AN ACT concerning economic development; relating to rural opportunity zones; extending the time period for eligibility in the loan repayment program and the income tax credit; defining rural opportunity zone on the basis of population; expanding eligibility for the income tax credit; relating to the child day care services assistance tax credit; providing a credit for employer payments to an organization providing access to employees for child day care services and expanding eligible taxpayers; amending K.S.A. 74-50,222, 74-50,223 and 79-32,267, K.S.A. 79-32,190 and K.S.A. 2021 Supp. 74-50,223 and 79-32,267 and repealing the existing sections.

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

Section 1. K.S.A. 74-50,222 is hereby amended to read as follows:

74-50,222. As used in K.S.A. 74-50,222, 74-50,223 and 79-32,267, and amendments thereto:
(a) "Institution of higher education" means a public or private nonprofit educational institution that meets the requirements of participation in programs under the higher education act of 1965, as amended, 34 C.F.R. § 600;
(e) "secretary" means the secretary of commerce; and
(d) "student loan" means a federal student loan program supported by the federal government and a nonfederal loan issued by a lender such as a
bank, savings and loan or credit union to help students and parents pay
school expenses for attendance at an institution of higher education.

Section 1. Sec. 2. K.S.A. 74-50,223 is hereby amended to read as
follows: 74-50,223. (a) Any county that has been designated a rural
opportunity zone pursuant to K.S.A. 74-50,222, and amendments thereto,
may participate in the program provided in this section by authorizing such
participation by the county commission of such county through a duly
enacted written resolution. Such county shall provide a certified copy of
such resolution to the secretary of commerce on or before January 1, 2012,
for calendar year 2012, or on or before January 1 for each calendar year
thereafter in which a county chooses to participate. Such resolution shall
obligate the county to participate in the program provided by this section
for a period of five years, and shall be irrevocable. Such resolution shall
specify the maximum amount of outstanding student loan balance for each
resident individual to be repaid as provided in subsection (b), except the
maximum amount of such balance shall be $15,000.

(b) If a county submits a resolution as provided in subsection (a),
under the program provided in this section, subject to subsection (d), the
state of Kansas and such county which chooses to participate as provided
in subsection (a), shall agree to pay in equal shares the outstanding student
loan balance of any resident individual who qualifies to have such
individual's student loans repaid under the provisions of subsection (c)
over a five year period, except that the maximum amount of such balance
shall be $15,000. The amount of such repayment shall be equal to 20% of
the outstanding student loan balance of the individual in a year over the
five-year repayment period. The state of Kansas is not obligated to pay the
student loan balance of any resident individual who qualifies pursuant to
subsection (c) prior to the county submitting a resolution to the secretary
pursuant to subsection (a). Each such county shall certify to the secretary
that such county has made the payment required by this subsection.

(c) A resident individual shall be entitled to have such individual's
outstanding student loan balance paid for attendance at an institution of
higher education where such resident individual earned an associate,
bachelor or post-graduate degree under the provisions of this section when
such resident individual establishes domicile in a county designated as a
rural opportunity zone which participates in the program as provided in
subsection (a) on and after the date in which such county commenced
such participation, and prior to July 1, 2021 2023 2026. Such resident
individual may enroll in this program in a form and manner prescribed by
the secretary. Subject to subsection (d), once enrolled such resident
individual shall be entitled to full participation in the program for five
years, except that if the resident individual relocates outside the rural
opportunity zone for which the resident individual first qualified, such
resident individual forfeits such individual’s eligibility to participate, and
obligations under this section of the state and the county terminate. No
resident individual shall enroll and be eligible to participate in this-
program after June 30, 2023.

(d) The provisions of this act shall be subject to appropriation acts.
Nothing in this act guarantees a resident individual a right to the benefits
provided in this section. The county may continue to participate even if the
state does not participate.

(e) The secretary shall adopt rules and regulations necessary to
administer the provisions of this section.

