

SENATE BILL No. 239

By Committee on Assessment and Taxation

4-4

1 AN ACT concerning taxation; relating to certain state credit unions;
2 imposing a tax for the privilege of doing business; rates; definitions;
3 interest income received from business loans.
4

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

6 Section 1. (a) For all taxable years commencing after December 31,
7 2019, every state credit union located or doing business within the state
8 having assets equal to or exceeding \$100,000,000 shall pay to the state for
9 the privilege of doing business within the state a tax according to or
10 measured by its net income attributable to interest income received from
11 all business loans for the next preceding taxable year. Such tax shall
12 consist of a normal tax and a surtax and shall be computed as follows:

13 (1) The normal tax shall be an amount equal to $2\frac{1}{4}\%$ of such net
14 income; and

15 (2) the surtax shall be an amount equal to $2\frac{1}{8}\%$ of such net income in
16 excess of \$25,000.

17 (b) The tax levied shall be in lieu of ad valorem taxes that might
18 otherwise be imposed by the state or political subdivisions thereof upon
19 the intangible assets of state credit unions. As used in this section: (1)
20 "Interest" means interest on indebtedness incurred in the ordinary course
21 of the active conduct of any business; and (2) "business" means any entity
22 that is operated primarily for commercial or agricultural purposes and is
23 not an individual obtaining a loan primarily for personal, family or
24 household purposes.

25 (c) The provisions of this section shall be a part of and supplemental
26 to the provisions of K.S.A. 79-1106 through 79-1113, and amendments
27 thereto.

28 Sec. 2. This act shall take effect and be in force from and after its
29 publication in the statute book.