

1 [As Amended by House Committee of the Whole]

2
3 As Further Amended by House Committee

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5 As Amended by House Committee

6 *Session of 2002*

7
8 **HOUSE BILL No. 2714**

9
10 By Committee on New Economy

11
12 1-28

13
14 AN ACT relating to income taxation; concerning the credit therefrom for
15 property tax paid upon certain machinery and equipment **concerning**
16 **property tax exemptions for and income tax credits for property**
17 **tax paid upon certain machinery and equipment**; amending
18 K.S.A. **79-301 and K.S.A.** 2001 Supp. **79-201w and 79-32,206** and
19 repealing the existing section.

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

22 Section 1. K.S.A. 2001 Supp. 79-32,206 is hereby amended to read
23 as follows: 79-32,206. For all taxable years commencing after December
24 31, ~~1997~~ 2001, there shall be allowed as a credit against the tax liability
25 of a taxpayer imposed under the Kansas income tax act, the premiums
26 tax upon insurance companies imposed pursuant to K.S.A. 40-252, and
27 amendments thereto, and the privilege tax as measured by net income of
28 financial institutions imposed pursuant to article 11 of chapter 79 of the
29 Kansas Statutes Annotated, an amount equal to ~~15% 18%~~ **[15%]** of the
30 property tax levied for property tax year ~~1998~~ 2002, **[18% of the prop-**
31 **erty tax levied for property tax year 2003,** *22% of the property tax*
32 *levied for property tax year 2003 [2004], and 25% of the property tax*
33 *levied for property tax year 2004 [2005], 30% of the property tax lev-*
34 **ied for property tax year 2005 [2006], 35% of the property tax**
35 **levied for property tax year 2006 [2007], and 40% of the property**
36 **tax levied for property tax year 2007 [2008],** and all such years there-
37 after, actually and timely paid during an income or privilege taxable year
38 upon commercial and industrial machinery and equipment classified for
39 property taxation purposes pursuant to section 1 of article 11 of the Kan-
40 sas constitution in subclass (5) or (6) of class 2 and machinery and equi-
41 pment classified for such purposes in subclass (2) of class 2. If the amount
42 of such tax credit exceeds the taxpayer's income tax liability for the taxable
43 year, the amount thereof which exceeds such tax liability shall be refunded

1 to the taxpayer. If the taxpayer is a corporation having an election in effect
2 under subchapter S of the federal internal revenue code, a partnership
3 or a limited liability company, the credit provided by this section shall be
4 claimed by the shareholders of such corporation, the partners of such
5 partnership or the members of such limited liability company in the same
6 manner as such shareholders, partners or members account for their pro-
7 portionate shares of the income or loss of the corporation, partnership or
8 limited liability company.

9 ~~Sec. 2. K.S.A. 2001 Supp. 79-32,206 is hereby repealed.~~

10 **Sec. 2. K.S.A. 2001 Supp. 79-201w is hereby amended to read**
11 **as follows: 79-201w. The following described property, to the ex-**
12 **tent specified by this section, shall be exempt from all property or**
13 **ad valorem taxes levied under the laws of the state of Kansas:**

14 ~~(a)~~ **Any item of machinery, equipment, materials and supplies**
15 **which, except for the operation of the provisions of this section,**
16 **would be required to be listed for the purpose of taxation pursuant**
17 **to K.S.A. 79-306, and amendments thereto, and which is used or**
18 **to be used in the conduct of the owner's business, or in the conduct**
19 **of activities by an entity not subject to Kansas income taxation**
20 **pursuant to K.S.A. 79-32,113, and amendments thereto, whose**
21 **original retail cost when new is \$250 or less \$500 or less with respect**
22 **to tax years 2002 and 2003 2003 and 2004, and \$1,000 or less with**
23 **respect to tax year 2004 2005, and all tax years thereafter.**

24 ~~(b) The provisions of this section shall apply to all taxable years com-~~
25 ~~mencing after December 31, 1995.~~

26 **Sec. 3. K.S.A. 79-301 is hereby amended to read as follows: 79-**
27 **301. All tangible personal property subject to taxation shall be**
28 **listed and assessed as of the first day of January each year in the**
29 **name of the owner thereof. Such listing and assessment shall be**
30 **made as hereinafter provided by law. A county or district appraiser**
31 **may request the listing of any property not subject to taxation, but no**
32 **taxpayer shall be required to comply with such request.**

33 **Sec. 4. K.S.A. 79-301 and K.S.A. 2001 Supp. 79-201w and 79-**
34 **32,206 are hereby repealed.;**

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

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