

KANSAS OFFICE of
REVISOR of STATUTES

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300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

MEMORANDUM

To: House Committee on Commerce, Labor and Economic Development
From: Charles Reimer, Assistant Revisor of Statutes
Date: 2-1-2017
Subject: HB 2036

2036

HB ~~2037~~ establishes a new income tax credit incentive program to promote education and employment in the “aerospace” and “aviation” industries in Kansas.

Employer Tax Credits

Starting in tax year 2018, a nonrefundable tax credit is provided to a “qualified employer” who hires a recent graduate of an aerospace or aviation educational “qualified program,” or whose employee obtains the educational degree or certificate within a year of hire. The tax credit is in the amount of 50% of reimbursements to the new employee of tuition paid by the employee, as limited by the bill. This credit may be claimed for up to 4 successive years for reimbursements made in that respective year if the employee continues to be employed.

In addition, the employer is eligible for a nonrefundable credit for a percentage of “compensation” paid to the employee. The amount of the credit is ten percent for a graduate from a Kansas institution or five percent if the employee received his education out-of-state. The credit is limited annually to \$15,000 or \$7500, respectively and may be claimed for five successive years if the employee continues to be employed.

Employee Tax Credit

Starting in tax year 2018, a taxpayer who becomes a “qualified employee” during the tax year is entitled to a tax credit in the amount of \$5,000. The credit may be claimed for up to five years if the employee is a “qualified employee” during that respective year. The credit may be carried over for up to four succeeding years.