

SENATE BILL No. 341

By Committee on Assessment and Taxation

2-8

9 AN ACT concerning business entities; relating to the franchise tax; an-
10 nual report fees; amending K.S.A. 56-1a606, 56-1a607, 56-1a608, 56a-
11 1201, 56a-1202 and 56a-1203 and K.S.A. 2006 Supp. 17-1513, 17-1618,
12 17-2036, 17-2037, 17-2718, 17-4634, 17-4677, 17-7002, 17-7503, 17-
13 7504, 17-7505, 17-7507, 17-7509, 17-7510, 17-7512, 17-76,125, 17-
14 76,139 and 79-5401 and repealing the existing sections; also repealing
15 K.S.A. 2006 Supp. 17-6806 and 75-446.

16

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

18 Section 1. K.S.A. 2006 Supp. 17-1513 is hereby amended to read as
19 follows: 17-1513. Each corporation organized under the provisions of this
20 act shall make an annual report to the secretary of state, ~~and pay the~~
21 ~~annual report fee~~, as prescribed by K.S.A. 17-7503 and amendments
22 thereto.

23 Sec. 2. K.S.A. 2006 Supp. 17-1618 is hereby amended to read as
24 follows: 17-1618. Each association formed under this act, or acts amen-
25 datory thereto, shall prepare and make an annual report to the secretary
26 of state, ~~and pay the annual report fee~~, as prescribed by K.S.A. 17-7504
27 and amendments thereto, except that the report shall be filed at the time
28 prescribed by law for filing the association's annual Kansas income tax
29 return.

30 Sec. 3. K.S.A. 2006 Supp. 17-2036 is hereby amended to read as
31 follows: 17-2036. (a) Every business trust shall make an annual report in
32 writing to the secretary of state, stating the prescribed information con-
33 cerning the business trust at the close of business on the last day of its
34 tax period under the Kansas income tax act next preceding the date of
35 filing, but if a business trust's tax period is other than the calendar year,
36 it shall give notice thereof to the secretary of state prior to December 31
37 of the year it commences such tax period. The reports shall be made on
38 forms provided by the secretary of state and shall be filed at the time
39 prescribed by law for filing the business trust's annual Kansas income tax
40 return. The report shall contain the following:

41 (1) Executed copies of all amendments to the instrument by which
42 the business trust was created, or to prior amendments thereto, which
43 have been adopted and have not theretofore been filed under K.S.A. 17-

1 2033, and amendments thereto, and accompanied by the fee prescribed
2 therein for each such amendment; and

3 (2) a verified list of the names and addresses of its trustees as of the
4 end of its tax period.

5 ~~(b) (1) At the time of filing its annual report, the business trust shall~~
6 ~~pay to the secretary of state an annual report fee in an amount equal to~~
7 ~~\$40.~~

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

17 (c) All copies of applications for extension of the time for filing in-
18 come tax returns submitted to the secretary of state pursuant to law shall
19 be maintained by the secretary of state in a confidential file and shall not
20 be disclosed to any person except as authorized pursuant to the provisions
21 of K.S.A. 79-3234 and amendments thereto, a proper judicial order and
22 subsection (d). All copies of such applications shall be preserved for one
23 year and until the secretary of state orders that the copies are to be
24 destroyed.

25 (d) A copy of such application shall be open to inspection by or dis-
26 closure to any person designated by resolution of the trustees of the busi-
27 ness trust.

28 Sec. 4. K.S.A. 2006 Supp. 17-2037 is hereby amended to read as
29 follows: 17-2037. Any business trust, domestic or foreign, which has ob-
30 tained authority under this act to transact business in Kansas may surren-
31 der its authority at any time by filing in the office of the secretary of state
32 a certified copy of a resolution duly adopted by its trustees declaring its
33 intention to withdraw, accompanied by a withdrawal fee of \$20; and filing
34 all annual reports ~~and paying all annual report fees~~ required by K.S.A.
35 17-2036 and amendments thereto, ~~and not previously filed and paid.~~ Dur-
36 ing a period of five years following the effective date of such withdrawal
37 the business trust shall nevertheless be entitled to convey and dispose of
38 its property and assets in this state, settle and close out its business in this
39 state, and perform any other act or acts pertinent to the liquidation of its
40 business, property, and assets in this state, and to prosecute and defend
41 all suits filed prior to the expiration of such five-year period involving
42 causes of action arising prior to the effective date of such withdrawal or
43 arising out of any act or transaction occurring during such five-year period

1 in the course of the liquidation of its business, property or assets.
2 The withdrawal of a business trust as provided in this section shall have
3 no effect upon any suit filed by or against it prior to the expiration of such
4 five-year period until such suit has been finally determined or otherwise
5 finally concluded and all judgments, orders and decrees entered therein
6 have been fully executed, even though such final determination, conclu-
7 sion, or execution occurs after the expiration of such five-year period.
8 With respect to a foreign business trust, withdrawal pursuant to this sec-
9 tion shall not affect its written consent to be sued in the courts of this
10 state, or the jurisdiction over such foreign business trust of the courts of
11 this state, with respect to any cause of action which arose prior to the
12 effective date of its withdrawal.

13 Sec. 5. K.S.A. 2006 Supp. 17-2718 is hereby amended to read as
14 follows: 17-2718. (a) Each professional corporation organized under the
15 laws of this state shall file with the secretary of state an annual report in
16 writing and a copy or duplicate thereof, stating the prescribed information
17 concerning the corporation at the close of business on the last day of its
18 tax period next preceding the date of filing, but if any such corporation's
19 tax period is other than the calendar year it shall give notice thereof to
20 the secretary of state prior to December 31 of the year it commences
21 such tax period. The report shall be filed at the time prescribed by law
22 for filing the corporation's annual Kansas income tax return. The report
23 shall be made on a form provided by the secretary of state, containing
24 the following information:

25 (1) The names and addresses of all officers, directors and sharehold-
26 ers of the professional corporation;

27 (2) a statement that each officer, director and shareholder is or is not
28 a qualified person as defined in K.S.A. 17-2707, and amendments thereto,
29 and setting forth the date on which any shares of the corporation were
30 no longer owned by a qualified person; and

31 (3) the amount of capital stock issued.

32 (b) The report shall be signed by its president, secretary, treasurer
33 or other officer duly authorized so to act, or by any two of its directors,
34 or by an incorporator in the event its board of directors shall not have
35 been elected. The fact that an individual's name is signed on such report
36 shall be prima facie evidence that such individual is authorized to sign
37 the report on behalf of the corporation; however, the official title or po-
38 sition of the individual signing the report shall be designated. This report
39 shall be dated and subscribed by the person as true, under penalty of
40 perjury. The copy of the annual report or the duplicate original copy of
41 the annual report shall be forwarded to the regulatory board which li-
42 censes the shareholders described in the report. ~~At the time of filing its~~
43 ~~annual report, each professional corporation shall pay the annual report~~

1 ~~fee prescribed by K.S.A. 17-7503, and amendments thereto.~~

2 Sec. 6. K.S.A. 2006 Supp. 17-4634 is hereby amended to read as
3 follows: 17-4634. (a) Every corporation organized under the electric co-
4 operative act of this state shall make an annual report in writing to the
5 secretary of state, stating the prescribed information concerning the cor-
6 poration at the close of business on the last day of its tax period next
7 preceding the date of filing, but if any such corporation's tax period is
8 other than the calendar year, it shall give notice thereof to the secretary
9 of state prior to December 31 of the year it commences such tax period.
10 The report shall be filed on or before the fifteenth day of the fourth
11 month following the close of the tax year of the electric cooperative. The
12 report shall be made on a form provided by the secretary of state, con-
13 taining the following information:

- 14 (1) The name of the corporation;
- 15 (2) the location of the principal office;
- 16 (3) the names and addresses of the president, secretary, treasurer and
17 all directors;
- 18 (4) the number of memberships issued; and
- 19 (5) the change or changes, if any, in the particulars made since the
20 last annual report.

