program analyzed
29 pursuant to subsection (a). The goals and objectives developed shall in-
30 clude targets for aggregate average wages paid and number of new jobs
31 to be created or retained for each program. Beginning with the annual
32 report for fiscal year 2003, the secretary shall report the extent to which
33 such programs have attained the goals established pursuant to this
34 subsection.

35 Sec. 4. K.S.A. 2000 Supp. 74-8017 and 75-5133 are hereby repealed.

36 Sec. 5. This act shall take effect and be in force from and after its
37 publication in the statute book.

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