(f) On January 1, 2012, and annually thereafter until January 1, 2024,
2024-2027, the secretary of commerce shall report to the senate committee
on assessment and taxation and the house of representatives committee on
taxation as to how many residents applied for the rural opportunity zone
tax-credit.

Sec. 2. K.S.A. 79-32,267 is hereby amended to read as follows: 79-
32,267. (a) For taxable years commencing after December 31, 2011, and
before January 1, 2023, there shall be allowed as a credit
against the tax liability of a resident individual taxpayer an amount equal
to the resident individual’s income tax liability under the provisions of the
Kansas income tax act, when the resident individual:

(1) (A) Establishes domicile in a rural opportunity zone on or after
July 1, 2011, and prior to January 1, 2021, and was domiciled
outside this state for five or more years immediately prior to establishing
their domicile in a rural opportunity zone in this state;

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

(3) (C) was domiciled in a rural opportunity zone during the entire
taxable year for which such credit is claimed; or

(2) (A) establishes domicile in a rural opportunity zone on or after:
July 1, 2021, and prior to January 1, 2023, and was domiciled in a
metropolitan county as defined in K.S.A. 74-50,211, and amendments:
thereof, immediately prior to establishing their domicile in a rural
opportunity zone in this state; and

(B) was domiciled in a rural opportunity zone during the entire
taxable year for which such credit is claimed;

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

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

(d) No credit shall be allowed under this section if:

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

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

(e) This section shall be a part of and supplemental to the Kansas income tax act.

Section 1. K.S.A. 79-32,190 is hereby amended to read as follows:

79-32,190. (a) Any taxpayer that pays for or provides child day care services, including the provision of the service of locating such services, to its employees or that provides facilities and necessary equipment for child day care services shall be allowed a credit against the privilege or income tax imposed by articles 11 and 32 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, as follows:

(1) Thirty percent of the total amount expended in the state during the taxable year by a taxpayer for child day care services purchased to provide care for the dependent children of the taxpayer’s employees or for the provision of the service of locating such services for such children;

(2) (A) in the taxable year in which a facility providing child day care services in the state for use primarily by the dependent children of the taxpayer’s employees is established, 50% of the total amount expended during such year by a taxpayer in the establishment and operation of such facility;

(B) in the taxable years other than the taxable year to which paragraph (2)(A) applies, 30% of the amount equal to the total amount expended during the taxable year by a taxpayer for the operation of a facility described in paragraph (2)(A) less the amount of moneys received by the taxpayer for use of such facility for child day care services;

(3) (A) in the taxable year in which a facility providing child day care services in the state for use primarily by the dependent children of the taxpayers’ employees is established in conjunction with one or more other taxpayers, 50% of the total amount expended during such year by a taxpayer in the establishment and operation of such facility;

(B) in the taxable years other than the taxable year to which paragraph (3)(A) applies, 30% of the amount equal to the total amount expended during the taxable year by a taxpayer for the operation of a facility described in paragraph (3)(A) less the amount of moneys received by the taxpayer for use of such facility for child day care services.
services; and

(4) for all taxable years commencing after December 31, 2020, 50% of the amount equal to the total amount expended during the taxable year by a taxpayer as payments to an organization providing access to available child day care services for the taxpayer's employees.

(b) No credit shall be allowed under this section unless the child day care facility or provider is licensed or registered pursuant to Kansas law.

(c) The credit allowed by paragraphs (1), (2)(B) and (3)(B) of subsection (a)(1), (2)(B) and (3)(B) shall not exceed $30,000 for any taxpayer during any taxable year. The credit allowed by paragraphs (2)(A) and (3)(A) of subsection (a)(2)(A), (3)(A) and (4) shall not exceed $45,000 for any taxpayer during any taxable year. The amount of the credit which exceeds the tax liability for a taxable year shall be refunded to the taxpayer. If the taxpayer is a corporation having an election in effect under subchapter S of the federal internal revenue code or a partnership, the credit provided by this section shall be claimed by the shareholders of such corporation or the partners of such partnership in the same manner as such shareholders or partners account for their proportionate shares of the income or loss of the corporation or partnership.