21 (b) Such reports shall be signed by the president, vice-president or
22 secretary of the corporation, sworn to before an officer duly authorized
23 to administer oaths and forwarded to the secretary of state. ~~At the time
24 of filing such annual report, each such corporation shall pay an annual
25 report fee in an amount equal to \$40.~~

26 Sec. 7. K.S.A. 2006 Supp. 17-4677 is hereby amended to read as
27 follows: 17-4677. (a) Every cooperative organized under the renewable
28 energy electric generation cooperative act shall make an annual report in
29 writing to the secretary of state, stating the prescribed information con-
30 cerning the cooperative at the close of business on the last day of its tax
31 period next preceding the date of filing, but if any such cooperative's tax
32 period is other than the calendar year, it shall give notice thereof to the
33 secretary of state prior to December 31 of the year it commences such
34 tax period. The report shall be filed on or before the 15th day of the
35 fourth month following the close of the tax year of the electric cooper-
36 ative. The report shall be made on a form provided by the secretary of
37 state, containing the following information:

- 38 (1) The name of the cooperative;
- 39 (2) the location of the principal office of the cooperative;
- 40 (3) the names and addresses of the president, secretary, treasurer and
41 directors of the cooperative;
- 42 (4) the number of members of the cooperative; and
- 43 (5) the change or changes, if any, in the particulars made since the

1 last annual report.

2 (b) The annual report shall be signed by the president, vice-president
3 or secretary of the cooperative, sworn to before an officer duly authorized
4 to administer oaths, and forwarded to the secretary of state. ~~At the time
5 of filing such annual report, the cooperative shall pay an annual report
6 fee in an amount equal to \$40.~~

7 Sec. 8. K.S.A. 2006 Supp. 17-7002 is hereby amended to read as
8 follows: 17-7002. (a) Any corporation may procure an extension, resto-
9 ration, renewal or revival of its articles of incorporation, if a domestic
10 corporation, or its authority to engage in business, if a foreign corporation,
11 together with all the rights, franchises, privileges and immunities and
12 subject to all of its duties, debts and liabilities which had been secured
13 or imposed by its original articles of incorporation, and all amendments
14 thereto, or by its authority to engage in business, as the case may be, and
15 may designate a new registered office and resident agent in the following
16 instances:

17 (1) At any time before the expiration of the time limited for the cor-
18 poration's existence;

19 (2) at any time, where the corporation's articles of incorporation, if a
20 domestic corporation, or the authority to engage in business, if a foreign
21 corporation, has become inoperative by law for nonpayment of taxes;

22 (3) at any time, where the articles of incorporation of a domestic
23 corporation or the authority to engage in business of a foreign corporation
24 has expired by reason of failure to renew it;

25 (4) at any time, where the articles of incorporation of a domestic
26 corporation or the authority to engage in business of a foreign corporation
27 has been renewed, but through failure to comply strictly with the provi-
28 sions of this act, the validity of such renewal has been brought into ques-
29 tion; and

30 (5) at any time, where the articles of incorporation of a domestic
31 corporation or the authority to engage in business of a foreign corporation
32 has been forfeited pursuant to subsection (c) of K.S.A. 17-6206 and
33 amendments thereto.

34 (b) The extension, restoration, renewal or revival of the articles of
35 incorporation or authority to engage in business may be procured by
36 executing and filing a certificate in accordance with K.S.A. 17-6003, and
37 amendments thereto.

38 (c) The certificate required by subsection (b) shall state:

39 (1) The name of the corporation, which shall be the existing name of
40 the corporation or the name it bore when its articles of incorporation or
41 authority to engage in business expired, except as provided in subsection
42 (e);

43 (2) if a new registered office and resident agent is designated, the

1 address of the corporation's registered office in this state, which shall
2 include the street, city and zip code and the name of its resident agent
3 at such address;

4 (3) whether or not the renewal, restoration or revival is to be per-
5 petual and, if not perpetual, the time for which the renewal, restoration
6 or revival is to continue; and, in case of renewal before the expiration of
7 the time limited for its existence, the date when the renewal is to com-
8 mence, which shall be prior to the date of the expiration of the old articles
9 of incorporation or authority to engage in business which it is desired to
10 renew;

11 (4) that the corporation desiring to be renewed or revived and so
12 renewing or reviving its corporate existence was duly organized under the
13 laws of the state of its original incorporation;

14 (5) the date when the articles of incorporation or the authority to
15 engage in business would expire, if such is the case, or such other facts
16 as may show that the articles of incorporation or the authority to engage
17 in business has become inoperative or void or that the validity of any
18 renewal has been brought into question; and

19 (6) that the certificate for revival is filed by authority of those who
20 were directors or members of the governing body of the corporation at
21 the time its articles of incorporation or the authority to engage in business
22 expired, or who were elected directors or members of the governing body
23 of the corporation as provided in subsection (g).

24 (d) Upon the filing of the certificate in accordance with K.S.A. 17-
25 6003, and amendments thereto, the corporation shall be renewed and
26 revived with the same force and effect as if its articles of incorporation
27 had not become inoperative and void or had not expired by limitation.
28 Such reinstatement shall validate all contracts, acts, matters and things
29 made, done and performed within the scope of its articles of incorporation
30 by the corporation, its officers and agents during the time when its articles
31 of incorporation were inoperative or void or after their expiration by lim-
32 itation, with the same force and effect and to all intents and purposes as
33 if the articles of incorporation had at all times remained in full force and
34 effect. All real and personal property, rights and credits, which belonged
35 to the corporation at the time its articles of incorporation became inop-
36 erative or void, or expired by limitation and which were not disposed of
37 prior to the time of its revival or renewal shall be vested in the corporation
38 after its revival or renewal, as fully and amply as they were held by the
39 corporation at and before the time its articles of incorporation became
40 inoperative or void or expired by limitation, and the corporation after its
41 renewal or revival shall be as exclusively liable for all contracts, acts, mat-
42 ters and things made, done or performed in its name and on its behalf
43 by its officers and agents prior to its reinstatement, as if its articles of

1 incorporation had remained at all times in full force and effect.

