

SENATE BILL No. 90

By Committee on Commerce

2-4

1 AN ACT concerning economic development; relating to the center for
2 entrepreneurship act; extending the tax credit for contributions to
3 financial institutions and increasing the annual credit available for all
4 contributors; amending K.S.A. 74-99c09 and repealing the existing
5 section.
6

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

8 Section 1. K.S.A. 74-99c09 is hereby amended to read as follows: 74-
9 99c09. (a) Any money received by the center from any source shall be
10 maintained in interest-bearing accounts in Kansas banks or Kansas savings
11 and loan associations. Any accounts so maintained shall be administered
12 by the center for entrepreneurship under guidelines developed and
13 implemented by the center and approved by the secretary of commerce.

14 (b) The Kansas center for entrepreneurship shall be subject to audit
15 by the legislative division of post audit in accordance with the provisions
16 of the legislative post audit act.

17 (c) A credit against the tax imposed by ~~the~~ article 32; of chapter 79 of
18 the Kansas Statutes Annotated, *and amendments thereto*, on the Kansas
19 taxable income of a contributor ~~and~~, against the tax imposed by K.S.A. 40-
20 252, and amendments thereto, *and for tax year 2019, and all tax years*
21 *thereafter, against the privilege tax as measured by net income of financial*
22 *institutions pursuant to article 11 of chapter 79 of the Kansas Statutes*
23 *Annotated, and amendments thereto* shall be allowed for a contribution to
24 the Kansas center for entrepreneurship. The credit shall be a total
25 maximum amount equal to 75% of a contributor's donation to the Kansas
26 center for entrepreneurship, subject to the limitation set forth. This tax
27 credit may be used in its entirety in the taxable year in which the
28 contribution is made. The provisions of this section shall be applicable to
29 all taxable years beginning after December 31, 2004. If the amount by
30 which that portion of the credit allowed by this section exceeds the
31 contributor's liability in any one taxable year, the remaining portion of the
32 credit may be carried forward until the total amount of the credit is used. If
33 the contributor is a corporation having an election in effect under
34 subchapter S of the federal internal revenue code or a partnership, the
35 credit provided by this section shall be claimed by the shareholders of
36 these corporations or the partners of a partnership in the same manner as

1 these shareholders or partners account for their proportionate shares of the
2 income or loss of these corporations or partnerships.

3 (d) The secretary of revenue shall not allow tax credits of more than
4 ~~\$50,000~~ \$100,000 that are attributable to an individual contributor in the
5 Kansas center for entrepreneurship each year. In no event shall the total
6 amount of tax credits allowed under this section exceed \$2,000,000 for any
7 one fiscal year, except that for fiscal year 2011, the total amount of credits
8 allowed under this section shall not exceed \$1,800,000.

9 (e) The Kansas center for entrepreneurship, along with the
10 department, shall develop a system for application for registration of an
11 authorization of tax credits authorized pursuant to this act and shall control
12 distribution of all tax credits to contributors pursuant to this act. The
13 Kansas center for entrepreneurship, along with the department, shall also
14 develop rules for the administration of and disbursements from its
15 accounts.

16 (f) The Kansas center for entrepreneurship shall distribute funds to
17 regional or local community seed capital funds or economic development
18 agencies based on the following criteria: (1) The organization can provide
19 a 40% match; (2) the organization provides a plan that assures funds will
20 be used as seed capital for qualified entrepreneurs; (3) the funds will be
21 used in a distressed or rural community; or (4) other criteria as deemed
22 necessary by the Kansas center for entrepreneurship.

23 Sec. 2. K.S.A. 74-99c09 is hereby repealed.

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