(d) The aggregate amount of credits claimed under this act for any fiscal year shall not exceed $3,000,000.

(e) For tax years 2013 and all tax years thereafter through 2020, the income tax credit provided by this section shall only be available to taxpayers subject to the income tax on corporations imposed pursuant to subsection (c) of K.S.A. 79-32,110(c), and amendments thereto, and shall be applied only against such taxpayer's corporate income tax liability.
(b) If a county submits a resolution as provided in subsection (a), under the program provided in this section, subject to subsection (d), the state of Kansas and such county which chooses to participate as provided in subsection (a), shall agree to pay in equal shares the outstanding student loan balance of any resident individual who qualifies to have such individual’s student loans repaid under the provisions of subsection (c) over a five-year period, except that the maximum amount of such balance shall be $15,000. The amount of such repayment shall be equal to 20% of the outstanding student loan balance of the individual in a year over the five-year repayment period. The state of Kansas is not obligated to pay the student loan balance of any resident individual who qualifies pursuant to subsection (c) prior to the county submitting a resolution to the secretary pursuant to subsection (a). Each such county shall certify to the secretary that such county has made the payment required by this subsection.

(c) A resident individual shall be entitled to have such individual’s outstanding student loan balance paid for attendance at an institution of higher education where such resident individual earned an associate, bachelor or post-graduate degree under the provisions of this section when such resident individual establishes domicile in a county designated as a rural opportunity zone which participates in the program as provided in subsection (a), on and after the date in which such county commenced such participation, and prior to July 1, 2023. Such resident individual may enroll in this program in a form and manner prescribed by the secretary. Subject to subsection (d), once enrolled such resident individual shall be entitled to full participation in the program for five years, except that if the resident individual relocates outside the rural opportunity zone for which the resident individual first qualified, such resident individual forfeits such individual’s eligibility to participate, and obligations under this section of the state and the county terminate. No resident individual shall enroll and be eligible to participate in this program after June 30, 2023.

(d) The provisions of this act shall be subject to appropriation acts. Nothing in this act guarantees a resident individual a right to the benefits provided in this section. The county may continue to participate even if the state does not participate.

(e) The secretary shall adopt rules and regulations necessary to administer the provisions of this section.

(f) On January 1, 2012, and annually thereafter until January 1, 2027, the secretary of commerce shall report to the senate committee on assessment and taxation and the house of representatives committee on taxation as to how many residents applied for the rural opportunity zone tax credit.
Sec. 3. K.S.A. 2021 Supp. 79-32,267 is hereby amended to read as follows: 79-32,267. (a) For taxable years commencing after December 31, 2011, and before January 1, 2024, there shall be allowed as a credit against the tax liability of a resident individual taxpayer an amount equal to the resident individual's income tax liability under the provisions of the Kansas income tax act, when the resident individual:

(1) (A) Establishes domicile in a rural opportunity zone on or after July 1, 2011, and prior to January 1, 2023, and was domiciled outside this state for five or more years immediately prior to establishing their domicile in a rural opportunity zone in this state;

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

(3) (C) was domiciled in a rural opportunity zone during the entire taxable year for which such credit is claimed; or

(2) (A) establishes domicile in a rural opportunity zone on or after July 1, 2021, and prior to January 1, 2026, and was domiciled in a metropolitan county as defined in K.S.A. 75-50,211, and amendments thereto, immediately prior to establishing their domicile in a rural opportunity zone in this state; and

(B) was domiciled in a rural opportunity zone during the entire taxable year for which such credit is claimed.

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

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

(d) No credit shall be allowed under this section if:

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

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

(e) This section shall be a part of and supplemental to the Kansas income tax act.


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