2 (e) If, since the articles of incorporation became inoperative or void
3 for nonpayment of taxes or expired by limitation, any other corporation
4 organized under the laws of this state shall have adopted the same name
5 as the corporation sought to be renewed or revived or shall have adopted
6 a name so nearly similar thereto as not to distinguish it from the corpo-
7 ration to be renewed or revived, or any foreign corporation qualified in
8 accordance with K.S.A. 17-7301, and amendments thereto, shall have
9 adopted the same name as the corporation sought to be renewed or re-
10 vived, or shall have adopted a name so nearly similar thereto as not to
11 distinguish it from the corporation to be renewed or revived, then in such
12 case the corporation to be renewed or revived shall not be renewed under
13 the same name which it bore when its articles of incorporation became
14 inoperative or void or expired, but shall adopt or be renewed under some
15 other name, ~~and~~. In such case the certificate to be filed under the pro-
16 visions of this section shall set forth the name borne by the corporation
17 at the time its articles of incorporation became inoperative or void or
18 expired and the new name under which the corporation is to be renewed
19 or revived.

20 (f) Any corporation seeking to renew or revive its articles of incor-
21 poration under the provisions of this act shall file all annual reports and
22 pay to the secretary of state an amount equal to ~~all fees~~ *\$40 for each past*
23 *due annual report* and any penalties thereon due. Nonprofit corporations
24 shall file only the annual reports for the three most recent reporting
25 periods, ~~but shall pay all fees due.~~ *The annual report fee of \$40 in existence*
26 *prior to July 1, 2007, shall apply retroactively to all past due annual*
27 *reports filed with the certificate of reinstatement.*

28 (g) If a sufficient number of the last acting officers of any corporation
29 desiring to renew or revive its articles of incorporation are not available
30 by reason of death, unknown address or refusal or neglect to act, the
31 directors of the corporation or those remaining on the board, even if only
32 one, may elect successors to such officers. In any case where there shall
33 be no directors of the corporation available for the purposes aforesaid,
34 the stockholders may elect a full board of directors, as provided by the
35 bylaws of the corporation, and the board shall then elect such officers as
36 are provided by law, by the articles of incorporation or by the bylaws to
37 carry on the business and affairs of the corporation. A special meeting of
38 the stockholders for the purpose of electing directors may be called by
39 any officer, director or stockholder upon notice given in accordance with
40 K.S.A. 17-6512, and amendments thereto.

41 (h) After a revival of the articles of incorporation of the corporation
42 ~~shall have~~ *has* been effected, except where a special meeting of stock-
43 holders has been called in accordance with the provisions of subsection

1 (g), the officers who signed the certificate of revival jointly shall *imme-*
2 *diately* call ~~forth~~ with a special meeting of the stockholders of the corpo-
3 ration upon notice given in accordance with K.S.A. 17-6512, and amend-
4 ments thereto, and at ~~the~~ *such* special meeting the stockholders shall elect
5 a full board of directors, which board shall then elect such officers as are
6 provided by law, by the articles of incorporation or the bylaws to carry
7 on the business and affairs of the corporation.

8 (i) Whenever it shall be desired to renew or revive the articles of
9 incorporation of any corporation not for profit and having no capital stock,
10 the governing body shall perform all the acts necessary for the renewal
11 or revival of the articles of incorporation of the corporation which are
12 performed by the board of directors in the case of a corporation having
13 capital stock. The members of any corporation not for profit and having
14 no capital stock who are entitled to vote for the election of members of
15 its governing body shall perform all the acts necessary for the renewal or
16 revival of the articles of the corporation which are performed by the
17 stockholders in the case of a corporation having capital stock. In all other
18 respects, the procedure for the renewal or revival of the articles of in-
19 corporation of a corporation not for profit and having no capital stock
20 shall conform, as nearly as may be applicable, to the procedure prescribed
21 in this section for the renewal or revival of the articles of incorporation
22 of a corporation having capital stock.

23 Sec. 9. K.S.A. 2006 Supp. 17-7503 is hereby amended to read as
24 follows: 17-7503. (a) Every domestic corporation organized for profit shall
25 make an annual report in writing to the secretary of state, stating the
26 prescribed information concerning the corporation at the close of busi-
27 ness on the last day of its tax period next preceding the date of filing, but
28 if a corporation's tax period is other than the calendar year, it shall give
29 notice thereof to the secretary of state prior to December 31 of the year
30 it commences such tax period. The reports shall be made on forms pre-
31 scribed by the secretary of state. The report shall be filed at the time
32 prescribed by law for filing the corporation's annual Kansas income tax
33 return. The report shall contain the following information:

- 34 (1) The name of the corporation;
- 35 (2) the location of the principal office;
- 36 (3) the names and addresses of the president, secretary, treasurer or
37 equivalent of such officers and members of the board of directors;
- 38 (4) the number of shares of capital stock issued;
- 39 (5) the nature and kind of business in which the corporation is en-
40 gaged; and
- 41 (6) if the corporation is a parent corporation holding more than 50%
42 equity ownership in any other business entity registered with the secretary
43 of state, the name and identification number of any such subsidiary busi-

1 ness entity.

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

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

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

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

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

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

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

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

22 (c) The report shall be executed in accordance with the provisions of
23 K.S.A. 17-6003, and amendments thereto. The fact that an individual's
24 name is signed on such report shall be prima facie evidence that such
25 individual is authorized to sign the report on behalf of the corporation;
26 however, the official title or position of the individual signing the report
27 shall be designated. This report shall be dated and subscribed by the
28 person as true, under penalty of perjury. ~~At the time of filing such annual~~
29 ~~report it shall be the duty of each domestic corporation organized for~~
30 ~~profit to pay to the secretary of state an annual report fee in an amount~~
31 ~~equal to \$40.~~

32 Sec. 10. K.S.A. 2006 Supp. 17-7504 is hereby amended to read as
33 follows: 17-7504. (a) Every corporation organized not for profit shall make
34 an annual report in writing to the secretary of state, stating the prescribed
35 information concerning the corporation at the close of business on the
36 last day of its tax period next preceding the date of filing, but if a cor-
37 poration's tax period is other than the calendar year, it shall give notice
38 thereof to the secretary of state prior to December 31 of the year it
39 commences such tax period. The reports shall be made on forms pre-
40 scribed by the secretary of state. The report shall be filed on the 15th day
41 of the sixth month following the close of the taxable year. The report shall
42 contain the following information:

43 (1) The name of the corporation;

