

HOUSE BILL No. 2721

By Committee on Taxation

2-19

1 AN ACT concerning economic development; relating to rural opportunity
2 zones; extending the time period for eligibility in the loan repayment
3 program and the income tax credit; amending K.S.A. 74-50,223 and
4 79-32,267 and repealing the existing sections.

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

7 Section 1. K.S.A. 74-50,223 is hereby amended to read as follows:
8 74-50,223. (a) Any county that has been designated a rural opportunity
9 zone pursuant to K.S.A. 74-50,222, and amendments thereto, may
10 participate in the program provided in this section by authorizing such
11 participation by the county commission of such county through a duly
12 enacted written resolution. Such county shall provide a certified copy of
13 such resolution to the secretary of commerce on or before January 1, 2012,
14 for calendar year 2012, or on or before January 1 for each calendar year
15 thereafter, in which a county chooses to participate. Such resolution shall
16 obligate the county to participate in the program provided by this section
17 for a period of five years, and shall be irrevocable. Such resolution shall
18 specify the maximum amount of outstanding student loan balance for each
19 resident individual to be repaid as provided in subsection (b), except the
20 maximum amount of such balance shall be \$15,000.

21 (b) If a county submits a resolution as provided in subsection (a),
22 under the program provided in this section, subject to subsection (d), the
23 state of Kansas and such county which chooses to participate as provided
24 in subsection (a), shall agree to pay in equal shares the outstanding student
25 loan balance of any resident individual who qualifies to have such
26 individual's student loans repaid under the provisions of subsection (c)
27 over a five-year period, except that the maximum amount of such balance
28 shall be \$15,000. The amount of such repayment shall be equal to 20% of
29 the outstanding student loan balance of the individual in a year over the
30 five-year repayment period. The state of Kansas is not obligated to pay the
31 student loan balance of any resident individual who qualifies pursuant to
32 subsection (c) prior to the county submitting a resolution to the secretary
33 pursuant to subsection (a). Each such county shall certify to the secretary
34 that such county has made the payment required by this subsection.

35 (c) A resident individual shall be entitled to have such individual's
36 outstanding student loan balance paid for attendance at an institution of

1 higher education where such resident individual earned an associate,
2 bachelor or post-graduate degree under the provisions of this section when
3 such resident individual establishes domicile in a county designated as a
4 rural opportunity zone which participates in the program as provided in
5 subsection (a), on and after the date in which such county commenced
6 such participation, and prior to July 1, ~~2021~~ 2023. Such resident individual
7 may enroll in this program in a form and manner prescribed by the
8 secretary. Subject to subsection (d), once enrolled such resident individual
9 shall be entitled to full participation in the program for five years, except
10 that if the resident individual relocates outside the rural opportunity zone
11 for which the resident individual first qualified, such resident individual
12 forfeits such individual's eligibility to participate, and obligations under
13 this section of the state and the county terminate. No resident individual
14 shall enroll and be eligible to participate in this program after June 30,
15 ~~2021~~ 2023.

16 (d) The provisions of this act shall be subject to appropriation acts.
17 Nothing in this act guarantees a resident individual a right to the benefits
18 provided in this section. The county may continue to participate even if the
19 state does not participate.

20 (e) The secretary shall adopt rules and regulations necessary to
21 administer the provisions of this section.

22 (f) On January 1, 2012, and annually thereafter until January 1, ~~2022~~
23 2024, the secretary of commerce shall report to the senate committee on
24 assessment and taxation and the house of representatives committee on
25 taxation as to how many residents applied for the rural opportunity zone
26 tax credit.

27 Sec. 2. K.S.A. 79-32,267 is hereby amended to read as follows: 79-
28 32,267. (a) For taxable years commencing after December 31, 2011, and
29 before January 1, ~~2022~~ 2024, there shall be allowed as a credit against the
30 tax liability of a resident individual taxpayer an amount equal to the
31 resident individual's income tax liability under the provisions of the
32 Kansas income tax act, when the resident individual:

33 (1) Establishes domicile in a rural opportunity zone on or after July 1,
34 2011, and prior to January 1, ~~2021~~ 2023 and was domiciled outside this
35 state for five or more years immediately prior to establishing their
36 domicile in a rural opportunity zone in this state;

37 (2) had Kansas source income less than \$10,000 in any one year for
38 five or more years immediately prior to establishing their domicile in a
39 rural opportunity zone in this state; and

40 (3) was domiciled in a rural opportunity zone during the entire
41 taxable year for which such credit is claimed.

42 (b) A resident individual may claim the credit authorized by this
43 section for not more than five consecutive years following establishment

1 of their domicile in a rural opportunity zone.

2 (c) The maximum amount of any refund under this section shall be
3 equal to the amount withheld from the resident individual's wages or
4 payments other than wages pursuant to K.S.A. 79-3294 et seq., and
5 amendments thereto, or paid by the resident individual as estimated taxes
6 pursuant to K.S.A. 79-32,101 et seq., and amendments thereto.

7 (d) No credit shall be allowed under this section if:

8 (1) The resident individual's income tax return on which the credit is
9 claimed is not timely filed, including any extension; or

10 (2) the resident individual is delinquent in filing any return with, or
11 paying any tax due to, the state of Kansas or any political subdivision
12 thereof.

13 (e) This section shall be *a* part of and supplemental to the Kansas
14 income tax act.

15 Sec. 3. K.S.A. 74-50,223 and 79-32,267 are hereby repealed.

16 Sec. 4. This act shall take effect and be in force from and after its
17 publication in the statute book.