

HOUSE BILL No. 2496

By Special Committee on Assessment and Taxation

1-9

AN ACT concerning franchise taxes; relating to certain business entities; rates and maximums; amending K.S.A. 2003 Supp. 17-2036, 17-4634, 17-7503, 17-7504, 17-7505, 17-7507, 17-76,139, 56-1a606, 56-1a607, 56a-1201, 56a-1202 and 56a-1203 and repealing the existing sections.

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

Section 1. K.S.A. 2003 Supp. 17-2036 is hereby amended to read as follows: 17-2036. Every business trust shall make an annual report in writing to the secretary of state, showing its financial condition at the close of business on the last day of its tax period under the Kansas income tax act next preceding the date of filing, but if a business trust's tax period is other than the calendar year, it shall give notice thereof to the secretary of state prior to December 31 of the year it commences such tax period. The reports shall be made on forms provided by the secretary of state and shall be filed at the time prescribed by law for filing the business trust's annual Kansas income tax return, except that if any such business trust shall receive an extension of time for filing its annual income tax return from the internal revenue service or pursuant to subsection (c) of K.S.A. 79-3221, and amendments thereto, the time for filing the report hereunder shall be extended, correspondingly, upon filing with the secretary of state a copy of the extension granted by the internal revenue service or the director of taxation. The report shall contain the following:

(a) Executed copies of all amendments to the instrument by which the business trust was created, or to prior amendments thereto, which have been adopted and have not theretofore been filed under K.S.A. 17-2033, and amendments thereto, and accompanied by the fee prescribed therein for each such amendment;

(b) a verified list of the names and addresses of its trustees as of the end of its tax period; and

(c) a balance sheet as of the end of its tax period, certified by the trustee, fairly and truly reflecting its assets and liabilities and specifically setting out its corpus, and, in the case of a foreign business trust, fairly and truly reflecting an allocation of its moneys and other assets as between those located, used, or to be used in this state and those located, used or to be used elsewhere.

1 At the time of filing its annual report, the business trust shall pay to
2 the secretary of state an annual franchise tax in an amount equal to ~~\$2~~ \$1
3 for each \$1,000 of its corpus as shown by its balance sheet, or, in the case
4 of a foreign business trust, in an amount equal to ~~\$2~~ \$1 for each \$1,000
5 of that portion of its corpus which is located in or which it uses or intends
6 to use in this state as shown by its balance sheet, except that in any case
7 no such tax shall be less than ~~\$40~~ \$20 nor more than ~~\$5,000~~ \$2,500.

8 The failure of any domestic or foreign business trust to file its annual
9 report and pay its annual franchise tax within 90 days from the date on
10 which they are due, as aforesaid, shall work a forfeiture of its authority
11 to transact business in this state and all of the remedies, procedures, and
12 penalties specified in K.S.A. 17-7509 and 17-7510, and amendments
13 thereto, with respect to a corporation which fails to file its annual report
14 or pay its annual franchise tax within 90 days after they are due, shall be
15 applicable to such business trust.

16 Sec. 2. K.S.A. 2003 Supp. 17-4634 is hereby amended to read as
17 follows: 17-4634. (a) Every corporation organized under the electric co-
18 operative act of this state shall make an annual report in writing to the
19 secretary of state, showing the financial condition of the corporation at
20 the close of business on the last day of its tax period next preceding the
21 date of filing, but if any such corporation's tax period is other than the
22 calendar year, it shall give notice thereof to the secretary of state prior to
23 December 31 of the year it commences such tax period. The report shall
24 be filed on or before the ~~fifteenth~~ 15th day of the fourth month following
25 the close of the tax year of the electric cooperative. An extension for filing
26 the annual report may be granted upon the filing of a written application
27 with the secretary of state prior to the due date of the report, except that
28 no such extension may be granted for a period of more than ~~ninety (90)~~
29 90 days. The report shall be made on a form provided by the secretary
30 of state, containing the following information:

- 31 (1) The name of the corporation;
- 32 (2) The location of the principal office;
- 33 (3) The name of the president, secretary and treasurer and the names
34 of directors with the residence address of each;
- 35 (4) The number of memberships issued;
- 36 (5) A balance sheet showing the financial condition of the corporation
37 at the close of business on the last day of its tax period next preceding
38 the date of filing; and
- 39 (6) The change or changes, if any, in the particulars made since the
40 last annual report.

41 (b) Such reports shall be signed by the president, vice-president or
42 secretary of the corporation, sworn to before an officer duly authorized
43 to administer oaths and forwarded to the secretary of state. At the time

1 of filing such annual report, each such corporation shall pay an annual
2 franchise tax of ~~\$40~~ \$20.