- 1 (2) the location of the principal office;
- 2 (3) the names and addresses of the president, secretary and treasurer
- 3 or equivalent of such officers, and the members of the governing body;
- 4 (4) the number of memberships or the number of shares of capital
- 5 stock issued; and
- 6 (5) if the corporation is a parent corporation holding more than 50%
- 7 equity ownership in any other business entity registered with the secretary
- 8 of state, the name and identification number of any such subsidiary busi-
- 9 ness entity.
- 10 (b) Every corporation subject to the provisions of this section which
- 11 holds agricultural land, as defined in K.S.A. 17-5903, and amendments
- 12 thereto, within this state shall show the following additional information
- 13 on the report:
- 14 (1) The acreage and location listed by section, range, township and
- 15 county of each lot, tract or parcel of agricultural land in this state owned
- 16 or leased by or to the corporation;
- 17 (2) the purposes for which such agricultural land is owned or leased
- 18 and, if leased, to whom such agricultural land is leased;
- 19 (3) the value of the nonagricultural assets and the agricultural assets,
- 20 stated separately, owned and controlled by the corporation both within
- 21 and without the state of Kansas and where situated;
- 22 (4) the total number of stockholders or members of the corporation;
- 23 (5) the number of acres owned or operated by the corporation, the
- 24 number of acres leased by the corporation and the number of acres leased
- 25 to the corporation;
- 26 (6) the number of acres of agricultural land, held and reported in
- 27 each category under paragraph (5) of this subsection (b), stated sepa-
- 28 rately, being irrigated; and
- 29 (7) whether any of the agricultural land held and reported under this
- 30 subsection was acquired after July 1, 1981.
- 31 (c) The report shall be executed in accordance with the provisions of
- 32 K.S.A. 17-6003, and amendments thereto. The fact that an individual's
- 33 name is signed on such report shall be prima facie evidence that such
- 34 individual is authorized to sign the report on behalf of the corporation;
- 35 however, the official title or position of the individual signing the report
- 36 shall be designated. This report shall be dated and subscribed by the
- 37 person as true, under penalty of perjury.
- 38 ~~(d) At the time of filing such report, each nonprofit corporation shall~~
- 39 ~~pay an annual report fee in an amount equal to \$40 for all tax years~~
- 40 ~~commencing after December 31, 2003.~~
- 41 Sec. 11. K.S.A. 2006 Supp. 17-7505 is hereby amended to read as
- 42 follows: 17-7505. (a) Every foreign corporation organized for profit, or
- 43 organized under the cooperative type statutes of the state, territory or

1 foreign country of incorporation, now or hereafter doing business in this
2 state, and owning or using a part or all of its capital in this state, and
3 subject to compliance with the laws relating to the admission of foreign
4 corporations to do business in Kansas, shall make an annual report in
5 writing to the secretary of state, stating the prescribed information con-
6 cerning the corporation at the close of business on the last day of its tax
7 period next preceding the date of filing, but if a corporation operates on
8 a fiscal year other than the calendar year it shall give written notice thereof
9 to the secretary of state prior to December 31 of the year commencing
10 such fiscal year. The report shall be made on a form prescribed by the
11 secretary of state. The report shall be filed at the time prescribed by law
12 for filing the corporation's annual Kansas income tax return. The report
13 shall contain the following facts:

14 (1) The name of the corporation and under the laws of what state or
15 country it is incorporated;

16 (2) the location of its principal office;

17 (3) the names and addresses of the president, secretary, treasurer, or
18 equivalent of such officers, and members of the board of directors;

19 (4) the number of shares of capital stock issued;

20 (5) the nature and kind of business in which the company is engaged;
21 and

22 (6) if the corporation is a parent corporation holding more than 50%
23 equity ownership in any other business entity registered with the secretary
24 of state, the name and identification number of any such subsidiary busi-
25 ness entity.

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

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

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

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

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

39 (5) the number of acres owned or operated by the corporation, the
40 number of acres leased by the corporation and the number of acres leased
41 to the corporation;

42 (6) the number of acres of agricultural land, held and reported in
43 each category under paragraph (5) of this subsection (b), stated sepa-

1 rately, being irrigated; and

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

4 (c) The report shall be executed in accordance with the provisions of
5 K.S.A. 17-6003, and amendments thereto. The fact that an individual's
6 name is signed on such report shall be prima facie evidence that such
7 individual is authorized to sign the report on behalf of the corporation;
8 however, the official title or position of the individual signing the report
9 shall be designated. This report shall be dated and subscribed by the
10 person as true, under penalty of perjury.

11 ~~(d) At the time of filing its annual report, each such foreign corpo-~~
12 ~~ration shall pay to the secretary of state an annual report fee in an amount~~
13 ~~equal to \$40.~~

14 Sec. 12. K.S.A. 2006 Supp. 17-7507 is hereby amended to read as
15 follows: 17-7507. No corporation shall be required to file its first annual
16 report under this act, ~~or pay any annual report fee required to accompany~~
17 ~~such report~~, unless such corporation has filed its articles of incorporation
18 or foreign corporation application at least six months prior to the last day
19 of its tax period.

20 Sec. 13. K.S.A. 2006 Supp. 17-7509 is hereby amended to read as
21 follows: 17-7509. (a) In case any corporation organized for profit which
22 is required to file an annual report ~~and pay the annual report fee pre-~~
23 ~~scribed by this act shall fail or neglect to make such report at the time~~
24 ~~prescribed, such corporation shall be subject to a penalty of \$75. Such~~
25 ~~penalty and the annual fee or fees required to be paid by this act may be~~
26 ~~recovered by an action in the name of the state, and all moneys recovered~~
27 ~~shall be remitted to the state treasurer in accordance with the provisions~~
28 ~~of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such~~
29 ~~remittance, the state treasurer shall deposit the entire amount in the state~~
30 ~~treasury to the credit of the state general fund.~~

31 (b) The penalties provided for in subsection (a) also may be assessed
32 against any corporation for the reason that such corporation has been
33 canceled or its existence forfeited pursuant to the Kansas general cor-
34 poration code. No penalty shall be charged pursuant to this subsection,
35 if a corporation is assessed penalties pursuant to grounds specified in
36 subsection (a).

37 Sec. 14. K.S.A. 2006 Supp. 17-7510 is hereby amended to read as
38 follows: 17-7510. (a) In addition to any other penalties, the failure of any
39 domestic corporation to file the annual report in accordance with the
40 provisions of this act ~~or to pay the annual report fee provided for~~ within
41 90 days of the time for filing ~~and paying the same~~ *such annual report*
42 shall work the forfeiture of the articles of incorporation of such domestic
43 corporation. Within 60 days after the date such annual report ~~and fee are~~

1 *is* due, the secretary of state, by mail, shall notify any corporation that has
2 failed to submit such report ~~and fee~~ when due that its articles of incor-
3 poration shall be forfeited unless the annual report is filed ~~and the fee is~~
4 ~~paid~~ within 90 days from the date such report ~~and fee were~~ *was* due. Any
5 corporation that fails to submit such report ~~and fee~~ within such time shall
6 forfeit its articles of incorporation, and the secretary of state shall notify
7 the attorney general that the articles of incorporation of such corporation
8 have been forfeited.

9 (b) In addition to any other penalties, the failure of any foreign cor-
10 poration to file the annual report ~~or pay the annual report fee~~ prescribed
11 by this act within 90 days from the time provided for filing and ~~paying~~
12 ~~the same such annual report~~ shall work a forfeiture of its right or authority
13 to do business in this state. Within 60 days after the date such annual
14 report ~~and fee are~~ *is* due, the secretary of state, by mail, shall notify any
15 corporation that has failed to submit such report ~~and fee~~ when due that
16 its authority to do business in this state shall be forfeited unless the annual
17 report ~~and fee is paid~~ *is filed* within 90 days from the date such report
18 ~~and fee were~~ *was* due. Any corporation that fails to submit such report
19 ~~and fees~~ within such time shall forfeit its authority to do business in this
20 state, and the secretary of state shall publish a notice of such forfeiture
21 in the Kansas register.

