

2023 Kansas Statutes

- 79-32,211c. Credit for restoration and preservation of commercial structure at least 50 years old; amount of credit; limitations; requirements; rules and regulations.** (a) For all taxable years commencing after December 31, 2021, there shall be allowed a tax credit against the income, privilege or premium tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, or the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, in an amount equal to 10% of costs and expenses incurred for the restoration and preservation of a commercial structure at least 50 years old that does not receive tax credits pursuant to K.S.A. 79-32,211, and amendments thereto. An additional tax credit of 10% of the costs and expenses may be allowed for the installation of fire suppression materials or equipment by a taxpayer. The total amount of such costs and expenses shall be at least \$25,000 but shall not exceed \$500,000. If the amount of such tax credit exceeds the taxpayer's income, privilege or premium tax liability for the year in which the rehabilitation was completed, such excess amount may be carried over for deduction from such taxpayer's income, privilege or premium tax liability in the next succeeding year or years until the total amount of the credit has been deducted from tax liability, except that no such credit shall be carried over for deduction after the 10th taxable year succeeding the taxable year in which the rehabilitation plan was placed in service.
- (b) Any bank, savings and loan association or savings bank shall pay taxes on 50% of the interest earned on loans to taxpayers used for costs and expenses for the restoration and preservation of a commercial structure at least 50 years old or for the installation of fire suppression materials or equipment.
- (c) If the taxpayer is a corporation having an election in effect under subchapter S of the federal internal revenue code, a partnership or a limited liability company, the credit provided by this section shall be claimed by the shareholders of such corporation, the partners of such partnership or the members of such limited liability company in the same manner as such shareholders, partners or members account for their proportionate shares of the income or loss of the corporation, partnership or limited liability company, or as the corporation, partnership or limited liability company mutually agree as provided in the bylaws or other executed agreement. Credits granted to a partnership, a limited liability company taxed as a partnership or other multiple owners of property shall be passed through to the partners, members or owners respectively pro rata or pursuant to an executed agreement among the partners, members or owners documenting any alternate distribution method.
- (d) Any person, hereinafter designated the assignor, may sell, assign, convey or otherwise transfer tax credits allowed and earned pursuant to subsection (a). The taxpayer acquiring credits, hereinafter designated the assignee, may use the amount of the acquired credits to offset up to 100% of the assignee's income, privilege or premium tax liability for either the taxable year in which the costs and expenses were made. Unused credit amounts claimed by the assignee may be carried forward for up to five years, except that all such amounts shall be claimed within 10 years following the tax year in which the costs and expenses were made. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement.
- (e) No person claiming a tax credit under this section may claim a tax credit for the same structure under K.S.A. 79-32,211, and amendments thereto.
- (f) The aggregate amount of tax credits that may be claimed under this section shall not exceed \$10,000,000 each tax year.
- (g) The director of taxation may adopt rules and regulations as necessary for the efficient and effective administration of the provisions of this section.

History: L. 2022, ch. 85, § 14; July 1.