3 Sec. 3. K.S.A. 2003 Supp. 17-7503 is hereby amended to read as
4 follows: 17-7503. (a) Every domestic corporation organized for profit shall
5 make an annual report in writing to the secretary of state, stating the
6 prescribed information concerning the corporation at the close of busi-
7 ness on the last day of its tax period next preceding the date of filing, but
8 if a corporation's tax period is other than the calendar year, it shall give
9 notice thereof to the secretary of state prior to December 31 of the year
10 it commences such tax period. The reports shall be made on forms pre-
11 scribed by the secretary of state. The report shall be filed at the time
12 prescribed by law for filing the corporation's annual Kansas income tax
13 return, except that if any such corporation shall apply for an extension of
14 time for filing its annual income tax return under the internal revenue
15 service or under subsection (c) of K.S.A. 79-3221, and amendments
16 thereto, such corporation shall also apply, not more than 90 days after
17 the due date of its annual report, to the secretary of state for an extension
18 of the time for filing the report and an extension shall be granted for a
19 period of time corresponding to that granted under the internal revenue
20 code or K.S.A. 79-3221, and amendments thereto. Such application shall
21 include a copy of the application to income tax authorities. The report
22 shall contain the following information:

- 23 (1) The name of the corporation;
- 24 (2) the location of the principal office;
- 25 (3) the names of the president, secretary, treasurer and members of
26 the board of directors, with the residence address of each;
- 27 (4) the number of shares of capital stock issued and the amount of
28 capital stock paid up;
- 29 (5) the nature and kind of business in which the corporation is en-
30 gaged; and
- 31 (6) a list of stockholders owning at least 5% of the capital stock of the
32 corporation, with the post office address of each.

33 (b) Every corporation subject to the provisions of this section which
34 holds agricultural land, as defined in K.S.A. 17-5903, and amendments
35 thereto, within this state shall show the following additional information
36 on the report:

- 37 (1) The acreage and location listed by section, range, township and
38 county of each lot, tract or parcel of agricultural land in this state owned
39 or leased by or to the corporation;
- 40 (2) the purposes for which such agricultural land is owned or leased
41 and, if leased, to whom such agricultural land is leased;
- 42 (3) the value of the nonagricultural assets and the agricultural assets,
43 stated separately, owned and controlled by the corporation both within

1 and without the state of Kansas and where situated;

2 (4) the total number of stockholders of the corporation;

3 (5) the number of acres owned or operated by the corporation, the
4 number of acres leased by the corporation and the number of acres leased
5 to the corporation;

6 (6) the number of acres of agricultural land, held and reported in
7 each category under provision (5), state separately, being irrigated; and

8 (7) whether any of the agricultural land held and reported under this
9 subsection was acquired after July 1, 1981.

10 (c) The report shall be signed by its president, secretary, treasurer or
11 other officer duly authorized so to act, or by any two of its directors, or
12 by an incorporator in the event its board of directors shall not have been
13 elected. The fact that an individual's name is signed on such report shall
14 be prima facie evidence that such individual is authorized to sign the
15 report on behalf of the corporation; however, the official title or position
16 of the individual signing the report shall be designated. This report will
17 be dated and subscribed by the person as true, under penalty of perjury.
18 At the time of filing such annual report it shall be the duty of each do-
19 mestic corporation organized for profit to pay to the secretary of state an
20 annual franchise tax in an amount equal to ~~\$2~~ \$1 for each \$1,000 of the
21 corporation's shareholder's equity attributable to Kansas, except that no
22 such tax shall be less than ~~\$40~~ \$20 or more than ~~\$5,000~~ \$2,500. The
23 amount of any such franchise tax paid by the corporation to the secretary
24 as provided by this subsection shall not be disclosed by the secretary.

25 Sec. 4. K.S.A. 2003 Supp. 17-7504 is hereby amended to read as
26 follows: 17-7504. (a) Every corporation organized not for profit shall make
27 an annual report in writing to the secretary of state, stating the prescribed
28 information concerning the corporation at the close of business on the
29 last day of its tax period next preceding the date of filing, but if a cor-
30 poration's tax period is other than the calendar year, it shall give notice
31 thereof to the secretary of state prior to December 31 of the year it
32 commences such tax period. The reports shall be made on forms pre-
33 scribed by the secretary of state. The report shall be filed on the 15th day
34 of the sixth month following the close of the taxable year, except that such
35 corporation may apply to the secretary of state not more than 90 days
36 after the due date of its annual report for an extension of the time for
37 filing the report, and an extension shall be granted for a period of time
38 corresponding to that granted under the internal revenue code or K.S.A.
39 79-3221, and amendments thereto. The report shall contain the following
40 information:

41 (1) The name of the corporation;

42 (2) the location of the principal office;

43 (3) the names of the president, secretary and treasurer, and the mem-

1 bers of the board of directors, with the residence address of each;

2 (4) the number of memberships or the number of shares of capital
3 stock issued and the amount of capital stock paid up.

