

SESSION OF 2019

SUPPLEMENTAL NOTE ON SENATE BILL NO. 90

As Recommended by Senate Committee on
Commerce

Brief*

SB 90 would allow financial institutions to claim the Center for Entrepreneurship tax credit beginning in tax year 2019, which would be applied to the privilege tax owed. The maximum amount of tax credits that any taxpayer could claim would be increased from \$50,000 to \$100,000. The total amount of tax credits that could be claimed for all taxpayers would remain capped at \$2.0 million per fiscal year.

Background

The bill was introduced by the Senate Committee on Commerce at the request of the Kansas Bankers Association and in coordination with NetWork Kansas.

During the Senate Committee hearing, representatives of the Kansas Bankers Association, NetWork Kansas, and the City of Atchison spoke in favor of the bill, explaining banks participate in the E-Community Partnership. Under current law, financial institutions are not allowed to claim the credit. The representative from NetWork Kansas explained the Partnership increases capital and brings entrepreneurship programming to communities. The representative of the City of Atchison provided examples of business development in that community. Representatives from the Western Kansas Rural Economic Development Alliance and a bank provided written-only proponent testimony.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

No additional testimony was provided.

According to the fiscal note prepared by the Division of the Budget, the bill would have no fiscal effect on State General Fund (SGF) revenues. The Department of Revenue indicates it would require \$241,400 from the SGF to modify the automated tax system, which would be performed by existing staff. Any fiscal effect associated with the bill is not reflected in *The FY 2020 Governor's Budget Report*.