22 This section shall not be construed to restrict the state from invoking
23 any other remedies provided by law.

24 (c) The secretary of state shall not issue certificates of good standing
25 for any corporation that has failed to file its annual report ~~or pay its annual~~
26 ~~report fee~~.

27 Sec. 15. K.S.A. 2006 Supp. 17-7512 is hereby amended to read as
28 follows: 17-7512. The provisions of this act relating to the filing of annual
29 reports and the payment of ~~franchise taxes and~~ annual report fees ~~re-~~
30 ~~quired prior to July 1, 2006~~, shall not apply to banking, insurance or
31 savings and loan corporations, credit unions, any firemen's relief associ-
32 ation under the jurisdiction and supervision of the insurance commis-
33 sioner or to Kansas Venture Capital, Inc. or venture capital companies
34 certified by the secretary of commerce pursuant to article 83 of chapter
35 74 of the Kansas Statutes Annotated and amendments thereto.

36 Sec. 16. K.S.A. 2006 Supp. 17-76,125 is hereby amended to read as
37 follows: 17-76,125. A foreign limited liability company may cancel its reg-
38 istration by filing with the secretary of state a certificate of cancellation
39 executed by the members, together with the fee required by this act and
40 the annual report ~~and annual report fee~~ for any tax period which has
41 ended. A cancellation does not terminate the authority of the secretary
42 of state to accept service of process on the foreign limited liability com-
43 pany with respect to causes of action arising out of the doing of business

1 in the state of Kansas.

2 Sec. 17. K.S.A. 2006 Supp. 17-76,139 is hereby amended to read as
3 follows: 17-76,139. (a) Every limited liability company organized under
4 the laws of this state shall make an annual report in writing to the secretary
5 of state, stating the prescribed information concerning the limited liability
6 company at the close of business on the last day of its tax period next
7 preceding the date of filing. If the limited liability company's tax period
8 is other than the calendar year, it shall give notice of its different tax
9 period in writing to the secretary of state prior to December 31 of the
10 year it commences the different tax period. The annual report shall be
11 filed at the time prescribed by law for filing the limited liability company's
12 annual Kansas income tax return. The annual report shall be made on a
13 form prescribed by the secretary of state. The report shall contain the
14 following information:

15 (1) The name of the limited liability company; and
16 (2) a list of the members owning at least 5% of the capital of the
17 company, with the post office address of each.

18 (b) Every foreign limited liability company shall make an annual re-
19 port in writing to the secretary of state, stating the prescribed information
20 concerning the limited liability company at the close of business on the
21 last day of its tax period next preceding the date of filing. If the limited
22 liability company's tax period is other than the calendar year, it shall give
23 notice in writing of its different tax period to the secretary of state prior
24 to December 31 of the year it commences the different tax period. The
25 annual report shall be filed at the time prescribed by law for filing the
26 limited liability company's annual Kansas income tax return. The annual
27 report shall be made on a form prescribed by the secretary of state. The
28 report shall contain the name of the limited liability company.

29 (c) The annual report required by this section shall be signed by a
30 member of the limited liability company and forwarded to the secretary
31 of state. ~~At the time of filing the report, the limited liability company shall~~
32 ~~pay to the secretary of state an annual report fee in an amount equal to~~
33 ~~\$40.~~

34 (d) The provisions of K.S.A. 17-7509, and amendments thereto, ~~re-~~
35 ~~lating to penalties for failure of a corporation to file an annual report or~~
36 ~~pay the required annual report fee,~~ and the provisions of subsection (a)
37 of K.S.A. 17-7510 and amendments thereto, relating to penalties for fail-
38 ure of a corporation to file an annual report ~~or pay the required annual~~
39 ~~report fee,~~ shall be applicable to the articles of organization of any do-
40 mestic limited liability company or to the authority of any foreign limited
41 liability company which fails to file its annual report ~~or pay the annual~~
42 ~~report fee~~ within 90 days of the time prescribed in this section for filing
43 ~~and paying the same such annual report.~~ Whenever the articles of organ-

1 ization of a domestic limited liability company or the authority of any
2 foreign limited liability company are forfeited for failure to file an annual
3 report ~~or to pay the required annual report fee~~, the domestic limited
4 liability company or the authority of a foreign limited liability company
5 may be reinstated by filing a certificate of reinstatement, in the manner
6 and form to be prescribed by the secretary of state and paying to the
7 secretary of state ~~all fees, including any penalties thereon~~, due to the state.
8 The fee for filing a certificate of reinstatement shall be the same as that
9 prescribed by K.S.A. 17-7506, and amendments thereto, for filing a cer-
10 tificate of extension, restoration, renewal or revival of a corporation's ar-
11 ticles of incorporation.

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

15 (f) No limited liability company shall be required to file its first annual
16 report under this act, ~~or pay any annual report fee required to accompany~~
17 ~~such report~~, unless such limited liability company has filed its articles of
18 organization or application for authority at least six months prior to the
19 last day of its tax period.

20 (g) All copies of applications for extension of the time for filing in-
21 come tax returns submitted to the secretary of state pursuant to law shall
22 be maintained by the secretary of state in a confidential file and shall not
23 be disclosed to any person except as authorized pursuant to the provisions
24 of K.S.A. 79-3234, and amendments thereto, a proper judicial order, or
25 subsection (h). All copies of such applications shall be preserved for one
26 year and thereafter until the secretary of state orders that they be
27 destroyed.

28 (h) A copy of such application shall be open to inspection by or dis-
29 closure to any person who was a member of such limited liability company
30 during any part of the period covered by the extension.

31 Sec. 18. K.S.A. 56-1a606 is hereby amended to read as follows: 56-
32 1a606. (a) Every limited partnership organized under the laws of this state
33 shall make an annual report in writing to the secretary of state, stating
34 the prescribed information concerning the limited partnership at the
35 close of business on the last day of its tax period next preceding the date
36 of filing. If the limited partnership's tax period is other than the calendar
37 year, it shall give notice of its different tax period to the secretary of state
38 prior to December 31 of the year it commences the different tax period.
39 The annual report shall be filed at the time prescribed by law for filing
40 the limited partnership's annual Kansas income tax return.