4 (b) Every corporation subject to the provisions of this section which
5 holds agricultural land, as defined in K.S.A. 17-5903, and amendments
6 thereto, within this state shall show the following additional information
7 on the report:

8 (1) The acreage and location listed by section, range, township and
9 county of each lot, tract or parcel of agricultural land in this state owned
10 or leased by or to the corporation;

11 (2) the purposes for which such agricultural land is owned or leased
12 and, if leased, to whom such agricultural land is leased;

13 (3) the value of the nonagricultural assets and the agricultural assets,
14 stated separately, owned and controlled by the corporation both within
15 and without the state of Kansas and where situated;

16 (4) the total number of stockholders of the corporation;

17 (5) the number of acres owned or operated by the corporation, the
18 number of acres leased by the corporation and the number of acres leased
19 to the corporation;

20 (6) the number of acres of agricultural land, held and reported in
21 each category under paragraph (5) of this subsection (b), stated sepa-
22 rately, being irrigated; and

23 (7) whether any of the agricultural land held and reported under this
24 subsection was acquired after July 1, 1981.

25 (c) The report shall be signed by its president, secretary, treasurer or
26 other officer duly authorized so to act, or by any two of its directors, or
27 by an incorporator in the event its board of directors shall not have been
28 elected. The fact that an individual's name is signed on such report shall
29 be prima facie evidence that such individual is authorized to sign the
30 report on behalf of the corporation; however, the official title or position
31 of the individual signing the report shall be designated. This report will
32 be dated and subscribed by the person as true, under penalty of perjury.
33 At the time of filing such report, each nonprofit corporation shall pay an
34 annual privilege fee of ~~\$40~~ \$20 for all tax years commencing after De-
35 cember 31, ~~2001~~ 2003.

36 Sec. 5. K.S.A. 2003 Supp. 17-7505 is hereby amended to read as
37 follows: 17-7505. (a) Every foreign corporation organized for profit, or
38 organized under the cooperative type statutes of the state, territory or
39 foreign country of incorporation, now or hereafter doing business in this
40 state, and owning or using a part or all of its capital in this state, and
41 subject to compliance with the laws relating to the admission of foreign
42 corporations to do business in Kansas, shall make an annual report in
43 writing to the secretary of state, stating the prescribed information con-

cerning the corporation at the close of business on the last day of its tax period next preceding the date of filing, but if a corporation operates on a fiscal year other than the calendar year it shall give written notice thereof to the secretary of state prior to December 31 of the year commencing such fiscal year. The report shall be made on a form prescribed by the secretary of state. The report shall be filed at the time prescribed by law for filing the corporation's annual Kansas income tax return, except that if any such corporation shall apply for an extension of time for filing its annual income tax return under the internal revenue service or under subsection (c) of K.S.A. 79-3221, and amendments thereto, such corporation shall also apply, not more than 90 days after the due date of its annual report, to the secretary of state for an extension of the time for filing the report and an extension shall be granted for a period of time corresponding to that granted under the internal revenue code or K.S.A. 79-3221, and amendments thereto. Such application shall include a copy of the application to income tax authorities. The report shall contain the following facts:

(1) The name of the corporation and under the laws of what state or country organized;

(2) the location of its principal office;

(3) the names of the president, secretary, treasurer and members of the board of directors, with the residence address of each;

(4) the number of shares of capital stock issued and the amount of capital stock paid up;

(5) the nature and kind of business in which the company is engaged and its place or places of business both within and without the state of Kansas;

(6) the value of the property owned and used by the company in Kansas, where situated, and the value of the property owned and used outside of Kansas and where situated; and

(7) the corporation's shareholder's equity attributable to Kansas.

