***REVISED***
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# SUPPLEMENTAL NOTE ON SENATE BILL NO. 211

As Amended by Senate Committee on Assessment and Taxation

## Brief*

SB 211, as amended, would enact a new income tax credit for tax years 2017-2019 equivalent to 15.0 percent of expenditures on goods and services purchased from qualified vendors or non-profit certified businesses providing a certain level of health insurance benefits and having at least 10.0 percent of their employees be resident Kansans with disabilities. The amount of the credit would be capped at $500,000 per taxpayer for each qualified vendor each tax year.

The Secretary of Commerce would be required to certify annually the qualified expenditures eligible for the tax credit and provide the amount to the Secretary of Revenue.

The tax credits would be nonrefundable, but unused credits could be carried forward for up to four years and applied against the liability of future tax years.

## Background

In the Senate Committee on Assessment and Taxation hearing on March 15, a number of disability advocates appeared in support of the tax credit, including representatives of Interhab and the Cerebral Palsy Research Foundation. A spokesperson for the Disability Rights Center of Kansas expressed concern over the bill's original proposed

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*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 definition of “qualified vendor” for purposes of the credit. Various stakeholders subsequently met with Senators Francisco and Petersen and agreed to replace the original definition with new language defining “certified business” as well as “qualified vendor.” The Senate Committee adopted that amendment on April 5.

The Senate Committee also amended the bill on April 5 to remove a second credit that would have applied to certain purchases made prior to January 1, 2017, and to sunset the tax credit after tax year 2019.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Revenue indicates State General Fund receipts could be reduced by about $900,000 annually. A fiscal note on the amended bill was not immediately available.