

HOUSE BILL No. 2216

By Representative Alcalá

2-8

1 AN ACT concerning postsecondary education; relating to repayment of
2 student loans; tax credits; establishing the state employee student loan
3 repayment assistance act.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. Sections 1 through 4, and amendments thereto, shall be
7 known and may be cited as the state employee student loan repayment
8 assistance act.

9 Sec. 2. As used in the state employee student loan repayment
10 assistance act:

11 (a) "Board" means the state board of regents.

12 (b) "Eligible borrower" means any state employee who:

13 (1) Received or agreed to the terms of a student loan to attend a
14 postsecondary educational institution; and

15 (2) obtained an academic degree from a postsecondary educational
16 institution.

17 (c) "Postsecondary educational institution" means any:

18 (1) State educational institution as such term is defined in K.S.A. 76-
19 711, and amendments thereto; or

20 (2) community college, municipal university, technical college or
21 independent postsecondary educational institution as such terms are
22 defined in K.S.A. 74-32,194, and amendments thereto.

23 (d) "State employee" means a person employed by the state of Kansas
24 as a classified or unclassified employee in the state personnel system or
25 any appointed or elective officer of the state of Kansas.

26 (e) (1) "Student loan" means: (A) Any federal education loan or other
27 loan primarily used to finance educational expenses, including, but not
28 limited to, loans used to finance tuition, fees, books, supplies, room and
29 board, transportation and miscellaneous personal expenses; or (B) any loan
30 made for the purpose of refinancing a student loan as defined in
31 subparagraph (A).

32 (2) The term "student loan" shall not include: (A) Any extension of
33 credit under an open-ended consumer credit plan, a reverse mortgage
34 transaction, a residential mortgage transaction or any other loan that is
35 secured by real or personal property; or (B) an extension of credit made by
36 a postsecondary educational institution, if the term of such extension of

1 credit is no longer than a person's educational program.

2 (f) "Student loan eligible for repayment" means any student loan of
3 an eligible borrower to which such eligible borrower is making payments
4 for the purpose of repayment of such student loan.

5 Sec. 3. (a) To be eligible to receive the student loan repayment
6 assistance tax credit pursuant to section 4, and amendments thereto, a
7 person must be an eligible borrower.

8 (b) (1) Upon application to the board of regents, in each calendar
9 year, the board of regents shall certify whether a person is an eligible
10 borrower and shall determine the total amount of principal and interest the
11 eligible borrower paid upon such loan for the calendar year. Application
12 for certification pursuant to this section shall be submitted in such form
13 and manner as prescribed by the board.

14 (2) The board shall require an initial application for certification of an
15 eligible borrower to include a transcript of the applicant's coursework and
16 degree obtained at a postsecondary educational institution.

17 (3) The board shall require each eligible borrower to submit
18 verification of state employment for the tax year in which the student loan
19 repayment assistance tax credit is claimed. If an eligible borrower was not
20 a state employee for the entirety of the tax year in which such tax credit is
21 claimed, the board shall certify the amount of principal and interest the
22 eligible borrower paid as a state employee, or is anticipated to pay as a
23 state employee based on such borrower's loan repayment plan, upon such
24 loan for the tax year.

25 (c) The board may establish rules and regulations for the
26 administration of the provisions of the state employee student loan
27 repayment act.

28 Sec. 4. There shall be allowed a credit against the tax liability
29 imposed upon a taxpayer pursuant to the Kansas income tax act for tax
30 year 2020, and each tax year thereafter, an amount equal to 50% of the
31 total principal and interest paid by an eligible borrower upon a student
32 loan eligible for repayment that was certified by the state board of regents
33 pursuant to section 3, and amendments thereto. The credit shall be claimed
34 and deducted from the taxpayer's income tax liability during the tax year in
35 which payments were made upon such student loan eligible for repayment.
36 If the amount of any such tax credit claimed by a taxpayer exceeds the
37 taxpayer's income tax liability, such excess amount shall be refunded to the
38 taxpayer. Each taxpayer shall provide a copy of the certification obtained
39 pursuant to section 3, and amendments thereto, when claiming such
40 credit.

41 Sec. 5. This act shall take effect and be in force from and after its
42 publication in the statute book.