(b) Every corporation subject to the provisions of this section which holds agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, within this state shall show the following additional information on the report:

(1) The acreage and location listed by section, range, township and county of each lot, tract or parcel of agricultural land in this state owned or leased by or to the corporation;

(2) the purposes for which such agricultural land is owned or leased and, if leased, to whom such agricultural land is leased;

(3) the value of the nonagricultural assets and the agricultural assets, stated separately, owned and controlled by the corporation both within and without the state of Kansas and where situated;

- 1 (4) the total number of stockholders of the corporation;
2 (5) the number of acres owned or operated by the corporation, the
3 number of acres leased by the corporation and the number of acres leased
4 to the corporation;
5 (6) the number of acres of agricultural land, held and reported in
6 each category under paragraph (5) of this subsection (b), stated sepa-
7 rately, being irrigated; and
8 (7) whether any of the agricultural land held and reported under this
9 subsection was acquired after July 1, 1981.

10 The report shall be signed by its president, secretary, treasurer or other
11 officer duly authorized so to act, or by any two of its directors, or by an
12 incorporator in the event its board of directors shall not have been
13 elected. The fact that an individual's name is signed on such report shall
14 be prima facie evidence that such individual is authorized to sign the
15 report on behalf of the corporation; however, the official title or position
16 of the individual signing the report shall be designated. This report will
17 be dated and subscribed by the person as true, under penalty of perjury.
18 At the time of filing its annual report, each such foreign corporation shall
19 pay to the secretary of state an annual franchise tax in an amount equal
20 to ~~\$2~~ \$1 for each \$1,000 of the corporation's shareholder's equity attrib-
21 utable to Kansas, except that no such tax shall be less than ~~\$40~~ \$20 or
22 more than ~~\$5,000~~ \$2,500. The amount of any such franchise tax paid by
23 the foreign corporation to the secretary as provided by this subsection
24 shall not be disclosed by the secretary.

25 Sec. 6. K.S.A. 2003 Supp. 17-7507 is hereby amended to read as
26 follows: 17-7507. No corporation shall be required to file its first annual
27 report under this act, or pay any annual franchise tax required to accom-
28 pany such report, unless such corporation has filed its articles of incor-
29 poration or certificate of good standing at least six months prior to the
30 last day of its tax period. If any corporation shall file with the secretary
31 of state a notice of change in its tax period, and the next annual report
32 filed by such corporation subsequent to such notice is based on a tax
33 period of less than 12 months. The annual tax liability shall be determined
34 by multiplying the annual franchise tax liability for such year by a fraction
35 the numerator of which is the number of months, or any portion thereof,
36 covered by the annual report and the denominator of which is 12. Not-
37 withstanding the foregoing, the minimum annual franchise tax shall be
38 ~~\$40~~ \$20.

39 Sec. 7. K.S.A. 2003 Supp. 17-76,139 is hereby amended to read as
40 follows: 17-76,139. (a) Every limited liability company organized under
41 the laws of this state shall make an annual report in writing to the secretary
42 of state, stating the prescribed information concerning the limited liability
43 company at the close of business on the last day of its tax period next

1 preceding the date of filing. If the limited liability company's tax period
2 is other than the calendar year, it shall give notice of its different tax
3 period in writing to the secretary of state prior to December 31 of the
4 year it commences the different tax period. The annual report shall be
5 filed at the time prescribed by law for filing the limited liability company's
6 annual Kansas income tax return. If the limited liability company applies
7 for an extension of time for filing its annual income tax return under the
8 internal revenue code, the limited liability company shall also apply, not
9 more than 90 days after the due date of its annual report, to the secretary
10 of state for an extension of the time for filing its report and an extension
11 shall be granted for a period of time corresponding to that granted under
12 the internal revenue code. The application shall include a copy of the
13 application to income tax authorities. The annual report shall be made on
14 a form prescribed by the secretary of state. The report shall contain the
15 following information:

16 (1) The name of the limited liability company; and

17 (2) a list of the members owning at least 5% of the capital of the
18 company, with the post office address of each.

19 (b) Every foreign limited liability company shall make an annual re-
20 port in writing to the secretary of state, stating the prescribed information
21 concerning the limited liability company at the close of business on the
22 last day of its tax period next preceding the date of filing. If the limited
23 liability company's tax period is other than the calendar year, it shall give
24 notice in writing of its different tax period to the secretary of state prior
25 to December 31 of the year it commences the different tax period. The
26 annual report shall be filed at the time prescribed by law for filing the
27 limited liability company's annual Kansas income tax return. If the limited
28 liability company applies for an extension of time for filing its annual
29 income tax return under the internal revenue code, the limited liability
30 company also shall apply, not more than 90 days after the due date of its
31 annual report, to the secretary of state for an extension of the time for
32 filing its report and an extension shall be granted for a period of time
33 corresponding to that granted under the internal revenue code. The ap-
34 plication shall include a copy of the application to income tax authorities.
35 The annual report shall be made on a form prescribed by the secretary
36 of state. The report shall contain the name of the limited liability
37 company.

