

HOUSE BILL No. 2087

By Committee on Commerce, Labor and Economic Development

1-24

1 AN ACT concerning the promoting employment across Kansas act;
2 relating to extension of the benefit term for a qualified company;
3 amending K.S.A. 2012 Supp. 74-50,212 and repealing the existing
4 section.

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

7 Section 1. K.S.A. 2012 Supp. 74-50,212 is hereby amended to read as
8 follows: 74-50,212. (a) In order to qualify for benefits under this act a
9 qualified company shall:

10 (1) Relocate to ~~Kansas~~ an existing business facility, office,
11 department or other operation doing business outside the state of Kansas
12 and locate the jobs directly related to such relocated business facility,
13 office, department or other operation in Kansas;

14 (2) locate a new business facility, office, department or other
15 operation in Kansas and locate the jobs directly related to such business
16 facility, office, department or other operation in Kansas; or

17 (3) expand an existing business facility, office, department or other
18 operation located in the state of Kansas and locate the jobs directly related
19 to such business facility, office, department or other operation in Kansas,
20 except that no payroll withholding taxes shall be retained prior to January
21 1, 2012.

22 A qualified company may utilize or contract with a third-party
23 employer to perform services whereby the third-party employer serves as
24 the legal employer of the new employees providing services to the
25 qualified company and such services are performed in Kansas and the
26 third-party employer and the new employees are subject to the Kansas
27 withholding and declaration of estimated tax act.

28 (b) Any qualified company, approved by the secretary for benefits
29 pursuant to paragraph (a), that locates its business operation in a
30 metropolitan county and will hire at least 10 new employees within two
31 years from the date the qualified company enters into an agreement with
32 the secretary pursuant to K.S.A. 2012 Supp. 74-50,213, and amendments
33 thereto, or any qualified company, approved by the secretary for benefits
34 pursuant to paragraph (a), that locates its business operation in a non-
35 metropolitan county and will hire at least five new employees within two
36 years from the date the qualified company enters into an agreement with

1 the secretary pursuant to K.S.A. 2012 Supp. 74-50,213, and amendments
2 thereto, shall: (1) Be eligible to retain 95% of the qualified company's
3 Kansas payroll withholding taxes for such new employees being paid the
4 county median wage or higher for a period of up to:

5 (A) Five years if the median wage paid to the new employees is equal
6 to at least 100% of the county median wage;

7 (B) six years if the median wage paid to the new employees is equal
8 to at least 110% of the county median wage;

9 (C) seven years if the median wage paid to the new employees is
10 equal to at least 120% of the county median wage; or

11 (2) be eligible to retain 95% of the qualified company's Kansas
12 payroll withholding taxes for such new employees being paid the county
13 median wage or higher for a period of up to five years if the median wage
14 paid to the new employees is equal to at least 100% of the NAICS code
15 industry average wage.

16 (c) Any qualified company, approved by the secretary for benefits
17 pursuant to paragraph (a), that engages in a high-impact project whereby
18 the qualified company will hire at least 100 new employees within two
19 years from the date the qualified company enters into an agreement with
20 the secretary pursuant to K.S.A. 2012 Supp. 74-50,213, and amendments
21 thereto, shall be eligible to retain 95% of the qualified company's Kansas
22 payroll withholding taxes for such new employees being paid the county
23 median wage or higher for a period of up to:

24 (1) Seven years if the median wage paid to the new employees is
25 equal to at least 100% of the county median wage;

26 (2) eight years if the median wage paid to the new employees is equal
27 to at least 110% of the county median wage;

28 (3) nine years if the median wage paid to the new employees is equal
29 to at least 120% of the county median wage; or

30 (4) ten years if the median wage paid to the new employees is equal
31 to at least 140% of the county median wage.

32 (d) In the event that a qualified company contracts with a third party
33 as described in subsection (a), the third party shall remit payments equal to
34 the amount of Kansas payroll withholding taxes the qualified company is
35 eligible to retain under this section to the qualified company, and report
36 such amount to the department of revenue as required pursuant to
37 subsection (a) of K.S.A. 2012 Supp. 74-50,214, and amendments thereto.

38 (e) Commencing January 1, 2013, and ending December 31, 2014,
39 any company, which meets the criteria provided pursuant to the provisions
40 of K.S.A. 2012 Supp. 74-50,211, and amendments thereto, that retains the
41 employees of an existing business unit located in Kansas and enters into an
42 agreement with the secretary pursuant to K.S.A. 2012 Supp. 74-50,213,
43 and amendments thereto, shall be eligible to retain 95% of the qualified

1 company's Kansas payroll withholding taxes for such employees for a
2 period of up to five years.

3 (f) (1) Commencing January 1, 2013, and ending December 31, 2014,
4 pursuant to the provisions of subsection (e), the secretary of commerce, in
5 the secretary's sole determination, may provide the benefits of the
6 promoting employment across Kansas act for situations where it is deemed
7 necessary by the secretary that the state of Kansas provide incentives for a
8 company or its operations currently located in Kansas to remain in Kansas
9 so as to keep its retained jobs. The secretary shall establish and verify that
10 a prospective company has competitive alternatives that it is seriously
11 considering and that a company's relocation may be imminent.
12 Furthermore, the secretary shall assess:

13 (A) Whether the retention of the company or its operations is
14 important to the economic vitality of the state;

15 (B) the area where such company or operations is located; or

16 (C) whether the retention of the company or its operations is
17 important to a particular industry in the state due to any number of factors
18 including, but not limited to, the quantity, quality or wages of the retained
19 jobs involved.

20 (2) Effective January 1, 2013, and ending December 31, 2014, the
21 secretary may use the promoting employment across Kansas act in
22 conjunction with other economic development programs to develop a
23 retention package.

24 (g) (1) *A qualified company that has entered into an agreement for*
25 *benefits with the secretary prior to January 1, 2013, may apply to the*
26 *secretary to extend the original benefit term for up to two additional years.*

27 (g) (2) *Extension of contract benefits shall be solely within the*
28 *discretion of the secretary.*

29 ~~(g)~~ (h) The provisions of this act as in effect prior to the effective date
30 of this act shall apply to employers who have entered into agreements with
31 the secretary prior to July 1, 2011. The provisions of this act shall apply to
32 employers who enter into agreements with the secretary on and after July
33 1, 2011.

34 Sec. 2. K.S.A. 2012 Supp. 74-50,212 is hereby repealed.

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