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

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

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

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

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

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

13 (d) The annual report shall be signed by the general partner or part-
14 ners of the limited partnership, sworn to before an officer duly authorized
15 to administer oaths and forwarded to the secretary of state. ~~At the time~~
16 ~~of filing the report, the limited partnership shall pay to the secretary of~~
17 ~~state an annual report fee in an amount equal to \$40.~~

18 (e) The provisions of K.S.A. 17-7509 and amendments thereto, re-
19 lating to penalties for failure of a corporation to file an annual report ~~or~~
20 ~~pay the required annual report fee~~, and the provisions of subsection (a)
21 of K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a
22 domestic corporation's articles of incorporation for failure to file an an-
23 nual report ~~or pay the required annual report fee~~, shall be applicable to
24 the certificate of partnership of any limited partnership which fails to file
25 its annual report ~~or pay the annual report fee~~ within 90 days of the time
26 prescribed in this section for filing ~~and paying the same~~ *such annual*
27 *report*. Whenever the certificate of partnership of a limited partnership
28 is forfeited for failure to file an annual report ~~or to pay the required annual~~
29 ~~report fee~~, the limited partnership may be reinstated by filing a certificate
30 of reinstatement, in the manner and form to be prescribed by the sec-
31 retary of state and paying to the secretary of state ~~all fees, including~~ any
32 penalties ~~thereon~~, due to the state. The fee for filing a certificate of re-
33 instatement shall be the same as that prescribed by K.S.A. 17-7506 and
34 amendments thereto for filing a certificate of extension, restoration, re-
35 newal or revival of a corporation's articles of incorporation.

36 Sec. 19. K.S.A. 56-1a607 is hereby amended to read as follows: 56-
37 1a607. (a) Every foreign limited partnership shall make an annual report
38 in writing to the secretary of state, stating the prescribed information
39 concerning the limited partnership at the close of business on the last day
40 of its tax period next preceding the date of filing. If the limited partner-
41 ship's tax period is other than the calendar year, it shall give notice of its
42 different tax period to the secretary of state prior to December 31 of the
43 year it commences the different tax period. The annual report shall be

1 filed at the time prescribed by law for filing the limited partnership's
2 annual Kansas income tax return.

3 (b) The annual report shall be made on a form prescribed by the
4 secretary of state. The report shall contain the name of the limited
5 partnership.

6 (c) Every foreign limited partnership subject to the provisions of this
7 section which is a limited corporate partnership, as defined in K.S.A. 17-
8 5903 and amendments thereto, and which holds agricultural land, as de-
9 fined in K.S.A. 17-5903 and amendments thereto, within this state shall
10 show the following additional information on the report:

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

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

16 (d) The annual report shall be signed by the general partner or part-
17 ners of the limited partnership, sworn to before an officer duly authorized
18 to administer oaths and forwarded to the secretary of state. ~~At the time~~
19 ~~of filing the report, the foreign limited partnership shall pay to the sec-~~
20 ~~retary of state an annual report fee in an amount equal to \$40.~~

21 (e) The provisions of K.S.A. 17-7509 and amendments thereto, re-
22 lating to penalties for failure of a corporation to file an annual report ~~or~~
23 ~~pay the required annual report fee~~, and the provisions of subsection (b)
24 of K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a
25 foreign corporation's authority to do business in this state for failure to
26 file an annual report ~~or pay the required annual report fee~~, shall be ap-
27 plicable to the authority of any foreign limited partnership which fails to
28 file its annual report ~~or pay the annual report fee~~ within 90 days of the
29 time prescribed in this section for filing ~~and paying the same~~ *such annual*
30 *report*. Whenever the authority of a foreign limited partnership to do
31 business in this state is forfeited for failure to file an annual report ~~or to~~
32 ~~pay the required annual report fee~~, the foreign limited partnership's au-
33 thority to do business in this state may be reinstated by filing a certificate
34 of reinstatement, in the manner and form to be prescribed by the sec-
35 retary of state and paying to the secretary of state ~~all fees, including~~ any
36 penalties ~~thereon~~, due to the state. The fee for filing a certificate of re-
37 instatement shall be the same as that prescribed by K.S.A. 17-7506 and
38 amendments thereto for filing a certificate of extension, restoration, re-
39 newal or revival of a corporation's articles of incorporation.

40 Sec. 20. K.S.A. 56-1a608 is hereby amended to read as follows: 56-
41 1a608. No limited partnership shall be required to file its first annual
42 report under this act, ~~or pay any annual report fee required to accompany~~
43 ~~such report~~, unless such limited partnership has filed its certificate of

1 limited partnership or certificate of good standing at least six months prior
2 to the last day of its tax period.

3 Sec. 21. K.S.A. 56a-1201 is hereby amended to read as follows: 56a-
4 1201. (a) Every limited liability partnership organized under the laws of
5 this state shall make an annual report in writing to the secretary of state,
6 stating the prescribed information concerning the limited liability part-
7 nership at the close of business on the last day of its tax period next
8 preceding the date of filing. If the limited liability partnership's tax period
9 is other than the calendar year, it shall give notice of its different tax
10 period in writing to the secretary of state prior to December 31 of the
11 year it commences the different tax period. The annual report shall be
12 filed at the time prescribed by law for filing the limited liability partner-
13 ship's annual Kansas income tax return.

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

- 16 (1) The name of the limited liability partnership; and
17 (2) a list of the partners owning at least 5% of the capital of the
18 partnership, with the address of each.

19 (c) The annual report shall be signed by a partner of the limited
20 liability partnership and forwarded to the secretary of state. ~~At the time~~
21 ~~of filing the report, the limited liability partnership shall pay to the sec-~~
22 ~~retary of state an annual report fee in an amount equal to \$40.~~

23 (d) The provisions of K.S.A. 17-7509, and amendments thereto, ~~re-~~
24 ~~lating to penalties for failure of a corporation to file an annual report or~~
25 ~~pay the required annual report fee, and the provisions of subsection (a)~~
26 ~~of K.S.A. 17-7510 and amendments thereto, relating to penalties for fail-~~
27 ~~ure of a corporation to file an annual report or pay the required annual~~
28 ~~report fee, shall be applicable to the statement of qualification of any~~
29 ~~limited liability partnership which fails to file its annual report or pay the~~
30 ~~annual report fee within 90 days of the time prescribed in this section for~~
31 ~~filing and paying the same such annual report. Whenever the statement~~
32 ~~of qualification of a limited liability partnership is forfeited for failure to~~
33 ~~file an annual report or to pay the required annual report fee, the limited~~
34 ~~liability partnership may be reinstated by filing a certificate of reinstate-~~
35 ~~ment, in the manner and form to be prescribed by the secretary of state~~
36 ~~and paying to the secretary of state all fees, including any penalties~~
37 ~~thereon, due to the state. The fee for filing a certificate of reinstatement~~
38 ~~shall be the same as that prescribed by K.S.A. 17-7506, and amendments~~
39 ~~thereto, for filing a certificate of extension, restoration, renewal or revival~~
40 ~~of a corporation's articles of incorporation.~~

41 Sec. 22. K.S.A. 56a-1202 is hereby amended to read as follows: 56a-
42 1202. (a) Every foreign limited liability partnership shall make an annual
43 report in writing to the secretary of state, stating the prescribed infor-

1 mation concerning the foreign limited liability partnership at the close of
2 business on the last day of its tax period next preceding the date of filing.
3 If the foreign limited liability partnership's tax period is other than the
4 calendar year, it shall give notice in writing of its different tax period to
5 the secretary of state prior to December 31 of the year it commences the
6 different tax period. The annual report shall be filed at the time pre-
7 scribed by law for filing the foreign limited liability partnership's annual
8 Kansas income tax return.