38 (c) The annual report required by this section shall be signed by a
39 member of the limited liability company and forwarded to the secretary
40 of state. At the time of filing the report, the limited liability company shall
41 pay to the secretary of state an annual franchise tax in an amount equal
42 to ~~\$2~~ \$1 for each \$1,000 of the net capital accounts located in or used in
43 this state at the end of the preceding taxable year as required to be re-

1 ported on the federal partnership return of income, or for a one-member
2 LLC taxed as a sole proprietorship, ~~\$2~~ \$1 for each \$1,000 of net book
3 value of the LLC as calculated on an income tax basis located in or used
4 in this state at the end of the preceding taxable year, except that no annual
5 tax shall be less than ~~\$40~~ \$20 or more than ~~\$5,000~~ \$2,500. The amount
6 of any such franchise tax paid by the limited liability company to the
7 secretary as provided by this subsection shall not be disclosed by the
8 secretary.

9 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-
10 lating to penalties for failure of a corporation to file an annual report or
11 pay the required franchise tax, and the provisions of subsection (a) of
12 K.S.A. 17-7510 and amendments thereto, relating to penalties for failure
13 of a corporation to file an annual report or pay the required franchise tax,
14 shall be applicable to the articles of organization of any domestic limited
15 liability company or to the authority of any foreign limited liability com-
16 pany which fails to file its annual report or pay the franchise tax within
17 90 days of the time prescribed in this section for filing and paying the
18 same. Whenever the articles of organization of a domestic limited liability
19 company or the authority of any foreign limited liability company are
20 forfeited for failure to file an annual report or to pay the required fran-
21 chise tax, the domestic limited liability company or the authority of a
22 foreign limited liability company may be reinstated by filing a certificate
23 of reinstatement, in the manner and form to be prescribed by the sec-
24 retary of state and paying to the secretary of state all fees and taxes,
25 including any penalties thereon, due to the state. The fee for filing a
26 certificate of reinstatement shall be the same as that prescribed by K.S.A.
27 17-7506, and amendments thereto, for filing a certificate of extension,
28 restoration, renewal or revival of a corporation's articles of incorporation.

29 (e) When reinstatement is effective, it relates back to and takes effect
30 as of the effective date of the forfeiture and the company may resume its
31 business as if the forfeiture had never occurred.

32 (f) No limited liability company shall be required to file its first annual
33 report under this act, or pay any annual franchise tax required to accom-
34 pany such report, unless such limited liability company has filed its articles
35 of organization or application for authority at least six months prior to the
36 last day of its tax period. If any limited liability company files with the
37 secretary of state a notice of change in its tax period and the next annual
38 report filed by such limited liability company subsequent to such notice
39 is based on a tax period of less than 12 months, the annual tax liability
40 shall be determined by multiplying the annual franchise tax liability for
41 such year by a fraction, the numerator of which is the number of months
42 or any portion thereof covered by the annual report and the denominator
43 of which is 12, except that the tax shall not be less than ~~\$40~~ \$20.

1 Sec. 8. K.S.A. 2003 Supp. 56-1a606 is hereby amended to read as
2 follows: 56-1a606. (a) Every limited partnership organized under the laws
3 of this state shall make an annual report in writing to the secretary of
4 state, stating the prescribed information concerning the limited partner-
5 ship at the close of business on the last day of its tax period next preceding
6 the date of filing. If the limited partnership's tax period is other than the
7 calendar year, it shall give notice of its different tax period to the secretary
8 of state prior to December 31 of the year it commences the different tax
9 period. The annual report shall be filed at the time prescribed by law for
10 filing the limited partnership's annual Kansas income tax return. If the
11 limited partnership applies for an extension of time for filing its annual
12 income tax return under the internal revenue code or under K.S.A. 79-
13 3221 and amendments thereto, the limited partnership shall also apply,
14 not more than 90 days after the due date of its annual report, to the
15 secretary of state for an extension of the time for filing its report and an
16 extension shall be granted for a period of time corresponding to that
17 granted under the internal revenue code or K.S.A. 79-3221 and amend-
18 ments thereto. The application shall include a copy of the application to
19 income tax authorities.

20 (b) The annual report shall be made on a form prescribed by the
21 secretary of state. The report shall contain the following information:

22 (1) The name of the limited partnership; and

23 (2) a list of the partners owning at least 5% of the capital of the
24 partnership, with the post office address of each.

