

HOUSE BILL No. 2747

By Committee on Taxation

2-14

Proposed Committee Amendments to
 HB No. 2747
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 Office of Revisor of Statutes
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1 AN ACT concerning taxation; relating to income and privilege tax rates;
 2 income tax deductions and credits and income determination;
 3 distribution of sales and use tax revenue; severance tax, exemptions;
 4 rural opportunity zones; amending K.S.A. 79-32,128 and K.S.A. 2011
 5 Supp. 74-50,222, 79-1107, 79-1108, 79-32,110, 79-32,111, 79-32,117,
 6 79-32,119, 79-32,205, 79-3620, 79-3710 and 79-4217 and repealing the
 7 existing sections.
 8

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

9 New Section 1. (a) (1) Except as provided in subsection (a)(2),
 10 commencing with fiscal year 2012, in any fiscal year in which the amount
 11 of selected actual state general fund receipts from such fiscal year exceeds
 12 the selected actual state general fund receipts for the immediately
 13 preceding fiscal year by more than 2%, the director of legislative research
 14 shall certify such excess amount to the secretary of revenue and the
 15 director of the budget. Upon receipt of such certified amount, the secretary
 16 shall compute the excess percentage increase in selected actual state
 17 general fund receipts above 2%. Based on such excess percentage of
 18 calculated receipt growth, the secretary shall compute the income tax rate
 19 reductions to go into effect for the next tax year that would reduce by such
 20 certified amount the tax rates during the fiscal year after the next fiscal
 21 year according to the provisions of this section, as follows: (A) Rate
 22 reductions for individual income tax rates shall be applied to reduce the
 23 middle marginal income tax rate applicable to the current tax year by such
 24 excess percentage, the highest marginal income tax rate applicable to the
 25 current tax year, by such excess percentage minus 0.5%, and the lowest
 26 marginal income tax rate applicable to the current tax year by such excess
 27 percentage plus 0.5%. In any such computation by the secretary pursuant
 28 to this subsection in which the income tax rate for any individual marginal
 29 income tax rate is below 0.4%, such rate shall be 0%. Based on all such
 30 determinations, the secretary shall reduce individual income tax rates
 31 prescribed by K.S.A. 79-32,110, and amendments thereto, as required by
 32 this section;
 33
 34 (B) upon all individual marginal income tax rates being reduced to
 35 0% pursuant to the provisions of subsection (a)(1)(A), rate reduction next
 36 shall be applied for the surtax on corporations applicable to the current tax

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1 corporation commission pursuant to rules and regulations adopted under
 2 the authority of K.S.A. 55-152 and amendments thereto and proof that the
 3 oil produced therefrom is kept in a separate tank battery and that separate
 4 books and records are maintained therefor. Such exemption shall be valid
 5 for a period of two years following the date of certification thereof by the
 6 director of taxation; (C) any exemption granted pursuant to subsections (b)
 7 (2)(A), (B), (D) or (E) with an odd lease number and an exemption
 8 termination date between June 1, 2004, and May 31, 2005, inclusive, shall
 9 be valid for a period of one year following the date of certification; and
 10 (D) notwithstanding the provisions of paragraph (A) or (B), any exemption
 11 in effect on the effective date of this act affected by the amendments to
 12 subsection (b)(2) by this act shall be redetermined in accordance with such
 13 amendments. Any such exemption, and any new exemption established by
 14 such amendments and applied for after the effective date of this shall be
 15 valid for a period commencing with May 1, 1998, and ending on April 30,
 16 1999.

17 (4) the severance and production of gas or oil from any pool from
 18 which oil or gas was first produced on or after April 1, 1983, and prior to
 19 July 1, 2012, as determined by the state corporation commission and
 20 certified to the director of taxation, and continuing for a period of 24
 21 months from the month in which oil or gas was first produced from such
 22 pool as evidenced by an affidavit of completion of a well, filed with the
 23 state corporation commission and certified to the director of taxation.
 24 Exemptions granted for production from any well pursuant to this
 25 paragraph shall be valid for a period of 24 months following the month in
 26 which oil or gas was first produced from such pool. The term "pool"
 27 means an underground accumulation of oil or gas in a single and separate
 28 natural reservoir characterized by a single pressure system so that
 29 production from one part of the pool affects the reservoir pressure
 30 throughout its extent;

31 (5) the severance and production of oil of ~~not more than 50 barrels~~
 32 per day from any pool from which oil was first produced on or after July 1,
 33 2012, as determined by the state corporation commission and certified to
 34 the director of taxation, and continuing for a period of 24 months from the
 35 month in which oil was first produced from such pool as evidenced by an
 36 affidavit of completion of a well, filed with the state corporation
 37 commission and certified to the director of taxation. Exemptions granted
 38 for production from any well pursuant to this subsection shall be valid for
 39 a period of 24 months following the month in which oil was first produced
 40 from such pool. The term "pool" means an underground accumulation of
 41 oil in a single and separate natural reservoir characterized by a single
 42 pressure system so that production from one part of the pool affects the
 43 reservoir pressure throughout its extent;

to exceed 250

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