

HOUSE BILL No. 2233

By Committee on Taxation

1-31

1 AN ACT concerning the historic Kansas act; eliminating the annual cap on
2 tax credits that may be claimed for the restoration and preservation of
3 certain commercial structures; amending K.S.A. 2022 Supp. 79-
4 32,211c and repealing the existing section.

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

7 Section 1. K.S.A. 2022 Supp. 79-32,211c is hereby amended to read
8 as follows: 79-32,211c. (a) For all taxable years commencing after
9 December 31, 2021, there shall be allowed a tax credit against the income,
10 privilege or premium tax liability imposed upon a taxpayer pursuant to the
11 Kansas income tax act, the privilege tax imposed upon any national
12 banking association, state bank, trust company or savings and loan
13 association pursuant to article 11 of chapter 79 of the Kansas Statutes
14 Annotated, and amendments thereto, or the premiums tax and privilege
15 fees imposed upon an insurance company pursuant to K.S.A. 40-252, and
16 amendments thereto, in an amount equal to 10% of costs and expenses
17 incurred for the restoration and preservation of a commercial structure at
18 least 50 years old that does not receive tax credits pursuant to K.S.A. 79-
19 32,211, and amendments thereto. An additional tax credit of 10% of the
20 costs and expenses may be allowed for the installation of fire suppression
21 materials or equipment by a taxpayer. The total amount of such costs and
22 expenses shall be at least \$25,000 but shall not exceed \$500,000. If the
23 amount of such tax credit exceeds the taxpayer's income, privilege or
24 premium tax liability for the year in which the rehabilitation was
25 completed, such excess amount may be carried over for deduction from
26 such taxpayer's income, privilege or premium tax liability in the next
27 succeeding year or years until the total amount of the credit has been
28 deducted from tax liability, except that no such credit shall be carried over
29 for deduction after the 10th taxable year succeeding the taxable year in
30 which the rehabilitation plan was placed in service.

31 (b) Any bank, savings and loan association or savings bank shall pay
32 taxes on 50% of the interest earned on loans to taxpayers used for costs
33 and expenses for the restoration and preservation of a commercial
34 structure at least 50 years old or for the installation of fire suppression
35 materials or equipment.

36 (c) If the taxpayer is a corporation having an election in effect under

1 subchapter S of the federal internal revenue code, a partnership or a
2 limited liability company, the credit provided by this section shall be
3 claimed by the shareholders of such corporation, the partners of such
4 partnership or the members of such limited liability company in the same
5 manner as such shareholders, partners or members account for their
6 proportionate shares of the income or loss of the corporation, partnership
7 or limited liability company, or as the corporation, partnership or limited
8 liability company mutually agree as provided in the bylaws or other
9 executed agreement. Credits granted to a partnership, a limited liability
10 company taxed as a partnership or other multiple owners of property shall
11 be passed through to the partners, members or owners respectively pro rata
12 or pursuant to an executed agreement among the partners, members or
13 owners documenting any alternate distribution method.

14 (d) Any person, hereinafter designated the assignor, may sell, assign,
15 convey or otherwise transfer tax credits allowed and earned pursuant to
16 subsection (a). The taxpayer acquiring credits, hereinafter designated the
17 assignee, may use the amount of the acquired credits to offset up to 100%
18 of the assignee's income, privilege or premium tax liability for either the
19 taxable year in which the costs and expenses were made. Unused credit
20 amounts claimed by the assignee may be carried forward for up to five
21 years, except that all such amounts shall be claimed within 10 years
22 following the tax year in which the costs and expenses were made. The
23 assignor shall enter into a written agreement with the assignee establishing
24 the terms and conditions of the agreement.

25 (e) No person claiming a tax credit under this section may claim a tax
26 credit for the same structure under K.S.A. 79-32,211, and amendments
27 thereto.

28 ~~(f) The aggregate amount of tax credits that may be claimed under~~
29 ~~this section shall not exceed \$10,000,000 each tax year.~~

30 ~~(g)~~ The director of taxation may adopt rules and regulations as
31 necessary for the efficient and effective administration of the provisions of
32 this section.

33 Sec. 2. K.S.A. 2022 Supp. 79-32,211c is hereby repealed.

34 Sec. 3. This act shall take effect and be in force from and after its
35 publication in the statute book.