25 (c) Every limited partnership subject to the provisions of this section
26 which is a limited corporate partnership, as defined in K.S.A. 17-5903
27 and amendments thereto, and which holds agricultural land, as defined
28 in K.S.A. 17-5903 and amendments thereto, within this state shall show
29 the following additional information on the report:

30 (1) The number of acres and location, listed by section, range, town-
31 ship and county of each lot, tract or parcel of agricultural land in this state
32 owned or leased by the limited partnership; and

33 (2) whether any of the agricultural land held and reported under sub-
34 section (c)(1) was acquired after July 1, 1981.

35 (d) The annual report shall be signed by the general partner or part-
36 ners of the limited partnership, sworn to before an officer duly authorized
37 to administer oaths and forwarded to the secretary of state. At the time
38 of filing the report, the limited partnership shall pay to the secretary of
39 state an annual franchise tax in an amount equal to ~~\$2~~ \$1 for each \$1,000
40 of the partners' net capital accounts located in or used in this state at the
41 end of the preceding taxable year as required to be reported on the fed-
42 eral partnership return of income, except that no annual tax shall be less
43 than ~~\$40~~ \$20 or more than ~~\$5,000~~ \$2,500. The amount of any such fran-

1 chise tax paid by the limited partnership to the secretary as provided by
2 this subsection shall not be disclosed by the secretary.

3 (e) The provisions of K.S.A. 17-7509 and amendments thereto, re-
4 lating to penalties for failure of a corporation to file an annual report or
5 pay the required franchise tax, and the provisions of subsection (a) of
6 K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a do-
7 mestic corporation's articles of incorporation for failure to file an annual
8 report or pay the required franchise tax, shall be applicable to the certif-
9 icate of partnership of any limited partnership which fails to file its annual
10 report or pay the franchise tax within 90 days of the time prescribed in
11 this section for filing and paying the same. Whenever the certificate of
12 partnership of a limited partnership is forfeited for failure to file an annual
13 report or to pay the required franchise tax, the limited partnership may
14 be reinstated by filing a certificate of reinstatement, in the manner and
15 form to be prescribed by the secretary of state and paying to the secretary
16 of state all fees and taxes, including any penalties thereon, due to the
17 state. The fee for filing a certificate of reinstatement shall be the same as
18 that prescribed by K.S.A. 17-7506 and amendments thereto for filing a
19 certificate of extension, restoration, renewal or revival of a corporation's
20 articles of incorporation.

21 Sec. 9. K.S.A. 2003 Supp. 56-1a607 is hereby amended to read as
22 follows: 56-1a607. (a) Every foreign limited partnership shall make an
23 annual report in writing to the secretary of state, stating the prescribed
24 information concerning the limited partnership at the close of business
25 on the last day of its tax period next preceding the date of filing. If the
26 limited partnership's tax period is other than the calendar year, it shall
27 give notice of its different tax period to the secretary of state prior to
28 December 31 of the year it commences the different tax period. The
29 annual report shall be filed at the time prescribed by law for filing the
30 limited partnership's annual Kansas income tax return. If the limited part-
31 nership applies for an extension of time for filing its annual income tax
32 return under the internal revenue code or under K.S.A. 79-3221 and
33 amendments thereto, the limited partnership shall also apply, not more
34 than 90 days after the due date of its annual report, to the secretary of
35 state for an extension of the time for filing its report and an extension
36 shall be granted for a period of time corresponding to that granted under
37 the internal revenue code or K.S.A. 79-3221 and amendments thereto.
38 The application shall include a copy of the application to income tax
39 authorities.

40 (b) The annual report shall be made on a form prescribed by the
41 secretary of state. The report shall contain the name of the limited
42 partnership.

43 (c) Every foreign limited partnership subject to the provisions of this

1 section which is a limited corporate partnership, as defined in K.S.A. 17-
2 5903 and amendments thereto, and which holds agricultural land, as de-
3 fined in K.S.A. 17-5903 and amendments thereto, within this state shall
4 show the following additional information on the report:

5 (1) The number of acres and location, listed by section, range, town-
6 ship and county of agricultural land in this state owned or leased by the
7 limited partnership; and

8 (2) whether any of the agricultural land held and reported under sub-
9 section (c)(1) was acquired after July 1, 1981.