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

12 (c) The annual report shall be signed by a partner of the foreign
13 limited liability partnership and forwarded to the secretary of state. ~~At~~
14 ~~the time of filing the report, the foreign limited liability partnership shall~~
15 ~~pay to the secretary of state an annual report fee in an amount equal to~~
16 ~~\$40.~~

17 (d) The provisions of K.S.A. 17-7509, and amendments thereto, ~~re-~~
18 ~~lating to penalties for failure of a corporation to file an annual report or~~
19 ~~pay the required annual report fee, and the provisions of subsection (a)~~
20 ~~of K.S.A. 17-7510, and amendments thereto, relating to penalties for fail-~~
21 ~~ure of a corporation to file an annual report or pay the required annual~~
22 ~~report fee, shall be applicable to the statement of foreign qualification of~~
23 ~~any foreign limited liability partnership which fails to file its annual report~~
24 ~~or pay the annual report fee within 90 days of the time prescribed in this~~
25 ~~section for filing and paying the same such annual report. Whenever the~~
26 ~~statement of foreign qualification of a foreign limited liability partnership~~
27 ~~is forfeited for failure to file an annual report or to pay the required annual~~
28 ~~report fee, the statement of foreign qualification of the foreign limited~~
29 ~~liability partnership may be reinstated by filing a certificate of reinstate-~~
30 ~~ment, in the manner and form to be prescribed by the secretary of state~~
31 ~~and paying to the secretary of state all fees, including any penalties~~
32 ~~thereon, due to the state. The fee for filing a certificate of reinstatement~~
33 ~~shall be the same as that prescribed by K.S.A. 17-7506, and amendments~~
34 ~~thereto, for filing a certificate of extension, restoration, renewal or revival~~
35 ~~of a corporation's articles of incorporation.~~

36 Sec. 23. K.S.A. 56a-1203 is hereby amended to read as follows: 56a-
37 1203. No limited liability partnership or foreign limited liability partner-
38 ship shall be required to file its first annual report under this act, ~~or pay~~
39 ~~any annual report fee required to accompany such report, unless such~~
40 ~~partnership has filed its statement of qualification or foreign qualification~~
41 ~~at least six months prior to the last day of its tax period.~~

42 Sec. 24. K.S.A. 2006 Supp. 79-5401 is hereby amended to read as
43 follows: 79-5401. (a) (1) ~~For~~ Any foreign or domestic for profit corpora-

1 tion, or professional corporation or association, duly registered and au-
2 thorized to do business in Kansas by the secretary of state ~~and which has~~
3 ~~taxable equity attributable to Kansas of \$100,000 or more, such entity~~
4 shall pay an annual franchise tax to the secretary of revenue at the rate
5 of .125% of such entity's taxable equity attributable to Kansas *which ex-*
6 *ceeds \$1,000,000*, except that such annual franchise tax for any such entity
7 shall not exceed \$20,000.

8 (2) ~~For~~ Any foreign or domestic limited liability company, foreign or
9 domestic limited partnership or foreign or domestic limited liability part-
10 nership duly registered and authorized to do business in Kansas by the
11 secretary of state ~~and which has net capital accounts located in or used~~
12 ~~in this state at the end of the taxable year as required to be reported on~~
13 ~~the federal partnership return of income of \$100,000 or more, such entity~~
14 shall pay an annual franchise tax to the secretary of revenue at the rate
15 of .125% of the net capital accounts located in or used in this state at the
16 end of the taxable year as required to be reported on the federal part-
17 nership return of income *which exceeds \$1,000,000*, ~~or for~~ and a one-
18 member LLC taxed as a sole proprietorship which has net book value of
19 the LLC as calculated on an income tax basis located in or used in this
20 state ~~at the end of the taxable year of \$100,000 or more, shall pay an~~
21 ~~annual franchise tax to the secretary of revenue at the rate of .125% of~~
22 net book value of the LLC as calculated on an income tax basis located
23 in or used in this state at the end of the taxable year *which exceeds*
24 *\$1,000,000*, except that such annual franchise tax for any such entity shall
25 not exceed \$20,000.

26 (3) ~~For~~ Any business trust duly registered and authorized to do busi-
27 ness in Kansas by the secretary of state ~~and which has corpus as shown~~
28 ~~on its balance sheet at the end of the taxable year as required to be~~
29 ~~reported to the secretary of revenue of \$100,000 or more, such entity~~
30 shall pay an annual franchise tax to the secretary of revenue at the rate
31 of .125% of the corpus as shown on its balance sheet at the end of the
32 taxable year as required to be reported to the secretary of revenue ~~or in~~
33 ~~the case of~~ *which exceeds \$1,000,000*, and a foreign business trust which
34 has a corpus which is located in or which it uses or intends to use in this
35 state as shown on its balance sheet at the end of the taxable year as
36 required to be reported to the secretary of revenue ~~of \$100,000 or more,~~
37 ~~shall pay an annual franchise tax to the secretary of revenue at the rate~~
38 ~~of .125% of that portion of the corpus which is located in or which it uses~~
39 ~~or intends to use in this state as shown on its balance sheet at the end of~~
40 the taxable year as required to be reported to the secretary of revenue
41 *which exceeds \$1,000,000*, except that the annual franchise tax for any
42 such entity shall not exceed \$20,000. Such balance sheet shall be as of
43 the end of the tax period, certified by the trustee, fairly and truly reflecting

1 the trust assets and liabilities and specifically setting out its corpus, and,
2 in the case of a foreign business trust, fairly and truly reflecting an allo-
3 cation of its moneys and other assets as between those located, used or
4 to be used, in this state and those located, used or to be used elsewhere.

5 (b) (1) Every corporation or association, business trust, limited lia-
6 bility company, limited partnership or limited liability partnership subject
7 to taxation under this act, regardless of whether such entity has a franchise
8 tax liability, shall make a return, stating specifically such information as
9 may be required by the forms, rules and regulations of the secretary of
10 revenue, which return shall include a balance sheet listing all assets and
11 liabilities as of the end of the tax year, as reported in the federal income
12 tax return on form 1120 or, if no such federal return is required to be
13 filed, such balance sheet information as otherwise required by the sec-
14 retary, and such further information showing the allocation or apportion-
15 ment calculations in computing the amount of the franchise tax. The
16 return of a corporation or association shall be signed by the president,
17 vice-president, treasurer, assistant treasurer, chief accounting officer or
18 any other officer so authorized to act. The fact that an individual's name
19 is signed on a return shall be *prima facie* evidence that such individual is
20 authorized to sign such return on behalf of such corporation. In cases
21 where receivers, trustees in bankruptcy or assignees are operating the
22 property or business of corporations, such receivers, trustees, or assignees
23 shall make returns for such corporations in the same manner and form
24 as corporations are required to make returns. Any tax due on the basis of
25 such returns shall be collected in the same manner as if collected from
26 the corporation for which the return is made. The returns of a limited
27 liability partnership shall be signed by a partner of the limited liability
28 partnership. The returns of a limited liability company shall be signed by
29 a member of the limited liability company.

30 (2) All returns shall be filed in the office of the director of taxation
31 on or before the 15th day of the fourth month following the close of the
32 taxable year, except as provided in subsection (b) (3).

