

HOUSE BILL No. 2417

By Representatives Kelly, Houser, Peck and Proehl

9-24

1 AN ACT concerning economic development; relating to rural opportunity
2 zones; **private business employment**; amending K.S.A. 2013 Supp. 74-
3 50,222 **and 79-32,267** and repealing the existing ~~section~~ **sections**.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2013 Supp. 74-50,222 is hereby amended to read as
7 follows: 74-50,222. As used in K.S.A. 74-50,222, 74-50,223 and 79-
8 32,267, and amendments thereto:

9 (a) "Institution of higher education" means a public or private
10 nonprofit educational institution that meets the requirements of
11 participation in programs under the higher education act of 1965, as
12 amended, 34 C.F.R. § 600;

13 (b) "rural opportunity zone" means Allen, Anderson, Barber,
14 Bourbon, Brown, Chase, Chautauqua, *Cherokee*, Cheyenne, Clark, Clay,
15 Cloud, Coffey, Comanche, Decatur, Doniphan, Edwards, Elk, Ellsworth,
16 Gove, Graham, Grant, Gray, Greeley, Greenwood, Hamilton, Harper,
17 Haskell, Hodgeman, Jackson, Jewell, Kearny, Kingman, Kiowa, *Labette*,
18 Lane, Lincoln, Linn, Logan, Marion, Marshall, Meade, Mitchell,
19 *Montgomery*, Morris, Morton, Nemaha, Neosho, Ness, Norton, Osborne,
20 Ottawa, Pawnee, Phillips, Pratt, Rawlins, Republic, Rice, Rooks, Rush,
21 Russell, Scott, Sheridan, Sherman, Smith, Stafford, Stanton, Stevens,
22 **Sumner**, Trego, Thomas, Wabaunsee, Wallace, Washington, Wichita,
23 Wilson or Woodson counties;

24 (c) "secretary" means the secretary of commerce; and

25 (d) "student loan" means a federal student loan program supported by
26 the federal government and a nonfederal loan issued by a lender such as a
27 bank, savings and loan or credit union to help students and parents pay
28 school expenses for attendance at an institution of higher education.

29 Sec. 2. K.S.A. 2013 Supp. 79-32,267 is hereby amended to read as
30 follows: 79-32,267. (a) For taxable years commencing after December 31,
31 2011, and before January 1, 2017, there shall be allowed as a credit against
32 the tax liability of a resident individual taxpayer an amount equal to the
33 resident individual's income tax liability under the provisions of the
34 Kansas income tax act, when the resident individual:

1 **(1) Establishes domicile in a rural opportunity zone on or after July**
2 **1, 2011, and prior to January 1, 2016, and was domiciled outside this**
3 **state for five or more years immediately prior to establishing their**
4 **domicile in a rural opportunity zone in this state;**

5 **(2) had Kansas source income less than \$10,000 in any one year for**
6 **five or more years immediately prior to establishing their domicile in a**
7 **rural opportunity zone in this state;**~~and~~

8 **(3) was domiciled in a rural opportunity zone during the entire**
9 **taxable year for which such credit is claimed; and**

10 **(4) for taxable years commencing after December 31, 2013, and**
11 **before January 1, 2017, is employed in a for-profit business or cooperative**
12 **during the year in which such credit is claimed; or is employed in a for-**
13 **profit or nonprofit hospital, clinic, nursing home, long-term residential**
14 **care facility, hospice or medical professional office and directly engaged**
15 **in providing professional management or professional medical, dental,**
16 **psychiatric, optometric or other professional healthcare services to the**
17 **public during the year for which such credit is claimed; and is not**
18 **employed by a public entity during the year for which such credit is**
19 **claimed. For purposes of this section, "public entity" means the state of**
20 **Kansas, political subdivisions, cities, counties, state universities or**
21 **colleges, school districts, all special districts, joint agreement entities,**
22 **public authorities, public trusts and nonprofit corporations or other**
23 **organizations which are operated with public money, but not including**
24 **hospitals, clinics, nursing homes, long-term residential care facilities,**
25 **hospices or professional offices providing medical, dental, psychiatric,**
26 **optometric or other healthcare services to the public. This paragraph shall**
27 **not apply to resident individuals who established domicile in a rural**
28 **opportunity zone before July 1, 2014.**

29 **(b) A resident individual may claim the credit authorized by this**
30 **section for not more than five consecutive years following establishment**
31 **of their domicile in a rural opportunity zone.**

32 **(c) The maximum amount of any refund under this section shall be**
33 **equal to the amount withheld from the resident individual's wages or**
34 **payments other than wages pursuant to K.S.A. 79-3294 et seq., and**
35 **amendments thereto, or paid by the resident individual as estimated**
36 **taxes pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.**

37 **(d) As used in this section, "cooperative" shall mean any of the**
38 **following:**

39 **(1) Any association that is governed by the provisions and**
40 **applications of article 16 of chapter 17 of the Kansas Statutes Annotated,**
41 **and amendments thereto, the cooperative marketing act;**

42 **(2) any association, trust, agreement or arrangement that is governed**
43 **by the Capper-Volstead act (7 U.S.C. § 291 et seq.);**

1 (3) *any corporation organized under the electric cooperative act,*
2 *K.S.A. 17-4601 et seq., and amendments thereto, or which becomes*
3 *subject to the electric cooperative act in any manner therein provided, or*
4 *any limited liability company or corporation, or wholly owned subsidiary*
5 *thereof, providing electric service at wholesale in the state of Kansas that*
6 *is owned by four or more electric cooperatives that provide retail service*
7 *in the state of Kansas, or any member-owned corporation formed prior to*
8 *2004;*

9 (4) *any association that is governed by the provisions and*
10 *applications of article 22 of chapter 17 of the Kansas Statutes Annotated,*
11 *and amendments thereto, the credit union act;*

12 (5) *any association that is governed by the provisions and*
13 *applications of article 15 of chapter 17 of the Kansas Statutes Annotated,*
14 *and amendments thereto, the cooperative societies act; or*

15 (6) *any rural telephone company, as defined in K.S.A. 66-1,187, and*
16 *amendments thereto.*

17 (e) ***No credit shall be allowed under this section if:***

18 (1) ***The resident individual's income tax return on which the credit***
19 ***is claimed is not timely filed, including any extension; or***

20 (2) ***the resident individual is delinquent in filing any return with, or***
21 ***paying any tax due to, the state of Kansas or any political subdivision***
22 ***thereof.***

23 (⇌) (f) ***This section shall be part of and supplemental to the Kansas***
24 ***income tax act.***

25 Sec. ~~2~~ 3. K.S.A. 2013 Supp. 74-50,222 ~~is~~ ***and 79-32,267 are*** hereby
26 repealed.

27 Sec. ~~3~~ 4. This act shall take effect and be in force from and after its
28 publication in the statute book.