10 (d) The annual report shall be signed by the general partner or part-
11 ners of the limited partnership, sworn to before an officer duly authorized
12 to administer oaths and forwarded to the secretary of state. At the time
13 of filing the report, the foreign limited partnership shall pay to the sec-
14 retary of state an annual franchise tax in an amount equal to ~~\$2~~ \$1 for
15 each \$1,000 of the partners' net capital accounts located in or used in this
16 state at the end of the preceding taxable year as required to be reported
17 on the federal partnership return of income, except that no annual tax
18 shall be less than ~~\$40~~ \$20 or more than ~~\$5,000~~ \$2,500. The amount of
19 any such franchise tax paid by the limited partnership to the secretary as
20 provided by this subsection shall not be disclosed by the secretary.

21 (e) The provisions of K.S.A. 17-7509 and amendments thereto, relat-
22 ing to penalties for failure of a corporation to file an annual report or
23 pay the required franchise tax, and the provisions of subsection (b) of
24 K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a for-
25 eign corporation's authority to do business in this state for failure to file
26 an annual report or pay the required franchise tax, shall be applicable to
27 the authority of any foreign limited partnership which fails to file its an-
28 nual report or pay the franchise tax within 90 days of the time prescribed
29 in this section for filing and paying the same. Whenever the authority of
30 a foreign limited partnership to do business in this state is forfeited for
31 failure to file an annual report or to pay the required franchise tax, the
32 foreign limited partnership's authority to do business in this state may be
33 reinstated by filing a certificate of reinstatement, in the manner and form
34 to be prescribed by the secretary of state and paying to the secretary of
35 state all fees and taxes, including any penalties thereon, due to the state.
36 The fee for filing a certificate of reinstatement shall be the same as that
37 prescribed by K.S.A. 17-7506 and amendments thereto for filing a cer-
38 tificate of extension, restoration, renewal or revival of a corporation's ar-
39 ticles of incorporation.

40 Sec. 10. K.S.A. 2003 Supp. 56a-1201 is hereby amended to read as
41 follows: 56a-1201. (a) Every limited liability partnership organized under
42 the laws of this state shall make an annual report in writing to the secretary
43 of state, stating the prescribed information concerning the limited liability

1 partnership at the close of business on the last day of its tax period next
2 preceding the date of filing. If the limited liability partnership's tax period
3 is other than the calendar year, it shall give notice of its different tax
4 period in writing to the secretary of state prior to December 31 of the
5 year it commences the different tax period. The annual report shall be
6 filed at the time prescribed by law for filing the limited liability partner-
7 ship's annual Kansas income tax return. If the limited liability partnership
8 applies for an extension of time for filing its annual income tax return
9 under the internal revenue code, the limited liability partnership shall
10 also apply, not more than 90 days after the due date of its annual report,
11 to the secretary of state for an extension of the time for filing its report
12 and an extension shall be granted for a period of time corresponding to
13 that granted under the internal revenue code. The application shall in-
14 clude a copy of the application to income tax authorities.

15 (b) The annual report shall be made on a form prescribed by the
16 secretary of state. The report shall contain the following information:

17 (1) The name of the limited liability partnership; and

18 (2) a list of the partners owning at least 5% of the capital of the
19 partnership, with the post office address of each.

20 (c) The annual report shall be signed by a partner of the limited
21 liability partnership and forwarded to the secretary of state. At the time
22 of filing the report, the limited liability partnership shall pay to the sec-
23 retary of state an annual franchise tax in an amount equal to ~~\$2~~ \$1 for
24 each \$1,000 of the net capital accounts located in or used in this state at
25 the end of the preceding taxable year as required to be reported on the
26 federal partnership return of income, except that no annual tax shall be
27 less than ~~\$40~~ \$20 or more than ~~\$5,000~~ \$2,500. The amount of any such
28 franchise tax paid by the limited liability partnership to the secretary as
29 provided by this subsection shall not be disclosed by the secretary.

30 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-
31 lating to penalties for failure of a corporation to file an annual report or
32 pay the required franchise tax, and the provisions of subsection (a) of
33 K.S.A. 17-7510 and amendments thereto, relating to penalties for failure
34 of a corporation to file an annual report or pay the required franchise tax,
35 shall be applicable to the statement of qualification of any limited liability
36 partnership which fails to file its annual report or pay the franchise tax
37 within 90 days of the time prescribed in this section for filing and paying
38 the same. Whenever the statement of qualification of a limited liability
39 partnership is forfeited for failure to file an annual report or to pay the
40 required franchise tax, the limited liability partnership may be reinstated
41 by filing a certificate of reinstatement, in the manner and form to be
42 prescribed by the secretary of state and paying to the secretary of state
43 all fees and taxes, including any penalties thereon, due to the state. The

1 fee for filing a certificate of reinstatement shall be the same as that pre-
2 scribed by K.S.A. 17-7506, and amendments thereto, for filing a certifi-
3 cate of extension, restoration, renewal or revival of a corporation's articles
4 of incorporation.