33 (3) The director of taxation may grant a reasonable extension of time
34 for filing returns in accordance with rules and regulations of the secretary
35 of revenue. Whenever any such extension of time to file is requested by
36 a taxpayer and granted by the director, no penalty authorized by K.S.A.
37 79-3228, and amendments thereto, shall be imposed if 90% of the liability
38 is paid on or before the original due date.

39 (c) (1) All taxes imposed under the provisions of the Kansas franchise
40 tax act shall be paid on the 15th day of the fourth month following the
41 close of the taxable year. When the tax as shown to be due on a return is
42 less than \$5, such tax shall be canceled and no payment need be remitted
43 by the taxpayer.

1 (2) The director of taxation may extend the time for payment of the
2 tax, or any installment thereof, for a reasonable period of time not to
3 exceed six months from the date fixed for payment thereof. Such exten-
4 sion may exceed six months in the case of a taxpayer who is abroad.
5 Interest shall be charged at the rate prescribed by K.S.A. 79-2968, and
6 amendments thereto, for the period of such extension.

7 (d) The provisions of K.S.A. 79-3226, 79-3228, 79-3228a, 79-3229,
8 79-3230, 79-3233, 79-3233a, 79-3233b, 79-3233g, 79-3233h, 79-3233i,
9 79-3234, 79-3235 and 79-3236, and amendments thereto, shall apply to
10 the administration and enforcement of this section.

11 (e) All taxes paid pursuant to the provisions of this act shall be
12 rounded off to the nearest \$1, and unless other disposition is specifically
13 provided by law, the taxes collected under the provisions of this act and
14 all overpayments which may not be refunded under this section shall be
15 remitted to the state treasurer in accordance with the provisions of K.S.A.
16 75-4215, and amendments thereto. Upon receipt of each such remittance,
17 the state treasurer shall deposit the entire amount in the state treasury
18 to the credit of the state general fund. The secretary of revenue shall not
19 refund any overpayment of franchise taxes which is equal to \$5 or less,
20 shall not credit any domestic corporation or foreign corporation, associ-
21 ation, business trust, limited liability company, limited partnership or lim-
22 ited liability partnership with any amount which may not be refunded
23 under this section, and shall not require reimbursement for any under-
24 payment of franchise taxes which is less than \$5. Franchise tax refunds
25 shall be paid to the claimant from the income tax refund fund upon war-
26 rants of the director of accounts and reports pursuant to vouchers ap-
27 proved by the director of taxation, but no warrant issued hereunder shall
28 be drawn in an amount less than \$5. No interest shall be allowed on any
29 payment made to a claimant pursuant to this act.

30 (f) As used in this section: (1) "Act" means the Kansas franchise tax
31 act;

32 (2) "net book value as calculated on an income tax basis located in or
33 used in this state" means the net book value of a limited liability company
34 multiplied by a percentage which is the average of the following three
35 percentages: (A) The average value of the limited liability company's real
36 and tangible personal property owned or rented and used in this state
37 during the tax period divided by the average total value of the limited
38 liability company's real and tangible personal property owned or rented
39 and used during the tax period; (B) the total amount of compensation
40 paid by the limited liability company in this state during the tax period
41 divided by the total amount of compensation paid everywhere by the
42 limited liability company during the tax period; and (C) the total sales of
43 the limited liability company in this state during the tax period divided

1 by the total sales of the limited liability company everywhere during the
2 tax period. If a limited liability company has no real and tangible property
3 owned or rented and used, compensation paid or sales made for the tax
4 period, then the average percentage shall be determined by using only
5 those percentages for property, compensation and sales which reflect
6 property or activity;

7 (3) “net capital accounts located in or used in this state” means the
8 net capital accounts of a limited partnership or limited liability partner-
9 ship as stated on the federal income tax return multiplied by a percentage
10 which is the average of the following three percentages: (A) The average
11 value of such entity’s real and tangible personal property owned or rented
12 and used in this state during the tax period divided by the average total
13 value of such entity’s real and tangible personal property owned or rented
14 and used during the tax period; (B) the total amount of compensation
15 paid by such entity in this state during the tax period divided by the total
16 amount of compensation paid everywhere by such entity during the tax
17 period; and (C) the total sales of such entity in this state during the tax
18 period divided by the total sales of such entity everywhere during the tax
19 period. If such entity has no real and tangible personal property owned
20 or rented and used, compensation paid or sales made for the tax period,
21 then the average percentage shall be determined by using only those
22 percentages for property, compensation and sales which reflect property
23 or activity;

24 (4) “shareholder’s equity” means the sum of: (1) Paid-in capital stock,
25 except that paid-in capital stock shall not include any capital stock issued
26 by a corporation and reacquired by such corporation through gift, pur-
27 chase or otherwise and available for resale or retirement; (2) capital paid
28 in, in excess of par; and (3) retained earnings, all as stated on such cor-
29 poration’s federal income tax return;

30 (5) “shareholder’s equity attributable to Kansas” means the share-
31 holder’s equity of a corporation multiplied by a percentage which is the
32 average of the following three percentages: (A) The average value of the
33 corporation’s real and tangible personal property owned or rented and
34 used in this state during the tax period divided by the average total value
35 of the corporation’s real and tangible personal property owned or rented
36 and used during the tax period; (B) the total amount of compensation
37 paid by the corporation in this state during the tax period divided by the
38 total amount of compensation paid everywhere by the corporation during
39 the tax period; and (C) the total sales of the corporation in this state during
40 the tax period divided by the total sales of the corporation everywhere
41 during the tax period. If a corporation has no real and tangible personal
42 property owned or rented and used, compensation paid or sales made for
43 the tax period, then the average percentage shall be determined by using

1 only those percentages for property, compensation and sales which reflect
2 property or activity; and

3 (6) “taxable equity attributable to Kansas” means shareholder’s equity
4 attributable to Kansas.

5 (g) *The provisions of this section shall not apply to banking, insurance*
6 *or savings and loan corporations, credit unions, any firemen’s relief as-*
7 *sociation under the jurisdiction and supervision of the insurance com-*
8 *missioner or to Kansas Venture Capital, Inc. or venture capital companies*
9 *certified by the secretary of commerce pursuant to article 83 of chapter*
10 *74 of the Kansas Statutes Annotated and amendments thereto.*

11 (h) The provisions of this section shall apply to all tax years com-
12 mencing after December 31, ~~2003~~ 2006.

13 ~~(h)~~ (i) The provisions of this section shall be known and may be cited
14 as the Kansas franchise tax act.

15 Sec. 25. K.S.A. 56-1a606, 56-1a607, 56-1a608, 56a-1201, 56a-1202
16 and 56a-1203 and K.S.A. 2006 Supp. 17-1513, 17-1618, 17-2036, 17-2037,
17 17-2718, 17-4634, 17-4677, 17-6806, 17-7002, 17-7503, 17-7504, 17-
18 7505, 17-7507, 17-7509, 17-7510, 17-7512, 17-76,125, 17-76,139, 75-446
19 and 79-5401 are hereby repealed.

20 Sec. 26. This act shall take effect and be in force from and after its
21 publication in the statute book.