5 Sec. 11. K.S.A. 2003 Supp. 56a-1202 is hereby amended to read as
6 follows: 56a-1202. (a) Every foreign limited liability partnership shall
7 make an annual report in writing to the secretary of state, stating the
8 prescribed information concerning the foreign limited liability partner-
9 ship at the close of business on the last day of its tax period next preceding
10 the date of filing. If the foreign limited liability partnership's tax period
11 is other than the calendar year, it shall give notice in writing of its different
12 tax period to the secretary of state prior to December 31 of the year it
13 commences the different tax period. The annual report shall be filed at
14 the time prescribed by law for filing the foreign limited liability partner-
15 ship's annual Kansas income tax return. If the foreign limited liability
16 partnership applies for an extension of time for filing its annual income
17 tax return under the internal revenue code, the foreign limited liability
18 partnership shall also apply, not more than 90 days after the due date of
19 its annual report, to the secretary of state for an extension of the time for
20 filing its report and an extension shall be granted for a period of time
21 corresponding to that granted under the internal revenue code. The ap-
22 plication shall include a copy of the application to income tax authorities.

23 (b) The annual report shall be made on a form prescribed by the
24 secretary of state. The report shall contain the name of the foreign limited
25 liability partnership.

26 (c) The annual report shall be signed by a partner of the foreign
27 limited liability partnership and forwarded to the secretary of state. At
28 the time of filing the report, the foreign limited liability partnership shall
29 pay to the secretary of state an annual franchise tax in an amount equal
30 to ~~\$2~~ \$1 for each \$1,000 of the net capital accounts located in or used in
31 this state at the end of the preceding taxable year as required to be re-
32 ported on the federal partnership return of income, except that no annual
33 tax shall be less than ~~\$40~~ \$20 or more than ~~\$5,000~~ \$2,500. The amount
34 of any such franchise tax paid by the foreign limited liability partnership
35 to the secretary as provided by this subsection shall not be disclosed by
36 the secretary.

37 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-
38 lating to penalties for failure of a corporation to file an annual report or
39 pay the required franchise tax, and the provisions of subsection (a) of
40 K.S.A. 17-7510, and amendments thereto, relating to penalties for failure
41 of a corporation to file an annual report or pay the required franchise tax,
42 shall be applicable to the statement of foreign qualification of any foreign
43 limited liability partnership which fails to file its annual report or pay the

1 franchise tax within 90 days of the time prescribed in this section for filing
2 and paying the same. Whenever the statement of foreign qualification of
3 a foreign limited liability partnership is forfeited for failure to file an
4 annual report or to pay the required franchise tax, the statement of foreign
5 qualification of the foreign limited liability partnership may be reinstated
6 by filing a certificate of reinstatement, in the manner and form to be
7 prescribed by the secretary of state and paying to the secretary of state
8 all fees and taxes, including any penalties thereon, due to the state. The
9 fee for filing a certificate of reinstatement shall be the same as that pre-
10 scribed by K.S.A. 17-7506, and amendments thereto, for filing a certifi-
11 cate of extension, restoration, renewal or revival of a corporation's articles
12 of incorporation.

13 Sec. 12. K.S.A. 2003 Supp. 56a-1203 is hereby amended to read as
14 follows: 56a-1203. No limited liability partnership or foreign limited li-
15 ability partnership shall be required to file its first annual report under this
16 act, or pay any annual franchise tax required to accompany such report,
17 unless such partnership has filed its statement of qualification or foreign
18 qualification at least six months prior to the last day of its tax period. If
19 any such partnership files with the secretary of state a notice of change
20 in its tax period and the next annual report filed by such partnership
21 subsequent to such notice is based on a tax period of less than 12 months,
22 the annual tax liability shall be determined by multiplying the annual
23 franchise tax liability for such year by a fraction, the numerator of which
24 is the number of months or any portion thereof covered by the annual
25 report and the denominator of which is 12, except that the tax shall not
26 be less than ~~\$40~~ \$20.

27 Sec. 13. K.S.A. 2003 Supp. 17-2036, 17-4634, 17-7503, 17-7504, 17-
28 7505, 17-7507, 17-76,139, 56-1a606, 56-1a607, 56a-1201, 56a-1202 and
29 56a-1203 are hereby repealed.

30 Sec. 14. This act shall take effect and be in force from and after its
31 publication in the statute book.

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